



MINTH GROUP LIMITED 敏實集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 425



2021

ENVIRONMENTAL, SOCIAL
AND GOVERNANCE
REPORT



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ABOUT THIS REPORT

SCOPE OF THE REPORT

This report is the sixth Environmental, Social and Governance (hereinafter referred to as “ESG”) Report of Minth Group, mainly disclosed the Group’s practice and performance in environmental management, social responsibility and corporate governance from 1 January 2021 to 31 December 2021 (hereinafter referred to as the “Reporting Period”) to meet the expectations and requirements of its stakeholders. The ESG related policies, statements, and data in this report involve the Group’s headquarters and its subsidiaries, and any inconsistency in the scope of disclosure will be explained in the report.

REPORTING REFERENCE

This report was prepared with reference to Appendix 27 *Environmental, Social and Governance Reporting Guide to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* issued by the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Stock Exchange”) in December 2019. The content of this report was determined according to a set of systematic procedures, including identifying and prioritizing key stakeholders, identifying and prioritizing material ESG issues, deciding on the boundaries of the ESG report, collecting relevant materials and data, compiling the report based on the data, and reviewing the information in the report, etc.

RELATED ABBREVIATIONS

For the convenience of presentation and reading, Minth Group Limited together with its subsidiaries is collectively referred to as “Minth”, “Minth Group”, “the Group” or “we”.

SOURCE OF MATERIAL AND ASSURANCE

The information and cases in this report mainly come from the Group’s statistical reports and related documents. The Group hereby affirms that this report does not contain any false records or misleading statements and that the Group is responsible for the authenticity, accuracy and completeness of its contents.

CONFIRMATION AND APPROVAL

After confirmation by the management, this report was approved by the Board of Directors on 27 May 2022.

ACCESS AND FEEDBACK TO THE REPORT

This report is available in Traditional Chinese and English. In consideration of environmental protection, we recommend you read the electronic version of the report. The electronic version can be found on the Group’s website or the Company’s “Financial Statements/ESG Information” on the website of the Stock Exchange. We greatly value the opinions of stakeholders and welcome readers to contact us through the following methods. Your opinions will help us further improve this report and enhance the Group’s overall ESG performance.

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MESSAGE FROM THE MANAGEMENT

Dear Stakeholders,

In 2021, Minth Group has again made steady progress on the path of sustainable development. Under the backdrop of lingering impact arising from the COVID-19 globally and the consequent fluctuating economic situation, Minth Group actively coped with challenges, seized opportunities, and continued to enhance its competence. We always take proactive measures to maintain our leading position. We consistently put the corporate vision of “Create Beauty in Motion with Intelligence” into practice, continue to create beauty from the perspectives of environment, staff, product and innovations, and strive to satisfy expectations of our shareholders, customers, staff and the society.

We continue to enhance corporate governance, strengthen governance capacity, and attach great importance to business ethics. We have been arranging anti-corruption and integrity training for the staff, encouraging our partners such as suppliers to abide by high standards and rigid requirements in parallel. Meanwhile, with an enhanced ESG management, we continue to improve our performance in respect of the environment, the society and corporate governance.

As one of the top 100 global auto parts suppliers, Minth Group is committed to providing products and services with the highest quality, actively exploit growth drivers from the aspect of innovation, such as battery housings which fit in the industry trend of green development, intelligent products, and products with illumination function, as well as continue to strengthen digital transformation and innovative R&D. We carry out in-depth reinforcement in the quality management system and have established a digital quality management system to further strengthen quality control. Minth Group puts emphasis on the enhancement of R&D and innovation measures, establishment of an elite R&D team, and strengthened efforts in technological breakthroughs, actively participates in the formulation of industry standards, and implements the “Six Key Digital Initiatives”. During the Reporting Period, we continued to facilitate the overall progress of the industry through the Factory of the Future and made contribution to the establishment of a large ecosystem for the development of the intelligent manufacturing industry. We conducted satisfaction surveys with targeted customers, properly handled customer complaints, and received praise and recognition, which motivates us to further improve our customer service.

Minth Group is a firm practitioner of green production and operation and green office. We strictly abide by laws and regulations relating to environmental protection, actively obtain environmental protection system certification, and are committed to providing quality and green products. We strive to minimize the impact of our business on the environment, actively identify climate risks, and implement countermeasures. We have strengthened management of energy usage and emission in various factories and seek for innovative way in energy procurement to reduce capital investment and greenhouse gas emissions at the same time. We are committed to supporting the realization of China’s visions of “carbon peaking” and “carbon neutrality” through actions.

Minth Group continuously provides employees with pleasant workplace experience. We pay great attention to employment compliance and occupational health and safety of employees in domestic and overseas factories. We continue to improve employee communication channels to gain an in-depth understanding of and respond to employees’ reasonable demands accordingly. We have been optimizing employee management, enriching staff training and promotions, and have established a talent incentive system to inspire employees to maximize their personal value. We provide strong backup and protection for our employees with love and care to help them balance life and work and become a member of Minth with holistic health, love, shared value, power of influence and striving and unremitting spirits.

MESSAGE FROM THE MANAGEMENT

Adhering to the mission of “Bringing Love Together and Paying It Forward” and the concept of “Creating Value for Society”, Minth Group is always on the road of social welfare. We understand that education represents hope and future. Therefore, we have been sponsoring children from impoverished families and areas to receive better education which is expected to facilitate the children to embrace a brighter future. We have donated medicines and protective equipment to domestic and overseas areas where COVID-19 pandemic is severe to make our contribution to the fight against COVID-19. Through various public welfare initiatives, we put our original intention of “Committed to Providing the Best Social Welfare and Charity” into practice.

With a visionary mindset, and taking into consideration of the overall situation, Minth Group will grasp the opportunities arising from the development of the industry, and will also strengthen its capabilities to underpin sound development. As an industry leader, we actively take the responsibility to embed the management philosophy of sustainability into different aspects of our operations, and cooperate with all parties to create a better future with enthusiasm and a new attitude.

Wei Ching Lien

Chairperson

MINTH GROUP LIMITED



KEY PERFORMANCE IN 2021

PERFORMANCE HIGHLIGHTS IN RESPONSIBILITY MANAGEMENT

488	new intellectual properties
RMB941 million	R&D investment
100%	IATF 16949 Quality Control System coverage
100%	PPAP assessment pass rate of new development project
Over 60 awards	in product quality and service
35 factories	passed ISO 14001 Environmental Management System certification
256 suppliers	passed ISO 45001 Occupational Health and Safety Management System certification
100%	of Minth in-house made modified plastic materials completed GRS (Global Recycle Standard) certification for renewable materials

PERFORMANCE HIGHLIGHTS IN ENVIRONMENTAL PROTECTION

Carbon target	carbon peaking by 2030 and carbon neutrality by 2050
-0.21%	RMB ten thousand output value of greenhouse gases as compared with the previous reporting period
+186.19%	volume of hazardous waste recycled as compared with the previous reporting period for Aluminum Business Unit of the Group
+98.27%	volume of general industrial solid waste recycled as compared with the previous reporting period for Aluminum Business Unit of the Group

PERFORMANCE HIGHLIGHTS IN EMPLOYEE CARE

16,060 person-times	total number of employees trained
24,090 hours	total training time
100%	employee union coverage rate in China
0	work related fatality

PERFORMANCE HIGHLIGHTS IN SOCIAL ENGAGEMENT

RMB3.7241 million	invested in community activities
RMB808,000	invested in the employee emergency relief program
2,609	accumulated "Pearl Students" aided

1. PROFILE OF MINTH

1. PROFILE OF MINTH

1.1. About Minth

Minth Group is primarily engaged in two major businesses, namely the R&D, production and sales of auto parts, and tooling and moulds. The auto part business of the Group mainly includes metal and trim products, plastic products, aluminum products and aluminum battery housing products. The tooling and mould business mainly includes various moulds and fixtures for the development, processing and production of automobile exterior decorative parts and body structural parts. The Group is headquartered in China and has established worldwide presence through building R&D, design and production bases in China, the United States, Mexico, Germany, the United Kingdom, Serbia, the Czech Republic, Thailand, Japan, etc., and will continue to enlarge overseas plant deployment and domestic large industrial park plans to continuously provide customers with high-quality products and services.

- **Corporate culture**



- **Strategic layout**

Minth Group has closely monitored industry changes and trends and grasped industry opportunities at the right time. On the premise of ensuring the leading position in the market of traditional products, we have strived to expand the field of innovative products that may steer future growth, and were committed to pioneering the products and technical solutions for our OEM customers. During the Reporting Period, the Group continued forward-looking planning for the production layout of major factories, expanded and optimized production capacity in major factories around the world according to local conditions so as to better cope with the demands in respect of product development and mass production from customers all over the world and, meanwhile, in turn facilitate the Group to further enhance its overall operational efficiency. As of the end of the Reporting Period, the Group has completed the establishment of production lines for aluminum battery-housings and other products in various locations in China, which gradually commenced mass production.

1.2. Corporate Governance

Minth Group has insisted on the corporate motto of “Striving for Perfection Through Continuous Improvement”. Over the years, not only has the Group broken through and innovated in respect of product system and technical field, but the more important thing is that all employees of the Group at management level have always been contributing for the Group with loyalty, diligence and dedication, and constantly improving the Group’s management so that it is more transparent and efficient.

Since its listing on the Hong Kong Stock Exchange on 1 December 2005, Minth Group Limited has been committed to maintaining and ensuring a high level of corporate governance standards and continuously reviewed and improved its internal control practices. Furthermore, the Group has also assigned dedicated personnel to maintain smooth communication with Hong Kong and international investors and ensure all investors can keep abreast of important developments and updates of the Group.

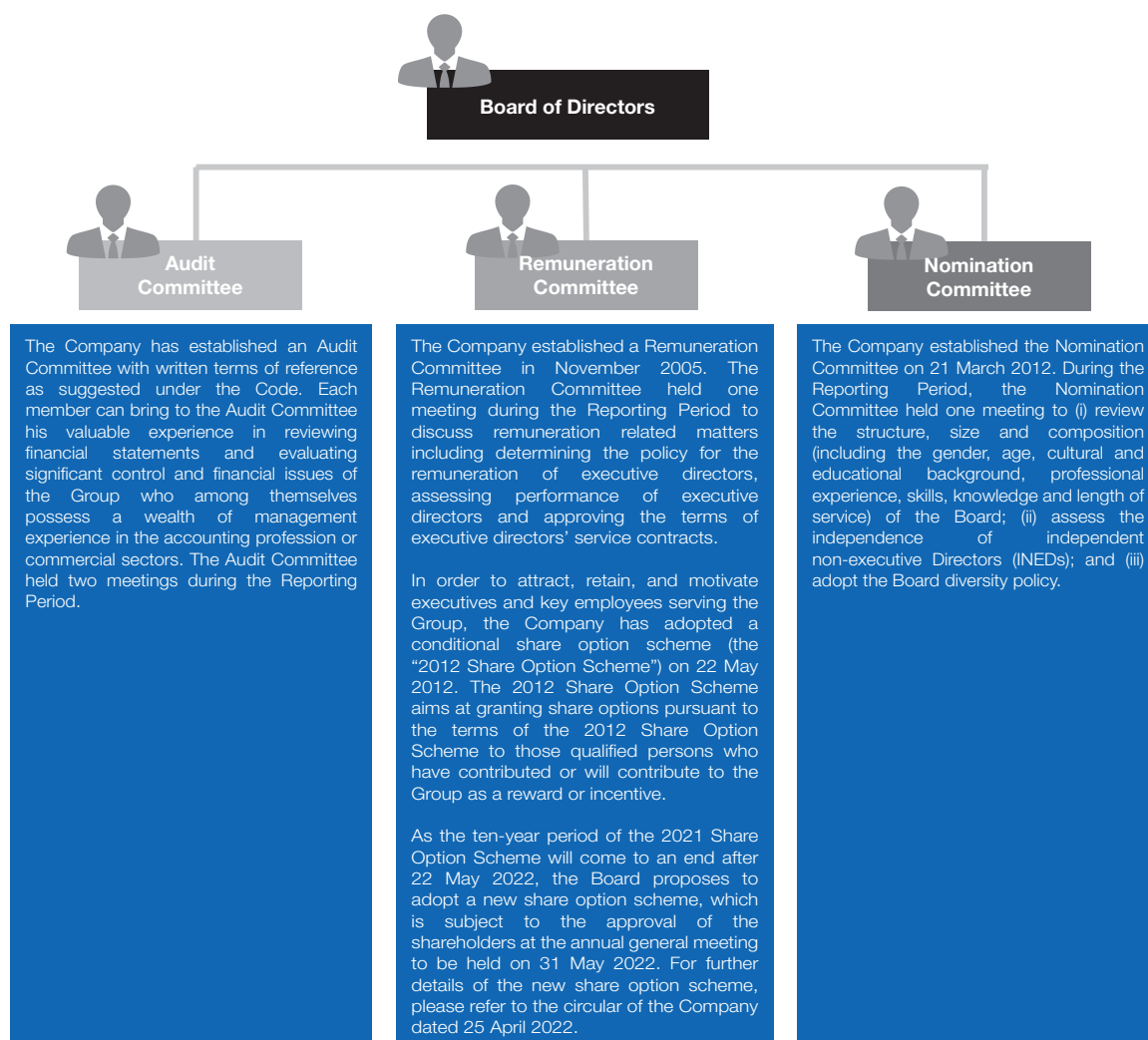
The Group’s Corporate Governance Code includes all provisions set out in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and most of the suggested best practices.

- **Board of Directors**

Minth Group has established a corporate governance structure with the board of directors as the core leadership affiliated by an audit committee, a remuneration committee, and a nomination committee, thereby implementing the Group’s corporate governance principles from top to bottom to ensure operational compliance and efficient business operations.

As of the end of the Reporting Period, the board of directors of the Group comprises: Ms. Wei Ching Lien, Mr. Chen Bin Bo and Ms. Chin Chien Ya, being executive directors; and Dr. Wang Ching, Mr. Wu Tak Lung and Professor Chen Quan Shi being independent non-executive directors. The Board considers that all independent non-executive directors are independent of and not related to the management, and their independent judgments will not be inappropriately affected. The Board considered that each of the independent non-executive directors brings his own relevant expertise to the Board and its deliberations. None of the independent non-executive directors has any business or financial interests with the Group (except the share options granted to them as disclosed) nor has any relationship with other directors. The Group will also be aware to make enquiries with them and obtain confirmation from them in respect of their independence. The Group will also hold meetings regularly and on ad hoc basis as required by business needs. The major functions of the board of directors are developing and reviewing the Group’s overall strategic development and monitoring the effectiveness of business plans and increasing shareholders’ value. Day-to-day operating decisions are delegated to executive directors.

PROFILE OF MINTH



(Please refer to the Corporate Governance Report in Company's Annual Report 2021)

A summary of the Company's Board and its committees as at 31 December 2021 is set out as below:

Name of Director	Position	Sex	Age	Time to be appointed as Director	Audit Committee	Nomination Committee	Remuneration Committee
Wei Ching Lien	Chairperson and Executive Director	Female	65	2020	N/A	N/A	N/A
Chen Bin Bo	Executive Director and Chief Executive Officer	Male	58	2020	N/A	N/A	N/A
Chin Chien Ya	Executive Director	Female	33	2016	N/A	N/A	N/A
Wang Ching	INED	Male	67	2005	Member	Chairperson	Member
Wu Tak Lung	INED	Male	56	2020	Chairperson	Member	Member
Chen Quan Shi	INED	Male	76	2021	Member	Member	Chairperson

• **Investor communication**

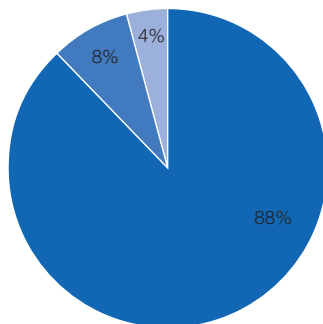
Through its Investor Relations Department, the Group maintains proactive communications with investors, sell-side analysts, and other capital market participants so as to enable them to fully understand the operation and development of the Group. The Group's senior management presents in briefings or conference calls for its annual and interim results every year. Through various activities such as analyst meetings and road shows, senior management provides public investors with updates on important information and responds to key questions which are of concerns to the investors. This has helped to reinforce the understanding of the Company's business and the overall development of the industry.

During the Reporting Period, in response to the resurgence of the COVID-19 pandemic, the Group held the briefing of its previous year's results in the form of telephone conference and convened the previous AGM through a combination of online meeting and virtual video conference. In the meantime, the Company flexibly accommodated daily communications with the investment community and arranged online and physical meetings when and as appropriate. The Company hosted over 130 meetings during the Review Year, including physical visits, conference calls, Tencent meetings and Zoom meetings. The Company also participated in 19 investment forums, facilitating effective communication with investors in regard to their concerned questions such as the latest development of battery housing business, the progress of RMB share issue as well as the disruption caused by chip shortage, surging raw materials and logistic cost, and contingency plan by the Group. To facilitate investors to better understand the operations of the Group's different business units, conditional upon compliance with the requirements of pandemic prevention, plant tours at the Group's facilities in Jiaying, Ningbo and Anji were still arranged during the Reporting Period.



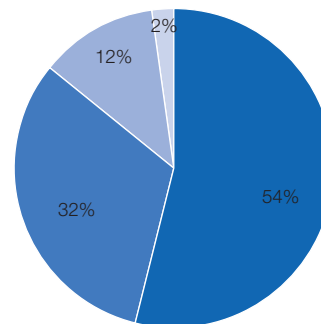
AGM held on 31 May 2021 in Jiaying, China

Investor Meetings by Category



■ Fund Managers ■ Analysts
■ Others

Investors Met by Event



■ Regular Meetings ■ Investment Forums
■ Post-results Roadshows ■ Results Briefings

IR Calendar 2021

Major Events	Dates	Online	Offline
2020 annual results announcement	26 March	✓	
Morgan Stanley – Hong Kong Summit	29 March	✓	
Industrial Securities – 2021 Spring Strategies Conference	7 April		✓
Extraordinary General Meeting	14 April		✓
Haitong Securities – Corporate Forum	15 April		✓
Western Securities – Investment Strategies Conference	13 May		✓
Credit Suisse – Corporate Day	20 May	✓	
GF Securities – Summer Corporate Forum	27 May		✓
Morgan Stanley – China Summit	28 May	✓	
2021 Annual General Meeting	31 May		✓
CITICS – 2021 Capital Markets Forum	2 June		✓
BofA Securities – 2021 Innovative China Conference	8 June	✓	
Industrial Securities – 2021 Interim Strategies Conference	18 June		✓
Daiwa – Auto, Transport and Industrial Conference	23 June	✓	
Goldman Sachs – Asian-Pacific IR Forum	13 July	✓	
2021 interim results announcement	30 August	✓	
CITIC CLSA Flagship Investors’ Forum	14 September	✓	
CITI – China Investment Summit	2 November	✓	
Credit Suisse – China Investment Summit	4 November	✓	
BofA Securities 2021 China Conference	5 November	✓	
CITIC 2022 Annual Strategies Conference	9 November		✓
GF Securities – Corporate Forum	14 December	✓	

• **Business Ethics**

Minth Group has strictly abided by the *Anti Unfair Competition Law of the People’s Republic of China*, *Law of the People’s Republic of China on Anti-money Laundering*, the *Provisional Regulations on the Prohibition of Commercial Bribery* and other related laws and regulations, as well as the *Minth Group’s Code of Business Ethics* which was formulated and published during the Reporting Period. Combined with specific business policies, these laws and regulations and codes defined the expectation for all Minth’s employees around the world. In everything we do, we shall do our best to ensure honesty, fairness and integrity, and strictly abide by the laws and regulations in the places we operate. Regardless of our position within the Company, we shall bear equal responsibilities, including carrying out business with integrity, protecting the Company’s excellent reputation, and solidifying market leadership; creating a healthy and safe work environment and abiding by the laws and regulations in all places around the world where we operate; fostering an inclusive culture that treats everyone with respect and provides opportunities to reach full potential; and promoting sustainable development in the communities where the Company operates. To further facilitate the implementation of the policies, we have also carried out independent assessment and audit on issues such as anti-corruption and bribery and anti-unfair competition related to business ethics. Such assessment and audit cover the Group’s core functional departments and four major business units. The *Minth Group’s Business Ethics Compliance Summary Report 2021* has been issued according to the audit results and remedies have been implemented on the identified control vulnerabilities.

