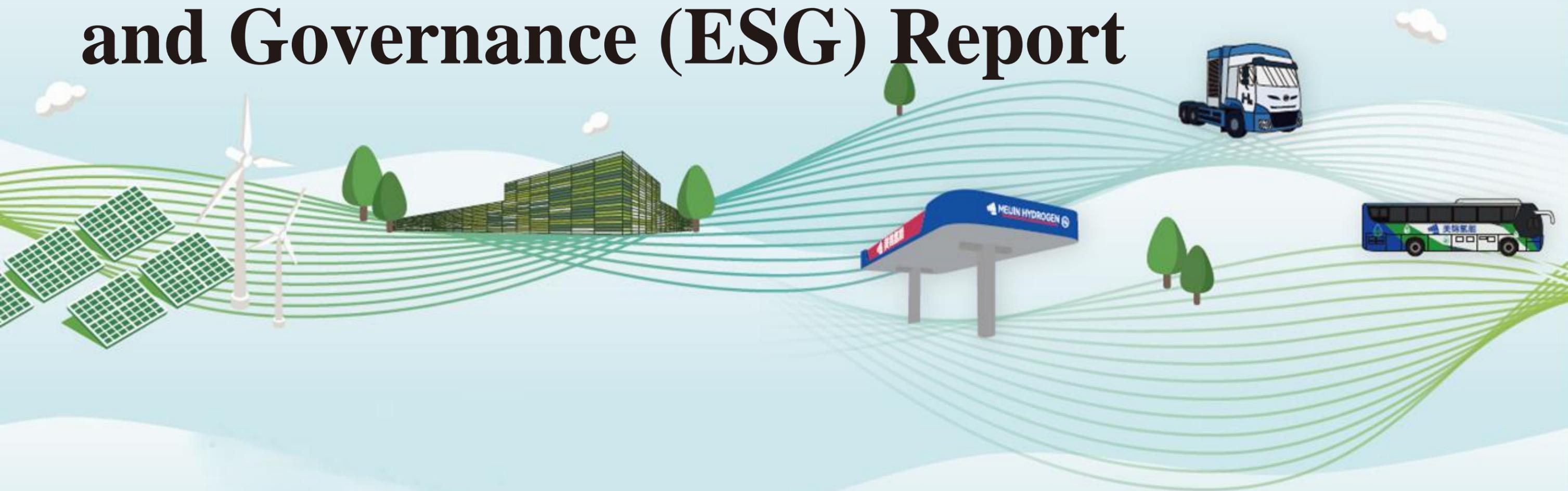




山西美锦能源股份有限公司  
Shanxi Meijin Energy Co.,Ltd.

# 2022 Environmental, Social and Governance (ESG) Report



LOW-CARBON WORLD EXPANDS THE FUTURE OF HYDROGEN

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# MANAGEMENT MESSAGE

Meijin Energy has gone through more than 40 remarkable years. We have been working hard and moving forward with determination, and now we have achieved outstanding results. 2022 was an extraordinary year. We resonated with national and regional economic development, and stood out in the face of the tide of the times and profound changes unseen in the century. Adhering to the concept of “two-wheel-driven development”, we courageously took on the role of the “main force” of energy supply, actively responding to the call of the State and Shanxi Province for deepening the comprehensive reform of the energy revolution, promoting the full integration of ESG concepts into management, and methodically promoting energy transformation.

Currently, green development has become an important driver for company to achieve growth. Meijin Energy firmly follows the pace of the times and keeps exploring the opportunities and challenges brought by carbon peaking and carbon neutrality. In 2022, Meijin Energy was mindful of nature and strive for work toward the goal of “achieving carbon peaking by 2026 and carbon neutrality in our operations and in section of our value chain emissions by 2040”. We played a leading role in the hydrogen energy industry to help the upstream and downstream industry chains and local governments to realize hydrogen energy transportation substitution. We also promoted equipment upgrades and renovations in our traditional coal and coking business to reduce the environmental impact of our operations. It is exciting to see that after a year of hard work, our carbon emissions are progressing steadily according to the plan of the *Meijin Energy Carbon Neutrality Report*.

Product quality has been the foundation of Meijin Energy for many years. We have a perfect quality assurance process, and our pursuit of product quality can be seen from raw material procurement, production and processing, finished product testing, logistics transportation, etc. We follow the Party and State’s call and strive to achieve high-quality development through technological innovation. In 2022, our hydrogen energy business surged forward. Our hydrogen fuel cell vehicles have undergone several extreme environmental tests and successfully overcome technical limitations, and can be seen in Guizhou, Qingdao, and Foshan. With the continuous refinement of the hydrogen energy industry chain, Meijin Energy is increasingly confident to become a brave pathfinder of traditional energy transformation, a pioneer of the times in the hydrogen energy innovation industry, and an excellent front-runner of the energy green revolution.

We always puts our employees at heart, always uphold the concept of people-oriented, and constantly improve the human resources system to protect the legitimate rights and interests of employees to the greatest extent. We care about the lives and growth of our employees, gradually making efforts from talent recruitment, talent development, and employee care, and strive to build a warm and humane enterprise so that employees can harvest a sense of belonging and happiness in Meijin Energy. We also attach great importance to the health and safety of our employees. Meijin Energy takes production safety as the primary goal, constantly optimizes the working environment, and strictly implements the production safety responsibility system to better achieve the common development of the enterprise and employees.

The achievements of Meijin Energy come from the hard work of generations of Meijin employees, and cannot be separated from the opportunities of the development of the times, the strong support of the Party, the state and all sectors of society. With a grateful heart, while Meijin Energy keeps developing, we contribute Meijin power to society. In 2022, we responded to the call for rural revitalization and donated to villagers in need in our operation sites, and focused on the protection of the rights and interests of the disabled, urban and rural construction and education, etc. We interpreted our responsibility and practiced our mission with our actions.

Along the way, Meijin Energy has overcome many difficulties and forged ahead on the road of promoting high-quality socio-economic development and comprehensive upgrading of green industries. In 2022, Meijin Energy continued to improve the ESG system and gradually take the ESG concept into the hearts of employees. In the future, we will still adhere to the concept of sustainable development and join hands with industry peers in the fields of traditional energy and hydrogen energy. Together, we will dream, chase dream, realize dream, and unite to “Low-carbon World Expands the Future of Hydrogen”!

Chairman

姚锦龙



# About This Report

## Introduction

The report is the second Environmental, Social, and Governance Report (hereinafter referred to as the "ESG Report" or "this Report") was released by Shanxi Meijin Energy Co., Ltd. (hereinafter referred to as the "Meijin Energy", and called by a joint name "the Company" or "we") is to comprehensively illustrate the company's environmental, social and governance management initiatives and practice performances in 2022, and to objectively disclosure the company's management and effectiveness in sustainable development, in response to the concerns and expectations of the stakeholders and the public, and to strengthen communication and contact with stakeholders.

## Reporting Scope

This report covers the information and data of the Company from January 1, 2022 to December 31, 2022 (the "Reporting Period"), with some information and data dating back to 2021 and before, or extending to 2023. This report covers the company and its 88 branches and subsidiaries, including coal, coke, chemicals, hydrogen, and other businesses. For details of the company's business, please refer to the Company's 2022 Annual Report.

## Basis of Reporting

This report is prepared in accordance with the *Social Responsibility Guidelines of Shenzhen Stock Exchange* (hereinafter referred to as "SHENZHEN Stock Exchange") and the *GRI Sustainability Reporting Standards* (hereinafter referred to as "GRI Standards") issued by the Global Sustainability Standards Board (GSSB). It also borrows key issues from MSCI, the global leading rating agency.

## Data Sources and Reliability Statement

The information and data disclosed in this report are mainly from relevant internal statistical reports or documents of the company and have been reviewed by relevant departments. Unless otherwise noted, the data disclosed in the report shall be consistent with the annual report. The company undertakes that there is no false record or misleading statement in this report and is responsible for the authenticity, accuracy, and completeness of the content. The currency amount involved in this report is CNY as the settlement currency.

## Process of Preparation

The content of this report is determined in accordance with a systematic procedure. The relevant procedures include the working group formation, the identification of important stakeholders, the stakeholder interviews, the identification and ranking of important issues related to ESG, the determination of the boundaries of ESG reports, the collection of relevant materials and data, the framework determination, the report preparation, the report design, the preparation of the department and senior level review.

## Confirmation and Approval

This report was deliberated and approved at the 51<sup>st</sup> Meeting of the 9<sup>th</sup> Board of Directors on May 31, 2023.

## Access and Respond to This Report

To view or download the report online, please visit the company's official website [www.mjenergy.cn](http://www.mjenergy.cn) to obtain the electronic version of the report.

We value the suggestions and comments of stakeholders, welcome and encourage readers to contact us in the following ways. Your suggestions and comments will help us further refine this report and improve our ESG performance.



Contact: 0351-4236095

E-mail: [mjenergy@mjenergy.cn](mailto:mjenergy@mjenergy.cn)



# Diligent Progress, Hydrogen Ushers in the Future

## CHAPTER 1

1.1 About Us

1.2 Corporate Governance

1.3 ESG Governance

# 1.1 About Us

## Company Profile

Shanxi Meijin Energy Co., Ltd. is a company listed on the main board of the Shenzhen Stock Exchange, whose main business involves coal, coke, chemicals, hydrogen energy, and other fields. After more than 40 years of development, we have become one of the largest independent producers of commercial coke and coal in China. Since 2017, as the leader of the energy revolution, we have been optimizing our industrial structure, taking “first-class equipment, first-class environmental protection, and first-class energy consumption” as the standard, continuously promoting the transformation and development of traditional industries, and starting the layout of the hydrogen energy industry. By the end of 2021, we have completed our first five-year plan for the development of hydrogen energy. In 2022, the opening year of the second five-year plan, we launched the “Five-One” strategy in the hydrogen energy industry system and promote the seven regional development strategies with full force, at the same time laying out more potential regions in a forward-looking manner. At present, we have gathered nearly twenty high-growth enterprises in the hydrogen energy industry chain, and we are vigorously promoting the commercial applications while mastering the core technology, aiming to stand at the forefront of hydrogen energy development together with extensive peers.

We also actively followed the national strategy of “carbon peaking and carbon neutrality”, adhered to low-carbon development, continued to increase investment in the hydrogen energy industry chain, and vigorously developed new energy and new material industries. We have explored the innovative ecological chain of “the whole life cycle of hydrogen energy” from R&D, production and manufacturing to commercial application, gathered the leading enterprises of each link of hydrogen energy including “production, storage, transportation, refueling and utilization”, and continued to build a hydrogen energy industry cluster with independent intellectual property rights. In addition, we upheld the concept of “diversity and openness, co-build and sharing”, and constantly strengthened the international level of communication and cooperation.

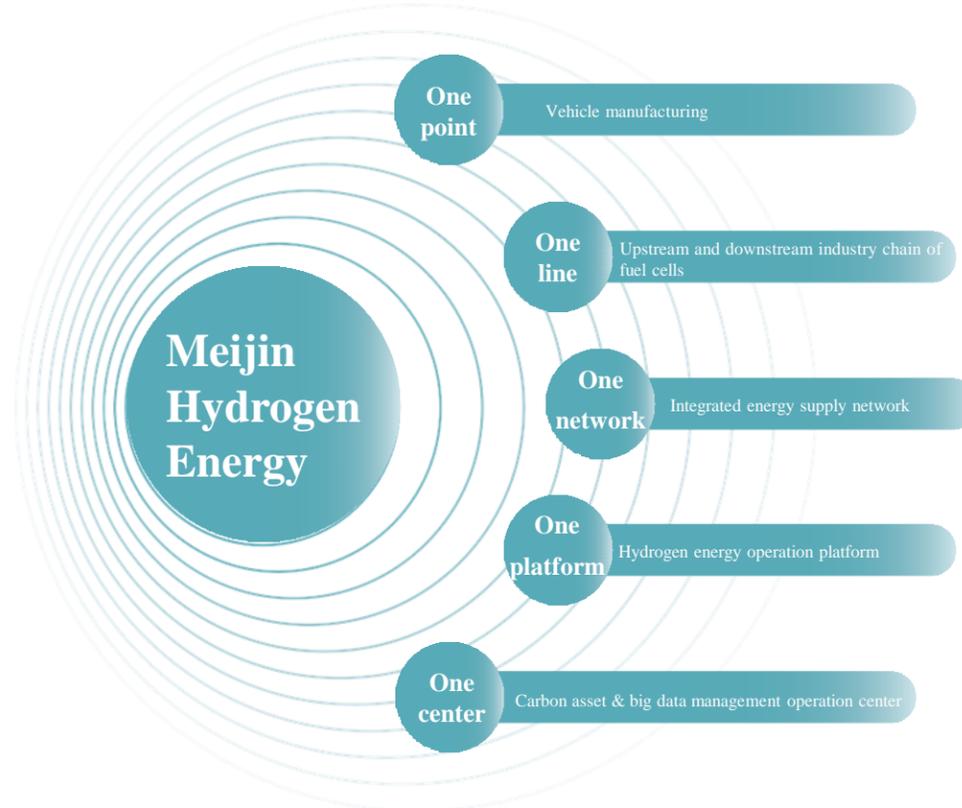


Meijin Energy Hydrogen Energy Eco-chain Closed-loop Development

In 2022, we achieved an asset size of 36.565 billion and a total of 5,989 employees.

## 2022 Financial Performance

<b>Operating Income</b> <b>24,600.02</b> million CNY	<b>Total Profit</b> <b>2,994.74</b> million CNY
<b>Basic Earnings Per Share</b> <b>0.52</b> CNY/ per share	<b>Cash Dividends</b> <b>854.05</b> million CNY
<b>Net Cash Flows from Operating Activities</b> <b>3,195.45</b> million CNY	<b>The Total Amount of Tax</b> <b>2,340.95</b> million CNY
<b>R&amp;D Spending</b> <b>112.05</b> million CNY	<b>Social Donations</b> <b>7.32</b> million CNY
<b>Environmental Protection Investment</b> <b>123.12</b> million CNY	<b>Occupational Health Input</b> <b>30.45</b> million CNY



Meijin Energy “Five-One” Hydrogen Energy Strategy

## Business Overview

We have set up business divisions and subsidiaries in four major sectors including coal, coke, chemicals and hydrogen energy, and currently have 88 branches and subsidiaries within the scope of listed companies. We selected the Headquarters of Meijin Energy (hereinafter referred to as “the Headquarters”) and 40 core branches and subsidiaries within the scope of the listed companies, including 4 in the coal sector, 5 in the coke sector, 4 in the chemical sector, 25 in the hydrogen sector, and 2 in other office sectors. The details are as follows:

**88** branches and subsidiaries

**40** core branches and subsidiaries

4 in coal sector

5 in coke sector

4 in chemical sector

25 in hydrogen sector

2 in other sector

Business Sectors	Full Name	Referred Name
Coal	• Shanxi Fenxi Taiyue Coal Industry Co., Ltd.	• Fenxi Taiyue Coal Industry
	• Shanxi Meijin Group Dongyu Coal Industry Co., Ltd.	• Dongyu Coal Industry
	• Shanxi Guanjin Group Jinfu Coal Industry Co., Ltd.	• Jinfu Coal Industry
	• Shanxi Meijin Group Jinhui Coal Industry Co., Ltd..	• Jinhui Coal Industry
Coke	• Shanxi Meijin Huasheng New Chemical Materials Co., Ltd.	• Huasheng Chemical Industry
	• Tangsteel Meijin (Tangshan) Coal Chemical Co., Ltd.	• Tang Steel Meijin
	• Shanxi Meijin Coal Chemical Co., Ltd.	• Meijin Coal Chemical
	• Jiaocheng Jinyuan Environmental Protection Technology Co. Ltd. <sup>1</sup>	• Jinyuan Environmental Protection
	• Shanxi Shangde Water Supplies Co. Ltd.	• Shangde Water Supplies
Chemical	• Shanxi Meijin Hydrogen Energy Development Co., Ltd.	• Hydrogen Energy Development
	• Shanxi Runjin Chemical Co., Ltd.	• Runjin Chemical
	• Shanxi Meijin Natural Gas Co., Ltd.	• Meijin Natural Gas
	• Shanxi Meijin Coal Chemical Hydrogen Production Co., Ltd.	• Coal Chemical Hydrogen Production

Hydrogen	• Yunfu Feichi New energy Vehicle Co. Ltd.	• Yunfu Feichi
	• Foshan Feizhi Automobile Technology Co., Ltd.	• Feizhi Technology
	• Feichi Automobile Technology (Guangzhou) Co., Ltd.	• Feichi Technology (Guangzhou)
	• Zhejiang Feichi New Energy Automobile Manufacturing Co., Ltd.	• Zhejiang Feichi
	• Feichi Automobile Technology (Ningxia) Co., Ltd.	• Feichi Technology (Ningxia)
	• Foshan Jinhong New Energy Co., Ltd. <sup>2</sup>	• Foshan Jinhong
	• Qingdao Meijin New Energy Automobile Manufacturing Co. Ltd.	• Qingdao Meijin
	• Qingdao Meijin Hydrogen Energy Technology Co., Ltd.	• Qingdao Hydrogen Energy Technology
	• Qingdao Meijin Investment Development Co., Ltd.	• Qingdao Investment
	• Shanxi Meijin Hydrogen Energy Technology Co., Ltd.	• Hydrogen Energy Technology
	• Shanxi Meijin New Energy Vehicle Manufacturing Co., Ltd.	• Meijin New Energy Manufacturing
	• Meijin (Beijing) Hydrogen Energy Technology Co., Ltd.	• Meijin Hydrogen Energy Technology
	• Pinghu Meijin Hydrogen Energy Co., Ltd.	• Pinghu Meijin Hydrogen Energy
	• XiaoShiZi (Beijing) Automotive Supply Chain Management Co., Ltd.	• XiaoShiZi Automotive Supply Chain
	• Beijing Zhongqing Huangyu Technology Co., Ltd.	• Zhongqing Huangyu Technology.
	• Beijing Zhongqing Huangyu Yanxin Hydrogen Energy Technology Co., Ltd.	• Zhongqing Huangyu Yanxin
	• Beijing Zhongqing Huangyu Hydrogen Energy Technology Service Co., Ltd.	• Zhongqing Huangyu Hydrogen Energy
	• Beijing Zhongqing Jinghui Hydrogen Energy Technology Co., Ltd. <sup>3</sup>	• Zhongqing Jinghui
	• Bayan Nur Ruipu New Trade Co., Ltd.	• Ruipu New Trade
	• Dengkou Xiecheng Branch of Bayan Nur Ruipu New Trade Co., Ltd.	• Ruipu New Trade (Dengkou Xiecheng )
	• Shanxian Meijin New Energy Co., Ltd.	• Shanxian Meijin New Energy
	• Liaocheng Meijin New Energy Co., Ltd.	• Liaocheng Meijin New Energy
	• Inner Mongolia Pu New Energy Co., Ltd.	• Inner Mongolia Pu New Energy
• Zhongwei Meijin New Energy Co., Ltd.	• Zhongwei Meijin New Energy	
• Shanxi Meijin Natural Gas Co., Ltd.	• Meijin Natural Gas	
Other	• Meijin Jiachang (Beijing) Capital Management Co., Ltd.	• Meijin Jiachang (Beijing)
	• Hainan Meijin Huarui International Trade Co., Ltd.	• Hainan Huarui

<sup>1</sup> Equity transferred out in December 2022. <sup>2</sup> Equity transferred out in August 2022. <sup>3</sup> Equity transferred out in August 2022.

