



浙江尤夫高新纤维股份有限公司  
ZHEJIANG UNIFULL INDUSTRIAL FIBRE CO.,LTD.

# 2023

## Environmental, Social and Governance Report



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and building foundations for development

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building blue sky and white clouds

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# About Unifull

## Company Profile

### Company Overview

ZHEJIANG UNIFULL INDUSTRIAL FIBRE CO., LTD was established in 2003 and is located in Huzhou, Zhejiang. UNIFULL is a high-tech company which specializes in R&D, production and sales of high-performance polyester industrial fibers. Listed on the Shenzhen Stock Exchange in 2010, it owns polyester industrial yarn and other fiber businesses.

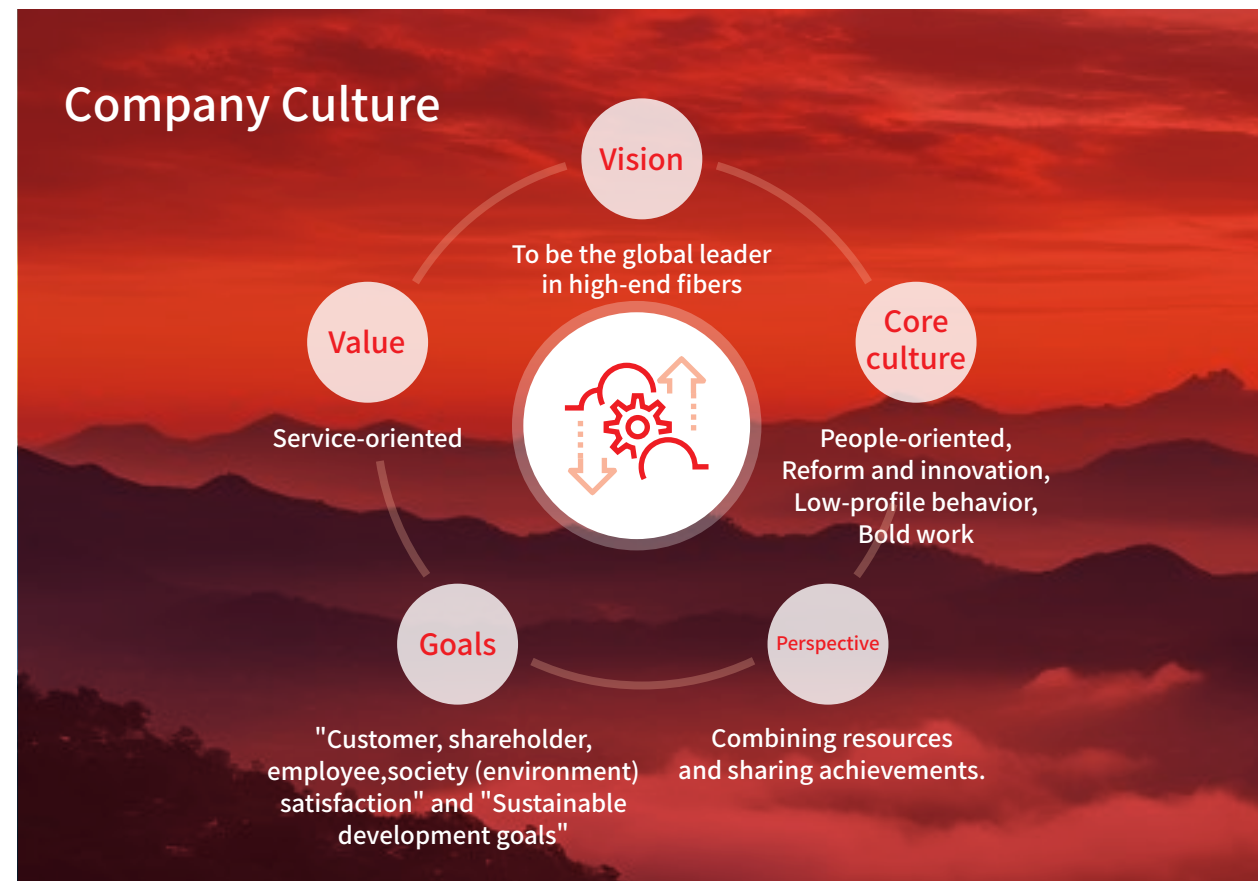
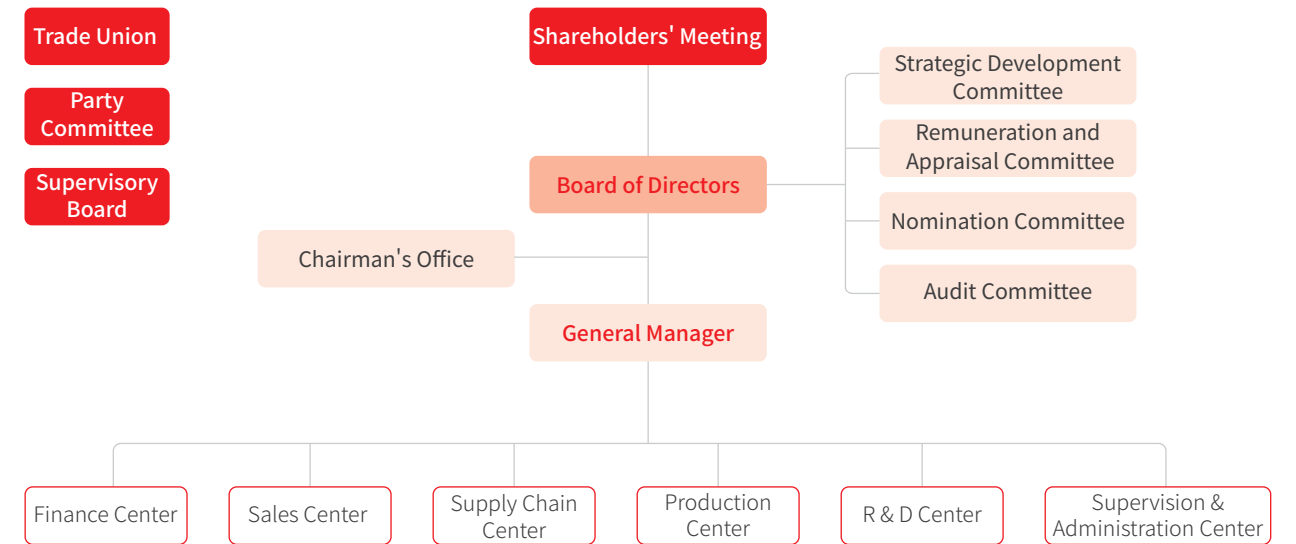
The company is the only domestic manufacturer of polyester in industry chain. The annual production capacity of high-performance differentiated polyester industrial yarn is 300,000 tons, ranking third in the world; the annual production capacity of dipped cord is 7,000 tons, making it the world's largest polyester dipped cord manufacturer; the annual production capacity of dipped convey and dipped cord fabric is 24,000 tons, making it a leading backbone enterprise in the dipped skeleton material industry; the annual production capacity of PVC functional soft film is 20,000 tons, making