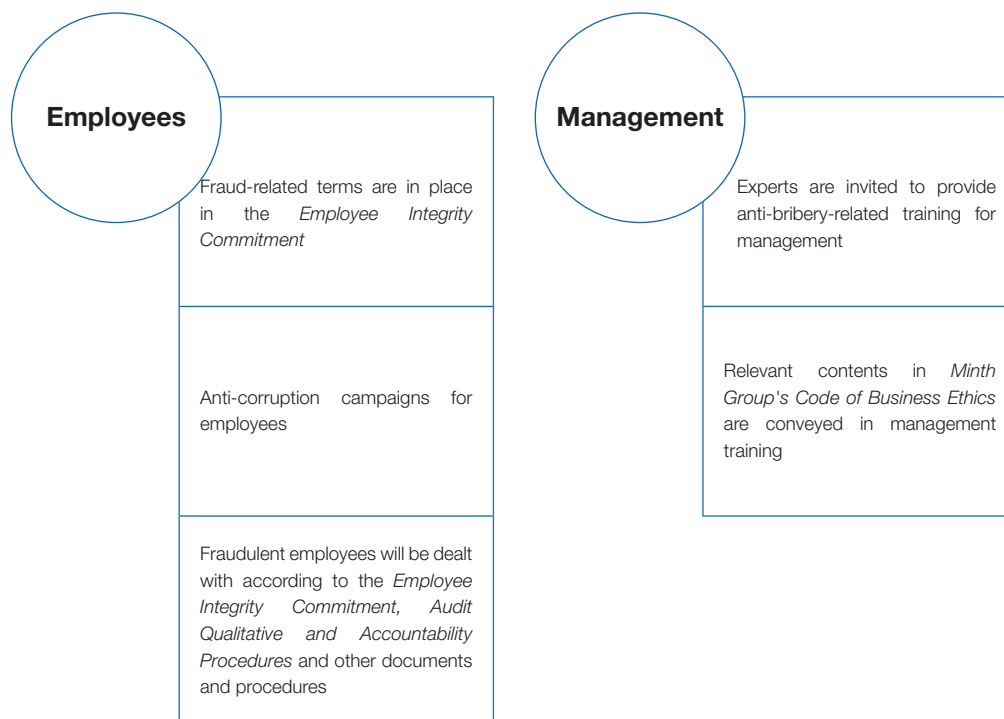
During the Reporting Period, we have continuously improved the risk control system, optimized the pre-event management structure, established the in-process management module, and improved the post-event management effectiveness. We have also continuously monitored and recorded risk-related personnel and events, and report those risks to the Group for decision-making when appropriate.



Improving the business ethics risk control system

In addition to the optimization of the internal system, the Group started the certification of ISO 37001 Anti-bribery Management System during the Reporting Period and completed the construction of the anti-bribery system by the end of the Reporting Period.

For employees and management, we have built our corporate culture through rules and regulations, training and promotion, rolled out positive corporate values and jointly put an end to anti-corruption and anti-fraud incidents.



Anti-corruption management initiatives

PROFILE OF MINTH

New employee training



Optimized and upgraded the induction training courses for new employees, included anti-corruption training in the standard training courses for new employees, and achieved 100% coverage of anti-corruption training for new employees

Management training



Developed and recorded the Minth University course named Audit, Supervision, Internal Control and Risk Management Training as a mandatory course for the training of "Excellent Factory Manager"

Internal integrity promotion



Carried out corresponding anti-corruption training for targeted departments, and carried out regular or unscheduled anti-corruption publicity

External integrity promotion



Published integrity posters and articles during holidays to promote Minth's corporate value of integrity

During the Reporting Period, the Group arranged a total of 28 anti-corruption-related trainings, with a total of 3,129 training hours, including 6 hours of anti-corruption training with the participation of the board of directors.

In respect of an incorruptible supply chain, the Group has formulated the *General Rules for Procurement* and *Supplier Honesty and Integrity Agreement*, which include anti-corruption-related binding terms. Fraudulent suppliers were dealt with according to documents and procedures including *Supplier Honesty and Integrity Agreement* and *Dishonest List Management Procedure*. During the Reporting Period, we have provided special anti-corruption trainings and visits to high-risk suppliers and some low- and medium-risk suppliers for promotion purpose.









Integrity training for suppliers

Moreover, Minth Group has actively participated in anti-corruption industry exchange activities and jointly promoted the construction of industry integrity. During the Reporting Period, the Group participated in activities or courses such as the “2021 Anti-Fraud Technology Exchange Seminar for Manufacturing Industry (2021年製造業反舞弊技術交流研討會)” and the “Introduction to Big Data Anti-Fraud Audit (大數據反舞弊審計介紹)” organized by Enterprise Anti-Fraud Alliance of China (中國企業反舞弊聯盟) through online conferences and online learning to learn about industry trends and discuss the industry’s integrity development.



Industry anti-fraud online seminar

Whistleblowing Channels

 Telephone: 0574-55842816	 Letter
 Confidential email: Audit@minthgroup.com	 WeChat anti-corruption platform and QR code
 Appointed visit and report: Audit and Supervision Department of the Group	 Other methods that whistleblowers consider appropriate

We disclosed reporting channels on the Company's official website, employee handbook, contract terms and many other channels, developed the *Whistleblowing Management and Integrity Reward System*, and encouraged and protected reports and feedback on business ethics violations.

Adhering to the principles of "encouraging real-name whistleblowing, strictly confidential, and rewards upon verification", the Group undertakes that it will keep the information such as those related to the whistleblowers, letters, materials, clues, evidence, and investigation process strictly confidential. Meanwhile, we require whistleblowers to follow national laws and regulations and not to infringe the legal rights of others, and the content of the report shall be objective and fair and shall not fabricate, distort the facts or harm others.

All information related to the report, including the whistleblower, the content of the report, the investigation process, relevant evidence, and investigation reports, are strictly confidential. Those information is considered confidential and shall not be disclosed to unrelated units and personnel (except where otherwise required by law)

It is expressly prohibited for behaviors including any form of retaliation or unfair treatment in business cooperation against a whistleblower for reporting, or any other acts that damage the rights of the whistleblower and discriminate against the whistleblower; reducing, suspending, terminating business cooperation with, or deliberately making things difficult in other ways against the suppliers who have acted as whistleblowers

Labor contracts of any employee who retaliates against the whistleblower will be terminated once verified; for any suppliers and other partners who retaliate against whistleblowers, the cooperation will be permanently terminated once verified; those involved in crimes will be handed over to judicial authorities for legal responsibility

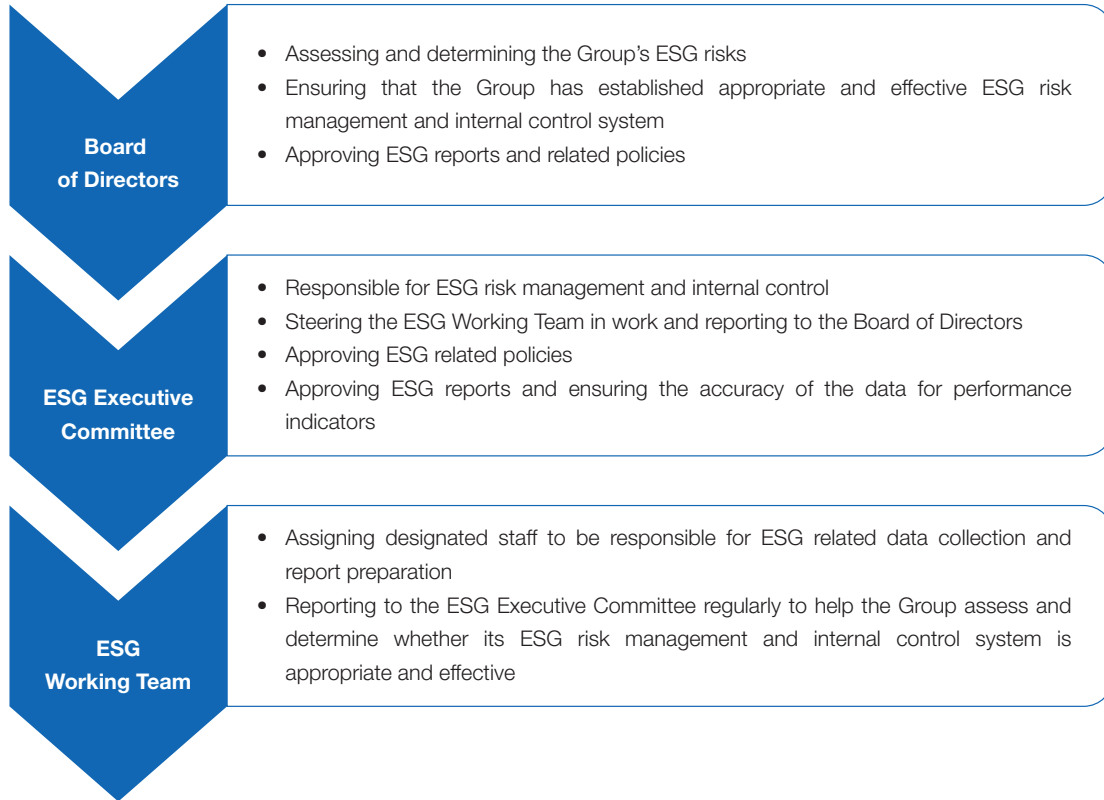
Confidentiality, security and the whistleblower's personal wishes will be fully considered in respect of specific distribution process and method of whistle-blowing rewards

Protection measures for whistleblowers

During the Reporting Period, Minth Group has carried out specific anti-corruption and integrity promotion, reviewed internal control deficiencies with management at all levels, investigated risk points, and optimized the Group's integrity management and control.

1.3. ESG Management

In order to effectively implement ESG management, we have established a top-down and multi-level management system, which is led by the Board, steered by ESG Executive Committee and implemented by ESG Working Team.



ESG Management Structure

- **Statement of the Board of Directors**

As the top leader of Minth Group's ESG works, the board of directors bears ultimate responsibility for the Group's ESG strategies, tactics, and performance. Under the supervision of the board of directors, we have established the ESG Executive Committee to formulate the Group's strategic framework for sustainable development, and the specific work will be implemented by the ESG Working Team.

For the potential risks that we may encounter during operations, the board of directors identifies and manages internal and external risks based on the actual situation and development needs of the Company and formulates risk management mechanisms and risk prevention systems based on the demands of various stakeholders. After analyzing and sorting out the risks and opportunities faced by the Group, we will formulate corresponding development plans and incorporate them into the Group's development strategies.

Minth Group actively exchanges and communicates with internal and external stakeholders regularly, identifies and evaluates ESG materiality development issues as an important basis for the formulation of sustainable development strategies. Based on the importance of relevant issues, we will combine the national strategies of "carbon peaking and carbon neutrality" with the Group's green development concept, formulate sustainable development goals, pay close attention to peers and international sustainability performance in a timely manner, actively follow up, and regularly review the Group's sustainability related works.

• **Stakeholder identification and communication**

We attach great importance to communication and exchanges with all stakeholders. We regularly launch various forms of communication activities, open diversified communication channels, and actively promote the exchange of information to obtain relevant needs and opinions of stakeholders in a timely manner, effectively respond to their concerns, and fine-tune the development direction accordingly. The following are seven types of stakeholders who have influence on and major concerns about our daily decision-making and operations:

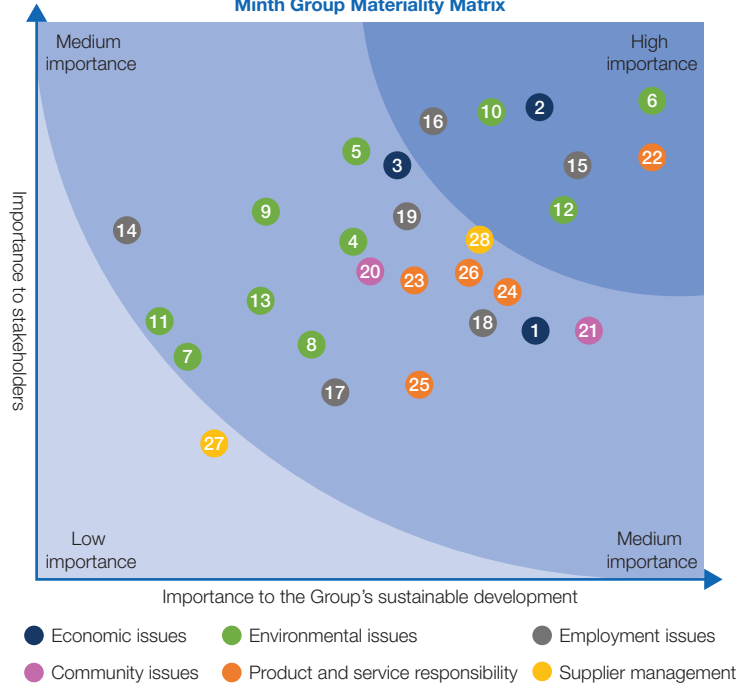
Stakeholders	Concerned issues	Channels for communication/ feedback	Frequency/times
Shareholders/ Investors	Business performance ESG governance Legal and regulatory compliance	<ul style="list-style-type: none"> - General meeting of shareholders - Financial statements - Results briefing - Announcement - Roadshow - Onsite visit/phone call/written communication 	<ul style="list-style-type: none"> - Scheduled - Scheduled - Scheduled/ non-scheduled - Non-scheduled - Non-scheduled
Employees	Compensation and benefits Professional development Health and safety	<ul style="list-style-type: none"> - Employee training - Employee meeting - Employee activities - Employee interview - Internal journal 	<ul style="list-style-type: none"> - Scheduled/ non-scheduled - Scheduled/ non-scheduled - Scheduled/ non-scheduled - Non-scheduled - Scheduled
Suppliers	Supply chain management Product responsibility Anti-corruption	<ul style="list-style-type: none"> - On-site investigation - Supplier assessment - Communication on quality - Phone call/written communication - Suppliers conference 	<ul style="list-style-type: none"> - Scheduled/Non-scheduled - Scheduled - Non-scheduled - Non-scheduled - Scheduled
Customers	Product responsibility R&D and innovation Information confidentiality	<ul style="list-style-type: none"> - Customer hotline - Customer satisfaction survey - Customer meeting and visiting - Customer complaint settlement - E-mail 	<ul style="list-style-type: none"> - Non-scheduled - Scheduled - Scheduled/ Non-scheduled - Non-scheduled - Non-scheduled
Community	Green production Community investment Legal and regulatory compliance	<ul style="list-style-type: none"> - On-site investigation - Meeting - Charity and public services - Co-construction of communities 	<ul style="list-style-type: none"> - Non-scheduled - Non-scheduled - Non-scheduled - Non-scheduled

Stakeholders	Concerned issues	Channels for communication/ feedback	Frequency/times
Media	Community investment	– News release/ announcement	– Scheduled/ Non-scheduled
	Business performance	– Interview	– Scheduled/ Non-scheduled
	Product innovation	– Results briefing	– Scheduled
Regulatory bodies	Regulatory compliance	– Monthly return	– Scheduled
	Product responsibility	– News release/ announcement	– Scheduled/ Non-scheduled
	Health and safety	– Annual report	– Scheduled
	Green production	– Regular communication	– Scheduled

• **Materiality analysis**

During the Reporting Period, we held more than 10 in-depth interviews with various stakeholders to comprehend all levels of stakeholders’ opinions and expectations on the environmental, social and governance issues of the Group. We also reviewed the materiality matrix and included the feedback of stakeholders in it. In this report, we mainly elaborate issues of high importance, so as to inform the public about ESG performance of the Group during the Reporting Period and provide a strong foundation for the Group to develop a long-term strategy.

Minth Group Materiality Matrix



Economic issues		Community issues	
1	Business performance and economic achievement	20	Maintenance of relation with community and local government
2	Corporate governance	21	Participating in charity and public service
3	Concept of sustainable development		
Environmental issues		Product and service responsibility	
4	Energy consumption	22	Ensuring the quality and safety of products and services
5	Water use	23	Protecting customer privacy
6	Pollutant emissions	24	Customer satisfaction and compliant handling
7	Impact of production activities on soil and groundwater	25	Product or service quality verification and recall
8	Greenhouse gas emissions	26	Innovation and R&D
9	Generation and disposal of general solid waste		
10	Generation and disposal of hazardous waste		
11	Use of packaging materials		
12	Energy saving and emission reduction measures		
13	Measures to reduce noise during production		
Employment issues		Supplier management	
14	Compensation and benefits	27	Supplier diversification and localization
15	Health and safety	28	Environmental and social risks in supply chains
16	Professional development and training		
17	Employee diversity and equal opportunities		
18	Human rights protection		
19	Employee satisfaction		



2. INGENUITY FOR INTELLIGENT MANUFACTURING

2. INGENUITY FOR INTELLIGENT MANUFACTURING

Minth Group adheres to the product philosophy of “Establishing a new norm for industrial development and creating a new model of economy” and regards quality as the cornerstone of our steady development. We make full use of intelligent approaches to continuously improve the product quality control system, actively carry out product R&D, and continue to offer high-quality and innovative products that satisfy customers. During the Reporting Period, the Group set the 2021 Group Product Management Goal — controlling the cost rate of poor quality and improving customer satisfaction, and implemented a “zero defect” quality culture through practical actions.

2.1. Quality Assurance

“Building a new industrial ecology with intelligent manufacturing, and beauty in green development and humanistic care” drives us to put continuous efforts in optimizing our production model and refining our technology. We are constantly pursuing comprehensive improvement of product quality, strengthening quality management capabilities through our quality assurance system, fully utilizing digital systems to enhance quality management efficiency, creating a good quality culture, and continuing to build the corporate brand of “Lean Minth”.

- **Green products**

Minth Group is one of the pioneers in the development of green products in the auto parts industry. “Beauty in green development” lies in the adoption of the most elaborate green design concept and the most advanced technology, actively participating in the wave of green transformation and development of the automotive industry, responding to the change of consumers’ means of travel and providing quality and green products to the market. Through a long period of R&D and high-level quality management, Minth Group has made significant breakthroughs in green aluminum, green plastic materials and battery housing products.

Battery housing

As the carrier of the battery module of new energy vehicles, battery housing plays a key role in safety and protection of the battery module, and is also an important green product in line with the development trend of electrification, intelligence and light weight of vehicles.

With the booming development of the new energy vehicle industry, Minth Group has been developing battery housing since 2016 and has now become the strategic supplier of various OEM customers including MEB platform, the largest electric vehicle platform of Volkswagen, in the European region. The Group’s advanced battery housing design, technology and materials, as well as its unique lightweight advantage, have satisfied many international customers in terms of safety and other quality considerations of new energy vehicles. During the Reporting Period, Minth Group established battery housing production plants and production lines in Serbia and the Czech Republic, continuing its efforts to become a pioneer in the global deployment of green products.

Products using modified plastics

In the face of rising consumer demand for green and healthy cockpit, Minth Group has been actively promoting the development and application of green, low carbon, low volatile and low odor materials. We use polymer materials and recycled PCR and PIR materials as raw materials to enhance material performance through modification technology. At present, Minth Group's modified plastics production plant has completed the layout of the production of Eco OleCom® and Eco Lonitblend, two series of renewable materials, through the addition of recycled modified plastics and low-odor elastomer materials.

