



九天化工集团有限公司
JIUTIAN CHEMICAL GROUP LIMITED

SUSTAINABILITY REPORT 2021



**SURGING
AHEAD**



Table of Contents

1. Highlights	1
1.1 Corporate profile	1
1.2 Message to stakeholders	2
1.3 Scope of sustainability report	4
1.4 Restatements	4
1.5 Sustainability contact	4
2. Our approach to sustainability	5
2.1 Sustainability organisational structure	5
2.2 Sustainability strategy	6
2.3 Consulting our stakeholders.....	7
2.4 Sustainability materiality.....	8
3. Our performance	9
3.1 How we measure our performance	9
3.2 Quality management	10
3.3 Production safety	13
3.4 Environmental protection	15
3.4 Employee well-being	19
Appendix A: Sustainability scorecard	22
Appendix B: GRI content index	23

1. Highlights

1.1 Corporate profile

Jiutian Chemical Group Limited (九天化工集团有限公司) ('**Jiutian**' or the '**Company**'), together with its subsidiaries (the '**Group**'), are engaged in the manufacture and production of dimethylformamide ('**DMF**') and methylamine in the People's Republic of China ('**PRC**'). We are also involved in the processing and sale of consumable carbon dioxide and oxygen.

The business is divided into three main business divisions:

- DMF division producing DMF as its main product and methylamine as our secondary product;
- Sodium Hydrosulfite division producing Sodium Hydrosulfite; and
- Gas and Oxygen-18 division producing consumable carbon dioxide, Oxygen-18 and deuterium-depleted water.

We are located in Henan Province in the PRC. Whilst economic development and industrialisation in the PRC began on the eastern and southern coast, this process has begun to spread rapidly inland, including to Henan and its surrounding regions, where cost of labour, land and raw materials are significantly lower.

As a result, industrialisation and urbanisation are occurring at a rapid pace in these regions, and the consequent establishment of factories producing a wide range of consumer products is driving the demand for chemicals such as DMF and methylamine. Being the only significant DMF producer in the Henan Province (within 500km from the plant), we are well-positioned to take advantage of this trend.

In addition, our location in the PRC's Coal Belt allows us to enjoy a cost advantage over other PRC DMF producers due to our secure and low-cost access to the coal-based raw materials that are used in the manufacture of our products. Our production efficiency and cost-effective supply chain management strategy, which include direct piping-in of raw materials from our main supplier, has provided us a relative cost advantage against our competitors.

Henan Province is also on the Beijing-Guangzhou railway and its capital, Zhengzhou has one of Asia's largest railway stations and network. Zhengzhou has been developed into a logistics central station for cargo transportation. This will further reduce the transportation and distribution costs of our products. Our customer base in China consists of customers in Henan, the surrounding provinces adjacent to Henan, namely Hebei, Shaanxi, Shanxi, Hubei, Shandong, and Anhui, and provinces in the Yangtze Delta Region, namely, Jiangsu and Zhejiang.

Some of our customers are manufacturers of downstream products that use methylamine and DMF, while others, especially those located further away in the Yangtze Delta Region, are trading intermediaries that distribute these chemicals to customers that use these chemicals in their manufacturing processes. With our second DMF/methylamine facility of 120,000 annual ton capacity completed in late 2007, we have emerged as one of the world's largest manufacturers of DMF with a total annual capacity of 150,000 tons of DMF and methylamine. In 2020, the permanent closure of one of our largest competitors led to shortages in supply and also resulted in our Group becoming China's second-largest DMF producer.

Jiutian is currently listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ('**SGX-ST**') under the stock code C8R.

1.2 Message to stakeholders

On behalf of the Board of Directors of Jiutian Chemical Group Limited, I am pleased to present the Sustainability Report for the financial year ended 31 December 2021 ('FY2021').

As a leader in DMF and methylamine production in China, Jiutian is poised to take a leading role in the environmental, health and safety ('EHS') aspects to ensure sustainability of our operations and fulfil our responsibility towards our stakeholders. We continue to engage in constructive dialogue with our stakeholders and focus on our four key pillars of Quality Management, Production Safety, Environmental Protection and Employee Well-being.

We are aware that the Chinese government's emphasis on environmentally-friendly industrial operations will necessitate us in keeping abreast of related regulatory developments and consequently improving our operations to comply with these changes. This pro-active stance will in turn place Jiutian on a more sustainable growth trajectory.

Our Remarkable Performance

In FY2021, there was a surge in demand for our core products from downstream users. These customers from industries such as electric vehicles (EV) batteries, electronics, pharmaceutical and animal feeds saw strong growth in local and export markets, which in turn fuelled the need for our Dimethylformamide (DMF) and Methylamine products.

Driven by the greater market demand, our sales volume for DMF and Methylamine in FY2021 were 11% and 9% higher than in FY2020. In addition to the higher volume sold, prices for these products also soared during the year, with average selling prices of DMF and Methylamine for FY2021 amounting to RMB 12,127 per tonne and RMB 11,837 per tonne respectively. This was 103% and 57% higher as compared to FY2020.

Despite our stellar performance, the Group also confronted other challenges during the year under review, including the severe flooding that effected the Henan Province and resulted in low production at both our plants for about 10 days in July. Our DMF and Methylamine production plants were also shut down for 15 days in August for annual maintenance to ensure continued safe operation and efficiency.

However, equipped with sound strategies and careful planning, the Group was able to increase our capacity utilisation of our DMF plant to 62% from 56% in FY2020, whilst the Methylamine plant remained at full capacity. The relatively lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.



Looking Ahead

China's post COVID-19 economic recovery continues to gather momentum and this translates to sustained and strong demand for our DMF and Methylamine products. Despite the success, the pandemic remains a concern as new variants of the virus may trigger a resurgence even with the rapid vaccination rollouts.

Such concerns have partially materialised as the government has reimposed lockdown measures in Anyang City due to an outbreak in January 2022 which lowered production at both our plants for about 15 days in January 2022. Following that was the traditional closure of our customers during the Chinese New Year festive period.

Furthermore, macro challenges such as trade tensions, geopolitical conflict and other uncertainties remain in periphery of concern. We will carefully monitor these developments and take the most optimal actions to benefit our stakeholders.

Nonetheless, the Group still remains optimistic about our long-term prospects and continues to hold the ranking as the second-largest DMF producer in China. Our fundamentals of strategic location with access to key resources at good pricing allow us to be competitive and maintain a leading edge.

At Jiutian, we continue to stay focused on our goal of being a key player in China's coal-based fine chemical industry and are in constant pursuit of new means to strengthen our efficiency and capabilities. On that note, our expansion plan comprising a new 100,000-ton Methylamine plant adjacent to our current 120,000-ton Methylamine/ DMF facility is now at the approval stage with the relevant authorities.

Lastly, we wish to confirm that the Board has considered sustainability issues as part of its strategic formulation. The Board has determined the material environmental, social and governance ('ESG') factors and overseen the management in monitoring these material ESG factors.

As part of Jiutian's commitment to sustainable development, we will continue to strive to do business in a responsible way.