it an emerging backbone enterprise in the PVC film material industry.

After years of vigorous development, Unifull has been awarded the honorary titles of National High-tech Enterprise, Innovative Pilot Enterprise of Zhejiang Province and Top 100 Innovative Enterprises of Zhejiang Province.

In 2022, Unifull officially became a new material company under Shaanxi Coal and Chemical Industry Group. The company continued to transform towards high-performance specialty fibers based on industrial yarns, and deploy polyester fiber recycling technology from the perspective of the entire product life cycle, making the company a global leader in high-performance fiber industry.

## Organizational Structure





# Milestones

## October 2003

- Zhejiang Unifull Industrial Fiber Co., Ltd., the predecessor of ZHEJIANG UNIFULL INDUSTRIAL FIBRE CO., LTD was established

## November 2004

- Officially completed and put into production, with a polyester industrial yarn production capacity of 12,000 tons

## 2005

- Twisting workshop put into production

## March 2006

- Passed ISO9001 and ISO14001 quality and environmental management system certification

## August 2006

- Drafting and winding E line and F line were put into official operation

## June 2008

- Drafting and winding G line and H line were put into official operation

## September 2008

- New SSP tower was put into production

## December 2008

- Completion of stock reform and establishment of ZHEJIANG UNIFULL INDUSTRIAL FIBRE CO., LTD

## 2009

- New line put into production, polyester industrial yarn capacity increased to 50,000 tons

## October 2009

- The company extended its industrial chain to the downstream industrial textile field, and invested in the establishment of a holding subsidiary, ZHEJIANG UNIFULL INDUSTRIAL FIBRE CO., LTD with Runwei Co., Ltd., which specializes in the R&D, production and sales of dipped tire cord fabric and conveyor belt fabric