The first-generation Eco LonitBlend ABS, PC-ABS recycled materials, and Eco OleCom PP-TD20 recycled materials have entered product-level testing and are used in fog light covers, grilles and other products.



Grille
(Recycled PP)



Fog light cover
(Recycled PC-ABS)

- **Quality control**

Based on a sound quality management system, we continue to carry out quality improvement initiatives and realize effective supervision of quality control through quality audits. We continuously improve our construction and quality control system and policies, optimize our quality control measures, and improve the quality management level of our teams.

The Group strictly complies with the laws, regulations and relevant standards relating to matters such as products and services, including the *Law of the People's Republic of China on Product Quality*, and conducts uniform quality management within the Group in accordance with the requirements of the IATF 16949 automotive quality management system standard. During the Reporting Period, 35 Chinese factories and 6 overseas factories implemented the IATF 16949 quality control system and obtained relevant certification, with a 100% pass rate, achieving 100% coverage of IATF 16949 certification for all factories that have been in mass production for more than one year. In addition, our battery housing business has passed the audit of Renault's ASPQR system and our aluminum material has been certified by DNV-GL. In terms of customer certifications, several factories have been audited and approved by major customers such as Daimler, PSA, Jaguar Land Rover, Volkswagen, Toyota, Honda, GM and Nissan.

Quality Management Measures

We get down to all aspects including product development, new product launch and user feedback, promote product quality improvement based on the feedback and defects of existing products, and in turn facilitate the development and design of new products to realize a favorable cycle of quality control. During the Reporting Period, the Group published two quality management guides — “White Paper on New Product Quality Management” and “Quality in. On the one hand, they set up the timeline of risk management for product quality by front-loading quality management to all stages of new product development, and on the other hand, they summarize and review the feedback on product quality for those products that are put into the market, to gain lessons and form operation regulations, which lay the foundation for quality improvement projects and programs in the future.

White Paper on New Product Quality Management

- The product quality control measures are summarized from the process management of new product R&D, quality inspection equipment development, and new product problem solving to help the quality control engineers for early-stage development clearly understand the key points and difficulties during the process of new product development, so as to improve efficiency, and reduce the risk of new product development.

Quality in Mind and Action

- Based on the market response of our products over the years, we have summarized the quality improvement cases of our production lines on a factory basis to lay a solid foundation for quality improvement in the future.

Following the trend of digital transformation, Minth Group has launched a series of information management systems and applied automation technology to quality management practices to enhance the efficiency and standard of quality management.

SAP and MES system

Full process quality management and traceability

- The system runs online inspection management, covering inspection assurance of incoming raw materials, management of defective products during production process, exception alarm, GP12 inspection and other aspects.
- At the same time, it has traceability management function to ensure the complete output of quality data from the beginning of inspection to the shipment process.

SP system

Quality management information sharing

- The SP system ensures the sharing of quality-related standards and internal management process documents within the Group and provides a portable query portal to avoid duplicate purchases of data and information.
- The SP system is used by each subsidiary to upload and share the special requirements of major customers on a regular basis, avoiding duplicate collection by each subsidiary and reducing workload.

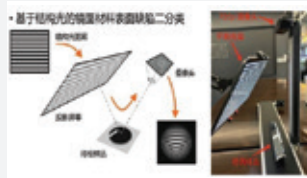
LL system

Simplified quality management process

- The system covers the functions of LL record, approval, automatic judgment, task reminder, dispatch of monthly report, multi-dimensional query and export of statistical report, etc. It plays the role of standardizing quality management aspects and avoiding omissions, and is expected to reduce the recurrence rate of problems by more than 50%.

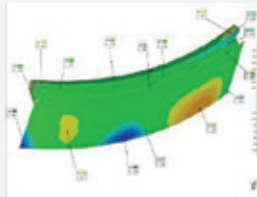
Automatic detection technology

- Automatic inspection of product appearance is developed for aluminum business unit, replacing manual visual inspection and improving work efficiency while reducing repetitive work by personnel.



缺陷	裂纹	凹坑	划痕	杂质	其他
裂纹					
凹坑					
划痕					
杂质					
其他					

- For metal and trim business, we have innovated and developed industry-leading dimensional laser scanning inspection and measurement data materialization technology solutions to realize the "unification" of measurement data with products in the real world and significantly reduce the number of gauges.



Scanning report



Actual product



Measurement data materialization

Quality audit

Product quality inspection and audit is an important part of Minth's efforts to ensure quality products and services. During the Reporting Period, we actively identified product defects through internal and external audits to enhance the quality competitiveness of our products.

On the one hand, we proactively conduct internal audits on production processes, products and quality systems for each business unit, and actively cope with audits arranged by customers and third parties. 26 PPAP assessments were conducted for new projects in 2021, with a 100% pass rate. Among them, 11 passed with "green lights", accounting for 42.3%.

On the other hand, we actively carry out standardized special audits to proactively identify quality management risks in production sites and production processes, and carry out timely rectification, to ensure that the production process is under strict control.



Evaluation Dimensions in Standardized Audit

At the same time, the Group continued to manage product recalls in accordance with the *Defective Product Management Procedures* and *Guidelines for the Management of Defective Parts Analysis*. During the Reporting Period, the Group did not have any quality-related product recalls.

- **Quality culture construction**

On the basis of a sound system and digital management platform, we regard product quality training and culture construction as regular work. During the Reporting Period, we carried out knowledge learning and experience exchange activities for quality professionals, as well as experience camps and contests for production staff to promote quality and safety awareness, so as to further strengthen their awareness of quality control in all aspects. Meanwhile, quality culture promotion and monthly learning and summary are regularly conducted during production activities to create a quality-oriented corporate atmosphere.

Quality Culture Consensus Camp

In 2021, Minth Group carried out more than 100 quality training activities named “Quality Culture Consensus Camp” for participants at different posts, with a total of more than 2,000 blue-collar workers and more than 300 white-collar workers participating. The activity was organized for employees to learn the knowledge of quality management together, and from the perspectives of themselves and their job responsibilities, figured out the key points for quality management of each position, understood their own role in promoting product quality improvement, and enhanced each employee’s awareness and sense of participation in quality improvement work.



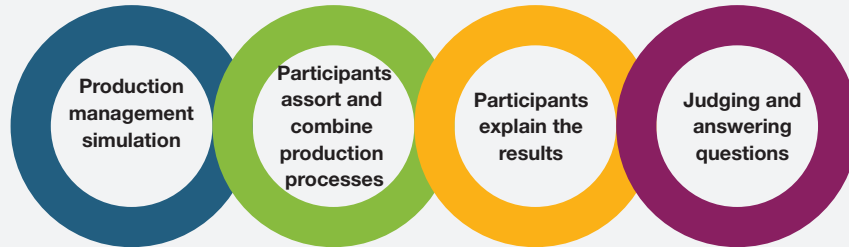
“Minneng Cup” Debate Contest on Quality Management

During the Reporting Period, we held the “Minneng Cup” debate contest with the topic of quality management, with the aim of promoting the quality awareness of the team, and encouraged all employees to participate in the discussion of quality topics by means of all-employee voting on the theme. During the activity, three debates were held to discuss the topics of balance between quality management and production speed, the role of quality management on enterprise development and quality performance management, and to urge each employee to think deeply about quality management issues.



Quality empowerment activities

In order to help the professionals from quality assurance teams to improve their quality management skills and solve the problems in their routine work, we held a quality empowerment activity, through a combination of production scenario simulation, group contest and result demonstration, to help the quality assurance employees to understand the quality management problems they will encounter in mass production and to improve the quality management level comprehensively.



Quality empowerment activities



Quality culture promotion

In order to promote the participation of all employees in quality improvement work, we have arranged weekly quality sharing during the Reporting Period and continuously held monthly quality wrap-up meetings to summarize the internal and external quality management situation, analyze the implementation status of standards in the production process and the achievement of quality objectives, and regularly shared tips related to quality management through online channels.



Monthly summary meeting



Quality knowledge sharing

- **Social recognition**

During the Reporting Period, with outstanding quality management performance, excellent services and industry-leading innovation, the business units of the Group won more than 60 quality and service related awards in total and were widely recognized by the industry and major institutions.



NIO: Excellent Quality Partner



Jaguar Land Rover: JLRQ Quality Award



FAW-Volkswagen: Outstanding Supplier



SAIC Volkswagen: Excellent Supplier



Renault Korea: Best Quality Award



General Motors:
Supplier Quality Excellence Award

2.2. Innovation and R&D

Minth Group is committed to production model optimization, the R&D of advanced technology and product innovation, actively promoting the digitalization of the industry and providing new technological solutions to our customers. During the Reporting Period, we continued to make breakthroughs in products following the trends of lightweight, electrification, intelligence and internet-connectivity (the “Four Disruptive Trends”) through technology and product innovation. In 2021, the Group’s investment in R&D reached RMB941 million, representing a 23.1% year-on-year increase compared with that in 2020.

- **R&D management**

During the Reporting Period, Minth Group further improved and optimized its R&D management system and issued the *Innovative Product R&D Management Procedures* and *Innovative Technology R&D Management Procedures* to improve the R&D management process and enhance the efficiency of its R&D management.

In addition, in order to motivate all employees to continue to make breakthroughs and contributions in new products, new materials and new technologies, and to promote rapid technological renewal in the automotive parts industry, we revised and released the *Innovative Product Incentive Guide* and *Innovative Technology Incentive Guide* during the Reporting Period to more specifically, delicately and comprehensively integrate the strategic development direction of the Group and the aspirations of our employees. In 2021, the Group held more than 10 annual technical evaluation meetings, motivated more than 210 staff and awarded more than RMB2 million for innovation incentives, covering 20 innovative technologies and 17 innovative products, such as LiDAR compatible radome, battery housing, plastic tailgate and flush door handle.

Meanwhile, with the goal to optimize the R&D process, we started the design of the digital system for innovative R&D, which was officially launched in November 2021 to realize the online management of innovative R&D projects from proposals, market research, project establishment, design and development, verification and project conclusion.

In order to ensure the smooth implementation of the R&D process for innovative products and technologies, in 2021, we conducted internal audits on the effectiveness of the process execution and continued to improve and optimize the R&D process, including shortening the R&D lead time for new products and technologies, strengthening data protection procedures, and digitizing R&D projects, in order to enhance the R&D strength of the Company.

- **R&D achievements**

We have conducted in-depth research on the development trend and market demand of the automobile industry, continuously promoted product and technology innovation, encouraged employees to participate in innovation, and protected intellectual property rights, so as to continue to consolidate the position of Minth Group as a pioneer in R&D and innovation in the industry.

Product and technology innovation

The Group has insisted on the research and development of new product processes, materials, surface treatments, advanced toolings and production lines, and carried out the planning of patent applications of advanced technologies in an all-round way. In 2021, the Group innovated and developed 27 new products, mainly including throughout lights, smart bumper beams, smart interior panels, subframes and CTC chassis. In terms of technological innovation, we have mastered 6 platform or industry-leading technologies and 29 innovative technologies.

Platform, industry-leading technology	Innovative technology
<ul style="list-style-type: none"> • MinalS628 • 7 series aluminum • Arc buried wire • Back transparent PVD • Large size laser engraving • 	<ul style="list-style-type: none"> • Thread drilling and tapping technology • Continuous fiber reinforced thermoplastic composites forming technology • Multicoloured printed surface technology on aluminium • Bend-welding technology for battery housing •

Highlights of Technology R&D Achievements

In 2021, Minth Group has achieved fruitful results in new product development and technological breakthroughs, and has been highly recognized by the government and industry, gaining many R&D-related awards and honors and obtaining certifications from a number of R&D innovation organizations, such as:



CAPA Certificate: Excellence Award



Zhitu Award: Annual Contribution Award in Auto Parts for New Energy Vehicles



Ministry of Industry and Information Technology: 2021 Green Manufacturing List



Ministry of Industry and Information Technology: National Manufacturing Single Champion



Intellectual Property

The Group attaches importance to the management of intellectual property achievements and has continuously improved the management mechanism for the evaluation of patent applications, while actively standardizing the patent management requirements for new products and technologies, improving the patent management layout and proactively avoiding the risk of patent infringement. In late 2020, Jiaxing Minhui Automotive Parts Co., Ltd., a subsidiary of the Company, obtained the *Certificate of Intellectual Property Management System Certification*, and completed the annual supervisory audit and obtained the confirmation certificate in early 2022 to ensure that the intellectual property management system in production and operation complies with GB/T 29490-2013 *Enterprise Intellectual Property Management Code*.

In order to encourage employees to apply for high-quality patents, we compiled the *Guidelines for the Protection of Different Types of Patents* during the Reporting Period to manage the R&D process for patents of Minth Group in terms of toolings and equipment, formulas, production processes and methods, testing equipment and testing methods, to effectively identify technical solutions suitable for patent protection and core technologies suitable for confidential means by determining the type of application, to ensure that patent application proposals are processed quickly and accurately by standardizing the process of patent application types, to improve the quality of product patent applications, to rationalize the patent layout and to protect R&D achievements.

With the continuous development of innovative R&D of Minth Group, during the Reporting Period, the Group filed 628 patent applications, obtained 488 patent authorizations, and searched and analyzed more than 180 patents.

In order to continue to improve the efficiency, standardization and innovation of patent management, Minth Group continues to carry out informatization reforms. In 2021, the PatSnap patent management system was introduced to integrate different types of patent review management into the system. The whole life cycle process management of writing and national review makes patent application and management more convenient, standardized, efficient and safer.



Patsnap Patent Management System

In addition to improving our intellectual property protection system and management system, we are aware of the importance of our employees' awareness of intellectual property protection to the implementation of related work. During the Reporting Period, we conducted intellectual property training through online and offline training, and inspired our staff to raise awareness of patent protection and infringement risk and prevention through the activity named "Intellectual Property Promotion Month".

Online patent training system

During the Reporting Period, the Group introduced a patent training system to provide customized courses for R&D personnel of different positions in each business unit, covering beginner courses, advanced courses and management personnel courses. It enables R&D personnel and management personnel from all over the Group to flexibly study according to their own position and learning progress, and continuously improve their intellectual property professional skills.



Offline seminars and learning

Minth Group regularly organizes offline training for the staff of different teams within the R&D center, guiding them to roll out in-depth study of the use of patent management system, basic knowledge of trademarks, high-value patent application and other professional knowledge. At the same time, we encourage our employees to participate in external intellectual property learning and training, and put the knowledge into practice in their daily work.



Intellectual property month

During the Reporting Period, Minth Group held activities during the Intellectual Property Promotion Month with the theme of “All employees participate in intellectual property protection and jointly build a new pattern of innovation and development”. During this period, we held a series of activities such as knowledge contests, summit forums, trademark DIY or patent creativity, and intellectual property award ceremony, with thousands of participants. These activities strengthened the ties between Minth Group and relevant government departments, universities, enterprises and service organizations, and created a good culture for innovation.



Intellectual Property Summit Forum



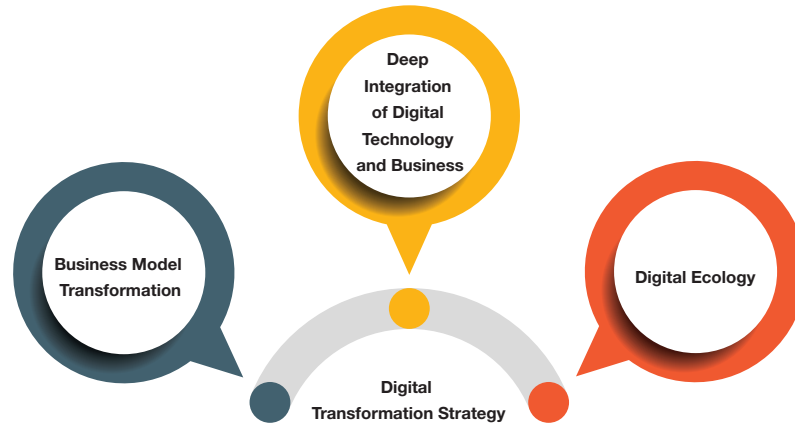
Intellectual Property Contest



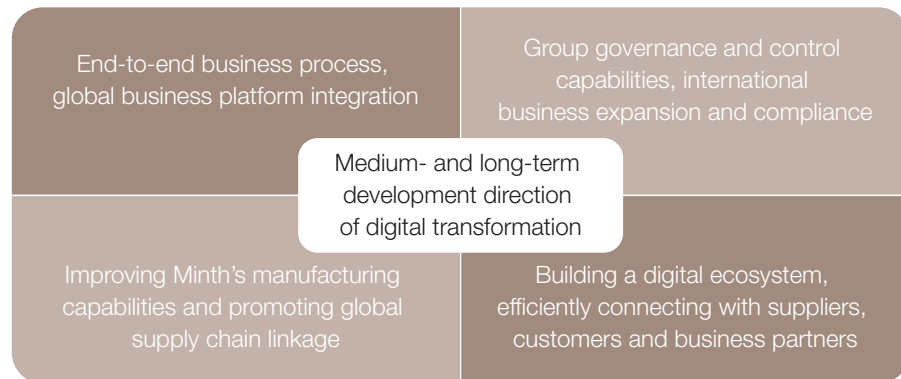
Intellectual Property Award Ceremony

- **Digital construction**

With the gradual acceleration of the digital development trend of the industry, Minth Group attaches great importance to the digital transformation of its core business. With the vision of “building an industry-leading digital and intelligent enterprise”, the Group released its digital strategy during the Reporting Period, committed to promoting management and innovation through digitalization, and “seeking for digitalization and commercialization between its business and data” to create new value for customers.



Minth Group integrates the digital transformation strategy into many aspects of its development and management, and establishes the development direction and goals of digital transformation in four areas including business process, compliance management, manufacturing and partnership management, so that digitalization is not only a kind of management tools and means, but also an important driving force for the rapid growth and breakthrough.



INGENUITY FOR INTELLIGENT MANUFACTURING

During the Reporting Period, in terms of digital transformation strategy, the Group carried out six major measures, and achieved fruitful results in terms of production efficiency improvement, process standardization, decision making and talent development.

- Drive end-to-end digitization of business processes**
 - Through the digital system, swift order intake, smart planning, smart warehousing, smart production, and smart logistics will be realized.
- Optimize the management of the business-finance integration system**
 - The Group's integrated platform was successfully built and implemented, and 29 factories were put into use on schedule.
- Accelerate relevant projects in Factory of the Future to facilitate the integration and convergence of IT and OT**
 - Completed the first Factory of the Future and successfully won the application of the factory of the future in Zhejiang Province.
- Build a data center**
 - Build a unified data analysis and decision-making platform at the group level, establish a group operating data model, and realize vertical integration and visualization of data analysis from the group, business unit and factory levels.
- Build a globally integrated IT architecture and infrastructure**
 - Build unified e-mail, network, data center, communication channels within the Group.
- Promote the acquisition and training of digital talents, and propel the construction of digital culture**
 - Cultivated more than 100 digital talents, with enhanced capabilities of project management, professional ability, technology development and business structure.
 - Cultivated 11 international talents.
 - Developed 10 talents with comprehensive competence.

	
<p>Digital central platform with globally integrated IT Structure</p>	<p>Ministry of Industry and Information Technology: State-level Champion in Single Area in Manufacturing Industry</p>

- **Factory of the Future**

As an important part of the Group's digital transformation strategy, the Factory of the Future is a pilot project for Minth Group to use the most advanced technologies at home and abroad to explore the development of future manufacturing. During the Reporting Period, we continued to build Minth's "Factory of the Future" and actively respond to the call of Economic and Information Technology Department of Zhejiang on deepening the digital economy and stimulating the innovative vitality of enterprises, it was successfully approved as the "Factory of the Future" of Zhejiang Province, fully demonstrating the achievements of Minth Group in the integration and application of new generation information technology and manufacturing industry.