On behalf of the Board of Directors

HAN LIANGUO

Non-Executive and Non-Independent Chairman



1.3 Scope of sustainability report

The scope of the report covers information on material sustainability aspects of Jiutian, namely the Group's significant subsidiary, Anyang Jiutian Fine Chemical Co., Ltd (安阳九天精细化工有限公司) ('**Anyang Jiutian**'), from 1 January 2021 to 31 December 2021 unless otherwise specified. This should sufficiently address stakeholders' concerns in relation to sustainability issues arising from the major business operations of the Group.

This report is prepared in accordance with the Global Reporting Initiative ('**GRI**') Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7F of the SGX-ST Listing Manual Section B: Rules of Catalist ('**Catalist Rules**'). In preparing our report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders.

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

1.4 Restatements

No restatements were made from the previous report.

1.5 Sustainability contact

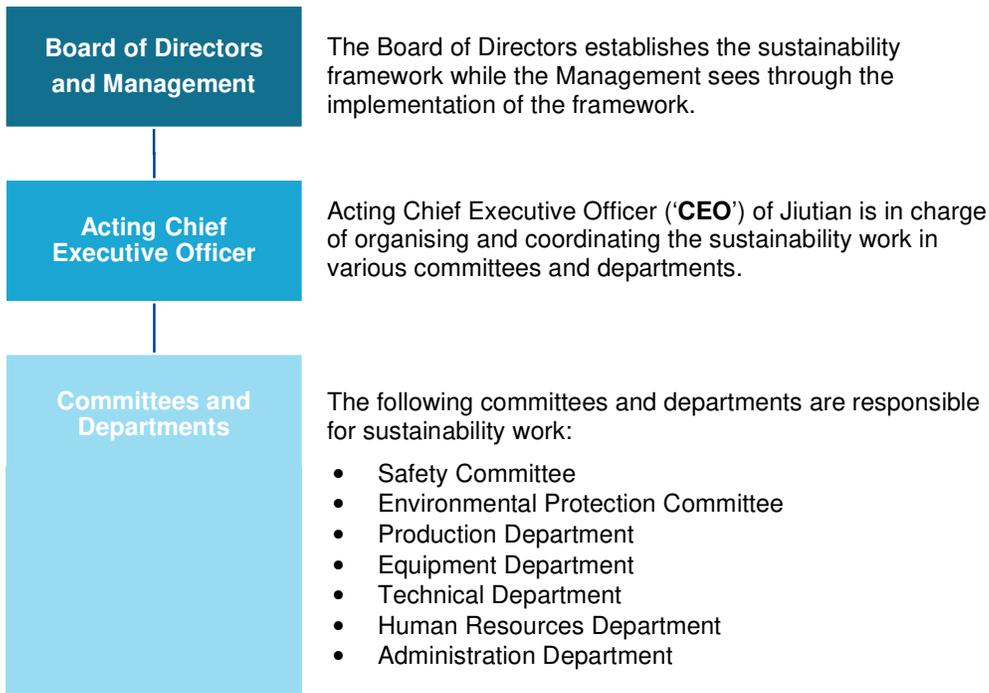
We welcome your views and feedback on our sustainability practices and reporting at info@jiutianchemical.com.



2. Our approach to sustainability

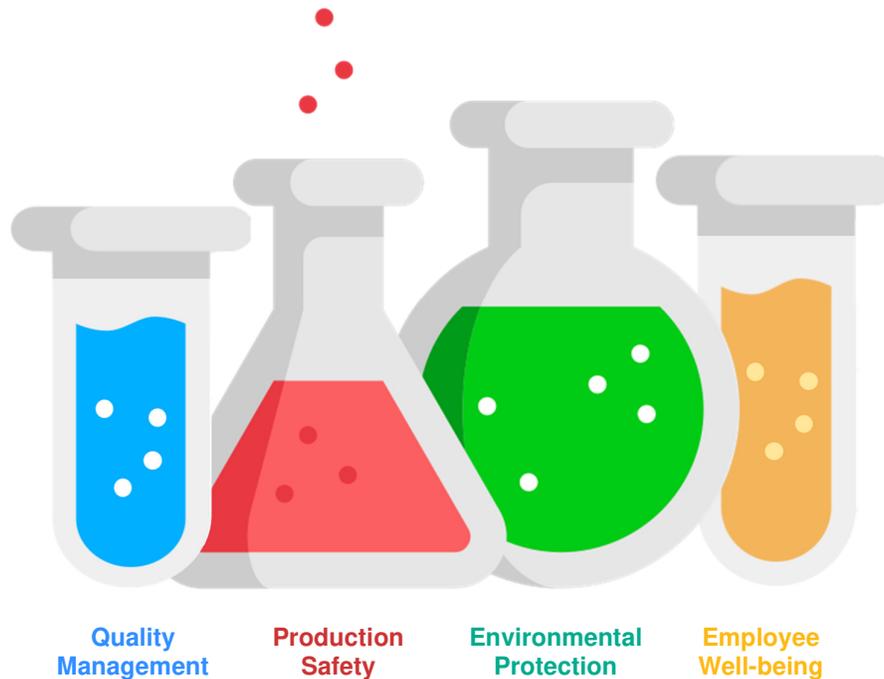
2.1 Sustainability organisational structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much influence our financial performance. In order to better accommodate our sustainability goals and values, we have developed a sustainability organisational structure to move things forward.



2.2 Sustainability strategy

At the Group, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to deliver value to all our stakeholders through the following:



The sustainable strategy is underpinned by our comprehensive internal policies on the following:

- Production Safety Management (安全生产管理), which covers aspects on safety culture, safety training and development, occupational health and safety, handling of hazardous chemicals, fire safety and prevention, equipment maintenance and supplier management.
- Environmental Protection Management (环境保护管理), which covers aspects on source pollution management, air pollution monitoring, proper discharge of solid and liquid waste and pollution management, and pollution management diagrams for our production of DMF and methylamine.
- Emergency Response Management (应急预案), which covers aspects on emergency response procedures in the event of serious safety or environmental incidents.
- Human Resources Management (人事管理), which covers aspects on employee handbook, department-specific performance evaluations, rewards and penalties.

The strategy is also guided by external sources, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

The rest of this report covers our progress and performance against each of these areas, and the impact we have on the economy, environment and society as a result.

2.3 Consulting our stakeholders

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and Jiutian.