## March 2010

- Zhejiang Unifull Industrial Fiber Co., Ltd. successfully passed the listing counseling acceptance by Zhejiang Regulatory Bureau of CSRC

## June 2010

- Unifull shares listed on the Shenzhen Stock Exchange, stock code 002427

## November 2010

- Groundbreaking of the Unifull Industrial Park

## September 2011

- Passed the ISO14001 environmental management system review and renewal of certification, and started production of polyester dipped cord with an annual output of 7,000 tons

## 2012

- The production capacity of polyester industrial yarn increased from 50,000 tons to 70,000 tons, and the project with an annual output of 200,000 tons of direct-spun differentiated industrial yarn was started.
- Passed TSI6949 automotive industry quality management system certification

## 2013

- Polyester industrial yarn production capacity increased from 70,000 tons to 270,000 tons
- The construction of LSP project for 200,000 tons direct spinning project was started
- The company celebrated its 10th anniversary

## January 2015

- In order to establish a positive, professional and trustworthy corporate image and create an efficient, orderly and comfortable working environment for employees, 5S management was fully implemented

## 2016

- The company established Zhejiang Unifull Polymer Materials Research Institute

## 2017

- Started PVC film project

## September 2019

- Successful trial production of PVC film project

## December 2020

- Successfully held the ignition ceremony of the new boiler project, which made a good start for increasing production and improving efficiency, and laid a solid foundation for subsequent clean production

## 2022

- Shaanxi Coal and Chemical Industry Group became the actual controller of Unifull, Unifull officially became a new material company under Shaanxi Coal and Chemical Industry Group

## 2023

- Passed ISO45001 occupational health and safety management system certification

## 2024

- Passed GBT29490 intellectual property management system certification
- Passed GRS Global Recycling Standard Certification
- Construction of new ultra-high molecular weight polyethylene fiber material project begins
- Construction of rubber skeleton new material project begins



# 2023 Performance



# ESG Management

The Company integrates the concept of sustainable development into its daily operation and management, actively fulfills its social responsibilities, and establishes a systematic ESG management system, with an ESG Management Committee and an ESG Working Group under it, forming a management structure with distinct hierarchy and clear responsibilities, and building the foundation of the Company's sustainable development.

### ESG Management Committee

**ESG Management Committee Responsibilities**

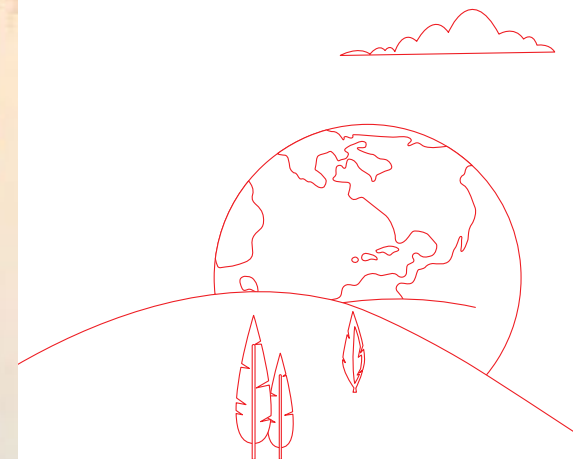
- Develop and update the company's ESG strategy to ensure that it is aligned with the company's overall strategy.
- Strengthen communication and cooperation with external organizations, partners and stakeholders to jointly promote the development of the ESG.

### ESG Working Group

**ESG Working Group Responsibilities**

- Develop specific ESG work plans and implementation roadmap according to the decisions of the ESG Management Committee.
- Organize and coordinate all departments to carry out ESG work and ensure that all tasks are completed on time. Collect, organize and analyze ESG data, prepare ESG reports and provide basis for decision-making.
- Regularly carry out ESG training and activities to improve employees' ESG awareness and ability.
- Report work progress and problems to the ESG Management Committee in a timely manner and propose solutions.






During the reporting period, the Company formally joined the United Nations Global Compact (UNGC), pledging to support the ten principles of the UNGC in the areas of human rights, labor, environment and anti-corruption and implemented the concept of sustainable development with practical actions.



The company has officially become a member of UNGC

# Stakeholder Communication

The company pays attention to the impact of its operations on all stakeholders, builds an efficient communication and feedback mechanism, and promptly understands the demands and expectations of all stakeholders, in order to achieve common development and win-win.