The main business situation of each sector is as follows:



- One of the largest producers of coking coal in China
- Rich coal resources, covering all coal types required for coking
- Total approved capacity 6.3 million tons/year

- Leading domestic enterprise of coking
- Coking production capacity of 7.15 million tons/year, coking capacity under construction of 1.8 million tons/year, vision planning add 7.8 million tons/year
- Mainly produces primary metallurgical coke with stable and excellent quality, the self-sufficiency rate of coal reaches 30%, and the sales-output ratio of coke products is about 100%
- Huasheng Chemical Industry has an annual production capacity of 3.85 million tons of coke, and the project is designed with the newly developed 7.65-meter top-mounted coke oven, which is one of the most advanced top-mounted coke ovens in China



- Full recovery of coking by-products and deep downstream extension of the industrial chain to produce glycol, sulfuric acid, ammonium sulfide and other by-products
- Huasheng Chemical Industry Project is a model project of fine chemical circular economy, with the positioning of “high-end, intelligent, green and integrated” and the standard of “first-class equipment, first-class environmental protection and first-class energy consumption”. It is currently the highest and most advanced new coking project in the world, realizing the organic combination of coking and modern coal chemical industry

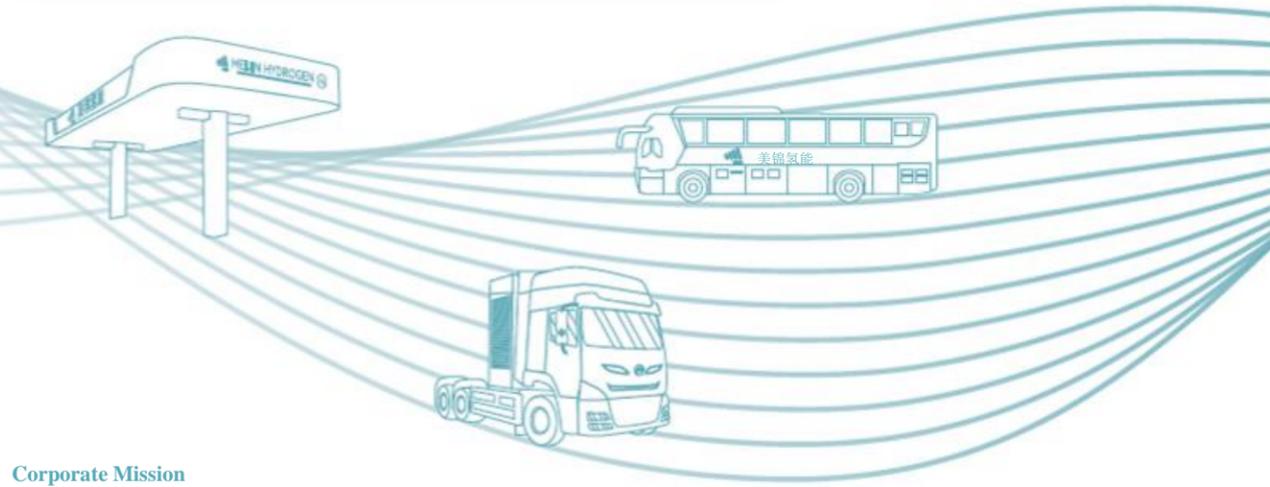
- The listed company with the most complete hydrogen energy industry chain layout in China, covering the hydrogen energy industry chain including “production-storage-transportation-refueling-utilization”
- According to the existing coke production capacity of nearly 10 million tons, we can extract 96,000 tons/year of hydrogen from coke oven gas, which can meet the use of tens of thousands of hydrogen fuel cell heavy trucks
- We have 2 hydrogen fuel cell vehicle manufacturing plants with an annual capacity of 10,000 vehicles. Our holding subsidiary, Feichi Technology, is the manufacturer of hydrogen fuel cell commercial vehicles with the largest number of commercial promotions in China, and its operating mileage in this business field, as well as the production and sales volume of hydrogen fuel cell heavy trucks are the first in China

## Corporate Development Philosophy

Since our establishment in 1981, with the traditional energy industry as our main backbone, we have always focused on optimizing the industrial structure and promoting the transformation and development of traditional industries. Taking the corporate culture as the root of development and the company values as the guide of development, we actively practice under the national strategy and realize the company mission.

### Corporate Vision

**Low-carbon World Expands the Future of Hydrogen**



### Corporate Mission

The active practitioner of carbon peaking and carbon neutrality, the excellent front-runner of the energy revolution, the brave pathfinder of the energy transformation, and the pioneer of the times in the hydrogen energy industry.

### Corporate Advantages

- Rich coal resource reserves, high coke production and sales volume, achieving economy of scale and circular economy.
- A new energy chemical enterprise with industry-leading and vertical integration of the whole hydrogen industry chain.
- Extensive cooperation and in-depth independent R&D, strong scientific and technological innovation system of Industry-University-Research-Application.
- Adhering to the ESG development concept and innovation to lead the high quality and sustainable development of the company.

### Corporate Strategy

- Keeping righteous innovation, driven by science and technology innovation, exploring the path of high-quality development.
- Adhering to the development concept of traditional energy and new energy two-wheel drive, consolidating the layout of the “coal-coke-gas-chemical-hydrogen” industry chain committed to becoming a leading global integrated energy supplier.
- Implementing the “Five-One” strategy in the hydrogen energy sector, practicing the green and low-carbon concept and empowering development with technology.

## Awards and Honours

During the Reporting Period, while actively responding to the national call for energy development, we strived to promote our business innovation and achieved many results, which are highly recognized by the society.



Awards & Honours		Awarding Agencies
Meijin Energy	TOP 50 most innovative companies in China 2022	Forbes China, Analysys
	Top 100 Global Hydrogen Energy Companies 2022	The 2 <sup>nd</sup> Hydrogen Energy International Summit
	Top 100 High Growth Hydrogen Energy Companies in China 2022	The 2 <sup>nd</sup> Hydrogen Energy International Summit
	Forbes china top 50 sustainable development industrial enterprises 2022	Forbes China
	2022 List of China Industrial Carbon Peaking Leaders (42 Companies)	China Federation of Industrial Economics
	Top 50 Manufacturing Enterprises in Taiyuan	Taiyuan Federation of Enterprises and Entrepreneurs
Coal Division	Extraordinarily Safe And Efficient Mine	China Coal Association
	Outstanding Contribution Enterprise	Jiaocheng County Party Committee
Hydrogen Energy Division	Best Demonstration Project Award	Hydrogen-20 Summit
	Hydrogen Vehicle Brand of the Year 2022	Ministry of Industry and Information Technology
Leadership	Mr. Yao Jinlong, Chairman, received the award of "Most Strategic Vision Chairman" of the 17th Board of Directors of China Listed Companies	<i>Directors &amp; Boards Magazine</i>
	Mr. Yao Jinlong, Chairman, received the Meritorious Entrepreneur Award 2022	Taiyuan Federation of Enterprises and Entrepreneurs
	Ms. Yao Jinli, Director and Vice President, received the award of "Person of the Year 2022" at the GG-FC Golden Globe Awards	GG-FC.com

## 1.2 Corporate Governance

### Governance Framework

We continue to improve our corporate governance structure to enhance our corporate governance capabilities and safeguard the legitimate rights and interests of our stakeholders. In accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance for Listed Companies* and other relevant laws and regulations and the requirements of the relevant regulatory documents on corporate governance of the China Securities Regulatory Commission (CSRC), we have established a sound and complete corporate governance framework consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and Senior Management, and formed a corporate governance system with clear powers and responsibilities, mutual checks and balances and efficient operation.

### Corporate Governance Framework



At the end of the reporting period, the Board of Directors of Meijin Energy consisted of 9 directors, including 3 independent directors, accounting for 33.3%, and 2 female directors, accounting for 22.2%. During the reporting period, Meijin held a total of 21 board meetings to discuss and review 73 items. The basic information of each director is as follows:

Type	Name	Gender	Age	Education Background	Specialist Ability		
					Experience in Industry	Risk Governance	Experience in Finance
Chairman	Yao Jinlong	Male	49	Master of Finance, Rensselaer Polytechnic Institute, USA MBA, Nankai University	✓	✓	✓
Director	Yao Junqing	Male	57	Shanxi Institute of Education	✓	✓	✓
Director	Yao Jinli	Female	41	Master of Finance, University of Cambridge, UK	✓	✓	✓
Director	Zhu Qinghua	Male	61	Bachelor's degree	✓	✓	✓
Director	Zheng Caixia	Female	55	Bachelor's degree	✓	✓	✓
Director	Liang Gangming	Male	54	Junior college degree	✓	✓	✓
Individual Director	Li Yumin	Male	65	Master of Accounting, Zhongnan University of Finance and Economics	✓	✓	✓
Individual Director	Xin Maoxun	Male	65	Bachelor of Accounting, Shanxi Institute of Finance and Economics	✓	✓	✓
Individual Director	Wang Baoying	Male	55	PhD, Beijing Institute of Technology	✓	✓	✓

The Board of Directors of the Company has five specialized committees, each of which performs its own duties and takes charge of various key affairs during the Company's production and operation process. The specific work situation is as follows:



### Audit Committee

- Supervise and evaluate the work of external audit institutions, propose to hire or replace external audit institutions, supervise and evaluate internal audit work, review relevant company systems and major asset matters
- It is composed of Li Yumin, Wang Baoying, and Zhu Qinghua, with independent directors accounting for 2/3, all with relevant financial and accounting backgrounds



### Strategy Committee

- Research and propose suggestions on the Company's long-term development strategy and major investment decisions, and supervise the implementation of relevant matters
- It is composed of Yao Jinlong, Yao Junqing, and Li Yumin, with independent directors accounting for 1/3



### Compensation and Appraisal Committee

- Provide suggestions on salary plans or schemes for company directors, supervisors, and senior management personnel
- It is composed of Xin Maoxun, Li Yumin, and Zheng Caixia, with independent directors accounting for 2/3



### Safety and Environmental Protection Committee

- Supervise the implementation of the company's safety, health, and environmental plan, handle major accidents, and identify and manage relevant ESG matters
- It is composed of Yao Junqing, Liang Gangming, Zhou Xiaohong, and Wang Yongkuan



### Nominating Committee

- Make recommendations on the structure and scale of the Board of Directors, the selection criteria, procedures and candidates for directors and senior management
- It is composed of Wang Baoying, Yao Jinlong, and Xin Maoxun, with independent directors accounting for 2/3

## Risk Governance

Meijin Energy placed great importance on risk management. We fully considered various risk factors in the process of conducting business and had established a comprehensive risk control system to control the risks encountered in the company's operations from both internal and external aspects. The audit committee primarily provided oversight for the internal risk control activity, and annual internal control inspection plans were developed and monitored for implementation. To reduce significant management risks, the Company concentrated on detecting flaws in the enterprise's development process and fixing them as needed. The primary objectives of the external risk control work included maintaining open lines of communication with pertinent government agencies, facilitating effective interaction between middle and senior management staff and the supervisory department, and regularly attending meetings, training sessions, and other events hosted by the supervisory department.

**Internal control:** Meijin Energy developed an internal control inspection and supervision plan each year, with the help of the Audit Committee of the Board of Directors, and included the purchase and sale of assets, related party transactions, engaging in derivatives transactions, providing financial assistance, providing guarantees for others, using funds raised, entrusting finance, and other significant matters as necessary items. In addition, based on the report on internal control inspection and supervision work and other pertinent information, the Audit Committee of the Board of Directors evaluated the establishment and implementation of the Company's internal controls, created an internal control self-assessment report, and submitted it to the Board of Directors for review. The internal control inspection and supervision work can identify major defects, important defects, and general defects in the development process of the enterprise. Meijin Energy will conduct comprehensive rectification based on the identification results to prevent major management risks and promote the healthy and sustainable development of the Company.

Meijin Energy maintained effective internal control over financial reporting in all significant aspects in accordance with the *Basic Standards for Enterprise Internal Control* and relevant regulations. The internal control audit report issued by the accounting firm was consistent with the self-evaluation report of the Board of Directors.

In addition, Meijin Energy conducted a special risk assessment work to sort out the relevant risks that affect the Company's operations and make it a focus of future work to avoid potential negative impacts on the Company during the reporting period.

Meijin Energy currently has 3 supervisors, all of whom are female. The basic information is as follows:



**Zhu Jingjing**

Supervisor

Female, 26 years old

Undergraduate of Nanchang Institute of Technology, studying in University of International Business and Economics



**Wang Lizhu**

Chairman of Board of Supervisors

Female, 60 years old

Undergraduate and postgraduate in Jilin University



**Yang Junqin**

Supervisor

Female, 46 years old

Undergraduate of Shanxi University of Finance and Economics  
Master of Law, Shanxi University

**External risk:** The Company has always placed a high value on effective communication with regulatory bodies. The chairman of the Company, Yao Jinlong, is a member of the 14th National Committee of the Chinese People's Political Consultative Conference, the 13th Executive Committee of the All-China Federation of Industry and Commerce, and the vice chairman of the 13th Committee of the Shanxi Federation of Industry and Commerce. Yao Jinli is a member of the 6th Committee of the Chinese People's Political Consultative Conference in Beijing's Daxing District.

## Information Security

In the trend of increasing threats to network security, Meijin Energy attached great importance to network security construction, continuously improved the network security management system and technical protection capabilities, and enhanced information security.



### Information security protection measures of Feichi Technology

The Company established an information security system based on three main lines: hardware, software, and network security. Maintenance measures were made from the procurement, acceptance, installation, use, and protection of hardware, software selection, construction, permission restrictions, compliant use, and data confidentiality, separation of internal and external networks for network security, virus protection, limitations on application software, physical limitations on IT equipment, protection of data security, encryption and backup, and other preparation.

File output encryption: For employees using IT equipments with network connections, the Information Technology Department will conduct IT security training, promote management regulations, and assess the use of IT equipment. The installation of IPGRARD encryption software, restrictions on USB ports, and data flow sorting for internet behavior gateways have been carried out on office staff computers.

## Operate with Integrity

Meijin Energy strictly abided by the national *Company Law of the People's Republic of China*, *Anti Unfair competition Law the People's Republic of the China* and the provisions on anti-corruption, bribery, extortion, fraud and other aspects of recognized business ethics, and formulated the *Anti-bribery, Anti-corruption, Anti-fraud, Anti-money Laundering and Reporting Management System of Shanxi Meijin Energy Co., Ltd.* (Trial) during the reporting period. All employees of the subsidiary had contact with government departments, engage in business negotiations with customer business representatives, engage in material procurement, outsourcing processing, facility engineering, business sales, equipment procurement and maintenance, quality supervision, and other activities. It covers all clients, suppliers, service providers, contractors, participating companies and other entities that have business dealings with the company. During the reporting period, the company developed a comprehensive whistleblower system. This system encouraged employees to report violations, unsolved hidden risks, and concealed incidents. It also provided safeguards for the whistleblowers. It includes dedicated reporting channels, assures anonymity, prohibits unauthorized disclosure of information and external borrowing of related materials, thereby ensuring the protection of the whistleblowers' legal rights and interests.

Additionally, we actively promote new achievements, measures, and experiences in the company's anti-corruption work. We amplified the positive energy of anti-corruption public opinion. We enriched educational media, innovated educational forms, integrated educational resources, and actively cooperated with the company to carry out interactive educational activities, such as interpreting integrity regulations, explaining typical cases, and correcting misconceptions.

### Sales department conducted special study on anti-corruption education

On August 3, 2022, the sales department organized a special study on anti-corruption education. The meeting emphasized the core concept of the Company's integrity culture of "taking integrity as pride and corruption as shame" and the ethical concept of "integrity and law-abiding, diligent and honest work, distinguishing the right from the wrong, sharing weal and woe". The basic requirements for work with integrity and behavioral norms such as establishing a good image of work with integrity were elaborated.

Through this integrity education and training, employees were better able to comprehend the Company's integrity culture and the value of integrity in one's own professional development, which helped to ensure the Company's continued success.



### Participation in anti-corruption training for the sales department



**11** of the management received anti-corruption training

**4** anti-corruption training sessions were conducted

## Party Construction Activities

Meijin Energy adhered to the leadership of Party building during the reporting period, fully implemented the spirit of the 20th National Congress of the Communist Party of China, and actively participated in a number of Party day activities. The Company also thoroughly understood the overall strategic arrangement of building a great modern socialist country in all respects.



# 1.3 ESG Governance

## ESG Concepts

In order to become a resource-efficient and ecologically friendly company, Meijin Energy, a company that deals with energy, was dedicated to supporting the switch from traditional to new energy. The “coal-coke-gas-chemical-hydrogen” industrial chain and the “Five Ones” hydrogen energy industry were chosen as the Company’s development strategies for the industrial chain structure. Additionally, the Company prioritized integrity management, constantly enhancing its governance and risk control capabilities, enhancing stakeholder communication, incorporating ESG concepts into business operations and decision-making processes, and enhancing corporate value in terms of governance. At the social level, we also actively participated in charitable giving and public welfare initiatives, built a positive corporate reputation, and supported the Company’s long-term growth.

## ESG Governance Frame

The Board of Directors of Meijin Energy was fully responsible for evaluating and formulating the Company’s ESG development strategy, and directly managing and supervising the implementation of related work. We set a Safety and Environmental Protection Committee under the Board of Directors, mainly took charge of the ESG related work of Meijin Energy. We also established an ESG working group for the implementation of specific matters with active cooperation from various functional departments and business units of Meijin Energy to ensure the smooth progress of ESG work.