An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

Stakeholders	How we listen	Why we do it	What you've told us
Customers	<ul style="list-style-type: none"> Industry association meetings Meetings with customer's procurement department 	<ul style="list-style-type: none"> Ensure ability to meet customer's requirements in terms of quality and delivery timeliness 	<ul style="list-style-type: none"> Provision of high purity chemicals Ability to meet delivery timelines
Employees	<ul style="list-style-type: none"> Internal updates and communication Events and functions Whistle-blowing policy 	<ul style="list-style-type: none"> Improve employee's capabilities through internal and external training Improve employee's well-being through managing health and safety, and upkeep of the plant and surrounding areas 	<ul style="list-style-type: none"> Health and safety Career progression Benefits and rewards External courses
Regulatory authorities (Governments, SGX)	<ul style="list-style-type: none"> Regular updates and communication Reports and compliance Periodical meetings with government bodies 	<ul style="list-style-type: none"> Adhere to environmental regulations for chemical production Good relationship between continuing sponsor and Company, facilitating dialogue with SGX 	<ul style="list-style-type: none"> Compliance with relevant laws and regulations
Shareholder and investors	<ul style="list-style-type: none"> SGX Announcements Shareholder's meeting Annual reports Regular updates and communication 	<ul style="list-style-type: none"> Committed to delivering economic value to our capital providers through a strong financial performance and our methods of engagement with them. 	<ul style="list-style-type: none"> Long-term profitability Sustainability matters Group's performance against targets Compliance with all relevant requirements Business continuity
Suppliers	<ul style="list-style-type: none"> Meetings with supplier's sales department Negotiation of bulk discounts 	<ul style="list-style-type: none"> Ensure availability of quality supplies for uninterrupted chemical production at a reasonable cost 	<ul style="list-style-type: none"> Ability to meet Company's quality standards Ability to meet Company's delivery timelines

2.4 Sustainability materiality

Based on the stakeholder engagement, we developed our sustainability materiality matrix containing material aspects which are aligned with our principal business and operational risks, and formed our sustainability strategy which has shaped our approach to sustainability reporting, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year, as the external and business context changes.

The aspect boundaries ‘within’ the organisation are limited to our principal subsidiary, Anyang Jiutian, whereas the aspect boundaries ‘outside’ the organisation include customers, employees, regulatory authorities (governments, SGX), shareholder and investors and suppliers.



3. Our performance

3.1 How we measure our performance

Our sustainability strategy is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programmes have advanced through a series of 'commitments'.

Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our sustainability strategy. Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments to United Nations Sustainable Development Goals (UNSDGs)

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area of our sustainability strategy, guided by UNSDGs. The progress we have made against each key commitment is indicated using the symbols shown in the table below. We track and review our sustainability programme with the Board of Directors at least once a year. In FY2021, Jiutian has met all the following targets below.

As a global citizen, Jiutian supports UNSDGs through the following commitments:

Quality Management



Metrics	Units	2030 Target
Full compliance with ISO9001:2015 (Quality Management System)	-	Comply

Production Safety



Metrics	Units	2030 Target
Full compliance with ISO45001:2018 (Occupational Health & Safety Management System)	-	Comply

Environmental Protection



Metrics	Units	2030 Target
Full compliance with environmental laws and regulations	-	Comply
Full compliance with ISO14001:2015 (Environmental Management System)	-	Comply
Reduce carbon footprint per tonne of production by 10% by FY2025 (from a FY2018 baseline)	kgCO ₂ e/ tonne	Reduce 0.45 kgCO ₂ e from FY2018 baseline
Monitor wastewater discharge, water consumption, and water recycling and reused	-	Monitor

Employee Well-Being



Metrics	Units	2030 Target
Achieve minimum of 80 hours of training per employee	Hours/ employee	At least 80 hours
All employees are at least subject to an annual performance appraisal by their superiors	%	100
Monitor female representation in workforce	-	Monitor

Symbols used to indicate progress against commitments

	New commitment this year		In progress		Ongoing commitment: no end date
	Not started		Complete		

3.2 Quality management

Overview

Anyang Jiutian is primarily engaged in the manufacture and production of high purity DMF and methylamine to support the needs of our customers, mainly for their use as feedstock in the production of polyurethane ('PU'). We have established comprehensive procedures to ensure quality throughout the production process.

In addition, we believe that effective management of our supply chain can help us conserve resources, optimise processes, increase productivity and promote positive corporate values. We are dedicated to the consistent implementation of our procurement policies and procedures across our entire operation.

Plant capacity utilisation

In FY2021, the capacity utilisation rate for DMF production increased from 56% to 62%, while the capacity utilisation rate for methylamine production maintained at 100% utilisation rate year-on-year. The relatively lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.

During the year, there was a surge in demand for our core products from downstream users which contributed to the increase in our DMF capacity utilisation rate. These customers from industries such as EV batteries, electronics, pharmaceutical and animal feeds saw strong growth in local and export markets, which in turn fuelled the need for our DMF and Methylamine products.

Barring any significant resurgence of COVID-19 in China, we expect the demand for DMF and methylamine to remain stable.

We will continue to track and report on the plant capacity utilisation rate for DMF and methylamine.

Ongoing maintenance and repairs

In FY2021, we conducted scheduled maintenance on the DMF and methylamine plants. Major maintenance was conducted over an 15-day plant shutdown in August 2021.

Regular maintenance and repairs continue to be carried out periodically, which does not affect the daily operations of the chemical plants. Such activities may comprise minor technological improvements, maintenance and repairs on piping, meters and insulation, and other structural reinforcements. These maintenance and repairs will improve production efficiency and quality, and ensure that the chemical plant will run smoothly during the harsh winter months. In FY2021, total expenditure on maintenance and repairs decreased from RMB 14.4 million to RMB 12.0 million due to regular maintenance and repairs being carried out.

FY2021 Progress

62%

DMF plant capacity utilisation rate

100%

Methylamine plant capacity utilisation rate

12.0m

Investment on maintenance and repairs (RMB)

0.1m

Investment on process improvements (RMB)

100%

Product acceptance rate by our customers

Even as the DMF and methylamine facilities have been in production for more than 10 years, the Production, Equipment and Technical Departments are always on the look out to improve the efficiency and effectiveness of the current production work flow through process improvement initiatives. In FY2021, as a result of the foregoing efforts, the total expenditure on process improvements decreased from RMB 1.4 million to RMB 0.1 million.

We will continue to track and report on maintenance and repairs and process improvements made at Anyang Jiutian.

Stringent quality management

We are totally committed to customer satisfaction with quality products delivered through our stringent quality management process. Anyang Jiutian is fully compliant with the requirements of ISO9001:2015 (Quality Management System) since October 2018. Effective from June 2020, Anyang Jiutian has been re-certified to be compliant with the requirements of ISO9001:2015. This certification has a validity of three years and will be renewed in 2023.

The main raw materials for DMF and methylamine are methanol and liquid ammonia. Each incoming raw material shipment will be subject to stringent analysis and inspection by our in-house laboratory to ensure that the raw materials meet our production requirements for high purity chemicals. Shipments that cannot meet the purity requirement are entirely rejected and returned to the suppliers. Ongoing production are also subject to hourly quality inspection to ensure the consistency of DMF and methylamine production.

Backed by our stringent quality management process, Anyang Jiutian achieved 100% product acceptance rate by our customers in FY2021. As part of our strategy, we seek to continue to achieve 100% product acceptance rate by our customers.

Purchases from Anhua

Commencing from 1 January 2005, Anyang Jiutian signed a 20-year raw materials and spare parts purchase agreement with our principal supplier and shareholder, Anyang Chemical Industry Group Co., Ltd. (安阳化学工业集团有限责任公司) ('Anhua'), including the supply of coal, distilled water, steam and electricity. We continue to enjoy a close working relationship with Anhua to ensure the quality and consistent supply of these essential raw materials and utilities to our facilities at a reasonable price.