Minth Factory of the Future

Adhering to the concept of "Intelligent Manufacturing + Humanity", the Factory of the Future has achieved important results in information management and intelligent manufacturing. Firstly, with the support of technologies such as cloud computing, big data, artificial intelligence and the Internet, the Factory of the Future has helped the Group deploy an information-based system, and piloted to build "one cloud" and "one platform" for global operations of Minth to create a large platform for efficient services.

Unmanned factories and intelligent products

The Factory of the Future makes full use of the Industrial Internet, applies advanced technologies to the production line, drives digital upgrade of the production line, and experimentally builds unmanned factories. At the same time, from the perspective of customer needs and user experience, the Factory of the Future will focus on the development and production of four smart products after mass production, identify a variety of product application scenarios, and provide users with personalized and intelligent products.

- Underground logistics, separation of people and vehicles
- AI technology application, intelligent sorting, intelligent detection
- End-to-end business value flow, full automatic distribution
- Flexible automation and digital production



Unmanned factories

Intelligent front module

Smart Door System

Smart tailgate system

Lamp related products



Four core products of Factory of the Future

2.3. Dedicated service

The Group adheres to the customer service concept of “Striving for Perfection Through Continuous Improvement”, continuously improves its customer service system, striving to bring the best human experience to customers by adopting the most advanced technology and customized services.

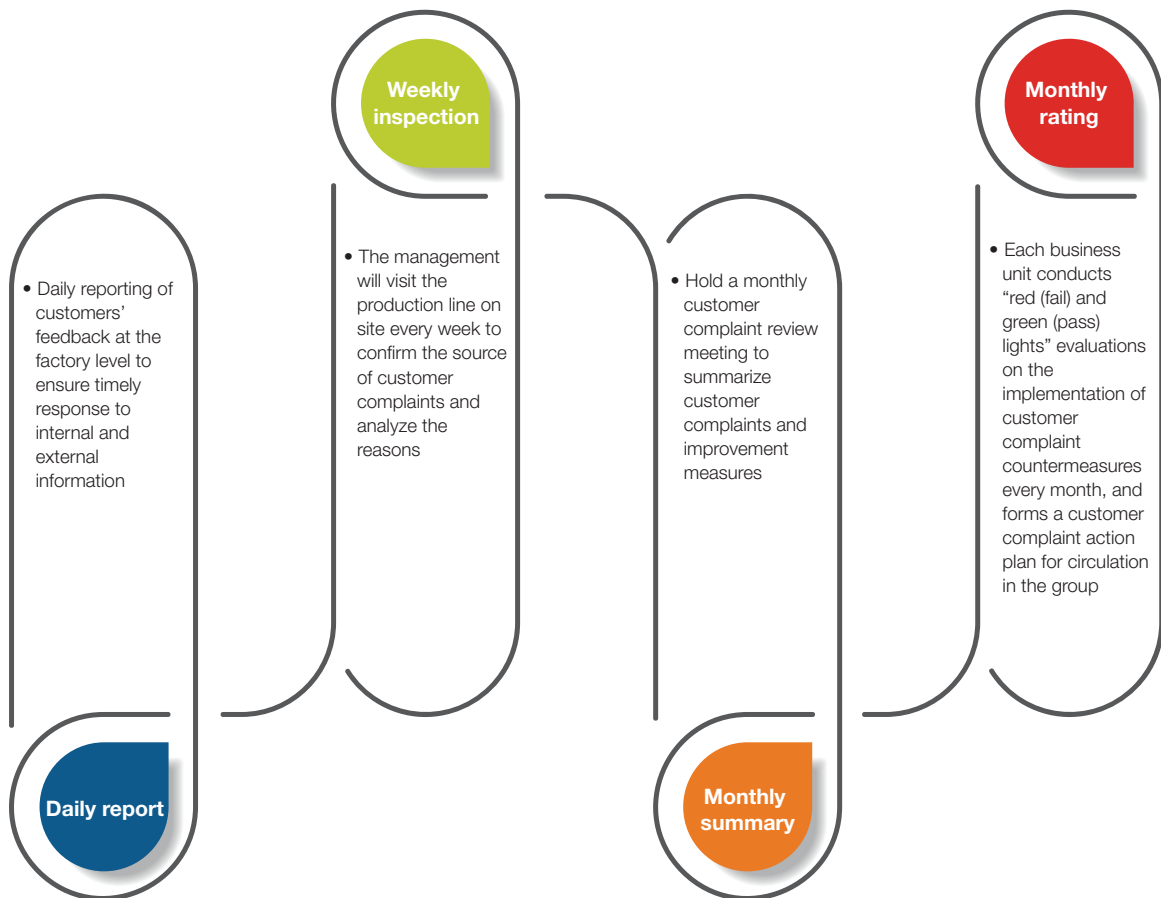
• **Customer communication**

Customer suggestions are the source of our continuous improvement. In order to strengthen communication with customers and understand and respond to customers’ demands as soon as possible, we have established a comprehensive customer relationship and risk management system and complaint handling mechanism, integrated customer feedback into product improvement, and strived to improve customer satisfaction.

Customer complaint management

The Group collects customer complaints through various channels such as telephone, WeChat platform and corporate email. During the Reporting Period, we established a hierarchical management standard for customer complaints and a risk escalation response mechanism, vertically including department managers, quality directors of business unit, key account quality managers, and group quality general manager and other personnel at all levels. Quality risks will be reported level by level with the CEO as the ultimate responsible person. In order to promptly resolve the demands of customers, we have set up a designated person docking mechanism for important customers at the group headquarters level, which has strengthened the timeliness of the response to customer complaints.

At the same time, we have been holding a customer risk management meetings at group level, attended by the senior management of the Group, to raise the importance and focus on the major customer complaints. At the same time, we have set up a monthly project management reporting mechanism for customer complaints in each production plant, to review customer complaints and make improvement to avoid recurrence. During the Reporting Period, the Group received a total of 314 complaints from customers.



Customer Complaint Management Process

Customer satisfaction survey

Since 2021, Minth Group has further strengthened the concept of being customer-oriented and serving customers, and taken customer satisfaction management as the key work of quality management. During the Reporting Period, we launched the group customer satisfaction survey system to reach more customers through convenient information collection. A total of 410 customers were investigated in 2021, and annual customer satisfaction surveys were conducted from multiple dimensions such as quality, logistics, technology, and procurement. The comprehensive evaluation result of customer satisfaction is 3.13 points, exceeding the 3-point target set at the beginning of the year.

In order to continuously improve customer satisfaction, we have established a customer satisfaction assessment mechanism and incorporated customer satisfaction results into the annual performance assessment indicators of our factories, encouraging factories to proactively identify opportunities for improvement, take measures based on the results of customer satisfaction surveys, and practice the concept of “customer first” to enhance customers’ trust in Minth Group.

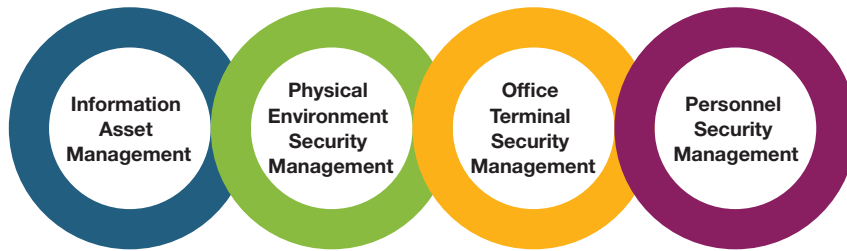


In 2021, Minth Group won more than 60 awards such as “Excellent Quality Service Award”, “Best Supplier Service Award” and “Problem Solving Five-Star Supplier”, which fully demonstrated that our achievements in customer cooperation, logistics and after-sales service and other aspects have been recognized on the user side.

- **Responsible service**

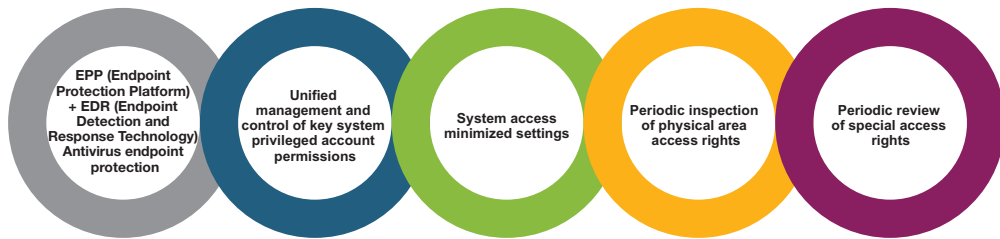
The Group attaches great importance to the protection of customer privacy and security, proactively establishes a privacy security protection system, and adopts multiple protection measures to encrypt customers’ private information to fully protect the rights and interests of customers.

We strictly comply with the laws and regulations on customer privacy and information security such as the *Law of the People’s Republic of China on Guarding State Secrets*, the *Law of the Peoples Republic of China on the Protection of Rights and Interests of Consumers*, and the *Law of the People’s Republic of China on the Protection of Personal Information*, and have added three new policies on data security and personal information protection, namely the *Personal Information Protection Management Procedures*, *Sample Management Procedures* and *Data Security Management Procedures* during the Reporting Period. For the protection of customers’ product information and R&D information, the Group issued the *Information Security Management Guideline for R&D Center* in 2021, which sets out the requirements for the management of customers’ information assets such as vehicle models and parts.



Product Information Management System

At the same time, the Group also optimized the information security organizational structure. While setting up the information security management organizational structure at the group level, it also cultivated information security specialists in various regions to ensure the implementation of the information security management system. During the Reporting Period, Minth Group also took a series of measures to strengthen information security and privacy protection:



Information Security Protection Measures

The Group also actively strengthened the awareness and management level of information security and privacy protection of our employees. During the Reporting Period, we further improved the information security training system and the construction of the training system for our employees, issued the policy of *Information Security Awareness Training for R&D Center*, and published internally the *Information Security Requirements for Product Project Management* and *Project Information Security Management Procedures* to guide our employees to standardize the use of customer information and operation process and enhance professional management level. In addition to standardizing the workflow, we have launched a number of information security training and drills.

Information security training

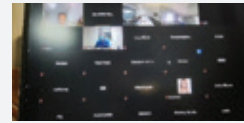
Minh Group provides customized information security training for the core personnel of information security in the R&D center, personnel in related intelligent production lines, and managers of factories in China and abroad, covering information security management organization, information asset management, system access control, encryption, physical environment security, system operation security, the acquisition, development and maintenance of network communication security system, supplier relationship and security, information security incident management and other topics, and the training results are summarized into guidelines and strategies for information security management.



Training in R&D Center (Ningbo)



Information security risk assessment workshop



Online training for overseas factories

Information security drill

Minh Group launched the 2021 Group Annual Emergency Drill against Cyber Attack, covering all IT staff at the group and regional levels. The theme of this drill was “cyber attack on the host” and employees learnt how to handle emergency situations through the drill, and summarized the strategies to enhance the response speed and the methods to handle threats in a timely manner through the summary of the drill. The drill effectively improved the information security awareness of all IT staff.



Process of the information security drill

3. PROTECTING THE EARTH

3. PROTECTING THE EARTH

Minth Group strives to maintain the “beauty of the environment”, undertakes its corporate social responsibility, and endeavors to make the world a better place. We continue to consolidate the environmental management system, apply more scientific and reasonable production methods, and explore cleaner and greener products. At the same time, climate change and carbon emissions have been elevated to the strategic position of the Group’s development. The Group is committed to responding to the risks brought by climate change, and striving to seize the opportunities during the process, so as to realize sustainable development of the Group in the long run.

3.1. Green Development

Minth Group actively takes the responsibility for environmental protection, strictly abides by environmental laws and regulations, and operates in compliance with regulations. At the same time, the Group is committed to green production and green operation, in a bid to reduce the impact of production and operation activities on the environment, and comprehensively promote the green and sustainable development of the Group.

- **Environmental management**

Minth Group strictly abides by the laws and regulations and standards in countries or places where it operates, such as the *Environmental Protection Law of the People’s Republic of China*, the *Law of the People’s Republic of China on the Promotion of Clean Production*, the *Energy Conservation Law of the People’s Republic of China*, the *General Law on Ecological Equilibrium and Environmental Protection in Mexico*, the *Enhancement and Conservation of the National Environmental Quality Act in Thailand*, the *Federal Environmental Impact Assessment Act of Germany*, the *Environmental Impact Assessment Act in Germany*, the *Environmental Impact Assessment Act in U.S.A*, the *Environmental Protection Act in the United Kingdom*, the *Environmental Protection Law of Serbia*, *Nature Conservation Act in Czech Republic* etc. We also regularly update the list of laws and regulations and conduct sorting of the laws and regulations on the list, and continuously update and optimize the *Environmental Management Manual*, *Red Line Management Standards* and other institutional documents in accordance with the changes in laws and regulations to ensure the compliance of the Group’s environmental management. During the Reporting Period, we launched multi-dimensional management toward several subsidiaries of Minth Group, focusing on energy consumption, specific processes involving environmental pollution in production and operation, names and emissions of major pollutants, environmental protection expenses and investments, environmental inspection reports, and hazardous waste disposal contracts to conduct compliance reviews, and identify gaps for improvements.

While continuously improving internal management, the Group actively carries out the certification of external environmental management system. During the Reporting Period, in addition to the usual ISO 14001 Environmental Management System certification, we also initiated the ISO 50001 Energy Management System audit and actively promoted the construction of green factories. As at the end of the Reporting Period, the external accreditation for the subsidiaries of the Company is as follows:

System Name	Number of subsidiaries certified
ISO 14001 Environmental Management System Certification	35
ISO 50001 Energy Management System Certification	5
National Green Factory	2
Municipal Green Factory	3



Obtained ISO 50001 Energy Management System Certification

In line with the guideline requirements of the management system, the Group continued to optimize the management process, promoted the management requirements for hierarchical inspection, and formed a hierarchical inspection list at the factory level, department level and team level. In addition, we continued to enhance equipment upgrades and process optimization in environmental protection. During the Reporting Period, the investment in environmental protection reached RMB289,880,200, representing a significant increase compared with the previous reporting period, and no environmental penalties occurred.

In terms of routine work and operation, we always pay attention to ways and means of energy conservation and consumption reduction, and fully create environment-friendly conditions in the planning and construction of the production plants.

Green planning and construction of the Factory of the Future

At the early stage of the design of the Factory of the Future of Mintch Group, photovoltaic power generation and HVAC systems were planned as a whole, and the heating and cooling supply systems of the office buildings, empowerment centers, interactive experience centers and other workplaces in the plant were uniformly supplied by underground heat pumps. The photovoltaic power generation project is 5.22MW, covering the existing plant area, with an annual power generation capacity of about 5 million kWh.

In addition, during the planning of the plant, the ecological diversity of the surrounding area is taken into consideration comprehensively, and we try our best to reduce the impact on the environment brought by the construction of the plant, and protect the ecological environment of the original site as much as possible after the construction, with the green area accounting for more than 50% of the plant and the original river and greenery are preserved.



PROTECTING THE EARTH

In addition to being environment friendly from the perspective of hardware conditions, we also attach great importance to the improvement of environmental awareness and the fostering of environmental protection culture. During the Reporting Period, the Group actively organized training and sharing activities related to environmental protection, requiring management and employees to learn about new national policies such as carbon emissions, and incorporating customer environmental protection requirements into product development and management, as well as supplier management requirements.



Carbon Neutrality Training

- **Clean products**

In order to protect the deteriorating harsh global environment, reduce carbon emissions, and lower the impact of business operations on the environment, Minth Group strives to promote the development of clean technologies, use green raw materials, conduct green production, and provide green products.

Lower emission products

Promote the application of green aluminum raw materials and recycled materials

- We have completed the development of ECO-ALUMIN® S series low-carbon green aluminum materials, 100% of which are made of hydropower aluminum ingots and recycled scrap aluminum, and the carbon emission is no more than 3.0kg CO₂/kg
- This product contains a patented ingredient formula independently developed by Minth Group, which has excellent performance in yield strength, elongation, static crush performance, temperature resistance and corrosion resistance, and can meet the technical requirements of customers such as BMW, Daimler and Volkswagen
- In order to further achieve the Group's carbon emission target in 2025, we actively carried out the planning of upstream of the supply chain, refined the formula and techniques of aluminum smelting

Lower odor products

Promote the research and development and application of low-volatile and low-odor materials

- In response to the health requirements of customers and consumers for the cockpit, we recycle the use of polymer materials and renewable plastics, and improve material performance through modification technology
- Minth production plant of modified plastic materials has been certified by the GRS standard, and has completed the layout of two renewable material series
- The renewable materials developed by Minth could meet the material performance requirements of Volvo, Toyota and other customers, and the performance of its low odor emission elastic materials could meet the requirements of Volkswagen and other customers

In terms of new materials, Minh Group puts emphasis on low-carbon renewable materials and green fiber composite materials, and continues to innovate and proceed with the testing of finished products. Various products have been recognized by Volvo, Toyota and other car manufacturers, and have successfully obtained GRS certification.



Low carbon renewable materials	Green fiber composite materials
<ul style="list-style-type: none"> Adding 25% renewable PP and ABS, the performance of PC is similar to the original material, and the small-scale development of renewable PP, ABS, PC/ABS modified materials has been preliminarily completed. The appearance and dimension of the trial products are up to standard, and production could be switched to the use of the existing molds 	<ul style="list-style-type: none"> We have developed two series of green composite materials, reinforced PP made of plant fiber. The bio-based content ranges from 10% to 20%, and their performance is close to the physical properties of materials made by the competitors. The appearance of the trial products (quarter window cover) is up to standard, and the weather resistance test is under evaluation. The formula will be optimized in the future to realize the application on the inner panel parts of automobile doors

In the future, we will continue to make efforts in the R&D of recycled materials, focusing on the modification, application and R&D of recycled materials for decorative products, fiber-reinforced recycled materials and bio-based materials, carry out the calculation and evaluation of carbon footprint of new materials, strive to achieve a high level of material technology, and work out optimal solutions for carbon neutrality goals.

3.2. Climate Change

Climate change caused by greenhouse gas emissions is one of the major challenges facing the world today. With the convening of the 26th Conference of the Parties (COP26) of the *United Nations Framework Convention on Climate* and a series of mid- and long-term goals and plans to deal with global climate change, Minh Group has also actively planned the formulation and implementation of carbon emission strategies.

During the Reporting Period, the Group carried out the planning and related work to address the risks arising from climate change with reference to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Council and the newly issued *Guidelines for Climate Information Disclosure* by the Hong Kong Stock Exchange.

- **Governance**

In terms of governance, the board of directors of Minth Group is responsible for overseeing the establishment of a normalized climate change risk identification process for the Group, and the ESG Executive Committee is responsible for overseeing the regular implementation of climate change risk identification, coordinating various functional departments to take necessary actions for identified climate change risks, and making regular reports and recommendations to the Board of Directors. During the Reporting Period, the Group carried out the identification of climate change risks and opportunities.

- **Risks and opportunities**

During the Reporting Period, we referred to the TCFD framework and used the two strongly contrasting scenarios of the representative concentration pathways RCP2.6 and RCP8.5 introduced by the Intergovernmental Panel on Climate Change (IPCC) in the Fifth Assessment Report as Minth Group's Climate change risk analysis scenarios to effectively identify and assess the potential impact of climate-related risks on our business performance under different scenarios.

The Group has conducted data collection and review of government plans, policies and historical records of extreme weather events to identify climate issues related to the Group's operations. Under the strong control scenario of RCP2.6, Minth mainly identified the impact of transition risks; under the high-emission scenario of RCP8.5, physical risks will bring higher risks to our operations.