## Stakeholder Communication

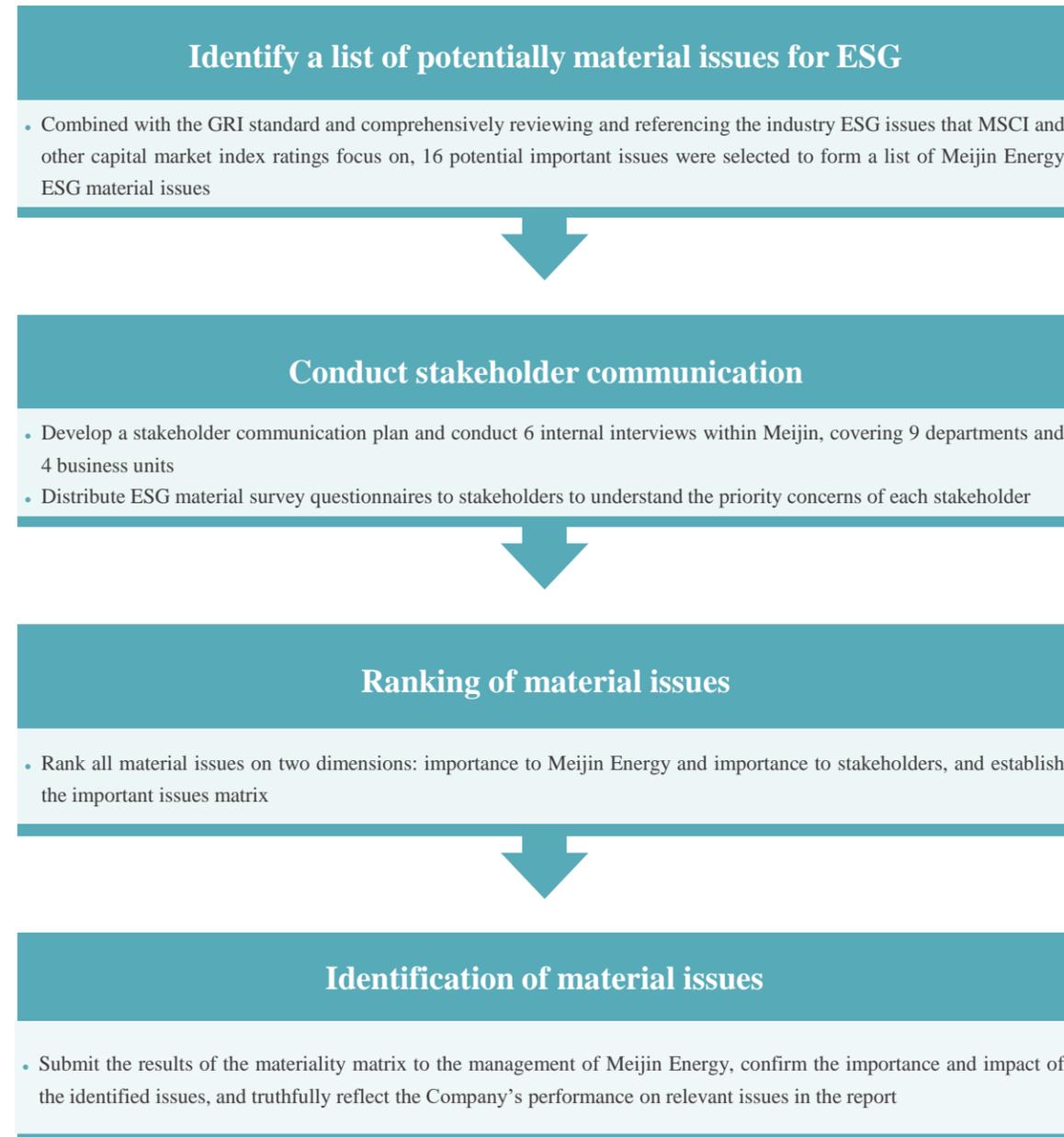
Meijin Energy focused on communication with stakeholders. Internally, the Company focused on the realization of employees’ rights and interests; Externally, the Company always paid attention to the demands of shareholders/investors, government and regulatory agencies, customers and consumers, suppliers and partners, community and non-governmental organizations, industry and industry associations, etc. Through diversified communication channels, the Company timely obtained opinions from stakeholders, optimized relevant management work, and created value for stakeholders.

By responding to national regulatory requirements and benchmarking excellent enterprise practices in the industry, we identified multiple stakeholders closely related to Meijin Energy and with certain influence during the reporting period.

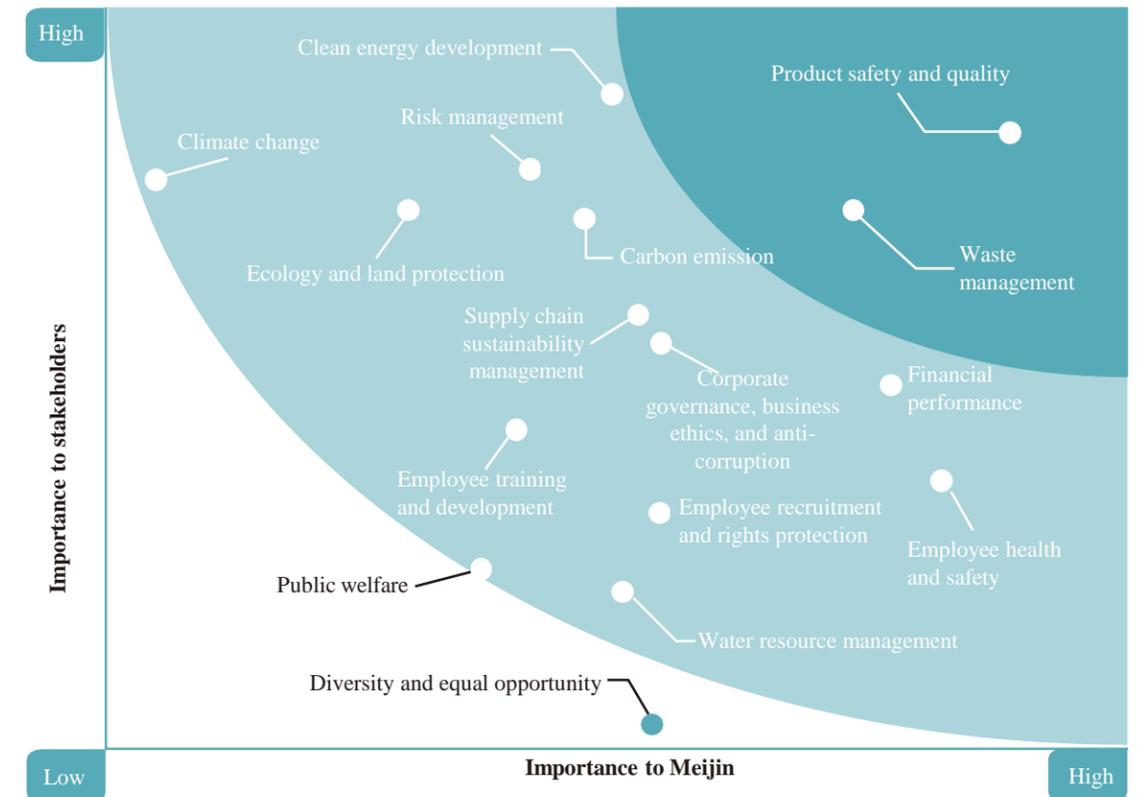
Stakeholder Groups	Pay Attention to Issues	Communication Channels/Feedback Methods
Employee	<ul style="list-style-type: none"> <li>• Diversity and equal opportunity</li> <li>• Employee training and development</li> <li>• Employee health and safety</li> <li>• Employee recruitment and rights protection</li> </ul>	<ul style="list-style-type: none"> <li>• Employee’s gender, age and nationality</li> <li>• Employee recruitment standards</li> <li>• Employee communication platform, labor union organization, incentive system, employee promotion</li> <li>• Health and safety training, employees’ physical examination</li> <li>• Compensation and benefits</li> </ul>
Shareholder/Investor	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Financial performance</li> <li>• Risk management</li> <li>• ESG performance</li> </ul>	<ul style="list-style-type: none"> <li>• General meeting/Extraordinary general meeting</li> <li>• Profitability</li> <li>• Risk assessment</li> <li>• Social responsibility fulfillment, ESG reporting</li> </ul>
Governments and Regulators	<ul style="list-style-type: none"> <li>• Clean energy development</li> <li>• Carbon emission</li> <li>• Risk management</li> <li>• Climate change</li> <li>• Ecological protection</li> <li>• Waste management</li> </ul>	<ul style="list-style-type: none"> <li>• Energy supply security</li> <li>• Energy saving and emission reduction</li> <li>• Compliant operation and proactive reporting</li> <li>• Protection of environment and biodiversity</li> </ul>
Customers and Consumers	<ul style="list-style-type: none"> <li>• Product safety and quality</li> </ul>	<ul style="list-style-type: none"> <li>• Product quality control, product innovation</li> <li>• Strictly abiding by the contract</li> <li>• Customer communication, customer relationship maintenance</li> </ul>
Suppliers and Partners	<ul style="list-style-type: none"> <li>• Business ethics and anti-corruption</li> <li>• Supply chain sustainability development management</li> <li>• Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity training</li> <li>• Supplier evaluation and assessment</li> <li>• Profitability</li> </ul>
Community and Non-governmental Organizations	<ul style="list-style-type: none"> <li>• Public welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty alleviation, disaster relief and donation</li> </ul>
Industry and Industry Associations	<ul style="list-style-type: none"> <li>• Fair competition</li> <li>• Promotion of the development of industries and industrial chains</li> <li>• Communication and cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Opposition to unhealthy competition</li> <li>• Industry exchanges</li> <li>• Driving technology upgrades</li> </ul>

## Identification and Determination of Material Issues

Meijin Energy integrated the GRI standard and thoroughly examined and referenced the ESG issues of the sector that MSCI and other capital market index ratings focused on throughout the reporting period. In order to further the thorough development of our company's ESG management, the Company identified 16 material issues and confirmed the ranking of each issue through in-depth interviews and questionnaire surveys with various stakeholders.



The consensus includes 16 ESG issues, with 2 highly material issues, 13 moderately material issues, and 1 lowly material issue. The highly material issues constitute a key part of this report, and we will provide detailed disclosure of the relevant content in this report.



Meijin Energy ESG material issues matrix

Degree	Scale	Issue
High material issues	Environment	Waste management
	Society	Product safety and quality
Medium material issues	Environment	Carbon emission
		Ecology and land protection
		Water resource management
		Climate change
	Society	Clean energy development
		Employee training and development
		Employee health and safety
		Employee recruitment and rights protection
		Public welfare
		Supply chain sustainability management
Governance	Financial performance	
	Corporate governance, business ethics, and anti-corruption	
	Risk management	
General material issues	Society	Diversity and equal opportunity

# Low-Carbon Development, Committed to Nature

## CHAPTER 2

2.1 Climate Change

2.2 Green Production

2.3 Ecological Protection

Global climate change has become a serious issue and common challenge facing the world today. Concentrating on nature and adhering to green and low-carbon development, Meijin Energy reduced the environmental impact caused by its own operations and upstream and downstream activities in the value chain through its own actions. Taking “carbon peaking by 2026 and carbon neutrality in our operations and in section of our value chain emissions by 2040” as the goal, we continuously implemented green production and green office measures and advocated sustainable development. Focusing on our own business development, we drove low carbon practices in upstream and downstream suppliers through hydrogen energy. In addition, we have strived to plan green mine construction and afforestation projects to minimize the negative impact on the ecosystem. We will continue to join hands with all stakeholders to promote the development of green energy and protect our planet in the future.

## 2.1 Climate Change

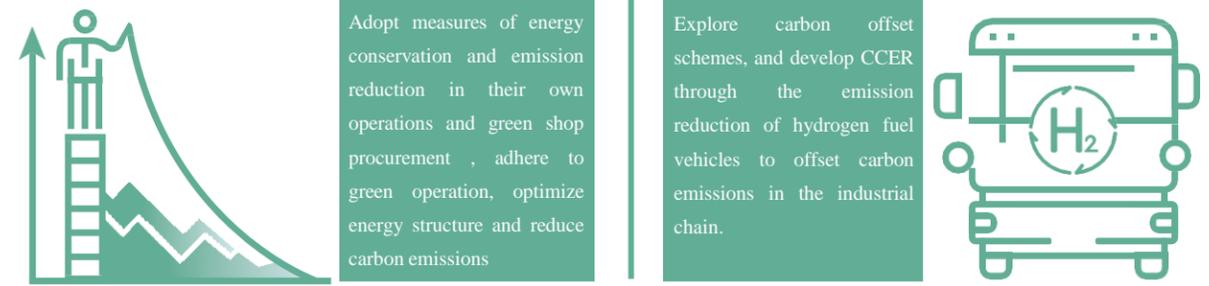
As climate change poses increasing risks to businesses around the world, the climate action was actively taken by Meijin Energy to reduce the shocks and impacts of climate change. With the business as the center to drive the whole value chain, we collaborating with our employees, upstream and downstream suppliers, customers and communities to take action to reduce emissions and respond to the challenge of climate change.

### Actions Towards Carbon Neutrality

It is stipulated by 2016 *Paris Agreement* that States Parties should hold the average global temperature rise to 2 degrees Celsius above pre-industrial levels and strive to limit it to 1.5 degrees Celsius. China announced to the international community in September 2020 that it will increase its intended nationally determined contributions and strive to peak its carbon dioxide emissions by 2030 and strive to achieve carbon neutral by 2060. Carbon neutral action was fully started by Meijin Energy in 2021, with the release of the *Carbon Neutrality Report* during the report period, and it is promised by Meijin Energy that it will achieve carbon neutrality in our operations and in section of our value chain emissions by 2040, becoming the first enterprise in Shanxi Province to set a carbon neutrality target in the coal coking industry.

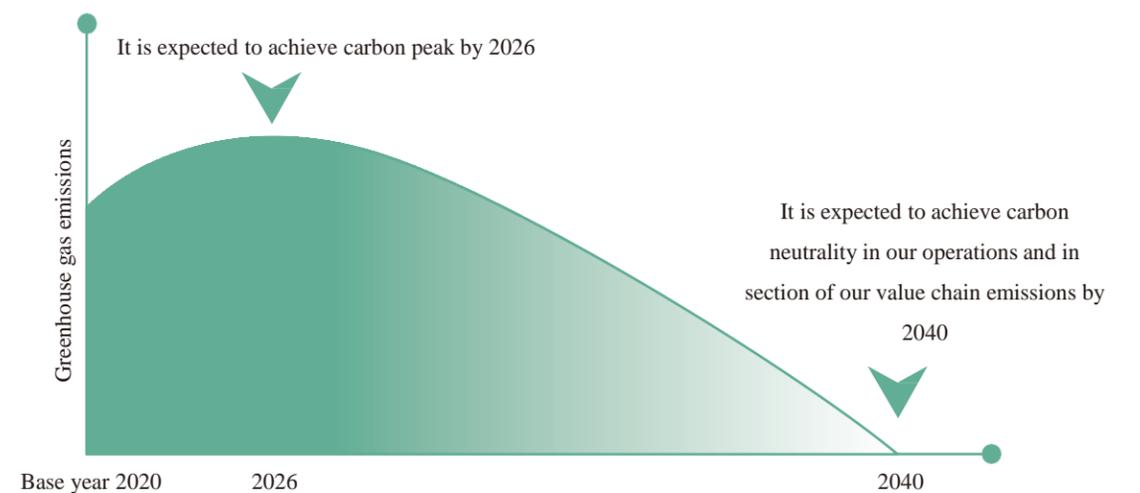


Referring to the definitions and methods of *Greenhouse Gas Accounting System (GHG Protocol)*, in combination with the company’s own situation, we determined the organizational boundary and operational boundary. On the basis of the carrying out of carbon emission inventory work, a key source of carbon emissions was grasped by us to further identify the company’s potential in reducing emissions. The general idea of “one replacement and one reduction” will be adhered by us. On the one hand, nine emission reduction measures will be promoted by us through continuous process upgrading to achieve emission “reduction” in core production; On the other hand, the energy properties of hydrogen will be exerted by us to gradually “replacemant” carbon emissions in the industrial chain, and CCER and carbon offset programs will be actively explored by us to achieve carbon neutrality.



### Actions Towards Carbon Neutrality

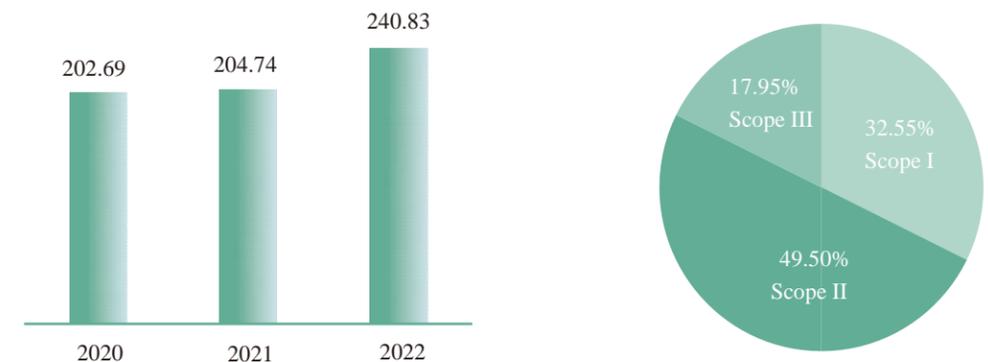
We will exert a leading role in the industry to help the low-carbon transformation of society. We will continue to transparently track the company’s carbon emissions, sort out the progress and results of emission reduction actions, and collaborate together to implement emission reduction measures to jointly shape a low-carbon future.



Meijin Energy Carbon Neutral Goal

### Status of Greenhouse Gas Emissions

On the basis of the *Greenhouse Gas Accounting System*, the companies in the listed scope of Meijin Energy were sorted out by us, and statistics on carbon emissions was made, with the operational boundaries including Scope I, Scope II and part of Scope III. 14 kinds of greenhouse gas emission sources were recognized by us to help companies better understand greenhouse gas emissions.



Total Greenhouse Gas Emissions (Ten Thousand Tons of CO<sub>2</sub> Equivalent)

Greenhouse Gas Emissions in 2022

## Low Carbon Operation Management

Taking actions from itself, Meijin Energy penetrated the green and low-carbon concept into the entire enterprise value chain. We help companies in the value chain tap their potential for low-carbon environmental transformation and identify appropriate carbon reduction paths.

### Low carbon production

Adhering to the green and low-carbon production, Meijin Energy continuously improve energy efficiency and reduce carbon emissions. Within the report period, setting quota targets for production links, by means of various analysis tools, each branch carried out special improvement measures for the links that account for a relatively large amount of energy consumption, effectively reducing the overall energy consumption.



### Newly added high-concentration gas power generation equipment in the coal sector

During the reporting period, high-concentration mashgas power generation measures were newly added by Jinfu Coal Industry, a subsidiary of Meijin Energy. In cooperation with the third-party company, we analyzed the high concentration of mashgas in Jinfu Coal Industry and installed mashgas power generation equipment to avoid direct mashgas emissions.