Supplier management

Anyang Jiutian purchases entirely from reliable local suppliers. A secure and stable supply chain is very important to ensure the smooth and uninterrupted operation of our production activities. As such, we have established a set of Supplier Management Policies (供应商管理办法) to be applied to all our suppliers.

Some of the areas covered by our policies include:

- Supplier classification,
- New supplier qualification and authorisation,
- Supplier evaluation,
- Supplier disqualification,
- Supplier selection through fair competition, and
- Inventory management.

Commitments: Quality management

Key Commitments

Track and report plant capacity utilisation rate for DMF and Methylamine

Plant Capacity Utilisation for DMF (%)



Plant Capacity Utilisation for Methylamine (%)



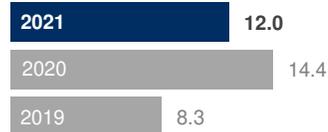
FY2021 progress

- During the year, there was a surge in demand for our core products from downstream users. These customers from industries such as EV batteries, electronics, pharmaceutical and animal feeds saw strong growth in local and export markets, which in turn fuelled the need for our DMF and Methylamine products.
- For FY2021, capacity utilization rate for DMF production increased from 56% to 62% while that for methylamine production maintained at 100%
- The relatively lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.
- The relatively lower utilisation rate of the DMF plant was primarily due to management's balancing of the production mix to maximise profit.

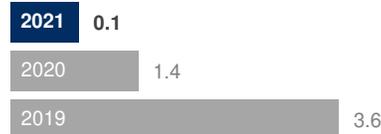
Key Commitments

Track and report ongoing maintenance, repairs and improvements

Maintenance and repairs (RMB'million)



Process improvements (RMB'million)



FY2021 progress

- Regular maintenance and repairs continue to be carried out periodically with a major maintenance being conducted over an 15-day plant shutdown in August 2021. Maintenance and repairs expenses has normalised at RMB 12.0million.
- With the continued efforts undertaken by Anyang Jiutian to improve the efficiency and effectiveness of the current production work flow through process improvement initiatives, the process improvements expenses continue to decrease.

Key Commitments

Full compliance with ISO9001:2015 (Quality Management System)

Achievements

- ISO9001:2015 certified since October 2018.

FY2021 progress

- Anyang Jiutian is fully compliant with the requirements of ISO9001:2015 since October 2018.

Key Commitments

Achieve 100% product acceptance rate by our customers

Achievements

- Achieved 100% product acceptance rate by our customers

FY2021 progress

- Backed by our stringent quality management process, Anyang Jiutian continues to achieve 100% product acceptance rate by our customers.

3.3 Production safety

Overview

Safety is of paramount importance in the chemicals industry, and we have always stressed the importance of production safety in all our operations, especially when we deal with hazardous chemicals in each stage of our production process.

We believe that one of the keys to improving safety is the creation of a more effective safety culture – one that does not emphasise production over safety.

Inculcating an effective safety culture

Safety in the chemical industry relies heavily on following correct procedures. Having an effective safety culture is hence very important. By building an effective safety culture, we can not only reduce injuries, we can also strengthen production, increase operational agility and move ahead on the journey to becoming a high-performance business.

Anyang Jiutian is fully compliant with China's production safety policy and has regularly renewed the requisite Production Safety License (安全生产许可证) on our production facilities. We enforce strict safety regulations and take stringent measures to ensure the safety aspects of our production facilities and processes.

As part of our strategy, we seek to continue to be fully compliant with China's production safety policy with zero production stoppage due to safety incidences and zero serious accidents.

At Anyang Jiutian, our Safety Committee is headed by our General Manager, and supported by our Vice General Manager (Technical), Equipment Manager, Production Manager and Safety Manager.

Daily safety briefings are held before each production shift with weekly and monthly safety meetings to summarise and incorporate lessons learnt. There are also periodic sharing sessions from each department to highlight on important safety aspects.

New employees are required to attend company and departmental orientation trainings where safety features prominently in the topics which are covered. They are also required to familiarise themselves on all safety aspects in relation to their job scope.

In June 2021, we kicked off a full month of activities in conjunction with the Production Safety Month to strengthen safety awareness and safety aspects in our daily operations in line with the principles of "Zero Violations, Zero Hazards, Zero Accidents" (无三违、无隐患、无事故). We also organise monthly safety competitions between different production shifts and reward the winning team with additional salary incentives. We believe that this is an effective motivational tool to improve production without compromising safety.

FY2021 Progress

0

Production stoppage due to safety incidences

0

Serious incidents

0

Workplace injuries

Production safety management

We are totally committed to production safety and have established a set of Production Safety Management Policies (安全生产管理制度) that requires all employees to adhere to the relevant safety laws and regulations and company standards. Anyang Jiutian is fully compliant with the requirements of OHSAS18001:2007 (Occupational Health & Safety) from October 2018 to September 2020. Effective from October 2020, Anyang Jiutian has been certified to be compliant with the requirements of ISO45001:2018 (Occupational Health & Safety Management System). This certification has a validity of three years and will be renewed in 2023.

Our employees are required to familiarise themselves with and uphold safety standards in order to achieve “Safety First, Effective Prevention, and Comprehensive Management” (安全第一、预防为主、综合治理).

Some of the areas covered by our policies include:

- Effective safety culture,
- Safety training and development,
- Occupational health and safety,
- Handling of hazardous chemicals, and
- Fire safety and prevention.

Emergency preparedness

While we emphasise on preventing safety incidents, we also prepare the employees to handle and respond to emergencies, including potential explosions, fire and chemical spills. This is very important to reduce and limit the impact and casualty as a result of the any safety incidents that may happen in our line of work.

In addition to departmental trainings and refresher courses, we also conduct annual fire safety and emergency preparedness drills involving company personnel and the local fire station.

In November 2021, we kicked off a full month of activities in conjunction with the “119” National Fire Prevention Month to strengthen fire safety and emergency preparedness awareness within Anyang Jiutian and our local community, focused on the following areas:

- Case studies on major fire incidents in recent years,
- Response to emergency situations at work and at home,
- Usage of fire safety equipment, and
- Usage of gas masks.

Commitments: Production safety

Key Commitments

Full compliance with production safety laws and regulations

Achievements

- Achieved zero production stoppage due to safety incidences and zero serious accidents

FY2021 progress



- Focusing on inculcating an effective safety culture, upholding production safety and emphasising emergency preparedness, we continue to achieve zero production stoppage due to safety incidences and zero serious accidents.

Key Commitments

Full compliance with ISO45001:2018 (Occupational Health & Safety Management System)

Achievements

- OHSAS18001:2007 certified from October 2018 to September 2020, and ISO45001:2018 certified from October 2020.

FY2021 progress



- Anyang Jiutian is fully compliant with the requirements of OHSAS18001:2007 (Occupational Health & Safety) from October 2018 to September 2020, and ISO45001:2018 since October 2020.

3.4 Environmental protection

Overview

Environmental protection is fast gaining traction in China amongst policy makers and the public. This move has posed significant implications, especially to the chemicals industry. As one of the largest producers of DMF and methylamine in China, Anyang Jiutian is committed to ensuring our full compliance with national environmental regulations.

Comprehensive policies are developed to ensure the Anyang Jiutian's commitment towards environmental protection, reducing carbon emissions, preventing pollution, and minimising waste can be achieved during our daily operations.