Risk type	Risk parameter	Risk description	Minth's response
Physical risks	Acute	Flood	Heavy rains and floods may affect production operations and asset safety at production sites, logistics and transportation, indirectly leading to supply chain disruptions or short-term price increases
		Typhoon	Typhoons may affect production operations and asset safety at production sites, threaten the safety and health of personnel, and restrict the working hours and conditions of employees, resulting in increased operating costs
	Extreme heat	The supply chain may be disrupted by typhoons, resulting in higher short-term costs. Extremely hot weather can increase the incidence of drought, which increases the chance of fires High temperatures can lead to increased employee illness Increased demand for cooling electricity due to persistent high temperatures, resulting in higher production costs	
			<ul style="list-style-type: none"> • The management of each subsidiary and plant pays close attention to weather forecasts to ensure the safety of employees and adequate preparation. • Emergency plans (strong typhoon, rainstorm, flood, etc.) are prepared to deal with the impact of unexpected weather events on production. • According to the high temperature warning, we will implement measures to prevent heat stroke, adjust and reduce working hours, and distribute cooling materials and medicines.

Risk type	Risk parameter	Risk description	Minth's response
Chronic	Changes in precipitation patterns and extreme variability in weather patterns	Extreme weather events may affect the Group's assets and production capacity Affect relationships with suppliers or customers. Unstable weather patterns may slow down shipments, restrict product shipments and affect purchases and deliveries	<ul style="list-style-type: none"> Develop <i>Red Line Management Standards</i> to prospectively identify and assess chronic climate risks and incorporate them into the consideration of production plans. Conduct regular safety risk inspections of factories and production sites in areas with high risk of extreme weather such as floods and typhoons. Incorporate chronic risks such as fluctuating weather patterns into consideration for infrastructure construction, and start the deployment of photovoltaic power generation equipment in the plant to reduce the impact of power outages on personnel safety and production operations under extreme weather conditions, and enhance the resilience of infrastructure to climate change.
	Rising sea levels	Sea level rise is causing seawater to invade production sites in China (Ningbo, Guangzhou, etc.), Thailand and other coastal areas, and will cause further flooding.	
	Water shortage	Water shortage caused by climate change and weather pattern change makes it difficult to secure water resources for production, cleaning, spraying and domestic use, resulting in shutdown and increase in operating costs	
	Rising mean temperatures	Frequent high temperatures lead to higher costs for production and supply chain transportation, as well as increased demand for cooling power in employee work environments	

PROTECTING THE EARTH

Risk type		Risk parameter	Risk description	Minth's response
Transition Risks	Policy and Law	Exposure to litigation	Overseas climate change civil public interest litigation is increasing year by year, and China's environmental litigation regulations have gradually become clear	<ul style="list-style-type: none"> Monitor changes in international laws and regulations and policies in real time, and carry out countermeasures in advance.
		Mandates on and regulation of existing products and services	The current global regulation of vehicle CO ₂ emissions has influenced the strategic choice of technology and business direction, for example, the <i>European Green New Deal and Emission Peaking Action Plan by 2030</i> all propose to vigorously promote the development of new energy vehicles	<ul style="list-style-type: none"> Use grid-based management to ensure the compliance of Minth's operations. Develop new environmentally friendly products materials such as battery housing and recycled aluminum in line with the needs of the market and laws.
		Increased pricing of GHG emissions	Although Minth has not been included in the carbon trading system, it may affect the price of fuel and energy used, or the production cost of raw materials, indirectly affecting the business	<ul style="list-style-type: none"> Minth's subsidiaries in Serbia and other European regions have plans in place for carbon trading and related matters. Actively carry out clean power projects such as hydropower and photovoltaic power generation based on the conditions of local energy source.
	Technology	Enhanced emissions-reporting obligations	The European Union, China and other places have put forward higher requirements for corporate emission reporting, and investors and capital markets are also increasingly concerned about the disclosure of corporate carbon emissions	<ul style="list-style-type: none"> Disclosure of climate change-related information is carried out in strict accordance with the new Guidelines of the Stock Exchange. Identify climate change risks and opportunities with reference to TCFD, and propose countermeasures.
		Costs to transition to lower emissions technology, development of renewable resources and energy efficiency technologies	Excessive technology investment in zero- and low-emission vehicles can be substantial, resulting in higher costs in the short term and the risk of investment in new technologies	<ul style="list-style-type: none"> Strengthen the protection of R&D achievement, through management system optimization, information system application, etc., and implement all-round protection of intellectual property rights.
		Market	Changing customer behavior	Customer requests related to carbon emission reduction, which if not met, result in reduced orders Reduced customer demand for traditional products
Increased cost of raw materials	The aluminum required in Minth's manufacturing process is carbon-intensive and the supply of low-carbon alternatives is relatively scarce. The price of low-carbon aluminum is likely to increase in the short and medium term, leading to higher production costs		<ul style="list-style-type: none"> In the face of the global goal of carbon neutrality and the rising demand of consumers for healthier driving cabins, we are doing our best to promote the R&D and application of green, low-carbon, low-volatile and low-odor materials. 	

Risk type	Risk parameter	Risk description	Minth's response
Reputation	Shifts in consumer preferences	Consumers' pursuit of new energy products has increased the investment of OEMs in the research and development and production of new energy vehicles, which will also increase the indirect operating costs of Minth's transformation to new energy vehicle parts	<ul style="list-style-type: none"> Actively explore the use of clean energy and renewable energy and make regular disclosures.
	Increased stakeholder concern or negative stakeholder feedback	If environmental performance disclosure is insufficient, investors and customers may switch to peers, resulting in reduced revenue for Minth	

In addition, we identified climate change opportunities across four dimensions: resource efficiency, energy, markets, and products and services:

Opportunity type	Opportunity name	Opportunity description
Resource efficiency	Application of recycling techniques	Since 2020, Minth Group has adopted newly developed disposal technology to recycle raw materials of defective products, reducing the consumption of raw materials and improving the efficiency of resource use, thereby reducing operating costs and carbon emissions. Specifically, in 2019, 600 tonnes of aluminum materials were recycled, which saved about RMB8.4 million according to the market futures value.
Energy source	Participate in carbon trading	Many regions around the world are considering to include the transportation sector into the carbon trading market, and will study the establishment of a mechanism for connecting the automobile industry and the carbon trading market. Companies with lower carbon emissions will become preferred suppliers to customers in the automotive industry and may be eligible to sell their remaining quota for carbon emission. Participating in carbon markets can therefore reduce overall costs while generating revenue growth.
	Use of lower-emission energy source	In order to cope with the regulations, supply, and price instability of traditional energy sources with high carbon emissions in the future, Minth Group reduces energy consumption or energy intensity through production technology upgrades and equipment improvements, and reduces the risk of traditional energy price increases in the future, thereby lowering its production and operating costs.

Opportunity type	Opportunity name	Opportunity description
Markets	Use of new technologies	In order to cope with factors such as the instability of the traditional energy market in the future, Minth Group develops new energy source (such as the photovoltaic power generation project that has been carried out) through the improvement of production technology and equipment. At present, Minth Group's photovoltaic power generation project has reached 60MW, with an annual saving of approximately RMB20 million in electricity costs.
	Access to new assets and locations needing insurance coverage	Green and innovative financial products such as green bonds and sustainable development-linked bonds can be issued for corporate environmental protection activities, including the research and development of energy-saving and emission-reduction technologies, the construction and development of "intelligent manufacturing", and the development of low-carbon products. Through diversified financial asset management channels, expand financing methods and reduce the development cost of green technology and low-carbon product.
Products and services	Use of incentives by public sector	Due to the impact of climate change, various countries and regions have successively implemented subsidy policies, which will further optimize the preferential policies related to energy-saving and emission-reduction technologies in the automobile industry.
	Shift in consumer preferences	In the future, more customers may switch to new travel options. Markets for low emissions, self-driving/Internet-connected vehicles, digitalization and electrification have huge potential.
	R&D and innovation	More stringent and convergent global regulations on greenhouse gas emissions in the transportation sector have driven the automotive industry to undergo a low-carbon and energy-saving transformation. The increasingly stringent regulatory requirements and consumer demand have driven the automotive industry towards electrification and the rapid development of the global electric vehicle market. The booming development of new energy vehicles has led to an increase in the demand for corresponding components, which has become a growth opportunity for the suppliers of automotive OEMs.
	Ability to diversify business activities	Based on the growing global demand for low-carbon products, Minth Group can apply the R&D results of low-carbon and consumption reduction to other extended business activities.

The Group will continue to make rational use of climate change opportunities and continue to explore ways to reduce climate change risks through technological innovation, utilization of renewable energy, green finance, and strengthening of supply chain management.

- **Strategies and goals**

In 2020, the “Year of Carbon” of Minth, the Group released its carbon roadmap of carbon neutrality by 2050. In 2021, the Group continues to promote the development of energy saving and emission reduction strategies and set the strategy and target of “carbon peaking by 2030 and carbon neutrality by 2050”, and implements projects such as circular economy, new energy and intelligent management to ensure the implementation of the Group’s carbon strategy.



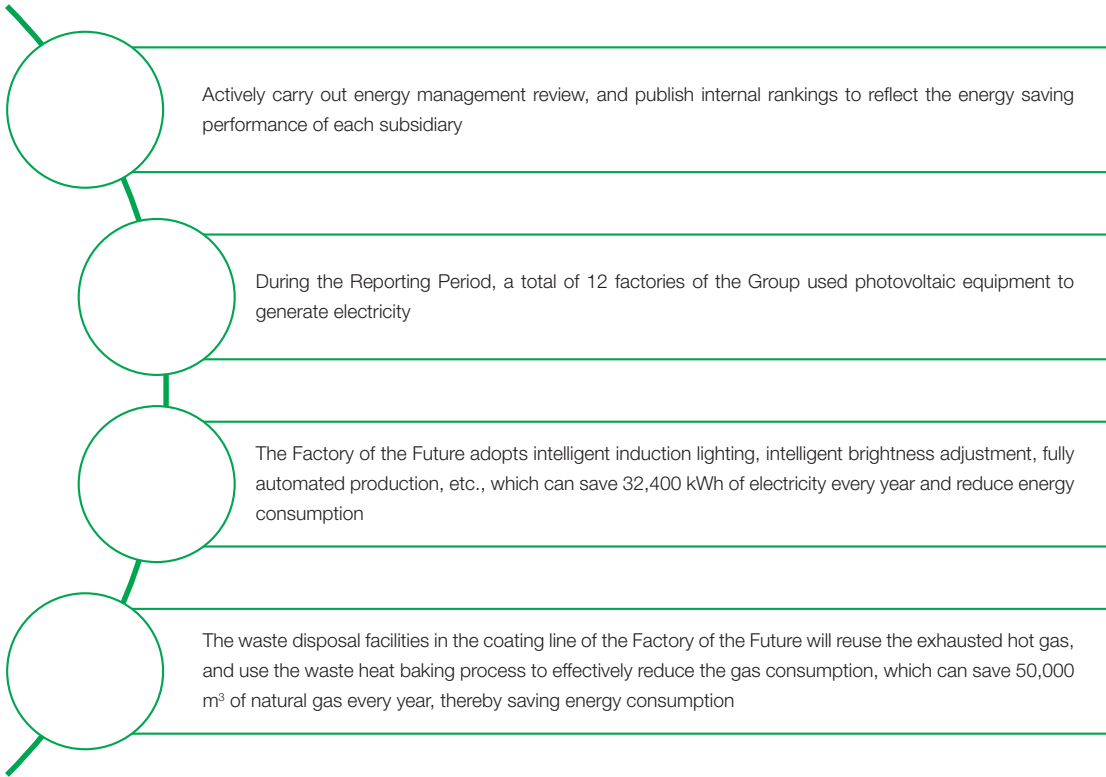
Minth Group Carbon Neutrality Strategy

- **Management and response**
Energy management

Minth Group works in accordance with the *Energy Management Guidelines* and controls the energy use of each subsidiary from top to bottom. During the Reporting Period, we also issued the *Evaluation Standard for Energy Conservation and Consumption Reduction*, which incorporates energy consumption into indicator management and year-end assessment, and formulated energy management assessment indicators on an annual basis. The Group also set up a pilot smart energy system, which allows us to understand the actual situation of electricity, gas and water consumption in the plant in real time through the smart console, further enhancing the management capability of various types of energy.



Smart energy system — monitoring console of the whole plant area



Energy conservation initiatives



Smart lighting in the Factory of the Future

Energy saving by improving work materials

The subsidiary of Minh Group in Jiaxing invested in the use of aerogel insulation materials during the Reporting Period. Aerogel has always been known for its advantages such as “good energy saving performance”, “long service period” and “good quality”, and can effectively lower the electric energy of the heating ring of the injection molding machine and the whole body, so as to achieve the effect of energy saving and emission reduction.



PROTECTING THE EARTH

During the Reporting Period, the energy consumption of the Group is shown in the table below:

Energy consumption				
Category	2021 ¹	2020 ²	2019 ³	Unit
Purchased electricity	58,010	48,636	46,907	Ten thousand KWh
Photovoltaic power	2,405	/	/	Ten thousand KWh
Natural gas	2,896	1,475	1,363	Ten thousand N/m ³
Diesel oil	122	160	224	Tonne
Gasoline	129	97	167	Tonne
Direct energy consumption ⁴	38,882	19,988	18,702	Tonnes of standard coal
Indirect energy consumption ⁵	74,249	61,029	57,649	Tonnes of standard coal
Comprehensive energy consumption	113,131	81,017	76,351	Tonnes of standard coal
Comprehensive energy consumption per RMB ten thousand of output value	81.28	64.99	57.85	kg standard coal/RMB10,000

¹ The energy consumption data for 2021 covers the Group's China region and overseas subsidiaries that have entered mass production stage. Compared with the previous year, the data of factories located in the United Kingdom, Serbia, the Czech Republic etc. was newly added.

² The energy consumption data for 2020 covers the Group's China region and overseas subsidiaries that have entered the stage of mass production.

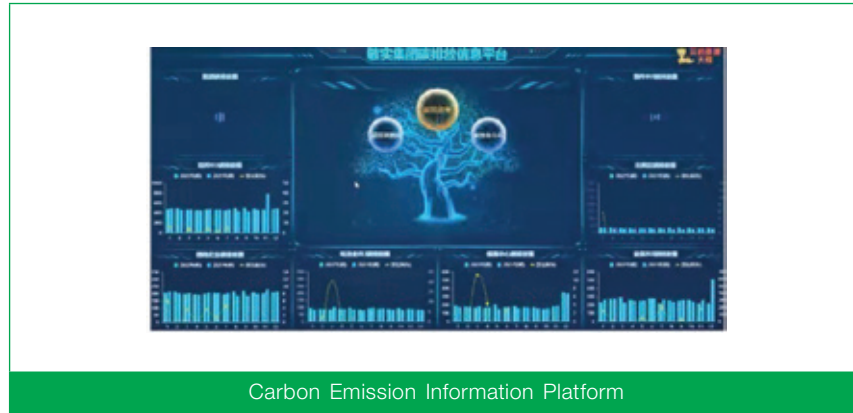
³ The energy consumption data in 2019 covers both Chinese and overseas subsidiaries of the Group.

⁴ Direct energy consumption includes natural gas, diesel and gasoline consumption. For calculation, please refer to GB/T 2589-2020 *General Principles for Calculation of Comprehensive Energy Consumption*.

⁵ Indirect energy consumption refers to purchased electricity and photovoltaic electricity consumption. For calculation, please refer to GB/T 2589-2020 *General Principles for Calculation of Comprehensive Energy Consumption*.

Carbon emission management

Based on the Group’s carbon goal of “carbon peaking by 2030 and carbon neutrality by 2050”, we carry out carbon emission management, build a carbon emission management system, collaborate with suppliers, factories, customers and third parties for data collection, evidence uploading, data review and data analysis, all of which facilitate the establishment of the Group’s carbon emission information platform.



Carbon Emission Information Platform

At the same time, the Group initiated the ISO 14064 carbon checking during the Reporting Period, organized training on the ISO 14064 system, and urged each subsidiary to complete the carbon inventory.

ISO 14064 system training

During the Reporting Period, Minth Group organized a live action training on the ISO 14064 system, enabling more than 30 professionals and staff in related positions who have obtained internal auditor certificates to improve their practical capabilities in carbon checking and carbon inventory, so that they are capable of assisting the colleagues from the Group’s business team to calculate the carbon emissions per unit product when dealing with request for quotation.

During the Reporting Period, the Group organized carbon checking, completed carbon inventory, successfully passed the on-site audit and obtained the ISO 14064 certificate, which effectively improved the overall carbon emission management level of Minth.

Participate in carbon emissions management training

In November 2021, the person in charge of sustainability of Minth Group participated in the industry's "Advanced Training on Supply Chain Sustainability for Automotive Suppliers" to learn from the industry's carbon emission management experience and enhance the overall carbon emission management capability of the team through learning and exchange with experts.



The greenhouse gas emission targets and conditions of the Group are as follows:

Greenhouse Gas Emissions Targets in 2022:

2% reduction in carbon intensity

Greenhouse gas emissions

Category	2021 ⁶	2020 ⁷	2019 ⁸	Unit
Scope 1 greenhouse gas emissions	63,111	32,604	30,529	Tonnes of CO ₂ e
Scope 2 greenhouse gas emissions	345,265	322,397	312,662	Tonnes of CO ₂ e
CO ₂ consumption	12,856	/	/	Tonne
Total greenhouse gas emissions	395,520	355,000	343,191	Tonnes of CO ₂ e
Greenhouse gas emission per RMB ten thousand output value	0.28	0.28	0.26	Tonnes of CO ₂ e/RMB10,000

⁶ The greenhouse gas emission in 2021 covers the Group's China region and overseas subsidiaries that have entered mass production stage. Compared with the previous year, data from factories located in the United Kingdom, Serbia, the Czech Republic etc. was newly added. The calculation of greenhouse gas emissions refers to the *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Other Industries in Industry (Trial)*, *Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions for Enterprises in Power Generation Facilities*, *Greenhouse gas reporting – Conversion factors 2016*, *2015 Guidelines for Defra/DECC's GHG Conversion Factors for Company Reporting*, *Emission Factors for Greenhouse Gas Inventories*, etc.

⁷ The greenhouse gas emission in 2020 covers the Group's China region and overseas subsidiaries that have entered mass production stage.

⁸ The greenhouse gas emission in 2019 covers the Group's subsidiaries in China and overseas.

During the Reporting Period, Minth Group's active response to global climate change won the "Improvement Award on Climate Action" issued by CDP Global Environmental Information Research Center.



3.3. Resources Management

The protection of natural resources is crucial for the sustainable development of enterprises and the global environment. Minth Group strives to reduce the consumption of water resources and packaging materials in the production and operation process through continuous exploration of recycling methods.

- **Water resource management**

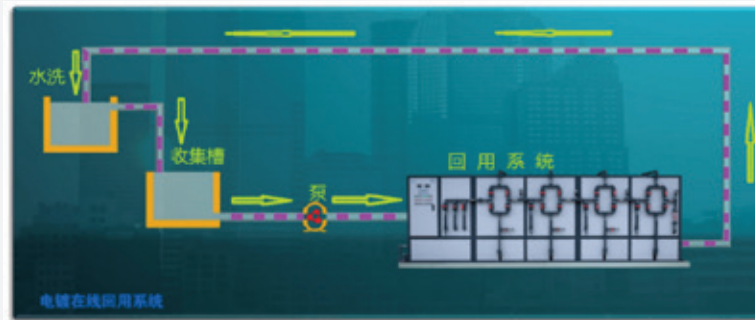
Minth Group strictly complies with the laws and regulations related to water resources protection in the locations where it operates, and has formulated the *Guidelines for Water Management*, which covers water consumption regulations for living, production and equipment maintenance. In addition, we attach importance to the possible shortage of water resources in the future, and have been actively searching for alternative water sources, such as reusing water and establishing water recycling systems, to enhance the reuse of water resources and reduce water consumption. During the Reporting Period, we were not exposed to the risk of water resources acquisition.

2022 water resource goals:

The target of water consumption per RMB10,000 of output value is 5.5 tonne/RMB10,000

Reuse of water resources

In order to improve the efficiency of water usage and reduce the generation of hazardous wastes at source, the subsidiaries of Minth Group invested to establish an online electroplating recycling system. The recycled water quality is up to standard and around 83,000 tonnes of water has been saved during the Reporting Period.