Within the report period, this initiative helped Jinfu Coal Industry reduce high-concentration mashgas emissions by 5,607,200 cubic meters and generate 720,000 kWh of electricity, reducing carbon emissions by about 15,000 tons compared with direct emissions.

The qualified organization was commissioned by Fenxi Taiyue in the coal sector to prepare a mashgas power generation design plan in 2022. As of the issue date of this report, the project construction has been started and the project is expected to be put into operation by the end of 2023, helping Meijin Energy further reduce carbon emissions.

### Newly added waste head recovery system in the coal sector

During the reporting period, waste heat recovery units were newly added by Jinhui Coal Industry, a subsidiary of Meijin Energy. The waste heat recovery unit of air compressor in the air compressor room was designed by us, which is used for exhaust wind heating and can form a heating capacity of 175kW. In addition, we set up the exhaust wind heating room above the return air shaft of the coal mine and installed 18 exhaust wind heating units, with each unit heating 300kW.

We comprehensively utilize the waste heat of the exhaust wind and the waste heat of the air compressor during operation to reduce energy use and help Meijin Energy reduce carbon emissions during operation.

### Optimization of production process in the chemical

During the reporting period, Runjin Chemical, a subsidiary of Meijin Energy, optimized production processes to reduce energy use in the production process.

- Urea dust removal fan renovation: Replace the inverter starting motor to eliminate the current impact at start-up, ensure a smooth start and reduce the use of electric energy;
- Urea hydrolysis waste liquid renovation: The chemical analysis waste liquid after urea analysis is sent to the synthetic ice machine to evaporate cold water, which reduces the waste water discharge while reducing the energy use of the evaporative cold water of the ice machine to achieve the purpose of energy saving and consumption reduction;
- Heat exchange equipment optimization: disassemble and clean the heat exchange equipment to improve heat exchange efficiency;
- Rational use of supercooled liquid oxygen: The discharge of supercooled liquid oxygen from the main cooling system under the air separation unit system is used as the companion cooling source of the water cooling tower of the pre-cooling system and the circulating water pipeline. The high-quality resources with low liquid oxygen temperature is used as companion cooling to reduce the temperature of the circulating water of the water cooling tower and pipeline and reduce the load of the ice machine of the pre-cooling system, which can reduce the amount of cooling water and chilled water, achieve the purpose of energy saving and consumption reduction and guarantee the stable process production of the pre-cooling system.



Moreover, hydrogen vehicles were put into daily production and operation by Meijin Energy to replace the original vehicles and reduce the use of fuel. As of the end of the report period, Meijin Energy operated a total of 435 hydrogen vehicles, including 294 tractors, 54 dump trucks, 48 trucks and refrigerated transporters, 24 buses, and 15 commuting buses and highway vehicles. With the total accounting mileage of vehicles in 2022 counted, this measure can help Meijin Energy reduce fuel use by 1.08 million tons and reduce carbon emissions by about 2,600 tons.

### Low-carbon office

Actively pushing employees' green office measures and actions, Meijin Energy helped employees establish environmental awareness of energy saving and emission reduction to achieve low-carbon life. In terms of green office spaces, the *Energy-Saving Design Standards for Public Buildings* was strictly implemented by us to check all engineering and build low-consumption green buildings. In terms of daily office work, with the *Office Energy Conservation and Emission Reduction System* formulated and executed, by starting from the policy and implementing in action, we reduced direct and indirect emissions from daily office work and strived to contribute to the goal of green development with all employees.



### Green office measures

- ◆ Replace and use more energy-efficient office equipment;
- ◆ Energy saving transformation of LED lights in office area
- ◆ Adopt online intelligent work platform to realize paperless office;
- ◆ Standardize the temperature setting of refrigeration system and conduct real-time monitoring;
- ◆ Set up shuttle buses to reduce employees' driving;
- ◆ Install car charging piles and encourage employees to buy new energy vehicles;
- ◆ Put up the "energy saving" sign and cultivate the green concept of employees;

### Low-carbon supply chain

We carried out data statistics and analysis on greenhouse gas emissions in the Scope III of upstream and downstream logistics transportation of Meijin Energy, and this part is critical to the company's goal of carbon neutrality. Within the report period, with the supplier management strengthened and our hydrogen industry layout advantage used, we helped suppliers implement measures such as energy replacement to reduce carbon emissions in upstream and downstream logistics transportation.

### Coal



- ◆ During the reporting period, the downstream product transportation of Dongyu Coal Industry and Jinfu Coal Industry began to adopt hydrogen fuel cell vehicles which account for 40% of the transport vehicles.

### Coke



- ◆ During the reporting period, the use of all gas (LNG) vehicles has been achieved by the coke plate at the time of organizing transportation and deploying vehicles. Compared with the original fuel vehicle, the carbon emission was reduced

## Carbon Asset Management

With the national carbon trading market officially started at the Shanghai Environment and Energy Exchange in July 2021, Meijin Energy actively responded to the situation and makes preparations for carbon asset management to help achieve carbon neutrality goals.

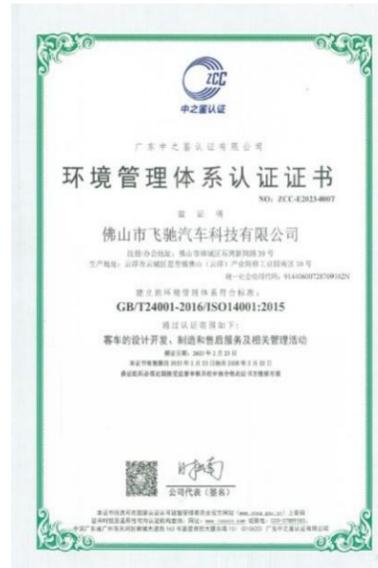
The accounting of hydrogen fuel emission reduction was actively explored by Meijin Energy. Approved and released by the Chinese Society of Technical Economics, the *Technical Specification for Greenhouse Gas Emission Reduction Assessment of Hydrogen Fuel Cell Vehicle Travel Project* developed by Meijin Energy, Fechi Technology jointly with China Classification Society and Hydrogen Mountain Technology became the first certified group standard for hydrogen fuel cell vehicle emission reduction assessment in China in January 2022. Meijin Carbon Asset and Hydrogen Mountain Technology jointly obtained the invention patent certificate for the data monitoring system and monitoring method of greenhouse gas emission reduction issued by the State Intellectual Property Office, which fills in the relevant technical gap of the hydrogen fuel cell automotive industry in April of the same year.

Focusing on the carbon neutrality target set, we have completed the exploration and upgrading from technical means to market means in the field of hydrogen energy. We will complete the calculation of carbon quota assets, develop comprehensive trading strategies, and accelerate the development of carbon emission reduction assets in the future.

## 2.2 Green Production

To better protect the ecological environment and promote the high-quality development of economy, Meijin Energy promoted the development of modern coal coking industry to the high-end, green, intelligent and intensive direction with innovation. Taking the initiative to extend the traditional energy industry chain of coal mines and coking, we promoted the production of high-purity hydrogen for vehicles, improved the resource utilization rate of coking by-products, made full use of coal resources to reduce the generation of environmental pollutants and achieve green production.

In strict accordance with the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China* and other laws and regulations as well as the overall requirements and regulations of the policies of the region where it operates, Meijin Energy established a relatively complete environmental protection system and complete pollution prevention and control facilities. A safety and environmental protection committee was set up by Meijin Energy, which is in charge of checking environment-related issues in production and operation, putting forward environmental optimization suggestions to the Board of Directors, and in charge of checking and urging the progress of environmental optimization measures. With the construction of the environmental management system of each operating segment of Meijin Energy persistently promoted, our subsidiary Feichi Technology has passed the ISO 14001 environmental management system certification.



**ISO 14001 Environmental Management System Certification**

### Exhaust Gas Emission Management

In strict accordance with the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Comprehensive Emission Standards of Air Pollutants of the People's Republic of China* and other relevant laws and regulations, Meijin Energy actively carried out the waste gas emission management. Exhaust emissions from our production processes mainly include sulfur dioxide (SO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), soot particles (PM) and volatile organic compounds (VOCs). The on-line automatic inspection equipment was installed by each subsidiary of each plate in accordance with the requirements of the environmental protection administration to monitor the emission concentration of exhaust gas, and third-party companies are regularly invited to conduct tests to ensure that the concentration of exhaust gas emissions meets the relevant standards.

<div data-bbox="160 1421 417 1591" data-label="Image"> </div> <ul style="list-style-type: none"> <li>• Low nitrogen modification of combustion head</li> <li>• Closed piping controlling dust emissions and divergence</li> </ul>	<div data-bbox="456 1421 713 1591" data-label="Image"> </div> <ul style="list-style-type: none"> <li>• Dust removal ground station</li> <li>• Baghouse</li> <li>• Flue gas purification system</li> <li>• Exhaust gas recirculation technology</li> </ul>	<div data-bbox="756 1421 1013 1591" data-label="Image"> </div> <ul style="list-style-type: none"> <li>• Discharge after desulfurization and denitrification</li> <li>• Centralized combustion emission</li> <li>• Dust washing of urea prilling tower top</li> </ul>	<div data-bbox="1055 1421 1312 1591" data-label="Image"> </div> <ul style="list-style-type: none"> <li>• VOC real-time monitoring facility</li> </ul>
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### Waste gas treatment of Huasheng Chemical

The low-nitrogen combustion technology of “multi-stage heating of exhaust gas circulation”, and the “SDS pure dry desulfurization + bag dust removal + SCR” technology were adopted by Huasheng Chemical’s coke oven flue gas for desulfurization, dust removal and denitrification. After the flue gas is purified, it is emitted after the monitoring data of the flue gas online monitoring facility meets the standard. Desulfurization ash is sent to the power plant for comprehensive utilization.



### Water Resources Management

Meijin Energy strictly abides by the *Law of the People's Republic of China on Water Pollution Prevention and Control*, the *Regulations on Urban Drainage and Sewage Treatment*, the *Measures for the Administration of Discharge Permits (Trial)* and the local sewage discharge standards.

We have formulated the *Measures for the Prevention and Control of Water Pollution*, which puts forward strict requirements on wastewater treatment and discharge.

Different methods to treat wastewater were adopted by each subsidiary of each plate, among which the method of combining mine water treatment and domestic water treatment was adopted by each company in the coal plate to achieve comprehensive treatment of wastewater. In addition, we were devoted to the comprehensive recycling of water resources, and strengthen the daily maintenance of water equipment and reduce the waste of water resources by regularly conducting special inspections of water equipment running, outflowing, dripping and leakage.

<div data-bbox="1687 1125 2237 1444" data-label="Complex-Block"> <div data-bbox="1747 1230 1868 1342" data-label="Image"> </div> <h4>Coal</h4> <ul style="list-style-type: none"> <li>• Recycle water resources by using mine water treatment station</li> <li>• Condensate recycling</li> <li>• Disable electrophoresis device</li> </ul> </div>	<div data-bbox="2289 1125 2839 1444" data-label="Complex-Block"> <div data-bbox="2340 1214 2461 1355" data-label="Image"> </div> <h4>Coke</h4> <ul style="list-style-type: none"> <li>• Reduce water usage by using dry quenching</li> <li>• Reuse of reclaimed water</li> <li>• Rain and sewage diversion</li> </ul> </div>
<div data-bbox="1687 1502 2237 1821" data-label="Complex-Block"> <div data-bbox="1747 1591 1868 1744" data-label="Image"> </div> <h4>Chemical</h4> <ul style="list-style-type: none"> <li>• Reuse of reclaimed water</li> <li>• Condensate recycling</li> <li>• Electrochemical Circulating Water Treatment</li> </ul> </div>	<div data-bbox="2289 1502 2839 1821" data-label="Complex-Block"> <div data-bbox="2340 1591 2461 1736" data-label="Image"> </div> <h4>Hydrogen</h4> <ul style="list-style-type: none"> <li>• Discharge after the company's internal sewage treatment station treatment</li> <li>• Improve the efficiency of electrophoresis device</li> </ul> </div>

### Effective utilization of water resources in coke sector

The production sewage of Huasheng Chemical and Tanggang Meijin was sent to a third-party sewage treatment plant for treatment, and after advanced treatment, it is replenished as water in the circulating water system for collection and reuse. In addition, we have achieved full dry quenching production to effectively reduce the use of raw water for production.



## 2.3 Ecological Protection

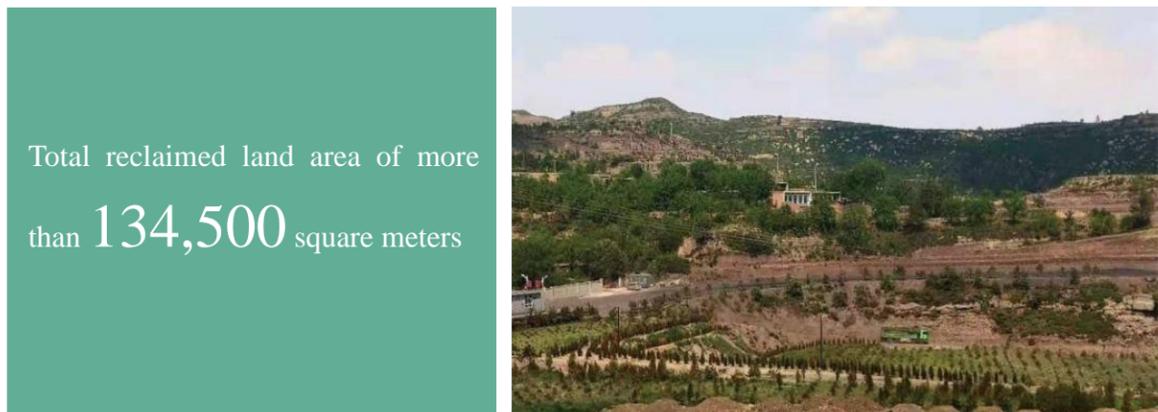
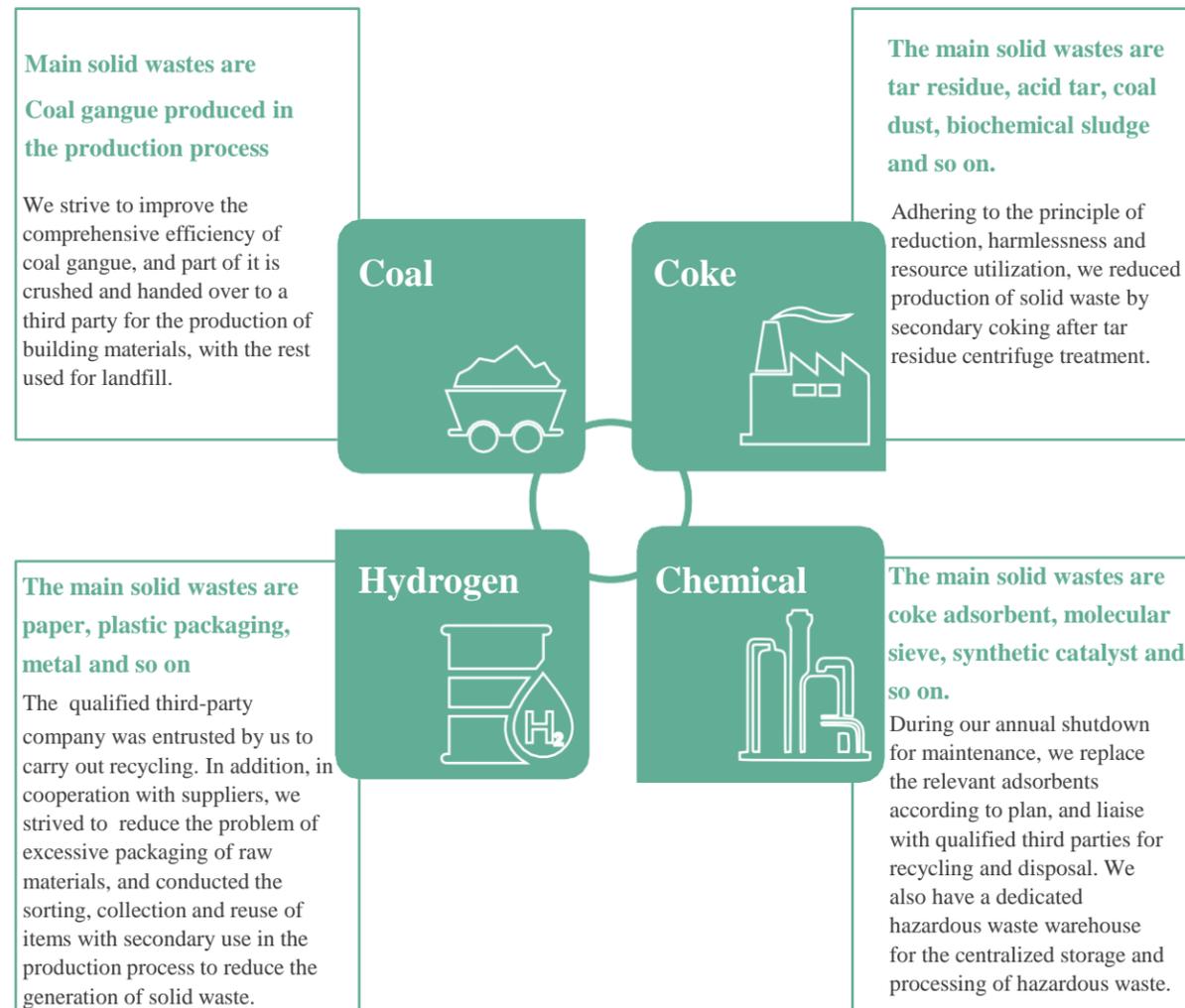
Meijin Energy pays high attention to the impact of production activities on the ecological environment. We persistently carry out ecological environmental impact analysis in each business plate, found problems timely and took corresponding supplementary measures to reduce the damage to the ecological environment.

The *Wildlife Protection Law of the People's Republic of China*, the *Regulations of the People's Republic of China on Nature Reserves* and the laws and regulations related to biological environmental protection in the place where it operates are strictly observed by Meijin Energy. What's more, the *Low quality Mine Environment Protection and land reclamation Program* was formulated by us to implement land reclamation in the mining area and landfill the ground collapse, and slope control engineering was actively conducted to accelerate the construction of green mine.

Within the report period, we continue to carry out land reclamation work, with a total reclaimed land area of more than 134,500 square meters.

## Solid Waste Management

Strictly pursuant to laws and regulations such as the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*, the *National Hazardous Waste List* and the *Hazardous Waste Storage Pollution Control Standards*, Meijin Energy has formulated an internal *Solid Waste Management System* to standardize the discharge of solid waste and reduce its impact on the environment.