Environmental policy in China

Environmental policy in China is set by the National People's Congress and managed by the Ministry of Environmental Protection of the People's Republic of China. The central government issues strict regulations for which the actual monitoring and enforcement is largely undertaken by the local governments.

In January 2015, a new environmental law came into effect, covering land, water and air pollution. It contains strict penalties, including seizing of the property of illegal polluters, with company executives subject to prison sentences of 15 days. There is no upper limit on fines. More than 300 different groups will be able to sue on the behalf of people harmed by pollution.

Anyang Jiutian is fully compliant with China's environmental policy and has obtained the requisite clearance on its environmental protection facilities since November 2015.

As part of our strategy, we seek to continue to be fully compliant with China's environmental policy with zero environmental incidents and zero fines on contravention of environmental regulations.

To address the increasingly stringent national environmental policy in China, Anyang Jiutian's management requires all environmental matters to be addressed as high priority through the following steps:

- Manage and analyse the root causes of environmental incidents in a timely manner,
- Adopt a conscientious and persistent attitude towards the improvement of processes, and
- Maintain an open mind towards the adoption of new and advanced technology and management methods.

FY2021 Progress

0

Environmental incidents

0

Fines on contravention of environmental regulations (RMB)

3.63kgCO₂e

Carbon footprint per tonne of production

100%

Gaseous emissions that meets local emission standards

100%

Wastewater discharge that meets local emission standards

0.72m³

Wastewater discharge per tonne of production

0.39m³

Water consumption per tonne of production

118%

Water recycled and reused

Environmental protection management

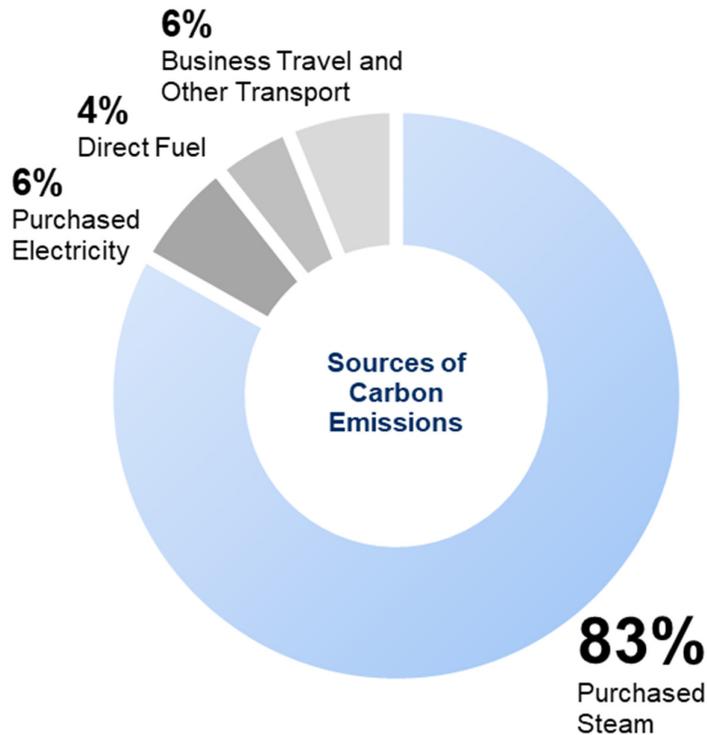
At Anyang Jiutian, our Environmental Protection Committee is headed by our General Manager and supported by our Vice General Manager (Technical), Equipment Manager, Production Manager and Safety Manager. They will oversee all environmental protection matters in the Company.

We are totally committed to environment protection and have established a set of Environmental Protection Management Policies (环境保护管理制度) that requires all employees to adhere to the relevant environmental protection laws and regulations and company standards. Anyang Jiutian is fully compliant with the requirements of ISO14001:2015 (Environmental Management System) since October 2018. Effective from June 2020, Anyang Jiutian has been re-certified to be complaint with the requirements of ISO14001:2015. This certification has a validity of three years and will be renewed in 2023.

Some of the areas covered by our policies include:

- Source pollution management,
- Air pollution monitoring,
- Proper discharge of solid and liquid waste
- Pollution management, and
- Pollution management diagrams for our production of DMF and methylamine.

Managing carbon emissions



To determine the carbon footprint, we collect energy usage data from each our businesses and then calculate our total annual greenhouse gas ('GHG') emissions. We follow the GHG Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate GHG emissions. Using the "control method", we include 100% of the emissions associated with businesses which we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity and steam used in our facilities (Scope 2 emissions)
- Impact of business travel, and transportation of goods to our customers (optional Scope 3 emissions)

In FY2021, Anyang Jiutian generated a carbon footprint of 941 tonnes of carbon dioxide emission ('tCO₂e') with a carbon emission intensity of 3.63 kgCO₂e per tonne of production, representing a 2% decrease from the previous year. The emission mainly arises from purchased steam used in the production process which accounted for 83% of the total carbon emission of Anyang Jiutian.

The reduction in carbon emission intensity is mainly due to improved energy efficiency in our production, as well as decrease in international air travel due to COVID-19.

We recognise that reducing carbon emissions in our daily operations has a positive effect on climate change and have achieved our target of reducing our carbon footprint intensity by 10% from a FY2018 baseline by FY2025. We will work towards ensuring that our carbon footprint intensity in future years continue to achieve this target.

Energy efficiency

Production facilities are energy-intensive structures and energy consumption, comprising of purchased electricity and steam, constitutes a significant proportion of our operating expenses. By investing in energy efficiency, we not only help protect the environment but can also lower our financial costs.

To enhance our existing assets, we have allocated considerable resources to process improvement initiatives over the years. We have optimised eco-efficiency in our production operations to cut our energy consumption with the primary goal of reducing our carbon footprint. For example, we are improving the energy efficiency of our boilers through regular maintenance and refurbishment. Occasionally, we also introduce more extensive process improvements through our major maintenance exercise.

Gaseous emissions

DMF and methylamine production produce fumes containing hydrogen sulphide and ammonia respectively. These obnoxious fumes need to be securely collected and treated before they can be safely released into the atmosphere.

Hydrogen sulphide gas from DMF production will undergo a desulphurisation process to remove the presence of sulphur to a level of less than 0.1 parts-per million ('ppm'). On the other hand, ammonia gas from methylamine production is recovered, purified and recycled as feedstock for the production.

As a result, the fumes released into the atmosphere will be able to meet the requirements of the gas emission standard of the Henan Province. As part of our strategy, we seek to continue to ensure that 100% of our gaseous emissions meet the local emission standards.

Waste and wastewater management

Waste materials from the production of DMF and methylamine are not significant. Any waste engine oils and materials recovered from maintenance of piping, meters and insulation will be aggregated in a locked and isolated container and disposed through proper biohazard disposal channels.

Wastewater disposal is handled by Anhua on Anyang Jiutian's behalf. Anhua's facilities are able to handle up to 15,000 m³ of wastewater a day, through a set of parallel biological treatment tanks.