In addition, Minth's subsidiary in Jiangsu has also built a sewage treatment and reuse system to further optimize water consumption, rationally allocate pure water, tap water, reclaimed water and wastewater, and use it rationally to reduce waste. For example, the wastewater from the anodizing lines could reach the reuse standard after comprehensive treatment and can be reused in the production line. After the wastewater is treated by the reuse system, it can be used for greening, washing, and front-end cleaning of the anodizing process. Through the above measures, this subsidiary reduced the consumption of tap water by 6,000 tonnes/month during the Reporting Period.



During the Reporting Period, the water consumption of the Group is as follows:

Water resources consumption				
Category	2021 ⁹	2020 ¹⁰	2019 ¹¹	Unit
Fresh water consumption ¹²	6,608,293	4,879,799	5,046,965	Tonne
Water consumption per RMB ten thousand of output value	4.75	3.91	3.82	Tonne/RMB10,000

During the Reporting Period, a total of four subsidiaries of the Group were awarded the title of water-saving enterprises.

- **Packaging material management**

The packaging materials involved in the production process of Minth Group are mainly paper, plastic, wood and metal. We endeavor to recycle packaging materials which are for internal use, encourage the use of recycling packaging materials instead of constant sourcing of new packagings, so as to effectively reduce the consumption of packaging materials.

During the Reporting Period, the consumption of packaging materials of the Group is shown in the table below:

Packaging material consumption				
Category	2021 ¹³	2020 ¹⁴	2019 ¹⁵	Unit
Packaging material consumption	78,733	14,528	11,624	Tonne
Packaging materials consumption per RMB ten thousand of output value	56.56	11.65	8.81	Kg/RMB10,000

⁹ The water consumption data in 2021 covers the Group's China region and overseas subsidiaries that have entered the mass production stage. Compared with the previous year, data from factories located in the United Kingdom, Serbia, the Czech Republic etc. was newly added.

¹⁰ The water consumption data in 2020 covers the Group's China region and overseas subsidiaries that have entered the mass production stage.

¹¹ The water consumption data in 2019 covers both Chinese and overseas subsidiaries of the Company.

¹² The fresh water comes from the municipal pipe network and natural water bodies.

¹³ The data on packaging materials in 2021 covers the Group's China region and overseas subsidiaries that have entered the mass production stage. Compared with the previous year, data from factories located in the United Kingdom, Serbia, the Czech Republic etc. was newly added.

¹⁴ The 2020 packaging material data covers the Group's China region and overseas subsidiaries that have entered the mass production stage.

¹⁵ The data on packaging materials in 2019 covers the Group's subsidiaries in China and overseas

3.4. Emission Management

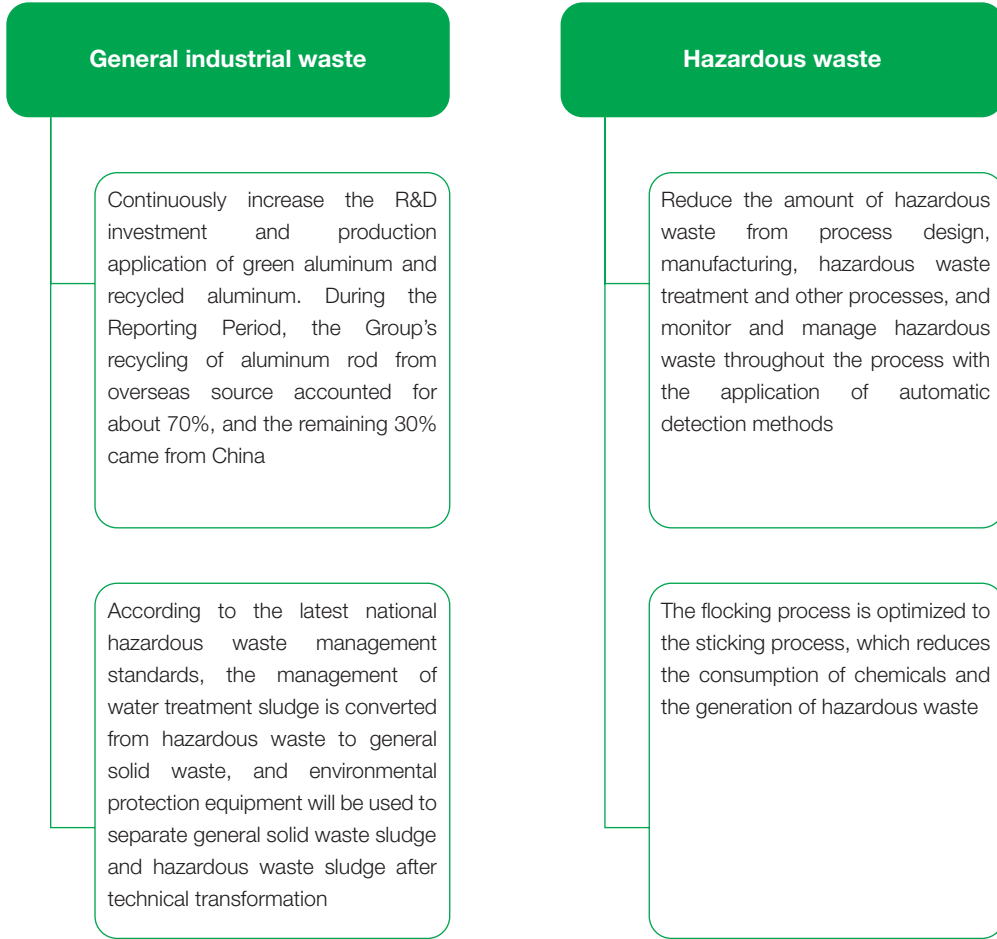
- **Waste management**

Minth Group strictly abides by the new *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Waste*, the *Solid Waste Management Act in the USA*, the *Basic Law of Federal Republic of Germany*, *Waste Disposal Law in the Czech Republic*, *Waste Management Law in Serbia* and other laws and regulations. The *Waste Resource Management Guidelines of the Group* has been carried out to ensure the compliant disposal of various wastes.

2022 waste management goals:

RMB10,000 output value of hazardous waste: 15kg/RMB10,000

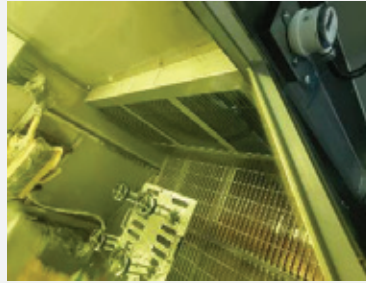
RMB10,000 output value of harmless solid waste: 23kg/RMB10,000



Waste management initiatives

UV paint recycling

Minth Group's subsidiaries have applied the experience of UV paint recycling in the lamp coating line to the new production line the effectiveness of which is being testing and will be promoted for application within the Group in the future. According to the current test results, the recycling ratio of UV paint can reach 18.75%, which effectively reduces the generation and disposal of solid waste, which not only brings economic benefits, but also reduces environmental pollution.



In addition to the reduction of waste generation, the Group enhanced the reuse of waste during the Reporting Period and managed to reuse approximately 619 tonnes of hazardous waste and 13,765 tonnes of general industrial solid waste. The data of other wastes are shown in the table below.

Waste disposal				
Category	2021¹⁶	2020¹⁷	2019¹⁸	Unit
Hazardous waste	45,792	26,473	21,989	Tonne
Hazardous waste per RMB ten thousand of output value	32.90	21.23	16.66	Kg/RMB10,000
Non-hazardous waste	39,709	35,168	33,544	Tonne
Non-hazardous waste per RMB ten thousand of output value	28.53	28.21	25.42	Kg/RMB10,000

¹⁶ The waste data in 2021 covers the Group's China region and overseas subsidiaries that have entered the mass production stage. Compared with the previous year, data from factories located in the UK, Serbia, and the Czech Republic was newly added.

¹⁷ The waste data in 2020 covers the Group's China region and overseas subsidiaries that have entered the mass production stage.

¹⁸ The waste data in 2019 covers the Group's subsidiaries in China and overseas.

• **Wastewater and waste gas management**

The Group complies with the requirements of the laws and regulations of the places where it operates, such as the *Law of the People's Republic of China on Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on Prevention and Control of Air Pollution*, the *Clean Air Act in the U.S.A.*, the *National Water Resources Law of Mexico* and *Waste Prevention Rule in Mexico*, the *Enhancement and Conservation of National Environmental Quality Act in Thailand*, *Emission Control Law in Germany*, the *Air Protection Law in the Czech Republic*, and the *Air Protection Law in Serbia*. In addition, we have formulated internal management documents such as *Wastes Treatment Standardisation – Electroplating Wastewater*, the *Wastes Treatment Manual – Coating Wastewater Treatment and Standardisation of Polishing Dust Treatment* in accordance with laws and regulations to effectively control wastewater discharge and waste gas emission and improve the level of emission management.

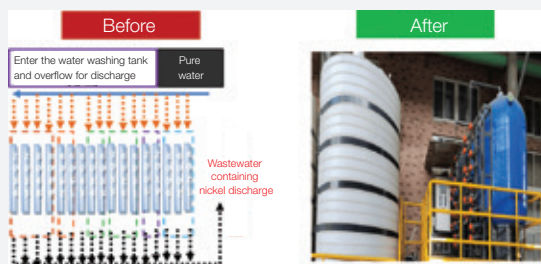


Waste gas management	Wastewater management
<ul style="list-style-type: none"> Multiple subsidiaries newly installed VOCs online monitoring system Multiple subsidiaries newly installed painting exhaust gas online monitoring system 	<ul style="list-style-type: none"> Launch online monitoring and control system to monitor wastewater discharge flow, PH value, chemical oxygen demand (COD), ammonia nitrogen and other indicators online, and aim for real-time early warning to ensure compliance with discharge standards Change the phosphorus treatment process of electrophoresis, reduce the production of phosphate slag, thus lowering the risk that the wastewater may not be up to the standard

Measures of waste gas and wastewater management

Nickel recycling

Minh Group has optimized the process of wastewater treatment. In the past, the wastewater containing nickel was discharged at the standard after cleaning and treatment. After improvement, ion exchange is used for nickel ion adsorption, so as to recover and reuse nickel, which effectively reduces the discharge of heavy metals in wastewater, and also reduces the use of nickel sulfate.



Pollutant emissions				
Category	2021 ¹⁹	2020 ²⁰	2019 ²¹	Unit
Exhaust emission				
Nitrogen oxide	15	31	72	Tonne
Sulphur dioxide	9.7	1.6	6.7	Tonne
Wastewater discharge				
Industrial wastewater	2,888,940	2,795,419	3,469,527	Tonne
Chemical oxygen demand	331	3,567	981	Tonne
Ammonia nitrogen	240	499	19.7	Tonne
Waste water reuse volume	438,860	443,213	/	Tonne

¹⁹ Pollutant emission data for 2021 covered the Group's China and overseas subsidiaries that have commenced mass production, with newly added data from plants in the UK, Serbia and the Czech Republic when compared with the previous year.

²⁰ Pollutant emission data for 2020 covered the Group's China and overseas subsidiaries that have commenced mass production.

²¹ Pollutant emission data for 2019 covered the Group's China and overseas subsidiaries.

4. SAFETY ASSURANCE

4. SAFETY ASSURANCE

It is part of Minth's social responsibility to create a safe production and office environment. We use information technology to continuously improve safety management and pay attention to the physical safety and health of our employees, as well as their psychological health, in order to create a safe and healthy working atmosphere.

4.1. Production safety

- **Safety management**

Minth Group is in strict accordance with national, regional and industrial laws, regulations and standards on occupational health and safety, including the *Production Safety Law of the People's Republic of China*, the *Occupational Safety and Health Act of the U.S.A.*, the *Occupational Safety Law of Germany* and the *Mexico Federal Regulations on Safety, Health and Working Environment*. During the Reporting Period, Minth Group has formulated and updated the *EHS Management Guide for Construction Industry*, *Safety Prohibition Management Guide*, *High Risk Operation Management Guide*, *Cold Weather Safety and Emergency Management Guide* and other system documents in compliance with laws and regulations. We have updated the list of ten red lines, focusing on core issues, improving the double prevention mechanism, timely investigating safety hazards for rectification.

EHS Ten Red Lines

- Failure of fire protection system
- Failure of environmental facilities
- Failure of fire and explosion resistance for coating line/hazardous chemical/polishing line
- Risk of fires for flocking/vulcanization/injection molding process
- Major failure of the plating/annodizing process
- Risks of fire and explosion for aluminum smelting
- Risk of fire and electric shock in electrical systems
- Failure of safety protection of electric equipment
- Unauthorized special equipment and high-risk operations
- Illegal production in the event of a major accident or disaster

Ten red line special rectification projects

During the Reporting Period, the Group promoted the hierarchical management of the ten red lines, established the PV red line lists from the perspectives of the Group, business units, factories, departments and teams, implemented the grid management, promoted the implementation of the daily hierarchical review. Based on the red lines, we carried out 1,706 self-corrections and rectifications for fire and explosion prevention, 279 self-corrections and rectifications for automation, 606 self-corrections and rectifications for special equipment, and 606 self-corrections and rectifications for high-risk and dropping prevention.

In addition, the Group has launched the EHS abnormality and hidden danger management system, which includes a full process of EHS abnormality and hidden dangers from recording, rectification, verification, to automatic incident tracking and management, realizing the mode of self-management with the participation of all employees, effectively improving the efficiency of EHS management, and conducting data analysis to discover key risks and realize focused improvement in time.



Risk Management System

Intelligent fire extinguishing system in the factory of the future

The establishment of the intelligent fire protection system has greatly improved Minth's safety management capabilities, fire informationization capabilities, event decision-making capabilities, and emergency tackling capabilities, solved the problems of information blockage and poor communication in the past, and greatly enhanced the level of fire prevention and safety management. This system enables comprehensive risk inspections, including daily fire inspection, fire equipment maintenance, etc., and through the big data algorithm engine and artificial intelligence, it is able to detect and eliminate fire safety risks in construction units in a timely manner, so that the responsible parties could get access to and monitor the situation of hidden risks and inspection promptly.



Our safety measures are in compliance with laws and regulations and internal management procedures, and also comply with the requirements of ISO 45001 Occupational Health and Safety Management System. During the Reporting Period, Minth Group organized and successfully passed the system renewal audit, covering a total of 28 subsidiaries.

- **Safety culture**

The Group has actively launched cultural promotion activities and dedicated to creating a cultural atmosphere for production safety. Through channels such as the safety platform of Minth University, MOS-EHS pillar and EHS evening meeting, the Group has promoted safety assurance and safety enhancement actions to help achieve the Group's safety objectives.

SAFETY ASSURANCE

During the Reporting Period, we have been working with local governments to jointly conduct safety awareness activities, including evacuation drills, emergency rescue, and knowledge quizzes, as well as covering partners such as service providers and suppliers, to jointly achieve safe production.



Construction safety training for contractors



Experiential safety training dojo



Safety Production Month thematic activities



EHS recognition within the Group



Safety management inspection
in Thailand factory



Fire drills involving employees' family members

Meanwhile, the Group conducted timely training to enhance employees' safety awareness in accordance with external policy changes and internal key risk status. During the Reporting Period, we conducted empowerment activities on topics such as the new *Production Safety Law of the People's Republic of China*, fire prevention and safety, hazardous operations, and high-risk authorization, with participation of totalling of 90,757 person-times.

The good safety atmosphere has also effectively reduced the occurrence of work-related accidents. During the Reporting Period, there were 62 work-related accidents in Minth with no serious injuries or fatalities, and no work-related fatalities were recorded in the past three years, and the number of lost working hours was 10,621 hours. Many of our subsidiaries have been awarded as model production safety units or have received commendations and awards from local governments.



4.2. Occupational Health

We follow the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations, fully implement the occupational health checkup system, pay attention to the holistic health and development of employees, and ensure that employees work healthily and live happily.



Employee Health Checkup	Overall Wellness Workshop
<p>All eligible formal employees are entitled to annual health checkups and expert doctors are arranged to visit the Company to interpret various health indicators.</p>	<p>We arrange joint learning activities to help employees perceive their own overall wellness status and explore overall wellness goals. During the Reporting Period, a total of 58 overall wellness workshops were held, with the participation of totalling of 1,417 person-times.</p>

Measures to protect the holistic health of employees

SAFETY ASSURANCE

In terms of countering the COVID-19 pandemic, the Group actively responded to pandemic prevention policies issued by the national and local governments, established effective communication and sharing channels for government pandemic prevention information, strictly organized the implementation of disinfection, temperature testing, vaccination and other work, and continuously updated the *Pandemic Prevention Management Guide* according to the changes of the pandemic to achieve dynamic management of pandemic prevention. There were no cases of hospitalization of employees due to the COVID-19 pandemic during the Reporting Period. At the same time, in the face of the severe epidemic situation abroad and the rapid spread of variant viruses, Minth Group actively donated anti-epidemic medicines and health care products to foreign regions.



Minth Group donated and distributed anti-epidemic supplies and medicines

During the Reporting Period, certain subsidiaries received commendations and awards from local governments for their outstanding performance in pandemic prevention and control.



Changchun Minth was awarded as an advanced enterprise for full resumption of work and production

5. TALENT COHESION

5. TALENT COHESION

We are deeply aware of the fact that employees are the fundamental driving force of the development of enterprises, and always adhere to the culture of “love-caring and demanding”, treating employees as the most valuable asset. We adhere to the people-oriented development concept, constantly improve the employee communication mechanism and promotion mechanism, provide employees with warm corporate care, and strive to create an equal, inclusive and harmonious workplace environment.

5.1. People-oriented

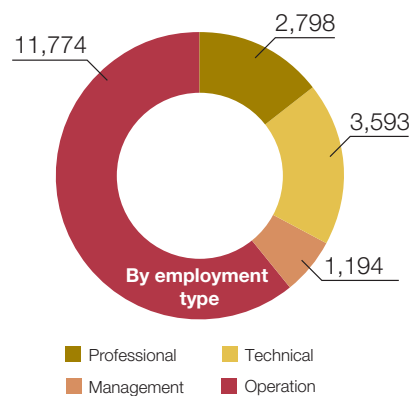
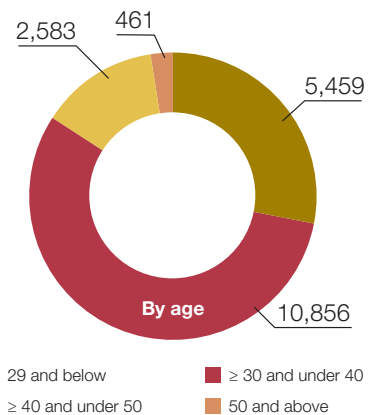
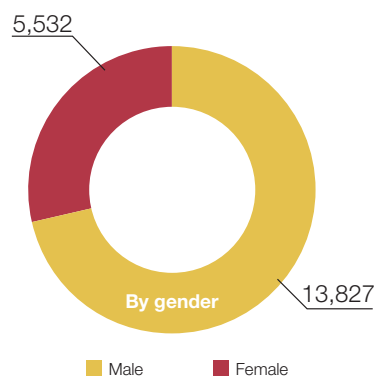
- **Employee introduction**

Minth Group strictly complies with the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Labour Laws of Mexico*, the *Labour Laws of Germany*, the *Labour Relations Act of Thailand*, the *Labour Laws of the United States*, and the laws and regulations of other countries or regions where it operates. We internally revised the *Minth Group Employee Promotion Policy*, *Minth Group Organization and Position Management Policy* and other rules and regulations, so as to adhere to legal and compliant employment and put employee rights protection into practice. Meanwhile, we pursue a fair and just employment policy, and ensure no discrimination on gender, age, religion, ethnicity, family, disability, political stance, etc. in the recruitment process, and respect and protect the legitimate rights and interests of all employees. The Group strictly complies with the *Provisions on the Prohibition of Using Child Labour* and it is also clearly stipulated in the new version of the *Minth Group Recruitment and Selection Policy* formulated internally that the use of child labor and underage workers are strictly prohibited and restricted. During the Reporting Period, Minth Group did not report any violations of child labor or forced labor.