Total reclaimed land area of more than **134,500** square meters

### Land Reclamation

Moreover, the landfill treatment of the ground collapse in the mining area was actively carried out by us, and slope control engineering was carried out to prevent soil erosion and protect the ecological environment, which accelerated the construction of green mines thereby. What's more, we organized employees to launch tree planting activities, beautify the mining environment with practical actions and help the green development of Meijin Energy.



### Slope Stabilization Project

# Technology Innovation, Refined Services

## CHAPTER 3

3.1 Pursuit of Hydrogen Energy

3.2 Adhering to Quality

3.3 Supply Guarantee

3.4 Customer Service

Meijin Energy, one of China's leading independent producers of commodity coke and coal, has always tightly regulated product quality and actively encouraged technological advancement. The corporation actively complies with the demands of Party and State, forcefully develops the hydrogen energy sector, puts innovative development theories into effect, and supports the enterprise's high-quality growth.

## 3.1 Pursuit of Hydrogen Energy

From 2017, as the pioneer of energy revolution, Meijin Energy innovated and developed, and started the layout of hydrogen energy industry. During the reporting period, we continuously strengthened the construction of hydrogen energy projects, promoted the layout of the hydrogen energy industry chain, increased investment in the hydrogen energy industry chain, and assisted in the transformation of the energy structure and low-carbon development of the entire society.

### Technological Innovation

The main driving force behind business progress is innovation. Meijin Energy is dedicated to bridging key aspects in the growth of the hydrogen energy sector through technology innovation and advancement. It continues to make efforts in hydrogen production, hydrogen storage, hydrogen bus manufacturing, construction of hydrogen refueling stations, research and development of fuel cell core technology, improve the level of hydrogen energy technology, and strive to build a hydrogen energy industry cluster with international competitiveness.



### Thousand-ton activated carbon for supercapacitor industrial production line project

Capacitive carbon is the most crucial material in supercapacitors, with strict production processes and supporting equipment conditions. Currently, the problem of localization has not been fully solved, and its high dependence on foreign countries has restricted the development of new energy storage devices in China.

Since 2016, Meijin Energy has cooperated with Institute of Coal Chemistry Chinese Academy of Sciences, and has completed the pilot test of the supercapacitor carbon project. Its comprehensive performance is comparable to the mainstream products in the international market, reaching the international advanced level. During the reporting period, the first phase of the project was implemented in the Qingxu Economic Development Zone. After the completion of the first phase, the production capacity can reach 500 tons. The project can achieve the localization and import substitution of activated carbon for supercapacitor, solving the bottleneck problem that has plagued China's supercapacitor industry for many years.



### Extreme environmental testing of hydrogen fuel cell vehicles by Feichi Technology

◆ Three hydrogen fuel cell vehicles made by Feichi Technology were successfully tested in the "coldest place in China" in the far north of the country for more than two months during the reporting period. The entire experimental process was carried out in a minus 40 degree Celsius temperature condition. Numerous experiments, including "low-temperature cold start performance test", "heating performance test", "defrosting test", "snow spraying test", "hydrogen consumption and low-temperature driving range", and "snow lifting test", were part of the projects. In severe cold weather conditions, Feichi Technology vehicles can still start steadily, drive smoothly, maintain stable power, and have a long range.



◆ During the reporting period, the first batch of fuel cell vehicles in China underwent high-altitude testing at the Yulong Snow Mountain Scenic Area in Yunnan. The 12-meter fuel cell passenger car produced by Feichi Technology successfully climbed the 3400 meter Yulong Snow Mountain and successfully completed all high-altitude testing projects. Both met the requirements for power performance testing under no-load and full load conditions, successfully overcoming the technical limitations of hydrogen fuel cell buses under conditions such as high altitude, low air pressure, low temperature, and low oxygen content.



### Heavy-duty truck development of L4 autonomous hydrogen fuel cell

During the reporting period, Feichi Technology and the National Intelligent Connected Vehicle Innovation Center jointly developed a hydrogen fuel cell heavy truck equipped with L4 auto drive system, and completed road testing. This experiment was the first L4 heavy-duty truck road test of hydrogen fuel cell released to the public in China, marking the deep integration of hydrogen fuel cells and autonomous driving in practical scenarios.



In the future, Feichi Technology will continue to collaborate with the National Intelligent Connected Vehicle Innovation Center to carry out full-chain real scene verification from components to the complete vehicle, accelerate the deep integration of hydrogen fuel cells and autonomous driving at the vehicle level, and combine the resource advantages of both parties to expand the promotion and application of practical scenarios such as ports, parks, trunk lines logistics and dedicated lines logistics.

## Development of Regional Hydrogen Energy Industry

After six years of transformation and development in the hydrogen energy industry, Meijin Energy has grown into a leading enterprise in the field of hydrogen energy. The year 2022 marks the beginning of Meijin Energy's second five-year plan. The Company has upgraded its positioning in the hydrogen energy sector, adhering to the "Five Ones" strategy, and has deployed hydrogen energy in multiple cities across the country to promote local hydrogen industry and economic development.

### Guizhou Liuzhi Special District "Comprehensive Utilization Demonstration Project of Coal-Coke-Hydrogen"

During the reporting period, the "Comprehensive Utilization Demonstration Project of Coal-Coke-Hydrogen" of Meijin Energy Guizhou Liuzhi Special District was officially laid. The Company planned to rely on the restructured Jiashun Coking, fully leverage its operational capabilities and advantages in the overall hydrogen energy industry chain layout, and comprehensively upgrade and transform its production facilities. The goal was to rapidly develop the "coal-coke-hydrogen" industry chain within the Luxi Industrial Park of Liuzhi Economic Development District, Liuzhi Special District, and Liupanshui City, driving the development of regional circular economy and significantly increasing employment opportunities.



### Promote the coverage of hydrogen-powered bus

#### ◆ Layout of hydrogen-powered and electric buses in Qingdao

The first 50 units of meter hydrogen fuel city buses were supplied by Qingdao Meijin New Energy Vehicle Co., Ltd. to Qingdao Zhenqing Bus Group Co., Ltd. in January 2021, and they were first used in Qingdao West Coast New Area. The Company once again delivered to Qingdao Zhenqing Bus Group Co., Ltd. with 40 units of 12 meter hydrogen fuel buses, 30 units of 8.6 meter fuel cell buses, and 10 units of 10.6 meter pure electric city buses during the reporting period. A demonstration of Qingdao 5G smart public transportation has been built thanks to the Company's delivery of 120 units of hydrogen fuel cell buses to Qingdao Zhenqing Bus Group Co., Ltd. as of the beginning of 2023.



#### ◆ Layout of electric buses in Foshan

To be used by Guohong Public Transport Co., Ltd. in Sanshui District, Foshan, 26 units of Feichi Technology's 6.5-meter pure electric buses were constructed and built during the reporting period. More than 300 units of all-electric buses from Feichi Technology have been supplied to Foshan for use since August 2018. Feichi Technology's new energy buses have started to appear in a number of districts, including Chancheng, Sanshui, Shunde, and Nanhai, successfully offering a more low-carbon, ecologically friendly, secure, cozy, comfortable, and practical travel experience to Foshan.

### Boost Jiaxing in building a national hydrogen fuel cell vehicle demonstration city

During the reporting period, Feichi Technology delivered 65 hydrogen fuel cell tractors, 6 hydrogen fuel cell van logistics vehicles, 5 hydrogen fuel cell road buses, and 41 hydrogen fuel cell city buses to Jiaxing, boosting Jiaxing City to deepen its construction of a national hydrogen fuel cell vehicle demonstration city.

In the future, Feichi Technology will further upgrade its strategic layout in Jiaxing Port Area, and continue to combine the resource advantages of the Yangtze River Delta in the development of hydrogen energy industry, diversify the layout of hydrogen energy application scenarios, and continue to support the development strategy of the "hydrogen corridor" construction.

## Layout of Hydrogen Energy Industry Chain



Meijin Energy actively implements the national "carbon peak, carbon neutrality" strategy, adheres to low-carbon development, and integrates advantageous resources. Since the Company started promoting energy reform, it has actively promoted the construction of the entire hydrogen energy industry chain from various aspects such as hydrogen production, hydrogen storage and transportation, hydrogen refueling station network construction and operation, hydrogen fuel cell vehicles and core component research and production.

At present, Meijin Energy's hydrogen energy industry chain has gathered more than ten highly-developing enterprises in segmented fields, mastering key core technologies such as gas diffusion layer (GDL), membrane electrode assembly (MEA), fuel cell stack, power system, manufacturing-storage-transportation-refueling and other key core technologies, exploring the "full life cycle of hydrogen energy" innovation ecosystem from research and development, production manufacturing to commercial application, and creating a hydrogen energy industry cluster with independent intellectual property rights.

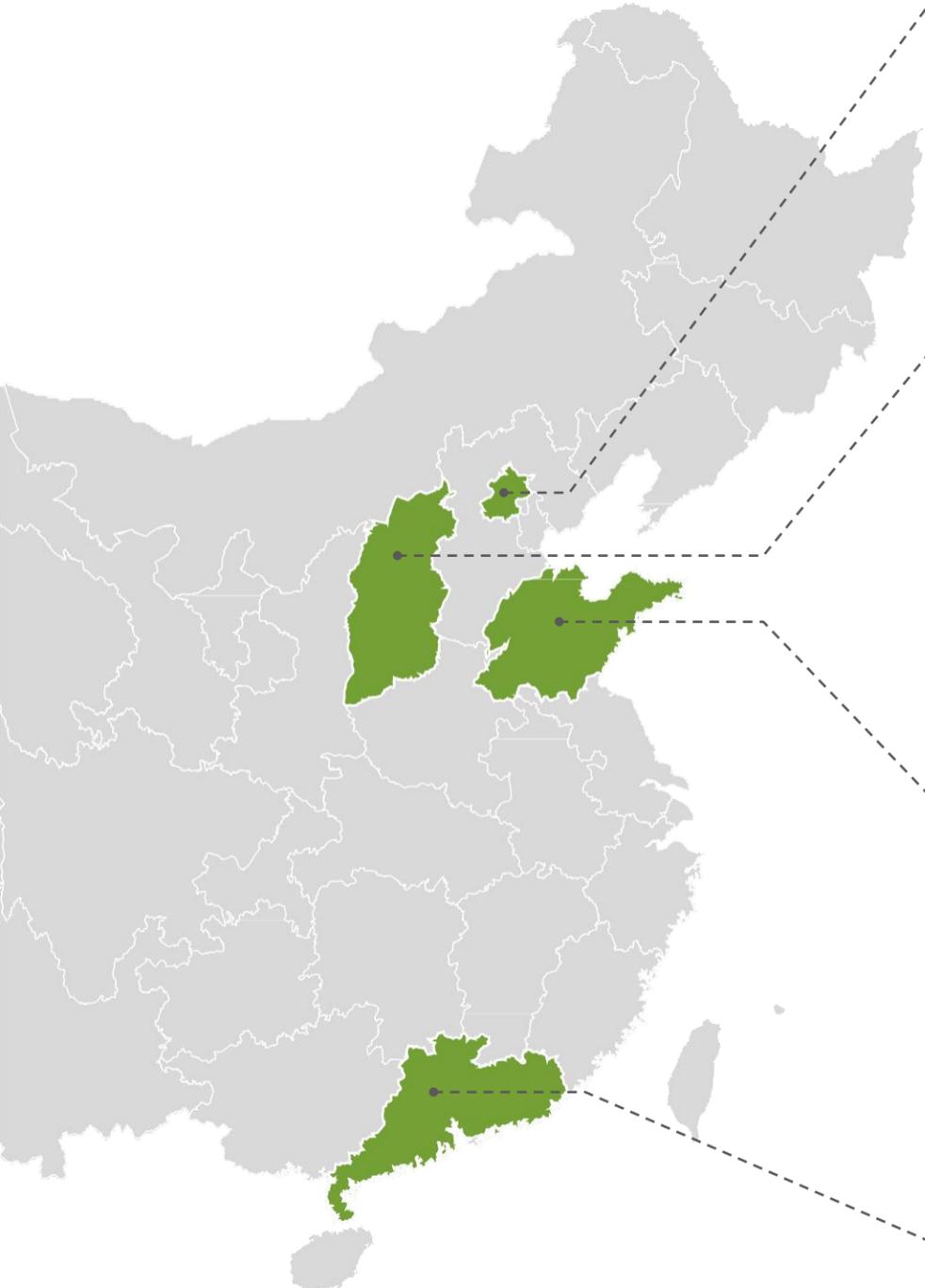
### Promote commercial application and establish a closed-loop hydrogen energy ecosystem

One of Meijin Energy's main businesses is the coal coking chemical sector, which requires the support of thousands of heavy trucks for coal transportation and product delivery in its supply chain, resulting in significant carbon emissions. Therefore, Meijin Energy has taken the lead in carrying out a hydrogen heavy truck operation demonstration project in Shanxi Province.

By the end of the reporting period, the Company had invested over 270 hydrogen heavy trucks in Shanxi Province, which not only improved the utilization value of its byproduct hydrogen but also achieved low-carbon emissions in "coal-coke-steel" logistics. This helped to extend the coal coke gas industry chain. The project established a precedent for the widespread use of big vehicles fueled by hydrogen in Shanxi Province and possibly even the entire country to serve the traditional energy industry.

Additionally, Meijin Energy actively participated in the national "dual carbon" construction and development and meticulously planned out hydrogen energy industry construction projects in provinces like Guangdong, Shanxi, Shandong, and Beijing. Meijin Energy is also constantly improving the chain layout of its hydrogen energy industry.

## Meijin Energy Hydrogen Industry Project Layout (Partial)



### Beijing

In 2022, the Company will launch the first phase of Meijin Hydrogen Energy's Advanced Business Park Project in Beijing Daxing's International Hydrogen Energy Demonstration Zone, promote the development of the hydrogen energy industry cluster in Daxing District, create a highland of innovation in the hydrogen energy industry, provide technical and product support for the hydrogen energy industry in Daxing District to "supplement the chain, strengthen the chain and expand the chain", and support Daxing District to become a benchmark of the Beijing-Tianjin-Hebei city demonstration group.

### Shanxi Province

In 2022, the Company was awarded the title of the leader enterprise in Shanxi Province's hydrogen energy chain, improving the construction of the production, storage, transportation, and processing industry chain. The Company leverages the advantages of large-scale and low-cost hydrogen production from Huasheng Chemical's coke oven gas to explore multiple hydrogen energy heavy-duty truck demonstration operation scenarios with a total of nearly 400 vehicles deployed. It is currently the largest fuel cell vehicle platform in China for actual commercial operation. The Company has built a heavy truck assembly line in the Lvliang Economic Development Zone, becoming a landmark project in the hydrogen energy industry of Lvliang City. During the reporting period, the Company built and put into operation 5 hydrogen refueling stations in Shanxi Province, making it the hydrogen energy enterprise with the largest number of hydrogen refueling stations in Shanxi Province.

### Shandong Province

The Qingdao Meijin Hydrogen Energy Science and Technology Park project, located in the West Coast New District of Qingdao, was fully capped by the end of 2022 and is currently undergoing equipment installation and commissioning. The project is anticipated to go into production in the middle of 2023, with a 5000 unit manufacturing capacity. Qingdao Meijin will have more sway in the local market as the leading company in the hydrogen and energy storage industry chain of Qingdao, further strengthening its capacity for industrial integration and competitiveness.

### Guangdong Province

In July 2022, Meijin Energy signed the *Strategic Investment Agreement* with the Nanhai District Government of Foshan, which plans to introduce high-quality companies in all links of the industrial chain of Meijin Energy system and leading enterprises of existing hydrogen energy in Foshan into Meijin Energy (Foshan) Hydrogen Energy Science Park, and jointly build the Company's Advanced Business Park project for hydrogen energy industry in Guangdong.

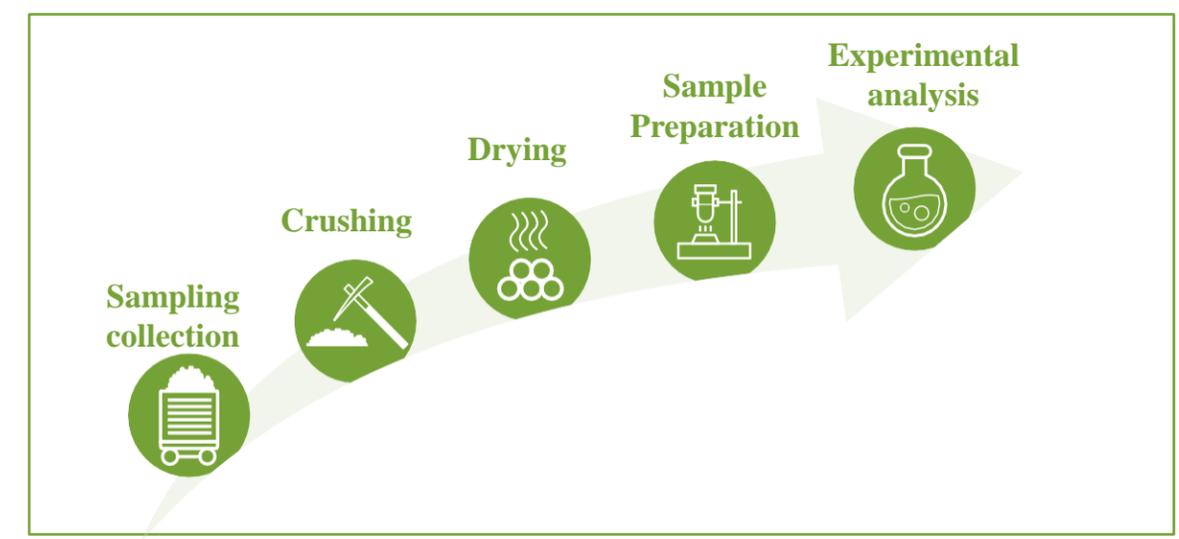


## 3.2 Adhering to Quality

Meijin Energy always places the assurance of product quality as a top priority, ensuring the consistent stability of product quality. The company has established a strict quality control system, standards, and quality control management methods, and has formulated regulations such as the *Quality Control Management Methods* and *Quality Standard Management Assessment Standards*. These ensure that the concept of quality management is jointly and cross-implemented in every production stage.

### Coal Business

Four coal mines owned by Meijin Energy—Dongyu, Jinfu, Jinhui, and Taiyue—are all primarily used for mining and cleaning coal. The four coal mines produce raw coal, which is cleaned by the coal washing units installed in each mine and then sold to the coal coking company run by Meijin Energy. We adhere to stringent quality control measures to guarantee the product's qualification for quality.



Quality Inspection Process for Coal Products

### Coke Business

Meijin Energy, one of China's largest commercial coke production bases, has a significant impact on the industry, which is inextricably linked to our extensive control over product quality over time. To ensure product quality, we have implemented solid production and quality inspection procedures and trained our staff in production techniques.