As a result, the treated wastewater discharge will be able to meet the requirements of the water emission standard of the Henan Province. As part of our strategy, we seek to continue to ensure that 100% of our wastewater discharge meet the local emission standards.

In FY2021, Anyang Jiutian had a wastewater discharge intensity of 0.72 m³ per tonne of production, which increased from 0.65 m³ per tonne of production in the previous year. We will continue to strive to reduce wastewater discharge through our ongoing and annual maintenance and repairs and process improvements due to increasingly stringent environmental laws and regulations in China.

Saving water

In Anyang Jiutian, water is extensively used as a natural coolant to ensure that our reactor towers are maintained at the correct temperature during chemical production. Where possible, Anyang Jiutian already has procedures in place to utilise recycled water for its processes.

In FY2021, Anyang Jiutian had a water consumption intensity of 0.39 m³ per tonne of production, representing a 15% decrease from the previous year. In addition, up to 118% of municipal water consumption is being recycled and reused. This is a show of our commitment and continued effort to increase recycling and reuse of municipal water consumption in our production.

We will continue to track and monitor our performance on wastewater discharge, water consumption, and water recycling and reused. Progress and performance improvement will be reported every year.

Commitments: Environmental protection

<p>Key Commitments</p> <p>Full compliance with environmental laws and regulations</p>	<p>Achievements</p> <ul style="list-style-type: none"> Achieved zero environmental incidents and zero fines on contravention of environmental regulations. 	<p>FY2021 progress </p> <ul style="list-style-type: none"> We are fully compliant with China's environmental policy with zero environmental incidents and zero fines on contravention of environmental regulations. 100% of gaseous emissions meets local emission standards. 100% of wastewater discharge meets local emission standards. 																								
<p>Key Commitments</p> <p>Full compliance with ISO14001:2015 (Environmental Management System)</p>	<p>Achievements</p> <ul style="list-style-type: none"> ISO14001:2015 certified since October 2018. 	<p>FY2021 progress </p> <ul style="list-style-type: none"> Anyang Jiutian is fully compliant with the requirements of ISO14001:2015 since October 2018. 																								
<p>Key Commitments</p> <p>Reduce carbon footprint per tonne of production by 10% by FY2025 (from a FY2018 baseline)</p>	<p>Carbon footprint intensity (kgCO₂e/tonne)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Intensity (kgCO₂e/tonne)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>3.63</td> </tr> <tr> <td>2020</td> <td>3.69</td> </tr> <tr> <td>2019</td> <td>4.10</td> </tr> <tr> <td>2018 Baseline</td> <td>4.50</td> </tr> </tbody> </table>	Year	Intensity (kgCO ₂ e/tonne)	2021	3.63	2020	3.69	2019	4.10	2018 Baseline	4.50	<p>FY2021 progress </p> <ul style="list-style-type: none"> 2% decrease in carbon emission intensity from the previous year. Reduction in carbon emission intensity is mainly due to improved energy efficiency in our production, as well as decrease in international air travel due to COVID-19. 														
Year	Intensity (kgCO ₂ e/tonne)																									
2021	3.63																									
2020	3.69																									
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<p>Key Commitments</p> <p>Track and monitor our performance on wastewater discharge, water consumption, and water recycling and reused</p>	<p>Wastewater discharge intensity (m³/tonne)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Intensity (m³/tonne)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>0.72</td> </tr> <tr> <td>2020</td> <td>0.65</td> </tr> <tr> <td>2019</td> <td>0.62</td> </tr> </tbody> </table> <p>Water consumption intensity (m³/tonne)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Intensity (m³/tonne)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>0.39</td> </tr> <tr> <td>2020</td> <td>0.46</td> </tr> <tr> <td>2019</td> <td>1.02</td> </tr> </tbody> </table> <p>Water recycled and reused (%)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>118</td> </tr> <tr> <td>2020</td> <td>73</td> </tr> <tr> <td>2019</td> <td>33</td> </tr> </tbody> </table>	Year	Intensity (m ³ /tonne)	2021	0.72	2020	0.65	2019	0.62	Year	Intensity (m ³ /tonne)	2021	0.39	2020	0.46	2019	1.02	Year	Percentage (%)	2021	118	2020	73	2019	33	<p>FY2021 progress </p> <ul style="list-style-type: none"> Anyang Jiutian had a wastewater discharge intensity of 0.72 m³ per tonne of production. We will continue to strive to reduce wastewater discharge due to increasingly stringent environmental laws and regulations in China. In line with the increased recycling and reuse of municipal water consumption, Anyang Jiutian managed to further reduce its water consumption intensity to 0.39 m³ per tonne of production.
Year	Intensity (m ³ /tonne)																									
2021	0.72																									
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Year	Percentage (%)																									
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2020	73																									
2019	33																									

3.4 Employee well-being

Overview

To increase productivity, we have a comprehensive performance appraisal programme and rewards system based on the result of the appraisal. The performance appraisal programme is essential for us to understand the skills level of the employees and appropriate training programmes can be designed to fill up the skill gaps.

We emphasise on the career path and progression of our employees. To achieve this, the management builds several two-way communication channels to ensure the career development needs of the employee are taken into consideration whenever possible. Training opportunities are equal to all employees based on needs identified.

Though these efforts, Anyang Jiutian is well-positioned to provide a constructive working experience to our employees and contribute to the economic development and skilled labour resources of the local community.

Skills competency and employee training

To ensure that our employees excel, we emphasise on continuous learning in the workplace. Every employee has equal opportunities to upgrade and sharpen his or her skill set through formal and on-the-job internal training programs and inter-departmental competitions.

In FY2021, Anyang Jiutian invested an average of 83 hours of training on each employee, representing a slight decrease from the previous year. We have achieved our target of a minimum of 80 hours of training per employee and will work towards achieving the same target in future years.

Performance appraisal

To ensure that we achieve our goals, we have various performance appraisal methods in place to determine the performance of the Company as well as each individual employee.

The employee performance appraisal comprises mainly quantifiable evaluation criteria. In addition, we actively collect performance information for each employee each month through inputs from direct supervisors and feedbacks, as well as periodical employee communication sessions.

These collected information allow us to understand the performance and skills development needs of each team and individual employee from multiple aspects. This is crucial for the Company to develop annual training programs that are designed to enhance the skills of the employee and aims to improve the overall productivity.

In FY2021, all of our employees are at least subject to an annual performance appraisal by their superiors. We seek to continue this practice in the coming year.

FY2021 Progress

83

Training hours per staff

100%

Employees subject to regular performance appraisal

46%

Female representation in workforce

28%

Female representation in management

Equal opportunity

Anyang Jiutian has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. Recruitment, remuneration, promotion, and benefits are required to be handled based on objective assessment, equal opportunity and non-discrimination regardless of gender, race, marital status, pregnancy, disability, age or family status.

We attract talent through fair, and flexible recruitment strategy that includes recruitment application, job description, job applications, interview, selection, approval, and job offer. Promotion is based on performance and suitability.

We offer competitive remuneration to attract and retain talented staff members. Remuneration packages (which includes the necessary social benefits) are reviewed periodically to ensure consistency with current employment market benchmarks. Dismissal also complies with employment laws and regulations relating to non-discrimination.