In the meantime, overseas factories have promulgated relevant policies, supplemented by the establishment of a general manager's mailbox, to clarify regulations on workplace harassment and overtime work arrangements, in order to further implement the protection of employees' rights and interests.

TALENT COHESION

MintH Group recruits talents with an inclusive attitude. We have been building a harmonious and efficient team of staff by continuously replenishing talented people in an open and transparent manner through school-enterprise cooperation, local community and government visits, and online and offline channels. In addition, in order to promote the development of equality of social development, we have organized special job fairs for veterans and hired disabled people in our Serbian factories to help vulnerable groups in society. As of 31 December 2021, the Group had 19,359 employees. The employees by employment type, gender, age and region are as follows:



Minth Group also pays attention to talent retention. It motivates talents by establishing an incentive system by job category and region. While expanding its business, it formulates and reviews talent retention policies in various regions, so as to retain core and high-performance employees and build a competitive team. In addition, the Group has also formulated a share award scheme to motivate employees to be responsible, innovative and aggressive, and to motivate employees who have made will make key contributions to the Group's long-term development and sustainable growth in the areas of operational excellence, market and business development, product development, technological breakthroughs, management changes, integrity and risk management, digital transformation and the Factory of Future construction. During the Reporting Period, the employee turnover rates of the Group by gender, age group and region are as follows:

Employee turnover rate by gender	
Male	21.61%
Female	8.49%

Employee turnover rate by age group	
29 and below	12.22%
≥ 30 and under 40	15.14%
≥ 40 and under 50	2.28%
50 and above	0.45%

Relying on its excellent human resources management, the Group was awarded a number of commendations by third-party human resources organizations during the Reporting Period.

	
<p>In 2021, Minth Group was awarded China Bole Value Employer</p>	<p>In 2021, Minth Group was honored with the “2021 Digital Intelligence Recruitment Innovation and Practice Award” by Yonyou Dayee</p>



In 2021, the Group's practice case of "Building an Ideal Employer for Employees' Happiness with "Overall Wellness" was selected as one of the "HR Model Practice Case Studies" by Gaia Academy in 2021



In 2021, the Group was awarded the "Top 20 Most Promising Youth Employer Brands 2021" in the 2nd Youth Employer Branding Campaign of Ciwei

• **Employee communication**

Minh Group attaches importance to employees' demands and continues to improve communication channels. Through EHP (Employee Health Promotion Team) daily interviews, we pay attention to the holistic health of our employees and conduct guided communication with them to give full play to their best performance. In addition, we also encourage employees to actively voice their opinions by conducting small group in-depth interviews, conducting meetings with employees, launching the general manager's mailbox, and establishing a caring hotline, so as to build harmonious labor relations.



Small Group In-depth Interviews



Meeting with employees

The Group is willing to listen to and accept suggestions from employees with an open mind, and attaches great importance to employee satisfaction. We conducted the survey with 15 functional organizations within the Group in the form of questionnaires same as previous years. 20,141 valid questionnaires were collected during the Reporting Period, and the average value of the Group's employee engagement was 4.06 for 2021 through analysis. At the same time, we have taken follow-up measures to improve the happiness, sense of belonging and satisfaction of our employees by taking into account the results of the survey and the low-score dimension among the four dimensions of employee engagement.

Follow-up improvement measures

Morning meeting platform

We promote the development of the Group’s recognition culture by encouraging recognition of outstanding deeds and people in the morning meetings of the Group and factories respectively on every Tuesday, Wednesday and Thursday.



“Employees of the Year” Recognition

We have selected and recommended a total of 70 outstanding role models in the Group in terms of values, business, talent cultivation etc., and have conducted centralized commendation in the morning meeting and post-publication to circulate the good performance of these role models.



“The Rose Project”

In order to create a positive atmosphere, the “Rose Project” was launched by the Group’s battery housing business unit to guide employees to recognize outstanding deeds happening around them in a timely manner and to honor the outstanding people.



5.2. Talent Growth

• **Employee development**

The growth of employees is the fundamental driving force for the enterprise to keep moving forward. The Group continues to pay attention to the growth and development of its employees. We have internally revised the *Minth Group Employee Training Policy* and implemented a training management mechanism to continuously empower the corporate human resources reserve.

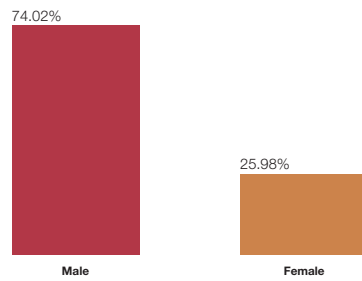
In order to stimulate employees' passion for learning and create a good learning atmosphere, we have established a talent cultivation system to accelerate the cultivation of talents by upgrading the leadership of cadres, enriching talent pool, further training professionals, incubating urgently-needed talents and training young talents. We continue to innovate the talent training model and build the talent pool for the Group through the establishment of three training platforms: the Leadership Academy, the Professional Academy and the Technical Academy, which further facilitate the growth of employees and the Group.



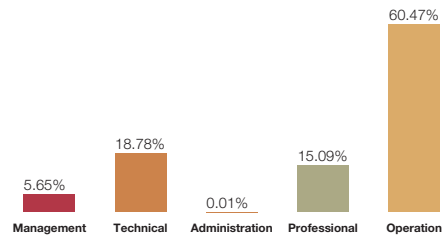
Minth Employee Training System

During the Reporting Period, due to the impact of the pandemic, the Group, in addition to the existing online training platform, has been promoting the construction of the “Minth Academy” training platform, continuously optimizing online training programs and pooling resources to start the construction of the online learning platform, and at the same time, timely enriching and updating the library of various training courses to continuously meet the training needs of various personnel of the Group. During the Reporting Period, the total number of person-time of trained employees of the Group reached 16,060, with an average of 1.5 hours of training. The percentage of the total number of trained employee by gender and category and the number of training hours per capita by gender and category are as follows:

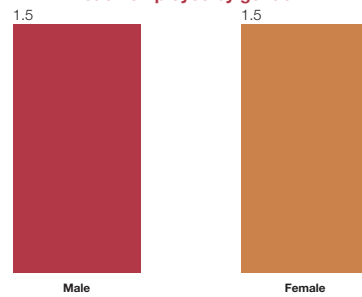
Percentage of trained employees by gender



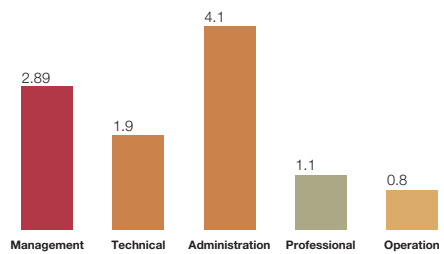
Percentage of trained employees by category



Average hours of training of each employee by gender



Average hours of training of each employee by category



Centering around the Minth talent cultivation system, we collaborated with internal teams and external partners through various training programs such as talent cultivation programs and school-enterprise cultivation programs to enhance employees' self-worth and accelerate their growth.

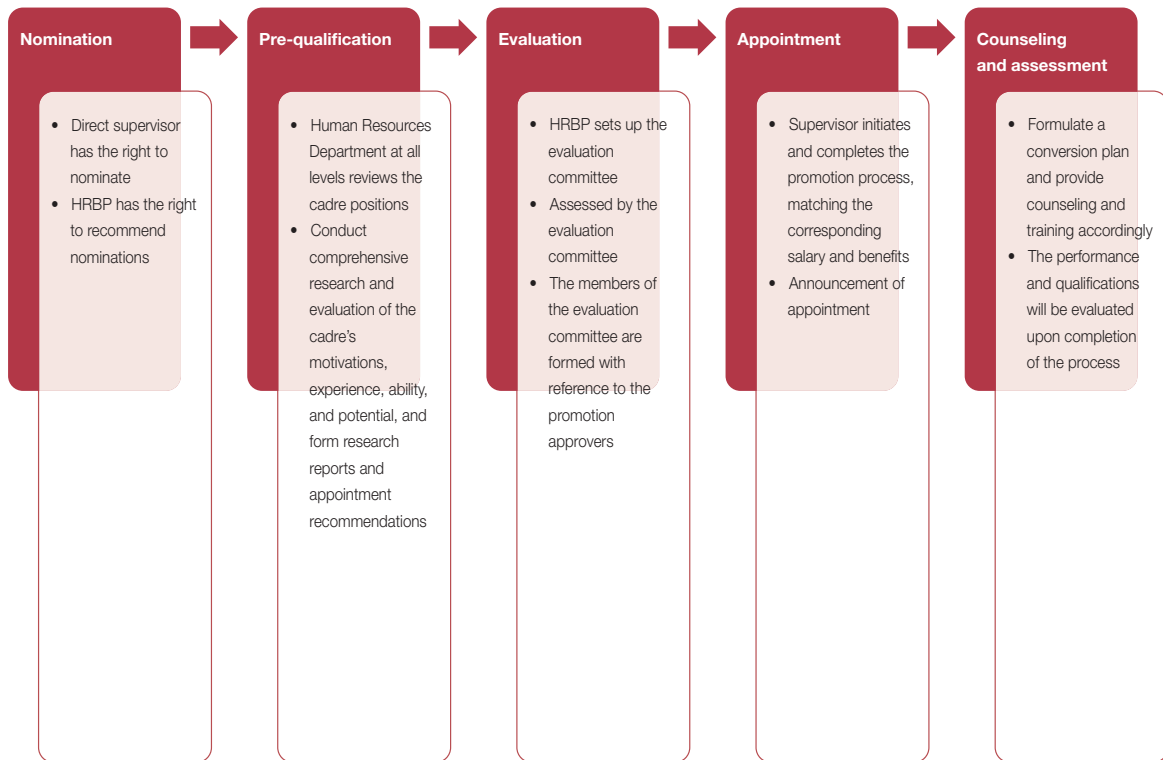
Talent Cultivation Program	School-enterprise cultivation program
<ul style="list-style-type: none"> Minth Group actively promotes school-enterprise cooperation, continuously improves Minth's talent cultivation system and constructs a cooperative and integrated cultivation mechanism. We closely align with the needs of the Group by focusing on the cultivation of application-oriented talents and constructing a collaborative education mechanism for the cultivation of application-oriented talents with the in-depth participation of enterprises, so as to lay a solid foundation for the cultivation of technical talents for the Group. 	<ul style="list-style-type: none"> Minth Group has joined hands with 9 universities and institutions to carry out cooperation in terms of scientific research, including Ningbo Branch of Arms Research Institute, Harbin Institute of Technology, Ningbo University, Shanghai Jiao Tong University, Northwestern Polytechnic University, Central South University, Zhengzhou University, Ningbo Institute of Materials, Chinese Academy of Sciences, and Institute of Nanometer Coating Technology and Intelligent Equipment. The areas of cooperation include the Company's core technology research, such as product simulation analysis and optimization design, research on new process solutions and on-site manufacturing problems. We have also signed with four colleges for university-enterprise cooperation, including Minth University of Science and Technology in Taiwan, University of Novi Sad in Serbia, Ningbo University and Jiaying University, to cooperate in cultivating talents, such as providing internship bases, cooperating in recruiting international students and carrying out enterprise visits.

Highlights of Training Activities in 2021

- ### **Employee promotion**

Minth Group is committed to providing equal promotion opportunities for its employees and formulating clear career development plan. In order to continuously improve the leadership, professionalism and comprehensive quality of the Group's management cadres and build a cadre team with outstanding performance and excellent capability, we issued the *Minth Group Guidelines for Cadre Management* to clarify the framework of cadre management, duty positioning, cadre standards, competency requirements, appointment process and requirements, cadre mobility and suspension, etc. Meanwhile, we used tools such as 360 online surveys, face-to-face interviews and comprehensive talent assessment sessions to form an in-depth leadership report, which evaluates the talents' motivation, experience, potential and ability in an all-round manner and forms an enhancement plan to improve the cadre guidance ability.

In addition, in order to establish an integrated system for the development and management of the Group's professional and technical talents, accelerate the construction of the Group's professional and technical talents, cultivate and reserve professional and technical teams to meet the future development needs of the Company, lead the development and growth of professional and technical talents at all levels, enhance the retention rate of employees, and replicate and pass on knowledge, we have also compiled the *Minth Group Guidelines for Professional and Technical Talent Management* to further clarify the career development path of employees.



Cadre promotion process

5.3. Cultural Consensus

- **Employee care**

Minth Group always cares for its employees from all aspects and angles, and strives to create a comfortable working environment. By continuously improving the living environment and strengthening the logistical support for employees, Minth Group actively creates a satisfactory workplace for its employees and strives to enhance their satisfaction.

Improving accommodation of employees and environment of the plants to meet the basic needs of employees

Adhering to the concept of harmony between human beings and nature, the Group has upgraded its accommodation environment during the Reporting Period by renovating staff apartments in Huai'an, Anji, Ningbo etc. Meanwhile, we have also upgraded the environment of the plants in order to continuously build an eco-friendly environment and a sustainable company. In addition, the Group also made innovation in dishes of its staff canteens, upholding the principles of organic nutrition and green innovation to protect the health of our employees.



Staff apartments



Actual view of the Factory of the Future intelligent industrial park in Jiaxing

In addition to “smart manufacturing”, “humanistic care” has always been the philosophy of Minth Group. In the planning process, with the guidance of “using the most advanced technology to serve the best human experience”, we are in the process of building an ecological and humanistic environment in which people and nature live in harmony. Meanwhile, we also provide other caring measures to facilitate work-life balance and bring corporate warmth to each employee to enhance their sense of belonging to the Company.

“Humanistic Care” in the Factory of the Future

We have built Senior’s Center, Children’s Center and Pets’ Center in the Factory of the Future so that the employees could bring their parents, children and pets when they come to work and go off duty. In addition, we have also established a smart farm in the Factory of the Future, through which employees can eat safe food, vegetables and fruits, and at the same time we have also applied digital means to build smart restaurants and smart accommodation management, so as to significantly reduce the cost of living of employees, so that our employees are full of hope for life and society, and can better take care of their families and contribute to social development.



Senior’s Center



Children’s Center



Little Woodworking Workshop



Winter Vacation Nursery Class

Insurance for employees who are relocated to overseas operations of the Group

During the Reporting Period, we purchased overseas insurance for 289 employees of the Group who are now relocated from China to overseas locations, and the coverage rate was 100%, so as to ensure the personal safety of these employees.



Overseas insurance slip

Care for employees from national minority groups

Minth Group advocates a diverse working environment. During the Reporting Period, the Group had a total of over 500 staff from national minority groups, including Hui, Chinese Korean, Yi, etc. The administrative team provides various dishes (e.g. Halal food and beverage) to meet the needs of different nationality groups.



Halal Food

Transitional work arrangement for female employees during breastfeeding period

On the basis of complying with the *Special Regulations on Labor Protection for Female Employees*, which stipulates that “the employer shall arrange breastfeeding time of not less than one hour per day for female employees with babies less than one year old”, Minth Group tries to reduce the work pressure of female employees during breastfeeding period and reduce their work load, such as temporarily adjusting to administrative positions and slowly transitioning to the pace of normal work, so as to protect the rights and interests of female employees.

Women’s Day Event

In order to show the company’s emphasis on and care for female employees, and to show the gratitude to female employees for their contributions to the company’s development and family harmony, we prepared a nutritious soup for all female employees on Women’s Day, and distributed it during lunchtime. In addition, our overseas factories in Serbia also distribute a festival gift to all female employees on this day to send the Group’s care to them.



Holiday gifts distribution to female employees in overseas factories

- **Employee activities**

Minth Group attaches great importance to the leisure time and spiritual life of its employees. With the concept of “cultural consensus”, we have continued to develop cultural activities in our global operations to promote global cultural exchange, enhance the happiness of our employees and strengthen corporate cohesion and centripetal force. During the Reporting Period, we conducted a variety of employee activities in China and overseas, including various activities during festivals, the first Future Factory Tour and Corn Festival, family reunion activities, holistic empowerment camp, overseas factory employee reunions, and new year’s activities.

Activities in China region

Festival events

In June 2021, Minth Group organized an offline carnival activity for the Dragon Boat Festival. The purpose of this activity is to promote traditional culture and enrich the spare time of employees. We started the event by throwing sandbags and sending blessings, and at the same time, the Group also gave each participant a beautiful souvenir.



Carnival activities for Dragon Boat Festival

First Future Factory Tour and Corn Festival

In order to offer the employees of Minth Group and their family members to experience the wonderful integration of modern agriculture, humanistic environment and future smart factory, Minth Group invited about 200 employees and their family members to visit the smart exhibition hall and participate in the corn picking activity at the future smart industrial park of automotive parts through a combination of online and offline methods on 28 July 2021.



First Future Factory Tour and Corn Festival

“Delightful Autumn, Joyful Family” family gathering event

In order to enhance the happiness of employees and promote family harmony, as well as to launch the Youth Empowerment Project in the Factory of the Future and build Children’s center in its future community, Minth Group held a family gathering event called “Delightful Autumn, Joyful Family” for employees and their families at the Factory of the Future on 30 October 2021. A total of 47 families, 157 employees and their family members participated in this event, and it was successfully carried out through activities such as the family gathering dinners preparation, woodworking experience, youth band selection, and youth advantage assessment.



“Delightful Autumn, Joyful Family” family gathering event

Holistic empowerment camp

Holistic empowerment camp is a camp to help employees explore their inner life. Minth Group organizes this event to promote a better and harmonious life and build a living environment of gratitude, humility and friendship. In 2021, Minth Group held 4 sessions of holistic empowerment, each lasting for 6 days and 5 nights, with a total of 132 employees participating in the camp. Through this camp, the participants tried to explore the meaning of life and gained a deep understanding of the true meaning of gratitude, humility, courage, craftsmanship and love. We also hope to help every employee maintain their relationship with others, family members and society, explore the beautiful connection between work and life, and encourage employees to have a sense of “being the master” during work, effectively communicate in work and life, reduce interpersonal conflicts, improve work efficiency, and experience the life with a light and joyful attitude.



Holistic empowerment camp

Activities in Overseas Operations

In addition, we also arrange activities for the employees in our overseas factories and enrich their spare time by organizing different team-building activities and distributing gifts during festivals.

**Team-building activities for employees
(mountain climbing, fishing, basketball game)**



Chinese New Year gift for employees



6. WORKING HAND IN HAND

6. WORKING HAND IN HAND

The Group practices the core values of “Integrity, Trust, Teamwork and Embrace change”, actively builds partnerships with the government, universities, peers and surrounding communities to share development results, contributes to social responsibilities and gives back to various stakeholders for their trust in Minh Group.

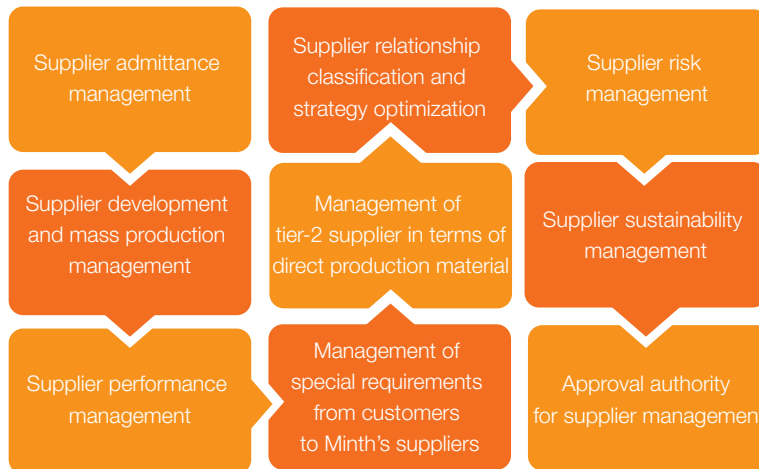
6.1. Win-win Sharing

- **Supply chain management**

Procurement and supply chain management are among the core aspects of daily operations and value chain construction of the Group. Minh Group undertakes its responsibility for supply chain management and is committed to working hand in hand with suppliers to contribute to sustainable development. We always adhere to the principles of fairness, impartiality and openness, constantly standardize supplier management, protect the rights and interests of suppliers, and jointly create a green, healthy and sustainable value chain.