Quality Control Measures for Production and Quality Inspection of Coke Products

In order to comprehensively improve the operational skills of employees in various workshops and ensure stable product quality, Meijin Energy focuses on skill training for company employees.

- ◆ Process training: Focusing on the quality requirements of coke products, multiple trainings are carried out in aspects such as coal preparation for coking, coke oven structure, coke oven machinery and equipment, coke production process, production technology, etc., to enhance corresponding skills for employees;
- ◆ Quality inspection training: Conducting training around the basic concepts of quality inspection, the importance of quality assurance, and the requirements of product quality related laws and regulations, further standardizing the Company's quality inspection work, strengthening the quality inspection awareness and on-site testing skills of all personnel in the Company.



**Employee Training for Meijin Energy's Coke Business**

The actual delivery quality of Meijin Energy's coke products was stable, recognized by the market and numerous clients, and the market share steadily expanded thanks to our unceasing efforts to improve product quality.

## Hydrogen Energy Business

Hydrogen fuel cell vehicles are one of the main products of Meijin Energy's hydrogen energy sector. While ensuring product quality, we also pay great attention to the safety of hydrogen use during vehicle operation. Meijin Energy has established a comprehensive hydrogen system; in the event of a vehicle malfunction or accident, the hydrogen storage cylinder can be urgently vented. If a hydrogen leak occurs, the vehicle can immediately automatically shut down the fuel cell stack operation command and the main valve and cylinder valve of the hydrogen cylinder group, and inform the driver of the hydrogen leak alarm information. In the event of a collision, the collision protection device can cut off the vehicle's power supply, shut down the hydrogen pipeline, disconnect the fuel supply, and send collision alarm information to the driver, fully ensuring the safety of the vehicle's operation.

Currently, Feichi Technology under Meijin Energy has obtained ISO 9001 and ITAF 16949 quality management system certification.



**Feichi Technology Quality Management System Certification**

## 3.3 Supply Guarantee

The development of Meijin Energy cannot be separated from sound and stable supply ecology. We are always committed to establishing long-term stable, mutually beneficial and win-win cooperation relationships with our supplier partners. In addition, we constrain the behavior of both supply and demand parties through a sound institutional management system. Moreover, we integrate effective resources from both parties, jointly exploring the market and creating a virtuous cycle of development environment together.

### Supplier Management

Meijin Energy formulates supplier audit requirements and complies with all applicable laws, rules, and certification criteria for supply chain management in order to effectively and efficiently manage every area of the supply chain. We actively do audit work on suppliers' ISO 9001, ISO 14001, and ISO 45001 certification statuses. In order to assess the quality of suppliers, we have included standards for energy conservation, consumption reduction, after-sales service, and technical advancement based on factors including reputation, qualification, product quality, and price advantage. The Company had 1004 suppliers in total during the reporting period.



**Number of suppliers by China region**

In order to enhance the efficiency of supplier management, the Company has actively promoted the launch of the supplier management information system, incorporating all aspects of procurement into system management, so as to timely track various suppliers and procurement planning processes in the system.

#### Supplier management information system

- ◆ Meijin Energy has promoted the launch of the NC supplier management platform, which covers supplier qualifications, supplier performance, contract documents, contract execution, arrival and warehousing, and other aspects. It enables the entire procurement process to be visualized, reducing risks such as missing information and management oversight.
- ◆ Meijin Energy has introduced the Youyuncai online procurement platform to encourage procurement planning, procurement inquiry and comparison, procurement payment, and other links through the system in a one-stop way in order to increase procurement efficiency. The system also incorporates declaration and approval procedures, considerably enhancing procurement efficiency and facilitating the establishment of a paperless procurement office.

### Supplier Empowerment

Meijin Energy is always looking forward to fostering positive working relationships with suppliers, exchanging ideas and knowledge, and achieving progress together. Meijin Energy continued in developing closer relationships with its suppliers, encouraging technological advancement, and realizing the transition of technological advances over the reporting year.

#### Technical breakthrough in OPR system

The level of automation and intelligence has expanded with the technological change and upgrading of the business. Utilizing investment conversion technology to address Huasheng Chemical's OPR system and other technical issues, Meijin Energy actively complies with development requirements and has signed a full coking technology service contract with Shanxi Yashi Tiancheng Co., Ltd. Meijin Energy strives to promote the transformation of scientific and technological achievements, giving it a competitive edge in the technology sector.

## 3.4 Customer Service

Customer satisfaction is extremely important to Meijin Energy, and the Company consistently considers the needs of its broad customer base. Meijin Energy has developed internal management policies like the *Internal Control Manual for Sales Business*, *Sales Management System*, and *Customer Management Measures* in response, which provide detailed regulations on sales processes, customer maintenance, customer safety, and customer privacy, completely protecting the rights and interests of every customer of Meijin Energy. Meijin Energy also strictly implements the *Consumer Rights Protection Law of the People's Republic of China*.

### Customer Communication and Maintenance

Meijin Energy has actively established a multi-channel user communication approach and internally developed a *Sales Process System* and *Customer Management System*, clarifying the specific requirements for customer communication work.

For Meijin Energy, customer visits are an important channel for customer maintenance and communication, as well as an important way to timely follow up on market and customer demand changes. During the reporting period, we actively conducted visits to our business clients, target clients, and potential clients. After the customer visit is completed, we will fill out the *Customer Visit Questionnaire* and *Customer Satisfaction Questionnaire* based on the results, promptly report customer opinions to relevant departments, adjust and improve service quality, and stabilize customer relationships.

In addition, we have also set up various channels for communication and exchange with customers, such as phone calls and regional offices for customers. In order to timely obtain customer feedback, we will collect customer option and complaints from time to time, and conduct research on customer satisfaction. These can help us understand customer ideas and make improvements in a timely manner.



Communication channels for Meijin Energy customers

During the reporting period, in order to ensure the quality of communication with customers, Meijin Energy conducted multiple trainings for sales personnel of the Company, including enterprise overview, product overview, legal and financial knowledge, etc. We also included the training results in the annual performance evaluation of employees to strengthen their skills and enable them to face our customers with the best professional literacy.

### After-sale Service

After the sale is complete, Meijin Energy cherishes the after-sales service process and looks forward to assisting customers in resolving product-related issues through our thorough after-sales service. We also aim to build long-lasting, stable, and mutually beneficial cooperation partnerships with our clients.

#### After sales service management of Meijin Energy



Setting up regional offices to track customer activities and delivery status within the respective regions, handling customer feedback, and promptly coordinating settlement and collection related tasks for the business within the assigned area.



Setting up regional offices to track customer activities and delivery status within the respective regions, handling customer feedback, and promptly coordinating settlement and collection related tasks for the business within the assigned area.



Establishment of Customer Complaint System, Accepting Customer Feedback, Analyzing the Root Causes of Issues, Timely Resolution, and Proposing Improvement and Solution Measures.

During the reporting period, we did not receive any complaints from customers. Through the efforts of Meijin Energy, we maintained good cooperation with our main customers and established new cooperative relationships with multiple steel companies. With the support of comprehensive customer service, Meijin Energy's market share steadily increased.



### Customer Privacy and Information Security

In the process of customer communication, Meijin Energy emphasizes customer privacy protection and information security. We strictly comply with national laws and regulations, formulate and strictly implement the *Customer Privacy and Information Security Protection System* within Meijin Energy. The system specifies the scope of confidentiality for company and customer information, and ensures customer information security through methods such as classification of information confidentiality levels and setting of employee permissions.

Moreover, Meijin Energy required employees who have access to important customer information to sign a *Confidentiality Contract*, clarifying the confidentiality content and breach of contract responsibilities, and ensuring the security of various types of information and secrets.

# United Efforts, Advancing together

## CHAPTER 4

4.1 Talent Gathering

4.2 Talent Cultivation

4.3 Health and Safety

4.4 Talent Care

4.5 Social Public Welfare

Meijin Energy always upholds the concept that “talented personnel are the primary resources”, puts talent development high on company development, and devotes to build a high-quality talent team. The Company also protects the basic rights and interests of employees in accordance with the law, puts employee safety and health in the first place of production, and actively carries out the construction of corporate culture to enrich the spare time life of employees, which give every employee a sense of belonging.

## 4.1 Talent Gathering

### Appointment of Chief Scientists

In early August 2022, two industry leaders, Academician Ye Siyu and Academician Zhang Jiujun, got appointed as the chief scientists of Meijin Energy.

Academician Ye Siyu is a fellow of the Canadian Academy of Engineering and currently serves as the Vice Chairman and Chief Technology Officer (CTO) of SinoHyKey Technology Company Limited. Academician Ye, as the former Chief Scientist of Ballard Power Systems, is an internationally renowned electrochemist and fuel cell expert with nearly 30 years of experience in fuel cell research and industrialization. The SinoHyKey Technology also has a scientific and technical team of over 60 people, which has applied for over 120 patents and published over 170 literature of high quality.

Academician Zhang Jiujun, as a fellow of The Academy of Science of the Royal Society of Canada, the Canadian Academy of Engineering, and the Canadian Engineering Research Institute, is currently the Dean of the College of Materials Science and Engineering at Fuzhou University, the Dean of the Institute of Sustainable Energy at Shanghai University, and the Chief Scientist of LiNeng New Energy Technology(Beijing)Co., Ltd. He has long been engaged in basic research and application development of research and industrialization of electrochemical energy storage and conversion. His research areas cover various aspects of physical chemistry, materials science, electrochemistry, electroanalysis, electrocatalysis, batteries, lithium-ion batteries, fuel cells, supercapacitors, photoelectrochemistry, and sensors.



Academician Siyu Ye



Academician Jiujun Zhang

### Staff Recruitment and Employment

Meijin Energy strictly abides by relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and the *Social Insurance Law of the People's Republic of China*. The Company has also formulated internal policies such as the *Personnel Management System of Meijin Energy*, the *Employee Management System of Meijin Energy*, and the *Labor Rights Protection Management System of Meijin Energy*, to protect the legitimate interests of employees in terms of recruitment, promotion, separation, working hours, remuneration and benefits in accordance with the law.

During the reporting period, Meijin Energy established the Human Resources Department and hired professional management consultancy to build the human resources management system. We gradually improved the recruitment and interview process, adhered to the recruitment principles of “ability and moral integrity, fairness and justness, and value-oriented”, optimized the *Personnel Requisitions Form*, *Candidate Application Form*, and *Interview Evaluation Form*, etc., and established a talent resume database to facilitate the screening of suitable candidates in the later stage.

At Meijin Energy, we are committed to legal employment. We prohibit child labor (under the age of 16), forced labor, and continuously improve to fulfill our social responsibility to meet the requirements of human rights standards. On the one hand, we develop policies, plan for standards, procedures and remedial measures of recruitment to effectively control the non-recruitment and non-support of child labor to comply with human rights requirements; on the other hand, we sign standardized labor contracts that specify work content, work hours, related benefits, etc., striving to ensure that female workers and underage workers (over 16 years old but under 18 years old) receive the special protection they deserve to comply with requirements of human rights standards.

As of the end of the reporting period, the total number of employees of Meijin Energy was 5,989, and the specific distribution of employees was as follows:

#### Total number and proportion of employees by gender



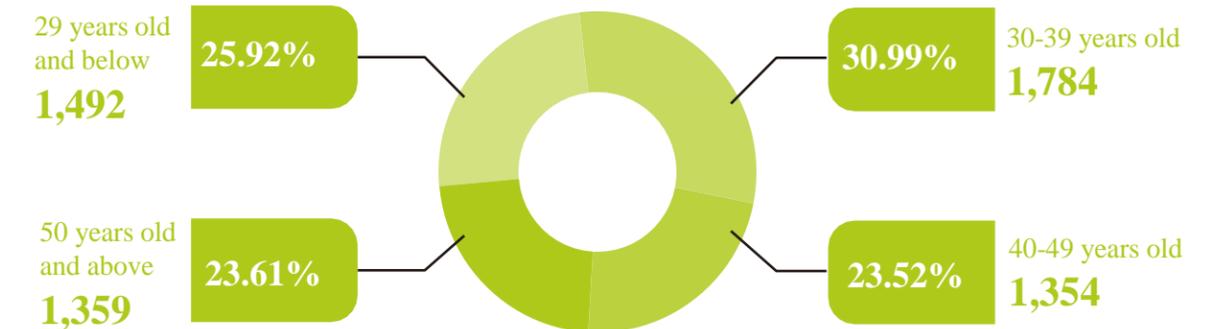
#### Total number and proportion of employees by employment type



#### Total number and proportion of employees by job grade



#### Total number and proportion of employees by age



Meijin Energy values diversity and inclusivity in the workforce. During the recruitments, we are committed to providing equal opportunities and do not discriminate on the basis of their ethnicity, race, region, gender, age, religion, physical condition, education level, marital status, etc. We also strive to maintain a healthy and safe workplace without discrimination and targeting. Through methods such as “rehiring after retirement”, we try to attract professional talents to join our team. Moreover, we combine various online and offline channels in talent recruitment to form a diversified recruitment form. During the reporting period, the Company employed 13 handicapped people and 38 people from ethnic minorities. In order to solve the employment problem for local residents, we actively hire local laborers. Taking the Shanxi headquarters of Meijin Energy as an example, the number of employees is 293, among which 199 employees are from Qingxu, and the employment rate of local employees is 67.92%.

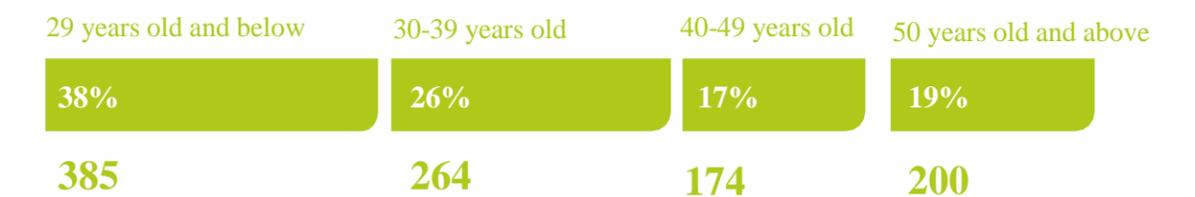
During the reporting period, the employee turnover rate of Meijin Energy was 17.09%, and the specific distribution of employee turnover is as follows:



#### Proportion of employee turnover by gender



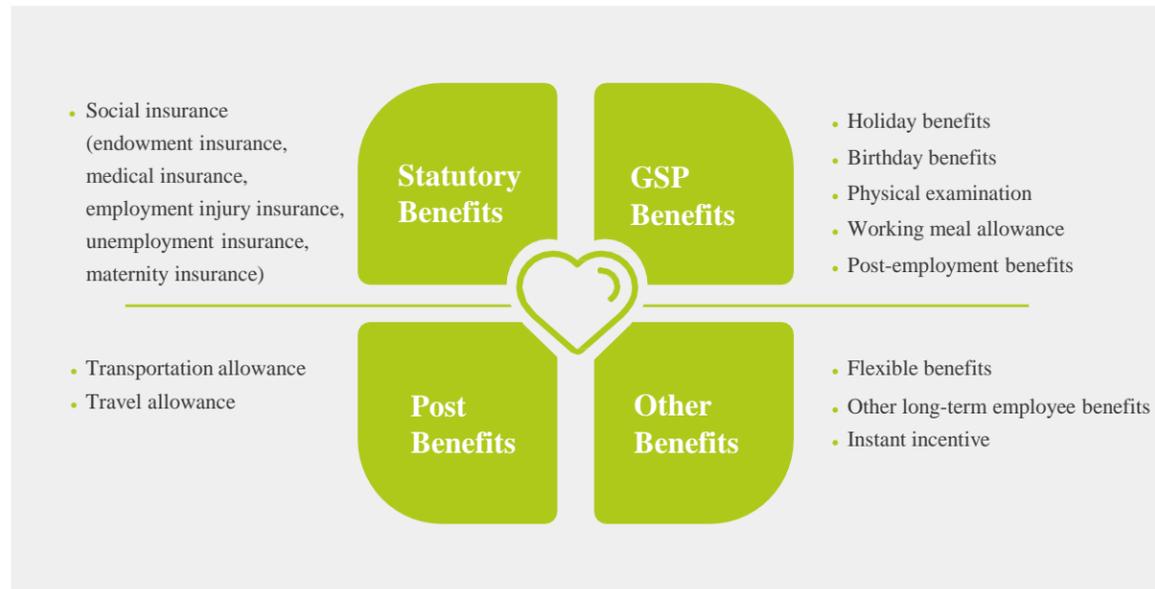
#### Proportion of employee turnover by age



## Compensation Benefit and Equity Incentive

By optimizing the compensation system and incentive system, Meijin Energy improves the promotion path of employees and stimulates their motivation to work. In order to enhance the competitive advantage of Meijin Energy's talents, the Company provides statutory benefits, GSP(Generalized System of Preferences) benefits, post welfare to all employees in addition to holiday benefits and birthday benefits, and therefore it has established a completed and good welfare security system.

During the reporting period, Meijin Energy improved its compensation system and promotion mechanism, adjusted the salaries of six departments. The Company expects to continuously optimize the compensation system in the future to enhance its internal incentive effect while ensuring internal fairness.



Company welfare security system

**457** incentive objects    **56,159,500** shares of restricted stock

In order to fully mobilize the enthusiasm of the management personnel and employees of each subsidiary, Meijin Energy has formulated the *2022 Restricted stock Incentive Plan* in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Management of Stock Right Incentives of Listed Companies*, other relevant laws, regulations, normative documents and the *Articles of Association of Shanxi Meijin Energy Co., Ltd.* In September 2022, a total of 56,159,500 restricted stock were granted to 457 incentive objects, which will more closely link the interests of employees with the interests of the Company and fully stimulate the passion of employees.

## 4.2 Talent Cultivation

Meijin Energy adheres to the corporate value that "let everyone fully display his talents and make the best use of everything". We actively carry out talent cultivation work and various training programs that enable employees to continuously improve their abilities and realize their self-worth in work.

### Employee Promotion

Meijin Energy always insists on the fair and just principle of talent promotion. We take the performance and ability of employees as the main criteria for promotion, clarify the conditions and process for promotion, and promote excellent talents for the Company. During the reporting period, the Company further clarified the promotion channels for employees and intends to establish and improve a career development channels for all employees, adjusting the original single management channel to multiple promotion channels such as management, specialty, and skill.



### Staff Training

Meijin Energy attaches great importance to the employees cultivation and improvement of their abilities, and has developed a comprehensive training system to help employees improve their own abilities. During the reporting period, the company further standardized the training management process. Each department and subsidiary of the Company formulated the *Staff Training Management Methods* and annual and monthly training plans that matched their positions, continuously assisting employees in improving their own abilities and job skills.