In FY2021, female employees comprise 46% of our entire workforce, with female representation in management at 28%. We will continue to track and monitor female representation in our workforce and report these statistics every year.

Encouraging work-life balance

We organised a variety of employee activities to help them relax their mind and body, develop teamwork, explore their talent, so as to develop a positive attitude in both work and life.

To enhance employee teamwork and cohesion, improve employee health and improve employee work-life balance, Anyang Jiutian has been organising periodic sports competitions, arranging for gift packs during major festivals (e.g. spring festival, *duanwu* festival, midautumn festival) and family care packs during summer and winter. In addition, Anyang Jiutian organises free annual health checks for its employees and gives out monetary supports to its needy workers.

Business continuity

In FY2021, the world continued to fight against the spread of COVID-19. The pandemic remains a concern as new variants of the virus may trigger a resurgence even with the rapid vaccination rollouts. Such concerns have partially materialised as the government has reimposed lockdown measures in Anyang City due to an outbreak in January 2022 which lowered production at both our plants for about 15 days in January 2022.

In demonstrating our solidarity to join the authorities' efforts to control the pace of the spread of COVID-19, the Group has complied with the directives from the Chinese government and local authorities in Anyang. In addition, the Group has instituted precautionary measures to protect the health and safety of its employees. We have also initiated business continuity planning to protect our staff and mitigate the impact on the Group's business operations.

We will monitor the local situation and will put in place the above practices and any additional controls as required by the local governments (e.g. testing/ quarantine measures, stop work orders) where applicable.

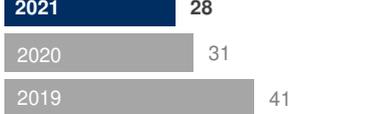
Due to the resurgence of new variants of the COVID-19 virus, we remain vigilant in keeping the virus at bay. We shall keep a close eye on our operations, and announce any material changes to our business performance to shareholders timely, as and when appropriate.

Donation Drive for the 2021 Henan Floods

In July 2021, China's Henan Province experienced intense flooding as a result of heavy rainfall ('**2021 Henan Floods**'). In the immediate aftermath of the floods, provincial authorities reported 302 deaths (292 in Zhengzhou), with over 50 people missing. The floods also resulted in the evacuation of 815,000 people, and affected 14.5 million people around the province¹.

Even though Anyang has been spared from the worst of the 2021 Henan Floods, as a show of solidarity to the people affected by the disaster, Anyang Jiutian, together with Anhua, organised a donation drive within the Long'an District to support this cause. A total of RMB 168,000 has been raised.

Commitments: Empowering lives

Key Commitments	Training hours per employee (Hours)	FY2021 progress 								
Achieve minimum of 80 hours of training per employee	 <table border="1"> <thead> <tr> <th>Year</th> <th>Hours</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>83</td> </tr> <tr> <td>2020</td> <td>88</td> </tr> <tr> <td>2019</td> <td>93</td> </tr> </tbody> </table>	Year	Hours	2021	83	2020	88	2019	93	<ul style="list-style-type: none"> Anyang Jiutian invested an average of 83 hours of training on each employee. We will continue to commit to a minimum of 80 hours of training per employee every year.
Year	Hours									
2021	83									
2020	88									
2019	93									
Key Commitments	Achievements	FY2021 progress 								
All employees are at least subject to an annual performance appraisal by their superiors	<ul style="list-style-type: none"> All employees are at least subject to an annual performance appraisal by their superiors. 	<ul style="list-style-type: none"> All employees are at least subject to an annual performance appraisal by their superiors. 								
Key Commitments	Female representation in workforce (%)	FY2021 progress 								
Track and monitor female representation in workforce	 <table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>46</td> </tr> <tr> <td>2020</td> <td>42</td> </tr> <tr> <td>2019</td> <td>42</td> </tr> </tbody> </table>	Year	Percentage	2021	46	2020	42	2019	42	<ul style="list-style-type: none"> Female employees increased to 46% of our entire workforce, however female representation in management decreased to 28% due to retirement of some female management in FY2021.
Year	Percentage									
2021	46									
2020	42									
2019	42									
	Female representation in management (%)									
	 <table border="1"> <thead> <tr> <th>Year</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>28</td> </tr> <tr> <td>2020</td> <td>31</td> </tr> <tr> <td>2019</td> <td>41</td> </tr> </tbody> </table>	Year	Percentage	2021	28	2020	31	2019	41	<ul style="list-style-type: none"> Anyang Jiutian has always been an equal opportunity employer to provide a fair workplace for employees, following the principles of equality and non-discrimination. We will continue this practice in future years.
Year	Percentage									
2021	28									
2020	31									
2019	41									

¹ <https://www.163.com/news/article/GGDLBBVE0001899O.html>

Appendix A: Sustainability scorecard

Quality management

Performance indicators	Units	FY2019	FY2020	FY2021
Plant capacity utilisation rate (DMF)	Percentage	62	56	62
Plant capacity utilisation rate (Methylamine)	Percentage	99	100	100
Investment on maintenance and repairs	RMB'million	8.3	14.4	12.0
Investment on process improvements	RMB'million	3.6	1.4	0.1
Products that meet the quality requirements of our customers	Percentage	100	100	100

Production safety

Performance indicators	Units	FY2019	FY2020	FY2021
Production stoppage due to safety incidences	Number	0	0	0
Serious incidents	Number	0	0	0
Workplace injuries	Number	0	0	0

Environmental protection

Performance indicators	Units	FY2019	FY2020	FY2021
Environmental incidents	Number	0	0	0
Fines on contravention of environmental regulations	RMB'000	0	0	0
Total carbon footprint	tCO ₂ e	956	874	941
Carbon emission intensity	kgCO ₂ e/tonne	4.10	3.69	3.63
Gaseous emissions that meet local emission standards	Percentage	100	100	100
Wastewater discharge that meets local emission standards	Percentage	100	100	100
Wastewater discharge intensity	m ³ /tonne	0.62	0.65	0.72
Water consumption intensity	m ³ /tonne	1.02	0.46	0.39
Water recycled and reused	Percentage	33	73	118

Employee well-being

Performance indicators	Units	FY2019	FY2020	FY2021
Training hours per employee	Hours	93	88	83
Employee turnover	Percentage	4	10	9
Employees subject to regular performance appraisal	Percentage	100	100	100
Female representation in workforce	Percentage	42	42	46
Female representation in management	Percentage	41	31	28

Appendix B: GRI content index

GRI Standards Content Index

The GRI Content Index references the Jiutian Chemical Group Limited Sustainability Report 2021 (SR), and the Annual Report 2021 (AR).