Stakeholders	Focused Topics	Communication and Responses
 Government & Regulatory Agencies	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Financial performance</li> <li>• Anti corruption</li> <li>• Energy and greenhouse gas management</li> </ul>	<ul style="list-style-type: none"> <li>• Official correspondence</li> <li>• Regulatory check</li> <li>• Disclosure of information</li> </ul>
 Shareholders & Investors	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Corporate governance</li> <li>• Innovation and R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders' meeting</li> <li>• Disclosure of information</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>• Product quality and safety</li> <li>• Innovation and R&amp;D</li> <li>• Information security and privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>• Quality management</li> <li>• Customer service</li> <li>• Satisfaction survey</li> <li>• Information security management</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>• Employee rights and benefits</li> <li>• Occupational health and safety</li> <li>• Employee training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Communication platform</li> <li>• Trade unions and employee representative conferences</li> <li>• Employee training</li> </ul>
 Suppliers & Partners	<ul style="list-style-type: none"> <li>• Supply chain management</li> <li>• Industry collaboration</li> <li>• Innovation and R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier evaluation</li> <li>• Communication and training</li> <li>• Industry events</li> </ul>
 Public & Community	<ul style="list-style-type: none"> <li>• Disclosure of information</li> <li>• Community charity</li> </ul>	<ul style="list-style-type: none"> <li>• Disclosure of information</li> <li>• Interview</li> <li>• Community activities</li> </ul>

# Analysis of Material Topics

In order to continuously improve ESG management, the Company conducts research and analysis of operational impacts, and identifies material topics that have significant impacts on both the Company and stakeholders as the focus of the Company's ESG management and report disclosure.







# ***Standardizing Governance***

**and building foundations for development**

## **Concepts**

Unifull has always placed corporate governance in an important position, established a comprehensive internal control system to ensure transparent and efficient operations; actively implemented anti-corruption and integrity policies to create a fair working atmosphere; valued intellectual property rights, protected innovations, and safeguarded technological achievements from being infringed upon; regarded information security as the lifeblood of the enterprise, ensured data security, and prevented all kinds of network risks; focused on the digital drive, and utilized advanced technologies to optimize the decision-making process and promote business development.

## **Our Actions**

- Corporate Governance
- Internal Control Management
- Anti-Corruption
- Antitrust and Fair Competition
- Intellectual Property
- Information Security
- Digitalization & Intelligence