During the reporting period, Meijin Energy conducted a total of 1,013 training sessions, with a total of 18,139 trainees and a total training duration of 208,471 hours.



#### Staff training of the coke division

During the reporting period, the Coke Division of Meijin Energy formulated the *Training Management System of the Coke Division* and the *Current Training Management Methods of Meijin Huasheng 2022*, established a "Training and Education Team" to cooperate with each workshop to carry out training and education for producing personnel in various positions, and formulated monthly and annual training plans that are highly operable and executable.

Training sessions held **28**

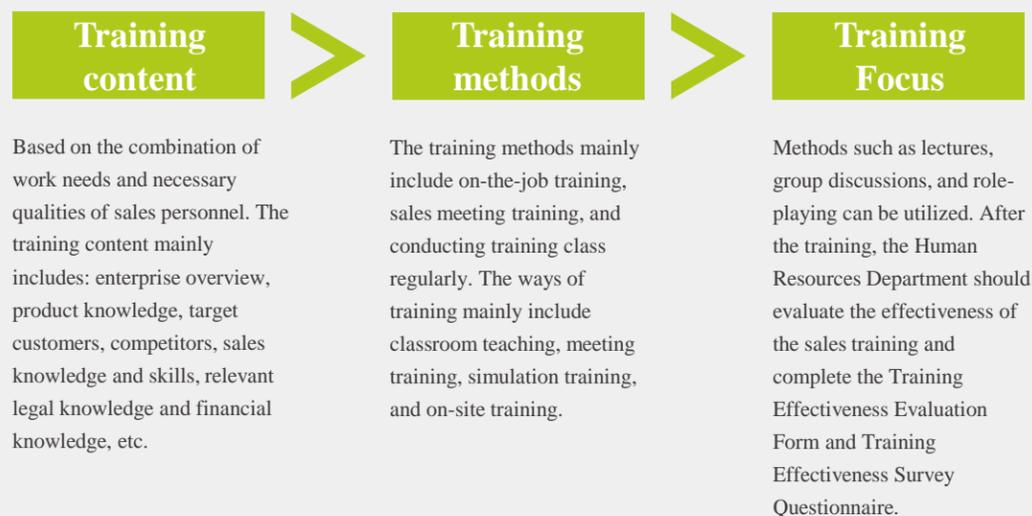
Number of topics **35**

### Annual training course plan of the Finance department

In order to enhance the working abilities of employees, the Finance Department of the Company organizes regular business-related training, arranges business personnel to actively participate in relevant training, and provides timely interpretation and practical training on new policies. During the reporting period, the Finance Department held 28 training sessions, totaling 35 topics.

### Staff training of the Sales Department

To enhance the job skills and behavioral norms of sales personnel, Meijin Energy provides various forms of training to sales personnel every year. During the reporting period, the sales department organized three large-scale training sessions for in-service employees, significantly improving their overall quality.



### Staff training of the Securities Department

During the reporting period, the securities department organized all employees to participate in online and offline training courses covering industry development trends, relevant policies, compliance operation norms, and information disclosure. The specific courses include *Training on Interpretation of 2021 Annual Report Disclosure* and *Special Training on Futures Business of Shenzhen Stock Exchange Companies* organized by Shenzhen Stock Exchange, as well as 16 themed live streaming courses organized by Shanxi Listed Companies Association.

## 4.3 Health and Safety

Meijin Energy prioritizes the health and safety of employees in its production and operation. The Company strictly abides by laws and regulations such as the *Production Safety Law of the People's Republic of China* and the *Code of Occupational Disease Prevention of PRC*, implements national technical standards, adheres to the general policy of "safety first, prevention first, and comprehensive governance". It continuously improves employees' safety awareness through a series of measures such as improving system construction, promoting safety training, carrying out comprehensive safety inspection and evaluation, and health management. We also promote the long-term safety and health of our employees by providing them with safe working conditions.

### Safety Production

The company continuously upgrades and optimizes relevant accountability and management systems. To ensure the safety of employees in the production process as much as possible, the Company regularly establishes a well-developed accountability system, organizes safety drills, safety assessments, and special inspections through daily training. During the reporting period, the subsidiary of the Coal Sector has formulated an assessment report on major hazards of the Company's mines to further clarify the identification methods and preventive measures for hazardous accidents. The Divisions of Coke, Chemical, Hydrogen Energy and other office sectors have also actively organized emergency safety drills, safety training, etc.

#### Assurance system

The Company's Safety and Environmental Protection Committee is responsible for managing and supervising the implementation of the Company's safety, health, and environmental programs, as well as monitoring potential liabilities, regulatory changes and technological changes of the Company that related to safety, health, and environmental issues. It inquires about major accidents and responsibilities that occur in the Company's production and operation, property assets, employees, or other facilities, and inspects and supervises the handling of such accidents. It also oversees and inspects the identification, evaluation, management process, and progress of relevant goals of issues that related to the Company's environmental, social responsibility, and corporate governance activities. Each subsidiary of Meijin Energy has formulated a reward and punishment system for work safety, linked the safety situation with the corresponding performance, strictly implemented the responsibility system for safety assurance of major hazards, and strengthened the identification and handling of major hazards. Each division has formulated the *Safety Management System* based on the actual situation of the company, fully reflecting the appropriateness and adequacy of rules and regulations.

### Dongyu Coal Industry released the identification report of major hazards in the mine

During the reporting period, Dongyu Coal Industry actively carried out the assessment of hazards. The Company established an evaluation project team and went deep into the mine to conduct on-site investigation, evidence and data collection on the actual operation and safety management of facilities, equipment and devices of its surface and underground production systems. They applied the principles of safety system engineering, selected scientific, reasonable and applicable evaluation methods, identify the major sources of danger existing in the mine, to identify the major hazards and dangerous factors in the mine, analyze the types and severity of possible accidents caused by hazardous and harmful factors, determine the risk of major hazards and the level of major hazards of the evaluated mine by evaluating the danger of the hazards themselves and the effect of the control measures. Therefore it prepared the *Assessment Report of Major hazards by Shanxi Meijin Group Dongyu Coal Industry Co., Ltd.*

### Safety performance assessment system of Huasheng Chemical Industry

To strengthen the management safety production, Huasheng Chemical Industry strengthens the implementation of safety responsibilities at all levels, implements a safety performance assessment system, highlights the importance of safety production, links safety production with personal interests, which further enhances personal safety awareness and the enthusiasm and consciousness of all factory cadres and employees in safety work.

The Company also conducts relevant safety assessments for each department, including the formulation of safety system, safety education and training, emergency drill, recording of various safety activity records, safety accidents, and the "three violations" operations. At the same time, the Company has incorporated safety assessment into the KPI assessment system at the company level, and linked the assessment results to the merit pay of each department head and grassroots cadre.



### Emergency safety drill

Emergency plans such as *Emergency Plan for Production Accidents*, *Emergency Plan for Sudden Environmental Events* and *On-site Disposal Options* have been formulated by the relevant subsidiaries of Meijin Energy in accordance with the *Safety Production Law of the People's Republic of China*, *Regulation on Emergency Responses to Safety Production Accidents*, *Measures for the Administration of Emergency Response Plan for Safety Production Accidents* and *Guidelines for Enterprises to Develop Emergency Response Plan for Work Place Accidents*. These emergency plans have been reviewed by external experts, filed with the Emergency Management Bureau in the corresponding region, and obtained the emergency plan registration form. What's more, emergency plan training and drills were regularly organized to improve the emergency response ability of our employees to ensure their safety.

The company has established a safety production management system with dedicated safety personnel. In compliance with national laws, we conduct safety training, risk control, hazard identification, and risk management. We've developed comprehensive and specialized emergency plans and regularly perform drills. We also manage major hazard sources actively by implementing a safety responsibility system, utilizing remote monitoring and on-site inspections.



Special emergency plan drills for ammonia leakage, poisoning, etc.

### Health and safety training

A total of 362 health and safety training sessions have been conducted by Meijin Energy during the reporting period, covering 16,995 people and a total of 24,205 hours. Innovative and interesting safety training activities based on their own needs have been carried out among each Business Division and subsidiary to popularize relevant work safety knowledge, enhance employees' awareness of safety confirmation so as to ensure the safety production of Meijin Energy.

- ◆ Coal Business Division
  - Taiyue Coal Industry has formulated a comprehensive retraining plan for all employees in 2022, and conducted a 9-day training session in January 2022. The training covers 12 topics including "laws and regulations on coal mine safety production, safety management of coal mine, mine accidents and relevant prevention and control, as well as mining safety of coal mine".
  - Jinfu Coal Industry has set safety training goals to achieve 100% training rate, qualification rate, and certificate rate.
- ◆ Chemical Division
  - At the beginning of the year, Runjin Chemical formulated an annual training plan, which includes two monthly safety education sessions for all employees, as well as training for key personnel in charge, safety management personnel, and special operations personnel. Various safety activities have been carried out to strengthen employee safety education and training, and to build a corporate safety culture. The Company has also implemented a safety performance assessment and evaluation system based on an 8-hour (team) unit.



"Hydrogen Cup" knowledge competition activity held by Meijin Hydrogen Energy Development

- ◆ Hydrogen Energy Division
  - Based on the actual situation of production and the responsibilities of each post, Feichi Technology has carried out training on safety production rules and regulations, back-to-work training, occupational health training, forklift training, fire training, etc. The Company has also carried out fun activities such as fun firefighting competition and Centenarian activities to increase everyone's participation.



Emergency drills for asphyxiation rescue in confined space operations of coal equipped workshops



Fire drill



Underground flood emergency drill



Daily training for emergency response teams



Emergency drill for fire in coke transportation workshop



Emergency drill for power outage in dry coke quenching workshop



**Skills competition**



**Safety knowledge hundred millionaire game**

A biweekly safety management meeting was held in Qingdao Meijin, during the reporting period to discuss the solution of safety management issues, clarify the specific reasons and persons liable, and issue a safety rectification notice to form a closed loop. In 2022, a total of 36 safety rectification notices were issued, initially establishing a top-down, cross-functional safety management system.

**Special safety measures and hazard investigation**

Corresponding special measures have been taken and safety hazard investigations been regularly conducted in various business units and subsidiaries of Meijin Energy during the reporting period to ensure the safety production of employees.

**Safety precautions for Taiyue Coal Mine**

Taiyue Coal Mine is actively establishing a dual circuit power supply system and installing underground intelligent equipment to ensure the safety of miners. The dual circuit power supply system ensures uninterrupted drainage and ventilation of the coal mine as well as the nonterminating of coal mine production due to power outage accidents; the underground intelligent equipment can achieve unguarded caverns and is expected to be completed by 2025.

**Safety management model of Huasheng Chemical Industry**

Huasheng Chemical Industry has clarified safety goals and job safety responsibilities to further strengthen work safety and implement work safety responsibilities, so as to effectively prevent and control the occurrence of various accidents.

**Annual**

A *Safety Responsibility Commitment* was signed with various departments (workshops)

**Quarterly**

Seasonal safety special inspections, including cold and freezing prevention, lightning protection and grounding, rain and flood prevention, and high temperature prevention were conducted to ensure the effective implementation of on-site safety measures.

**Monthly**

A “monthly joint safety inspection” was conducted every month among each workshop and department, and a “monthly safety meeting” was held to summarize and analyze the safety hazards identified, and complete rectification within the deadline

The Company has improved and revised the *Safety and Environmental Protection Management System*, *Production Management System*, and *Comprehensive Management System*, and organized the preparation of emergency response plans for sudden environmental issues to clarify the operating procedures of each process, refine the responsibilities of each position, and form a systematic and complete handling method.



**Occupational Health**

Meijin Energy has formulated the *Occupational Health and Safety Risk Identification System*, *Occupational Health and Safety Monitoring Management System*, *Environmental Management System*, *Occupational Health Management System*, *Occupational Health Examination Management System*, and *Labor Protection Equipment Management System* to protect the health and safety of employees and ensure a safe working environment. During the reporting period, Feichi Technology obtained Occupational Health and Safety Management System (ISO 45001) certification during the reporting period.

**Occupational Health and Safety Management System Certificate (ISO 45001)**

Major initiatives of occupational health management at Meijin Energy include:

<p><b>Perfect equipment</b></p>	<p>Select equipment and facilities with complete safety devices and qualified conditions</p> <ul style="list-style-type: none"> <li>Daily emphasis on safety precautions, supervision and inspection of distribution and wearing of labor protection equipment</li> <li>Regularly distribute labor protection equipment according to different positions, such as equipping employees who come into contact with toxic and harmful positions with occupational health protection equipment that meets national standards on a quarterly basis</li> </ul>
<p><b>Standardized process</b></p>	<ul style="list-style-type: none"> <li>Standardize staff operating procedures and comply with rules and regulations</li> </ul>
<p><b>Safety check</b></p>	<p>Increase the daily monitoring of occupational hazard factors in production sites and real-time monitoring of occupational hazard production site data</p> <ul style="list-style-type: none"> <li>Conduct regular occupational disease hazard factor testing to comprehensively understand the distribution and intensity of occupational disease hazards in the workplace where employees are located</li> <li>Regularly conduct evaluation of occupational health status, identify potential hazards that may cause occupational diseases as soon as possible, take effective protective measures in a timely manner, and update occupational health related regulations and operating procedures</li> <li>Establish a sound employee health monitoring file and conduct annual occupational health examinations for all employees. For employees with health damage or occupational taboos, measures were taken to re-inspect after being transferred from their original position for at least one month. During the reporting period, no employees missed the examination, with the physical examination rate reaching 100%</li> </ul>
<p><b>Training promotion</b></p>	<ul style="list-style-type: none"> <li>Carry out occupational health training and emergency equipment usage training</li> <li>Thoroughly investigate work-related accidents, analyze the causes of accidents, criticize and educate violators, and make accident cases into safety training courseware to provide special safety training for employees</li> </ul>



**In 2022, security management of Meijin Energy witnessed the following achievements:**

<p>Serious injuries and fatalities</p> <p><b>0</b></p>	<p>Minor injuries rate</p> <p><b>3.36%</b></p>	<p>lost work accident rate per 200,000 hours</p> <p><b>0.26</b></p>	<p>Safety education coverage</p> <p><b>100%</b></p>	<p>Safety hazard rectification rate</p> <p><b>100%</b></p>
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# 4.4 Talent Care

Meijin Energy actively communicates with employees and understands their demands to continuously enhance employees' work happiness and enrich their leisure lives; beautify the office environment, provide talent apartments, and arrange regular cultural and sports activities for employees to feel the warmth of home.

## Democratic Communication

Meijin Energy conscientiously implemented laws and regulations such as the *Trade Union Law of the People's Republic of China*, the *Labor Law of the People's Republic of China*, and the *Constitution of the Chinese Trade Union*, as well as the *Collective Contract Provisions* of the Ministry of Human Resources and Social Security. It has also signed a Negotiation Agreement with the Company's trade union, its subsidiaries, and the trade unions of its subsidiaries to safeguard the legitimate rights and interests of employees and jointly build harmonious labor relations. Topics related to rest and vacation, work safety and health, special protection for female and underage workers, vocational skills training, prevention and handling of labor disputes, investigation and management of accident hazards, quality supervision and inspection of labor protection equipment, and democratic management of employees can be negotiated between the two parties.

## Working and Living Environment

To provide talents with a comfortable working and living environment at Meijin Energy, employees were provided with free high-standard finely decorated apartments with independent bathrooms, public bathrooms, supporting laundry rooms, entertainment centers, and other facilities as well as free work meals and a hygienic and elegant dining environment so as to relieve and alleviate the work pressure of employees, allowing them to love the Company, live comfortably, and commute safely. Meanwhile, considering the higher demands of current employees for their work environment, we reasonably plant greenery and flowers in the office to beautify and green our working environment, and achieve a warm winter, cool summer, and constant temperature throughout the seasons through central air conditioning. To facilitate employees' commute, the company arranges multiple environmentally friendly hydrogen-powered buses for round-trip shuttles between the factory and the apartments. Simultaneously, in the design of the living area, the company also emphasizes creating a lively atmosphere to provide a comfortable working and living environment for employees, allowing out-of-town employees to relax fully after work.



## Employee Activities

Meijin Energy attached importance to the balance between work and life for its employees. During the reporting period, the headquarters and subsidiaries of the Company held various activities, including employee sports games, short trips on Women's Day, holiday activities, birthday activities, etc., which not only enhanced employees' sense of belonging but also stimulated their work enthusiasm.



Visit to the party building base of Liuweizhai and Baoyuan Laocusquare



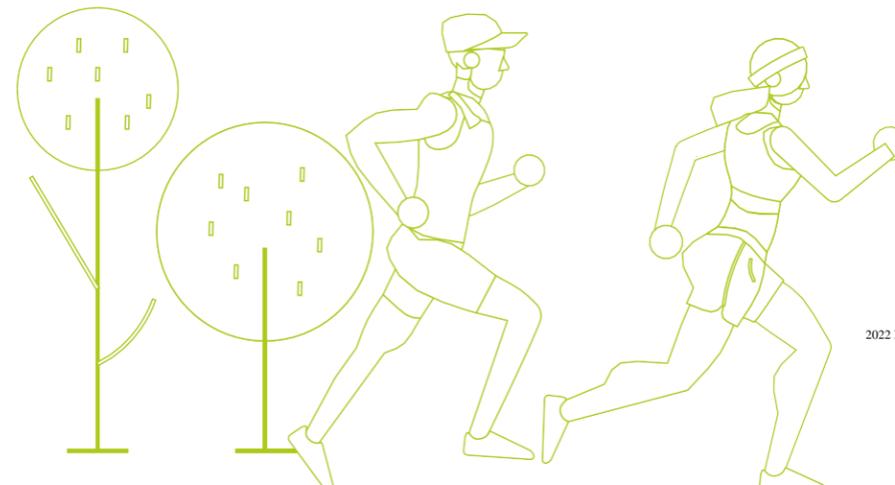
"Sending warmth on two festivals" activity of Taiyue Coal Industry



"Rice dumplings in Taiyue" activity on Dragon Boat Festival



Employee birthday party



## 4.5 Social Public Welfare

Meijin Energy not only focused on its own development, but also actively gave back to society. Adhering to the concept of “no small matters for public welfare”, the Company implemented public welfare undertakings in a practical manner by starting from the small things, driving local employment, improving the lives of people with disabilities, and promoting the development of local education. The Company has always been actively organizing public welfare activities, participating in public welfare donations, and striving to contribute to the development of society based on its professional expertise.

During the reporting period, closed attention has been paid to people’s livelihood issues and contributions were made continuously to the surrounding areas of the Company. Huasheng Chemical Industry donated CNY 78,715.60 in flour and grain and oil to the villagers of Chaijiashai to help people overcome the virus during the pandemic. Taiyue Coal Industry, highly concerned about local education and the interests of vulnerable groups, has donated a total of CNY 2.2 million to blind groups and local education funds. Jinhui Coal Industry also donated CNY 300,000 for the restoration of cultural relics in Yangqu Village, Tianning Town, Jiaocheng County.