Supplier management system

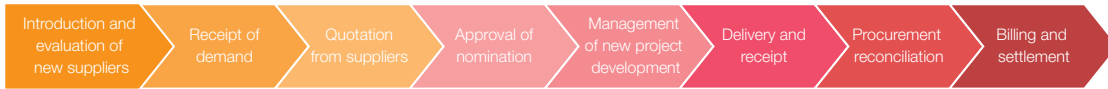
Minh Group abides by laws and regulations such as the *Law of the People’s Republic of China on Tenders and Bids*, the *Civil Code of the People’s Republic of China* and the *Regulations on the Implementation of the Bidding Law of the People’s Republic of China*. On the basis of the original management system, we newly issued the *Minh’s Supplier Management Manual*, and revised the *Guidelines for Supplier Risk Management*, the *Guidelines for Supplier CSR Management*, the *Minh Group’s Suppliers’ Code of Conduct on Social Responsibility* and the *Guidelines for New Supplier Admittance Management*. The Group also signed intellectual property confidential contracts with suppliers to strengthen the management of inspection, admittance, evaluation and classification management of suppliers, so as to improve the quality of suppliers.



Supplier management during entire life-cycle as stated in the *Minh’s Supplier Management Manual*

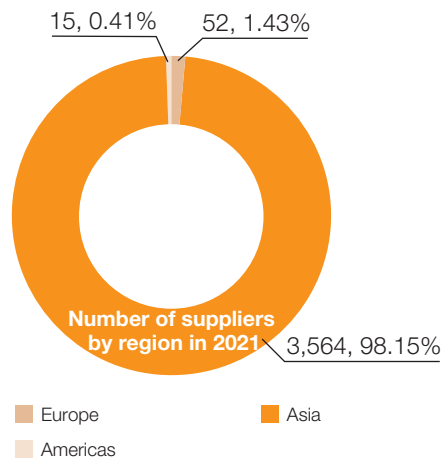
In addition, we revised the *Guidelines for Supplier Risk Management* in 2021 to comprehensively update the risk assessment process for supplier admittance and mass production. We require new suppliers to conduct risk assessments when they are admitted, and incumbent suppliers to conduct risk assessments once a year, and require rectification for suppliers whose assessment results are unqualified so as to prevent and reduce the occurrence of risks.

In the context of digital transformation, Minh Group has taken a series of digitalized management measures and launched an integrated management system for suppliers and procurement. The system integrates all the information of suppliers, and realizes the whole-process monitoring of the supplier from the introduction and evaluation of new suppliers to the online settlement. Suppliers can complete the whole lifecycle management process from registration, qualification review, qualification, freezing, blacklisting to withdrawal in this system. On this basis, Minh Group has realized one-stop supplier information management, and achieved cloud sharing and real-time updating of qualification information, evaluation results, daily management information and record changing of suppliers within the Group.



Whole process monitoring of suppliers in the integrated system of suppliers and procurement

During the Reporting Period, the Group had a total of 3,631 suppliers in China, of which 483 were certified by the ISO 14001 Environmental Management System, 256 suppliers were certified by the ISO 45001 System, and 249 new suppliers were audited. The number of suppliers by region is as follows:



Supplier sustainability management

The level of sustainable development of suppliers is closely related to the level of environment, society and governance of Minth Group. We are committed to motivating our suppliers to practice and enhance corporate social responsibilities. In order to ensure the healthy development of the supply chain and lay a solid foundation for the sustainable development of the industry, the Group has continuously reinforced the requirement for suppliers' sustainable development performance.




During the Reporting Period, we revised the *Guidelines for Supplier CSR Management* and newly issued the *Minth Group's Suppliers' Code of Conduct on Social Responsibility*, and listed requirements from various aspects regarding supplier's CSR such as management level, labour rights, health and safety, environmental protection, business ethics and upstream suppliers, and adopted a series of management measures to improve the sustainable development level of the supply chain.

Risk assessment	Conflict minerals management
<ul style="list-style-type: none"> Take EHS related requirements as one of the risk assessment dimensions, incorporate them into the assessment dimensions of new suppliers and incumbent suppliers, and request for rectification from suppliers with high risks. 	<ul style="list-style-type: none"> Add new requirements for conflict minerals management (3TG: tin, tantalum, tungsten, gold) in the <i>Guidelines for Supplier CSR Management</i> to encourage suppliers to continuously improve the management of sustainable procurement.

Measures of supplier sustainability management

Supplier exchange

During the Reporting Period, we carried out a series of training and exchange activities, such as training on carbon emissions management and audit of supplier, and held supplier conferences and joint procurement exchange activities to promote the coordinated and sustainable development of the supply chain.

Suppliers training		
<ul style="list-style-type: none"> Carbon emission management training for suppliers 		
Experience sharing	Knowledge sharing	Key supplier training
<ul style="list-style-type: none"> We exchanged ideas with raw material suppliers such as Baosteel, Posco, Mitsui, and SSAB to learn management and experience of carbon emissions reduction, the latest energy-saving and emission-reduction processes and technologies of current steel material suppliers. 	<ul style="list-style-type: none"> We organised trainings of carbon emission knowledge for 70 suppliers, covering the basic meaning and calculation method of carbon emission, laying a solid foundation for supplier carbon emission management in 2022. 	<ul style="list-style-type: none"> We screened out the top 80% of key suppliers in terms of procurement volume and provided training to them on filling out the carbon emission calculation form conducted by carbon emission professionals, helping key suppliers standardise the collection and calculation of environmental data.
<ul style="list-style-type: none"> Security and audit training <p>For certain suppliers of construction projects, we have carried out special training on safety and audit.</p>		
		

Annual supplier commendation conference

		
<p>In 2021, we held a supplier commendation conference to encourage suppliers with excellent performance in quality management and supply, and support suppliers to further strengthen the stability and reliability of production operations.</p>		

- Industry co-construction**

We are fully aware that the development of an enterprise is closely related to the development of the industry. In the context of the transformation and upgrading of the traditional manufacturing industry, Minth Group actively cooperates with partners inside and outside the industry to share technological achievements, jointly build a development path, lead the industry reform, and promote the sustainable development of the industry.

During the Reporting Period, Minth Group actively carried out technical exchanges and cooperation with universities and research institutes, integrated the scientific and technical strength of enterprises and schools, tackled key technical problems in the automotive industry, obtained technical support from universities and jointly established industry-university-research cooperation.

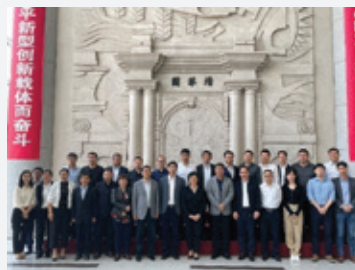
Research on automotive lightweight	Research on welding technique	Surface treatment technique of auto parts
<ul style="list-style-type: none"> Established “Joint Laboratory for Lightweight Auto Parts” with Shanghai Jiao Tong University to develop the new projects of tailgates and study the fatigue characteristics of aluminum alloy materials 	<ul style="list-style-type: none"> Established a joint research centre for advanced connecting technology with Northwestern Polytechnical University, and conducted research on advanced welding technology through multi-channel cooperation such as technology verification, technology forums and talent cultivation. 	<ul style="list-style-type: none"> Co-established the “Joint Laboratory for Auto Parts Surface Technology Innovation” with the Research Institute of Nano Coating Technology and Equipment, engaged in 21 cooperation projects such as research on PVD and coating surface treatment technique, corporate consulting and personnel training, etc.

Highlight projects of industry-university-research cooperation

At the same time, Minth Group also actively promoted industry exchanges, participated in the formulation of auto parts industry and related national standards, and contributed to the healthy, long-term and rapid development of the auto parts industry through self-developed technologies. In June 2021, Minth Group participated in the preparation and publication of 2 auto parts industry group standards, namely *Technical Conditions of PVD Coatings for Automotive Exterior Parts* and *Accelerated Corrosion Test and Evaluation Method for Aluminium Alloy Chassis Parts*.

Joining IAQSC International Automotive Quality Standardization Cooperation Organization

In 2021, Minth Group joined the IAQSC International Automotive Quality Standardization Cooperation Organization, participated in the seminar held by Jiaxing Nanhu International Automotive Quality Standardization Cooperation Organization on 30 April 2021 as a member of the IAQSC, and established an organization related to service and quality standards for the automotive industry together with its peers, to jointly build a healthy ecology of China’s automotive industry, and participate in the publication of the *Articles of Association of International Automotive Quality Standardization Cooperation Organization*.



Group photo of the seminar

Minth Group takes “being at the forefront of the industry” as its development motto. While continuously promoting technological innovation, we also actively share our experience of success and setbacks with the industry, helping small and medium-sized enterprises with transformation and upgrading, and are committed to building a large ecosystem in the manufacturing industry.

Through the Factory of the Future, we plan to build an industrial brain at our own level, summarize the technical experience in smart manufacturing, and establish corresponding professional models, such as the cloud for injection molding, surface treatment, carbon neutrality, etc., through the industrial internet, link the upstream and downstream of the industrial chain, support the rapid development and transformation of small and medium-sized enterprises, and establish a large ecological cycle for the development of intelligent manufacturing.







The Factory of the Future and the industrial brain

We have also established Minth Academy of Lighthouse Factory to realize the experience sharing of the best practices of Minth’s digital and smart manufacturing and the practice sharing of global operation and humanities construction; to share the achievements of the core manufacturing technology through an APP with the industry. Since the stage of trial operation of the Factory of the Future, we have accommodated nearly 100 visits by over 1,000 delegates from customers, governments and manufacturing industry peers, and shared and exchanged our early experiences with them.

6.2. Community Care

For a long time, Minth Group has always integrated social responsibility with corporate development, adhering to the public welfare concept of “creating value for society”, and working with partners from all walks of life to continuously devote the power of love. With the social mission of “bringing love together and paying it forward”, we continue to strengthen our efforts to help students and fight against the pandemic, and actively encourage employees to participate in volunteer activities to contribute to building a better community. In 2021, we have spent a total of RMB3,724,100 in community public welfare activities, participated in public welfare activities with a total of 1.1 million person-times with accumulated 1.1 million hours of public welfare activities.

We established the Minth Foundation to materialize the Group's efforts in public welfare and philanthropy, and practice the Group's original intention to support public development such as education, environmental protection, health and rural revitalization, and cooperate with several regional charitable associations in Jiaxing, Guangzhou, Tianjin, Ningbo, Chongqing, North America and Taiwan to carry out caring and donation activities, which have won unanimous recognition and wide acclaim from all walks of life.

Award titles	Awarded by	Certificate
Outstanding Social Organisation	Zhejiang Association For Non-Profit Organization	
Special Contribution Award for Covid-19 Pandemic Prevention and Control	Red Cross Society of China Zhejiang Branch	
Red Cross Gold Award for Philanthropic Activities	Red Cross Society of China Jiaxing Branch	
"Striving for Common Prosperity, Contributing to Happy Homeland" Medal	Ningbo Beilun Charity Federation	

- **Poverty alleviation through education**

Hope for Pearl Project

Minth Group has always been paying attention to the development of education, especially for students in impoverished areas who come from poor families but have excellent academic performance. We regard them as “pearls” left behind in various places, so we call them “pearl students”. In order to help them finish high school and enter university, Minth Foundation has donated to Hope for Pearl Project launched by Zhejiang Xin Hua Education Foundation since 2009. As of December 2021, Minth Group has sponsored 62 pearl classes across 16 provinces and cities, helping 2,609 pearl students from poor families who performed well both academically and morally get back to classrooms, with a total donation of RMB19,567,500.

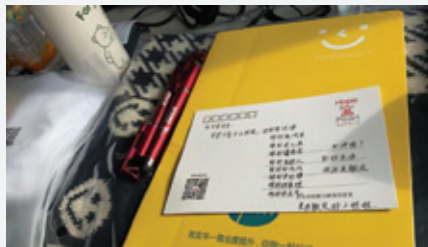
In addition to assisting the pearl students in their high school education, we also carry out supporting projects in the development of pearl students’ character, mental health, university training, workplace empowerment and career education to shape the character of poor students and help them clarify their future development direction, achieve their goals and give back to society.



Photo of 2021 “Minth Pearl Class” caring activity

Extraordinary Pearl Students Project

The Extraordinary Pearl Students Project is a continuation of our love for the Hope for Pearl Project. We found that many pearl students completed high school education with the help of the Hope for Pearl Project and were admitted to college with excellent grades, but could not afford the tuition fees due to difficult family situations. To prevent children who could have received higher education from giving up the opportunity to study at universities due to unaffordable tuition fees, Minth Group has donated to the Extraordinary Pearl Students Project since 2020, providing students with an admission subsidy of RMB4,000 in the first semester. We have helped 200 Minth extraordinary pearl students to date, and will continue to carry out special activities such as Extraordinary Pearl Summer Camp, Extraordinary Pearl Project Contest, Care for Pearls, corporate visits and career counselling.



Gifts and encouragements presented by Minth Group to extraordinary pearl students

In 2021, Minth Group donated RMB1.1 million to the project of “Class for Colourful and Energetic Pearl Students” launched by Xin Hua Education Foundation through the “Walk for Love” donation campaign initiated by “Tencent 99 Charity Day”, which will be used to build a platform and link resources for pearl students, helping pearl students who are at universities or fresh graduates to improve their comprehensive abilities and social awareness through activities such as winter and summer camps, workplace knowledge lectures, career counselling, public welfare activities and social gatherings for college students.



Photo of “Class for Colourful and Energetic Pearl Students” Activity

WORKING HAND IN HAND

Inspired and influenced by our efforts and dedication in public welfare, the pearl students also spontaneously organized a number of public welfare activities and charity fundraising including Pearl Ride and Pearl 365. "Many a little makes a mickle". Through their own determination and actions, they spoke out for the public welfare, gathered love to give back to society and let the love pass on.

Charity schools

In addition to the assistance provided to pearl students, building charity schools is also an important part of the Group's public welfare initiatives in education and poverty alleviation. We continue to fund educational projects in various provinces and regions across the country. We have successively donated to build Minth Charity Schools, established the northwest liaison office, donated to education and poverty alleviation projects, and jointly organised various camps with Xin Hua Education Foundation such as Boundless City Camp, Art Summer Camp and Colourful World in addition to the provision of tuition fees, living allowances and teaching assistance subsidies for Yi children, letting children in the mountains to get in touch with the city and sowing the seeds of modernization into their hearts.



Charity school sponsored by Minth Group



APPENDIX 1 — ESG CONTENT INDEX

APPENDIX 1 — ESG CONTENT INDEX HKEX ESG Reporting Guide Content Index

Indicator	Description	Chapter/Section	Comment
A. Environmental			
Aspect A1	Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	3.2 Climate change 3.4 Emission management	
KPI A1.1	The types of emissions and respective emissions data.	3.4 Emission management	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.2 Climate change	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Emission management	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.4 Emission management	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.2 Climate change	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	3.4 Emission management	

APPENDIX 1 — ESG CONTENT INDEX

Indicator	Description	Chapter/Section	Comment
Aspect A2 Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	3.3 Resources management	
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.2 Climate change	
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.3 Resources management	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.3 Resources management	
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	3.3 Resources management	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.3 Resources management	
Aspect A3 The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.1 Green development	
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.1 Green development	
Aspect A4 Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.2 Climate change	
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	3.2 Climate change	

Indicator	Description	Chapter/Section	Comment
B. Social			
Aspect B1			
Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1	People-oriented
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1	People-oriented
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.1	People-oriented
Aspect B2			
Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.1 4.2	Production safety Occupational health
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	4.1	Production safety
KPI B2.2	Lost days due to work injury.	4.1	Production safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	4.1 4.2	Production safety Occupational health

APPENDIX 1 — ESG CONTENT INDEX

Indicator	Description	Chapter/Section	Comment
Aspect B3	Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training. It may include internal and external courses paid by the employer.	5.2	Talent growth
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2	Talent growth
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.2	Talent growth
Aspect B4	Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1	People-oriented
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1	People-oriented
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1	People-oriented
Aspect B5	Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.1	Win-win sharing
KPI B5.1	Number of suppliers by geographical region.	6.1	Win-win sharing
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	6.1	Win-win sharing
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1	Win-win sharing
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1	Win-win sharing

Indicator	Description	Chapter/Section	Comment
Aspect B6			
Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.1	Quality Assurance
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.1	Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.3	Dedicated service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	2.2	Innovation and R&D
KPI B6.4	Description of quality assurance process and recall procedures.	2.1	Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.3	Dedicated service
Aspect B7			
Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.2	Corporate governance
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	1.2	Corporate governance
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	1.2	Corporate governance
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.2	Corporate governance
Aspect B8			
Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.2	Community care
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.2	Community care
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2	Community care



APPENDIX 2 — LIST OF LAWS AND REGULATIONS

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- **Domestic laws and regulations**

Constitution of the People's Republic of China
Law of the People's Republic of China on Product Quality
Standardization Law of the People's Republic of China
Metrology Law of the People's Republic of China (Amended Version)
Advertising Law of the People's Republic of China
Law of the People's Republic of China on Guarding State Secrets
Law of the People's Republic of China on the Protection of Rights and Interests of Consumers
Trademark Law of the People's Republic of China
Patent Law of the People's Republic of China
Copyright Law of the People's Republic of China
Criminal Law of the People's Republic of China
Law of the People's Republic of China for Countering Unfair Competition
Law of the People's Republic of China on Anti-money Laundering
Contract Law of the People's Republic of China
Law of the People's Republic of China on Tenders and Bids
Environmental Protection Law of the People's Republic of China
Environmental Protection Tax Law of the People's Republic of China
Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution
Law of the People's Republic of China on the Prevention and Control of Water Pollution
Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise
Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes
Law of the People's Republic of China on Prevention and Control of Soil Pollution
Law of the People's Republic of China on the Promotion of Clean Production
Energy Conservation Law of the People's Republic of China
Labour Law of the People's Republic of China
Labour Contract Law of the People's Republic of China
Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Law of the People's Republic of China on Production Safety
Law of the People's Republic of China on Production Safety
Rules Governing the Listing of Securities on the Stock Exchange
Interim Provisions on Banning Commercial Bribery
Provisions on the Prohibition of Using Child Labour
Other applicable laws and regulations

- **Overseas laws and regulations**

- General Law on Ecological Equilibrium and Environmental Protection of Mexico
- National Water Resources Law of Mexico
- Waste Prevention Rule in Mexico
- Labour Laws of Mexico
- Enhancement and Conservation of the National Environmental Quality Act of Thailand
- Enhancement and Conservation of National Environmental Quality Act of Thailand
- Labour Relations Act of Thailand
- Federal Environmental Impact Assessment Act of Germany
- Basic Law of the Federal Republic of Germany
- Emission Control Law in Germany
- Labour Laws of Germany
- Environmental Impact Assessment Act in U.S.A
- Solid Waste Disposal Act in the USA
- Clean Air Act in the USA
- Labour Laws of the United States
- Environmental Protection Act in the United Kingdom
- Environmental Protection Law of Serbia
- Waste Management Law in Serbia
- Air Protection Law in Serbia
- Nature Conservation Act in Czech Republic
- Waste Disposal Law in the Czech Republic
- Air Protection Law in the Czech Republic
- Other applicable laws and regulations



MINTH GROUP LIMITED
敏實集團有限公司