**SGDs benchmarking**



# 01

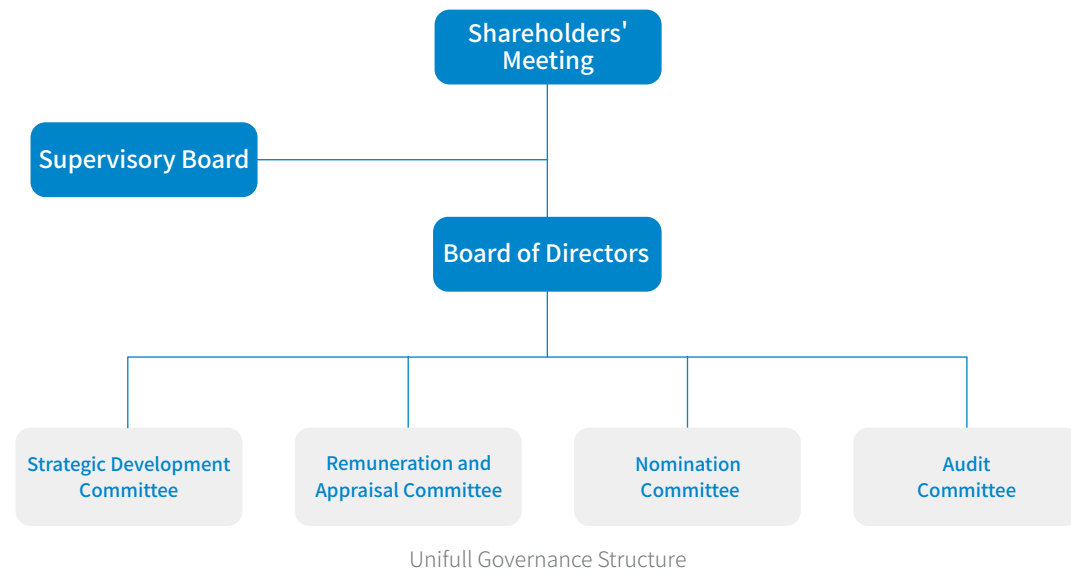


# Corporate Governance

## Corporate Governance

### Governance system

The Company strictly complies with the requirements of laws and regulations such as the Company Law, the Securities Law, the Code of Governance for Listed Companies, the Rules for Listing of Stocks on the Shenzhen Stock Exchange and other relevant normative documents, and establishes a modern enterprise organization system and operation mechanism of "three meetings and one layer" of the shareholders' meeting, the board of directors, the board of supervisors and the management, and carries out corporate governance activities continuously. The Board of Directors of the Company has set up the Strategic Development Committee, the Remuneration and Evaluation Committee, the Nomination Committee and the Audit Committee, and each of these specialized committees performs its own duties, coordinates its operation and exercises effective checks and balances, so as to effectively safeguard the legitimate rights and interests of all shareholders and creditors.



The general meeting of shareholders is the company's authority. The general meeting of shareholders is divided into annual general meeting of shareholders and extraordinary general meeting of shareholders. The annual general meeting of shareholders is held once a year within six months after the end of the previous fiscal year. The main powers of the general meeting of shareholders include deciding the company's business plan and investment plan, electing and replacing directors and supervisors who are not employee representatives, deciding on the remuneration of directors and supervisors, and reviewing and approving the reports of the board of directors and the board of supervisors and the company's annual financial budget plan and final accounting plan.

### During the reporting period, the company held

Shareholder meetings

6

Board meetings

11

Supervisory board meetings

4

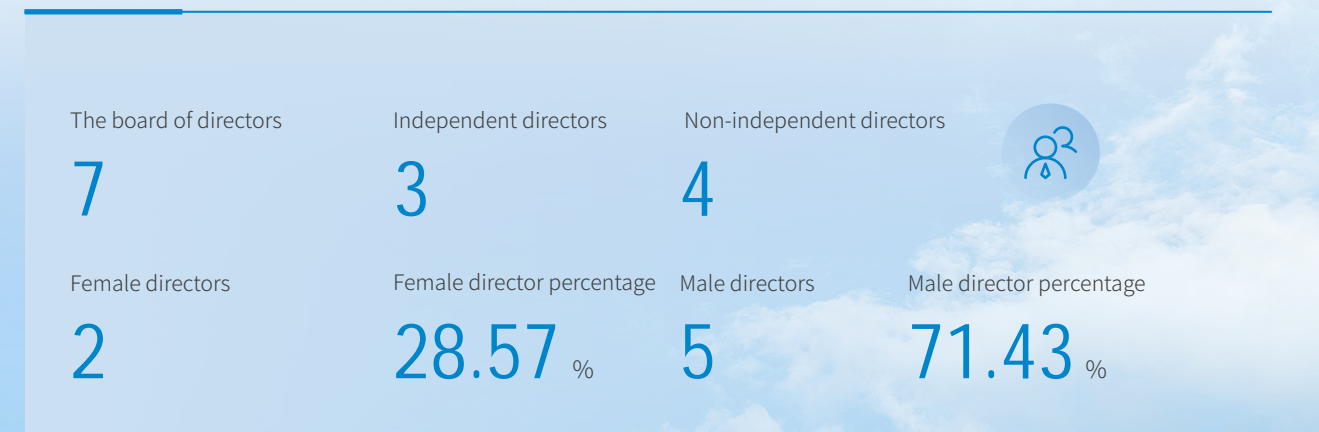


### Board of Directors

The Company nominates and removes the members of the Board of Directors and the Supervisory Board in accordance with the provisions of the Articles of Association, and the directors of the Company are elected or replaced by the General Meeting of Shareholders for a term of three years, with the possibility of being re-elected at the expiration of the term. A director cannot be removed without reason by the General Meeting of Shareholders before the expiration of his or her term of office. The Company convenes the Board of Directors' meetings in accordance with the prescribed procedures for directors' proceedings, and the Board of Directors' meetings shall be held with the attendance of a majority of the directors.

In order to continuously improve the level of compliance, Unifull encourages directors to upgrade their professional skills, publicize the updates of legal and regulatory documents, and encourages all directors to participate in compliance trainings on internal policies, codes of conduct, and laws and regulations of the securities market.