Meijin Energy not only actively conducted public welfare donations within Shanxi Province, but also has established close connections with multiple domestic charitable and public welfare foundations; the Company has donated to charitable organizations such as Han Hong Love Charity Foundation and Ihearu Charity Fund. Meijin Energy, as a representative enterprise of transformation and development in Shanxi Province, has also actively invested over CNY 100 million in public welfare donations in urban and rural construction, supporting public welfare investments in urban gas, centralized heating, infrastructure, road engineering, river management, new rural areas, and school construction.

Meijin Energy Headquarters made a total of 13 public welfare donations during the reporting period, with a donation amount of CNY 7.32 million.

Huasheng Chemical Industry donated flour and grain oil to the villagers of Chaijiashai

**CNY 78,715.60**

Taiyue Coal Industry donated to blind people and local education fund

**CNY 2,200,000**



Jinhui donated to protect and repair the old residence of Chang Zhiqing

Jinhui Coal Industry donated **CNY 300,000** for the restoration of cultural relics in Yangqu Village, Tianning Town, Jiaocheng County



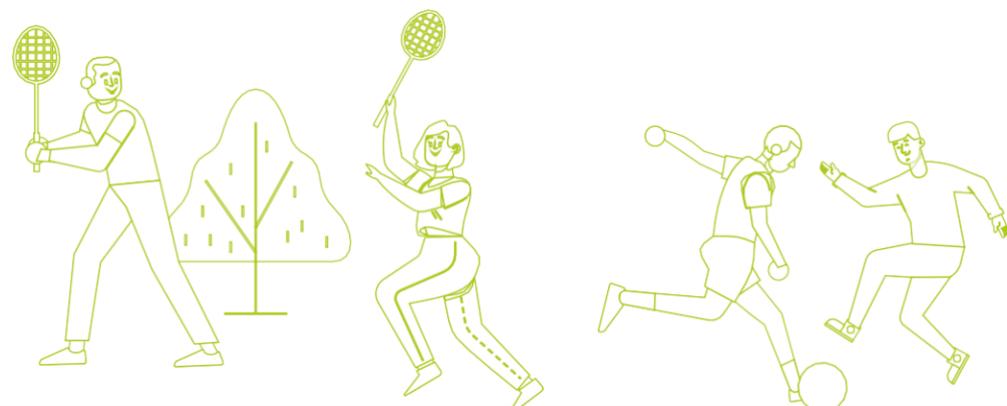
During the reporting period, Meijin Energy Headquarters made a total

of **13** public welfare donations with a donation amount of

**CNY 7,320,000**



Employee team building activity of Meijin Energy



### “Delivery Warmth and love in Summer ” activity of Jinfu Coal Industry

On the occasion of May Day, Jinfu Coal Industry held a publicity and consultation day activity to help every coal mine worker feel as warm as home and to solve their living difficulties. And the activity was promoted by distributing heat relieving watermelons to coal miners, allowing them to feel the warmth of Meijin.



# Appendix 1 Key Performance Table

## Appendix 1.1: Environmental Performance Table

Key performance indicators	2022	Unit
<b>Direct energy use</b>		
Gasoline	268,135.99	Liter
Diesel	1,016,959.42	Liter
Natural gas	2,441,172.79	Cubic meter
Coalbed Methane	90,779,127.00	Cubic meter
Coke oven gas	1,050,984,552.27	Cubic meter
<b>Indirect energy use</b>		
Purchased electricity	1,280,960,596.15	kwh
Purchased heat	4,196,119.63	MkJ
<b>Energy consumption</b>		
Direct energy consumption	21.23	10,000tce
Indirect energy consumption	30.06	10,000tce
Comprehensive energy consumption	51.29	10,000tce
Energy consumption density	0.21	TCE/Ten thousand CNY revenue
<b>Greenhouse gas emission</b>		
Scope I greenhouse gas	783,800.72	tCO <sub>2</sub> e
Gasoline	575.37	tCO <sub>2</sub> e
Diesel	2,527.27	tCO <sub>2</sub> e
Natural gas	4,881.27	tCO <sub>2</sub> e
Special emissions in production	775,816.81	tCO <sub>2</sub> e
Scope II greenhouse gas	1,192,104.99	tCO <sub>2</sub> e
Purchased electricity	730,531.83	tCO <sub>2</sub> e
Purchased heat	461,573.16	tCO <sub>2</sub> e
Partial scope III greenhouse gas (upstream and downstream logistics)	432,351.11	tCO <sub>2</sub> e
Total greenhouse gas emissions (Scope I + Scope II + Scope III)	2,408,256.83	tCO <sub>2</sub> e
Greenhouse gas emission intensity	0.80	tCO <sub>2</sub> e/Ten thousand CNY revenue

Key performance indicators	2022	Unit	
<b>Materials</b>			
Refrigerant	200.00	Kilogram	
Catalyst	18,169,220.00	Kilogram	
Adsorbent	1,963,600.00	Kilogram	
Cleaned coal	8,200,140.63	Ton	
<b>Water resource</b>			
Total water consumption	1,764,294.10	Cubic meter	
Municipal water consumption	1,576,122.10	Cubic meter	
Water consumption from other sources	188,172.00	Cubic meter	
Total amount of wastewater	1,443,800.70	Ton	
Amount of wastewater utilization	1,318,921.96	Ton	
Wastewater utilization rate	91%	%	
Chemical oxygen demand	65.87	Ton	
<b>Exhaust emission</b>			
Sulfur oxide	15.79	Ton	
Nitrogen oxide	70.42	Ton	
Smoke and dust emission	8.6	Ton	
<b>Waste</b>			
Non-hazardous waste	Paper	7.16	Ton
	Plastic	1.05	Ton
	Glass	0.5	Ton
	Metal	4	Ton
	Kitchen waste	60.7	Ton
	Waste rock	342,000.00	Ton
Hazardous waste	Toner-cartridge	215	Pc
	Rechargeable battery	105	Pc
	Tube	6.2	Ton

## Environmental performance statement:

- The environmental data was collected from January 1, 2022 to December 31, 2022, covering 40 subsidiary companies involved in core business of the listed companies. For a detailed list, please refer to the “About Us - Business Overview” section.
- The density calculation of environmental data is based on dividing the total amount of data in 2022 by the company’s total operating revenue for the year.
- Direct energy includes gasoline, diesel, natural gas, liquefied natural gas (LNG), coalbed methane, and coke oven gas, while indirect energy includes purchased electricity and purchased heat. The calculation of energy consumption shall refer to the national standard of the People’s Republic of China, *General Rules for Calculation of the Comprehensive Energy Consumption* (GB/T 2589-2020).
- Greenhouse gas emissions (Scope I) are mainly from diesel, gasoline, natural gas, LNG, and special emissions from various business sectors, including gas escape, gas power generation, exhaust emissions, use of furnace gas, and use of carbon dioxide protection gas. Greenhouse gas emissions (Scope II) come from purchased electricity and purchased heat. The calculation of greenhouse gas emissions shall refer to the *Accounting Methods and Reporting Guidelines for Greenhouse Gas Emissions of Industrial Enterprises in Other Sectors (Trial)* issued by the National Development and Reform Commission of the People’s Republic of China.
- The greenhouse gas emissions (Scope III) come from the upstream and downstream logistics chain of some Meijin Energy subsidiaries, including road and rail transportation.
- In the calculation of greenhouse gas emission intensity, only direct emissions (Scope I) and indirect emissions (Scope II) are calculated here because the emission intensity per unit of output value is mainly assessed by the carbon emission level of enterprises’ own production and operation.

## Appendix 1.2: Social Performance Table

Key Performance Indicators	The Year 2022	Unit
<b>Staff data</b>		
Total number of staff	5,989	Person
<b>Scientific and Technological Innovation</b>		
Number of patents granted	15	Piece
<b>Work safety</b>		
Number of work safety accidents	3	Accident
Number of people injured in work-related accidents	3	Person
Number of fatalities from work-related accidents	0	Person
<b>Supply chain management</b>		
Total number of suppliers	1,004	Household
<b>Community contribution</b>		
Social contribution value per share	1.01	CNY/share

## Appendix 2 GRI Standard Index

<b>Statement of use</b>	Meijin Energy prepared this report in accordance with the Global Reporting Initiative (GRI) standards, covering the reporting period from January 1, 2022 to December 31, 2022.
<b>Use of GRI</b>	GRI 1: Fundamentals 2021

### GRI 2: General disclosure 2021

GRI standard	Disclosure	Report section	Page number
<b>The organization and its reporting practices</b>			
2-1	Organizational details	About us	9-10
2-2	Entities included in the organization’s sustainability reporting	About us	11-12
2-3	Reporting period, frequency and contact point	About this report	5-6
<b>Activities and workers</b>			
2-7	Employees	Talent aggregation	49-51
2-8	Workers who are not employees	Talent aggregation	49-51
<b>Governance</b>			
2-9	Governance structure and composition	Corporate governance	16
2-10	Nomination and selection of the highest governance body	Corporate governance	16
2-11	Chair of the highest governance body	Corporate governance	16
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance	16-17
2-13	Delegation of responsibility for managing impacts	Corporate governance	16-17
2-14	Role of the highest governance body in sustainability reporting	ESG governance	21-24
2-16	Communication of critical concerns	ESG governance	21-24
2-17	Collective knowledge of the highest governance body	Corporate governance	16-20
2-19	Remuneration policies	Corporate governance Talent aggregation	51
2-20	Process to determine remuneration	Corporate governance	51
<b>Strategy, policies and practices</b>			
2-22	Statement on sustainable development strategy	ESG governance	21
2-23	Policy commitments	ESG governance	21-24
<b>Stakeholder engagement</b>			
2-29	Approach to stakeholder engagement	ESG governance	22-24
2-30	Collective bargaining agreements	Talent care	59-61

### GRI 3: Substantive issues 2021

GRI standard	Disclosure	Report section	Page number
3-1	Process to determine material topics	ESG governance	22-24
3-2	List of material topics	ESG governance	24

## Economy

GRI standard	Disclosure	Report section	Page number index
<b>GRI 201: Economic Performance 2016</b>			
3-3	Management of material topics	ESG governance	10
201-1	Direct economic value generated and distributed	About us	10
201-2	Financial implications and other risks and opportunities due to climate change	Climate change	27-30
201-3	Defined benefit plan obligations and other retirement plans	Talent care	51
<b>GRI 202 Market Performance 2016</b>			
3-3	Management of material topics	About us	10
202-2	Proportion of senior management hired from the local community	Talent aggregation	49-50
<b>GRI 203 Indirect Economic Impacts 2016</b>			
3-3	Management of material topics	Social Public Welfare	62
203-1	Infrastructure investments and services supported	Social Public Welfare	62
203-2	Significant indirect economic impacts	Social Public Welfare	62
<b>GRI 204 Procurement Practices 2016</b>			
3-3	Management of material topics	Supply assurance	44
204-1	Proportion of spending on local suppliers	Supply assurance	44
<b>GRI 205 Anti-corruption 2016</b>			
3-3	Management of material topics	Corporate governance	19-20
205-1	Operations assessed for risks related to corruption	Corporate governance	19-20
205-2	Communication and training about anti-corruption policies and procedures	Corporate governance	19-20
205-3	Confirmed incidents of corruption and actions taken	Corporate governance	19-20

## Environment

GRI standard	Disclosure	Report section	Page number index
<b>GRI 301 Materials 2016</b>			
3-3	Management of material topics	Green production Supply assurance	29-30 44
301-1	Materials used by weight or volume	Appendix 1.1: Environmental Performance Table	63-65
301-2	Recycled input materials used	Appendix 1.1: Environmental Performance Table	63-65
301-3	Reclaimed products and their packaging materials	Appendix 1.1: Environmental Performance Table	63-65
<b>GRI 302 Energy 2016</b>			
3-3	Management of material topics	Climate change Green production	31-33
302-1	Energy consumption within the organization	Appendix 1.1: Environmental Performance Table	63-65
302-2	Energy consumption outside of the organization	Appendix 1.1: Environmental Performance Table	63-65
302-3	Energy intensity	Appendix 1.1: Environmental Performance Table	63-65

302-4	Reduction of energy consumption	Climate change	27-33
302-5	Reductions in energy requirements of products and services	Climate change Green production	27-33
<b>GRI 303 Water and Effluents 2018</b>			
3-3	Management of material topics	Green production	32-33
303-1	Interactions with water as a shared resource	Green production	32-33
303-2	Management of water discharge-related impacts	Green production	32-33
303-3	Water withdrawal	Green production	32-33
303-4	Water discharge	Green production	32-33
303-5	Water consumption	Appendix 1.1: Environmental Performance Table	63-65
<b>GRI 304 Biodiversity 2016</b>			
3-3	Management of material topics	Ecological protection	34
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Ecological protection	34
304-2	Significant impacts of activities, products, and services on biodiversity	Ecological protection	34
304-3	Habitats protected or restored	Ecological protection	34
<b>GRI 305 Emissions 2016</b>			
3-3	Management of material topics	Green production	31-33
305-1	Direct (Scope 1) Greenhouse gas emissions	Appendix 1.1: Environmental Performance Table	63-65
305-2	Energy indirect (Scope 2) GHG emissions	Appendix 1.1: Environmental Performance Table	63-65
305-3	Other indirect (Scope 3) GHG emissions	Appendix 1.1: Environmental Performance Table	63-65
305-4	GHG emissions intensity	Appendix 1.1: Environmental Performance Table	63-65
305-5	Reduction of GHG emissions	Climate change	27-30
305-6	Emissions of ozone-depleting substances (ODS)	Appendix 1.1: Environmental Performance Table	63-65
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix 1.1: Environmental Performance Table	63-65
<b>GRI 306 Waste 2020</b>			
3-3	Management of material topics	Green production	33
306-1	Waste generation and significant waste-related impacts	Green production	33
306-2	Management of significant waste-related impacts	Green production	33
306-3	Waste generated	Appendix 1.1: Environmental Performance Table	63-65
306-4	Waste diverted from disposal	Appendix 1.1: Environmental Performance Table	63-65
306-5	Waste directed to disposal	Appendix 1.1: Environmental Performance Table	63-65
<b>GRI 308 Supplier Environmental Assessment 2016</b>			
3-3	Management of material topics	Supply assurance	44
308-1	New suppliers that were screened using environmental criteria	Supply assurance	44
308-2	Negative environmental impacts in the supply chain and actions taken	Supply assurance	44

## Society

GRI standard	Disclosure	Report section	Page number index
<b>GRI 401 Employment 2016</b>			
3-3	Management of material topics	Talent aggregation	49-51
401-1	New employee hires and employee turnover	Talent aggregation	49-51
401-2	Benefits provided to full-time employees(excluding temporary/part-time employees)	Talent care	59-61
<b>GRI 402 Labor/Management Relations 2016</b>			
3-3	Management of material topics	Talent care	59-61
<b>GRI 403 Occupational Health and Safety 2018</b>			
3-3	Management of material topics	Health and safety	54-58
403-1	Occupational health and safety management system	Health and safety	54-58
403-2	Hazard identification, risk assessment, and incident investigation	Health and safety	54-58
403-3	Occupational health services	Health and safety	54-58
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and safety	54-58
403-5	Worker training on occupational health and safety	Health and safety	54-58
403-6	Promotion of worker health	Health and safety	54-58
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety	54-58
403-8	Workers covered by an occupational health and safety management system	Health and safety	54-58
403-9	Work-related injuries	Health and safety	54-58
403-10	Work-related ill health	Health and safety	54-58
<b>GRI 404 Training and Education 2016</b>			
3-3	Management of material topics	Talent training	52-53
404-1	Average hours of training per year per employee	Talent training	52-53
404-2	Programs for upgrading employee skills and transition assistance programs	Talent training	52-53
404-3	Percentage of employees receiving regular performance and career development reviews	Talent training	52-53
<b>GRI 405 Diversity and Equal Opportunity 2016</b>			
3-3	Management of material topics	Talent aggregation	49-51
405-1	Diversity of governance bodies and employees	Talent aggregation	49-51
405-2	Ratio of basic salary and remuneration of women to men	Talent aggregation	49-51
<b>GRI 406 Non-discrimination 2016</b>			
3-3	Management of material topics	Talent aggregation	49-51
406-1	Incidents of discrimination and corrective actions taken	Talent aggregation	49-51
<b>GRI 407 Freedom of Association and Collective Bargaining 2016</b>			
3-3	Management of material topics	Talent care	59-61

<b>GRI 408 Child Labor 2016</b>			
3-3	Management of material topics	Talent aggregation	49-51
408-1	Operations and suppliers at significant risk for incidents of child labor	Talent aggregation	49-51
<b>GRI 409 Forced or Compulsory Labor 2016</b>			
3-3	Management of material topics	Talent aggregation	49-51
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Talent aggregation	49-51
<b>GRI 410 Security Practices 2016</b>			
3-3	Management of material topics	Health and safety	54-58
410-1	Security personnel trained in human rights policies or procedures	Health and safety	54-58
<b>GRI 411 Rights of Indigenous Peoples 2016</b>			
3-3	Management of material topics	Social Public Welfare	62
411-1	Incidents of violations involving rights of indigenous peoples	Social Public Welfare	62
<b>GRI 413 Local Communities 2016</b>			
3-3	Management of material topics	Social Public Welfare	62
413-1	Operations with local community engagement, impact assessments, and development programs	Social Public Welfare	62
413-2	Operations with significant actual and potential negative impacts on local communities	Social Public Welfare	62
<b>GRI 414 Supplier Social Assessment 2016</b>			
3-3	Management of material topics	Supply assurance	44
414-1	New suppliers that were screened using social criteria	Supply assurance	44
414-2	Negative social impacts in the supply chain and actions taken	Supply assurance	44
<b>GRI 415 Public Policy 2016</b>			
3-3	Management of material topics	Social Public Welfare	62
<b>GRI 416 Customer Health and Safety 2016</b>			
3-3	Management of material topics	Quality adherence Customer service	42-43 45-46
416-1	Assessment of the health and safety impacts of product and service categories	Quality adherence Customer service	42-43 45-46
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality adherence Customer service	42-43 45-46
<b>GRI 417 Marketing and Labeling 2016</b>			
3-3	Management of material topics	Quality adherence	42-43
417-1	Requirements for product and service information and labeling	Quality adherence	42-43
<b>GRI 418 Customer Privacy 2016</b>			
3-3	Management of material topics	Customer service	45-46
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer service	45-46

# LOW-CARBON WORLD EXPANDS THE FUTURE OF HYDROGEN