Disclosure number	Disclosure title	Page reference and remarks	
GRI 102: General disclosures			
Organisational profile	102-1	Name of organisation	<ul style="list-style-type: none"> AR: Corporate Profile
	102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> AR: Corporate Profile
	102-3	Location of headquarters	<ul style="list-style-type: none"> AR: Corporate Profile
	102-4	Location of operations	<ul style="list-style-type: none"> AR: Corporate Profile AR: Investment in Subsidiary Companies – Note 16 to the Financial Statements AR: Investment in Associated Companies – Note 17 to the Financial Statements
	102-5	Ownership and legal form	<ul style="list-style-type: none"> AR: Corporate Information – Note 1 to the Financial Statements
	102-6	Markets served	<ul style="list-style-type: none"> AR: Review of Operations AR: Segment Information – Note 30 to the Financial Statements
	102-7	Scale of organisation	<ul style="list-style-type: none"> AR: Corporate Profile AR: Segment Information – Note 30 to the Financial Statements
	102-8	Information on employees and other workers	<ul style="list-style-type: none"> SR: Employee Well-being
	102-9	Supply chain	<ul style="list-style-type: none"> SR: Quality Management
	102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> AR: Corporate Profile AR: Our Products
	102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> AR: Corporate Government Report
	102-12	External initiatives	<ul style="list-style-type: none"> Not applicable
	102-13	Membership of associations	<ul style="list-style-type: none"> Not applicable
Strategy	102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> AR: Chairman's Statement SR: Message to Stakeholders
	102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> AR: Review of Operations AR: Independent Auditor's Report
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	<ul style="list-style-type: none"> SR: Sustainability Strategy
	102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> AR: Corporate Government Report
Governance	102-18	Governance structure	<ul style="list-style-type: none"> AR: Corporate Government Report
	102-19	Delegating authority	<ul style="list-style-type: none"> AR: Corporate Government Report
	102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> SR: Sustainability Organisational Structure
	102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders

Disclosure number	Disclosure title	Page reference and remarks	
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-25	Conflicts of interest	<ul style="list-style-type: none"> AR: Corporate Government Report AR: Directors' Statement SR: Sustainability Strategy 	
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> SR: Sustainability Materiality 	
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> SR: Sustainability Report 	
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> SR: Sustainability Organisational Structure 	
102-33	Communicating critical concerns	<ul style="list-style-type: none"> SR: Sustainability Materiality 	
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> SR: Sustainability Materiality 	
102-35	Remuneration policies	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-36	Process for determining remuneration	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> AR: Corporate Government Report 	
102-39	Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> AR: Corporate Government Report 	
Stakeholder engagement	102-40	List of stakeholder groups	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders
	102-41	Collective bargaining agreements	<ul style="list-style-type: none"> Not applicable
	102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders
	102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> SR: Sustainability Strategy
	102-44	Key topics and concerns raised	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders

Disclosure number	Disclosure title	Page reference and remarks
Reporting practice	102-45	Entities included in the consolidated financial statements <ul style="list-style-type: none"> • AR: Investment in Subsidiary Companies – Note 16 to the Financial Statements • AR: Investment in Associated Companies – Note 17 to the Financial Statements
	102-46	Defining report content and topic Boundaries <ul style="list-style-type: none"> • SR: Sustainability Materiality
	102-47	List of material topics <ul style="list-style-type: none"> • SR: Sustainability Materiality
	102-48	Restatements of information <ul style="list-style-type: none"> • SR: Restatements
	102-49	Changes in reporting <ul style="list-style-type: none"> • Not applicable
	102-50	Reporting period <ul style="list-style-type: none"> • SR: Scope of Sustainability Report
	102-51	Date of most recent report <ul style="list-style-type: none"> • SR: Scope of Sustainability Report
	102-52	Reporting cycle <ul style="list-style-type: none"> • Annual
	102-53	Contact point for questions regarding the report <ul style="list-style-type: none"> • SR: Sustainability Contact
	102-54	Claims of reporting in accordance with the GRI Standards <ul style="list-style-type: none"> • SR: Scope of Sustainability Report
	102-55	GRI content index <ul style="list-style-type: none"> • SR: GRI Content Index
	102-56	External assurance <ul style="list-style-type: none"> • No external assurance
GRI 200: Economic disclosures (applicable sections only)		
Economic performance	201-1	Direct economic value generated and distributed <ul style="list-style-type: none"> • AR: Financial Highlights
Procurement practices	204-1	Proportion of spending on local suppliers <ul style="list-style-type: none"> • SR: Quality Management
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken <ul style="list-style-type: none"> • There are no incidences of corruption.
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices <ul style="list-style-type: none"> • There are no legal actions for anti-competition.
GRI 300: Environment disclosures (applicable sections only)		
Energy	302-1	Energy consumption within the organisation <ul style="list-style-type: none"> • SR: Environmental Protection
Water	303-1	Water withdrawal by source <ul style="list-style-type: none"> • SR: Environmental Protection
	303-3	Water recycled and reused <ul style="list-style-type: none"> • SR: Environmental Protection
Emissions	305-1	Direct (Scope 1) GHG emissions <ul style="list-style-type: none"> • SR: Environmental Protection • SR: Sustainability Scorecard
	305-2	Energy indirect (Scope 2) GHG emissions <ul style="list-style-type: none"> • SR: Environmental Protection • SR: Sustainability Scorecard
	305-3	Other indirect (Scope 3) GHG emissions <ul style="list-style-type: none"> • SR: Environmental Protection • SR: Sustainability Scorecard
	305-4	GHG emissions intensity <ul style="list-style-type: none"> • SR: Environmental Protection • SR: Sustainability Scorecard
	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions <ul style="list-style-type: none"> • SR: Environmental Protection
Effluents and waste	306-1	Water discharge by quality and destination <ul style="list-style-type: none"> • SR: Environmental Protection
	306-2	Waste by type and disposal method <ul style="list-style-type: none"> • SR: Environmental Protection
	306-3	Significant spills <ul style="list-style-type: none"> • There are no incidences of significant spills.

Disclosure number	Disclosure title	Page reference and remarks
	306-4	Transport of hazardous waste <ul style="list-style-type: none"> SR: Environmental Protection
Laws and regulations	307-1	Non-compliance with environmental laws and regulations <ul style="list-style-type: none"> There are no non-compliance with environmental laws and regulations.
GRI 400: Social disclosures (applicable sections only)		
Employment	401-1	New employee hires and employee turnover <ul style="list-style-type: none"> SR: Employee Well-being SR: Sustainability Scorecard
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees <ul style="list-style-type: none"> SR: Employee Well-being
Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities <ul style="list-style-type: none"> SR: Production Safety SR: Sustainability Scorecard
Training and education	404-1	Average hours of training per year per employee <ul style="list-style-type: none"> SR: Employee Well-being SR: Sustainability Scorecard
	404-2	Programs for upgrading employee skills and transition assistance programs <ul style="list-style-type: none"> SR: Quality Management SR: Production Safety SR: Employee Well-being
	404-3	Percentage of employees receiving regular performance and career development reviews <ul style="list-style-type: none"> SR: Employee Well-being
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees <ul style="list-style-type: none"> SR: Employee Well-being
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken <ul style="list-style-type: none"> There are no incidents of discrimination.
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor <ul style="list-style-type: none"> Child labour is strictly prohibited.
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor <ul style="list-style-type: none"> Forced and compulsory labour is strictly prohibited.
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs <ul style="list-style-type: none"> SR: Production Safety SR: Employee Well-being
Socioeconomic compliance	419-1	Non-compliance with laws and regulations in the social and economic area <ul style="list-style-type: none"> There are no non-compliance with socioeconomic laws and regulations.