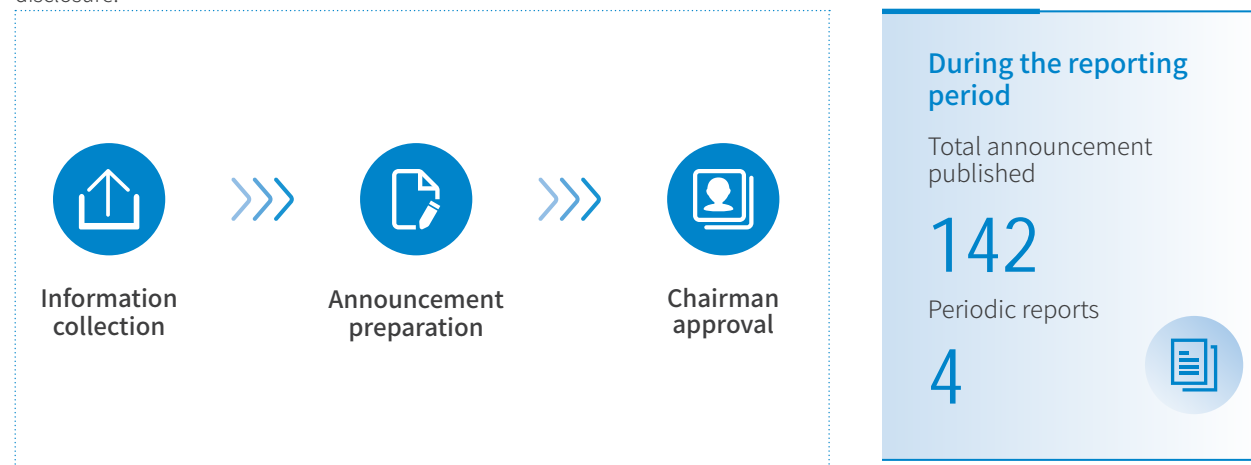
At the same time, the Company has established fair and effective performance evaluation standards and incentive and constraint mechanisms for senior management personnel, and the Company have implemented a remuneration system that combines basic annual salary with year-end performance appraisal on senior management personnel.





## Information Disclosure Management

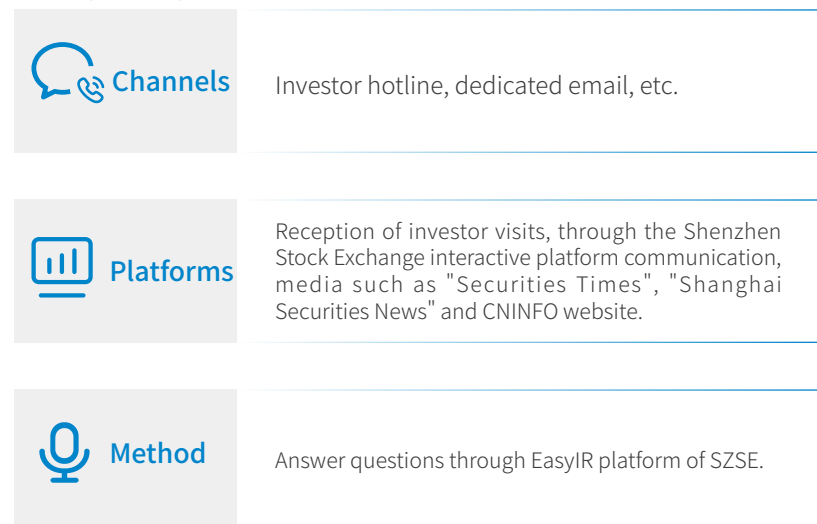
During the reporting period, the company strictly followed the requirements of the Company Law, Securities Law, Governance Guidelines for Listed Companies, Shenzhen Stock Exchange Stock Listing Rules and other relevant laws and regulations as well as the company's Information Disclosure Management System to disclose relevant information truthfully, completely, accurately and promptly, treat all investors fairly, maintain good communication with all investors, and ensure that all shareholders have equal opportunities to obtain information. At the same time, in order to improve the quality and transparency of annual report information disclosure, in accordance with relevant laws and regulations, the company has formulated the Accountability System for Major Errors in Annual Report Information Disclosure in combination with the company's actual situation, agreed on the handling process of accountability, the form and type of accountability, and used the system to ensure the accuracy of information disclosure.



## Investor Relationship Management

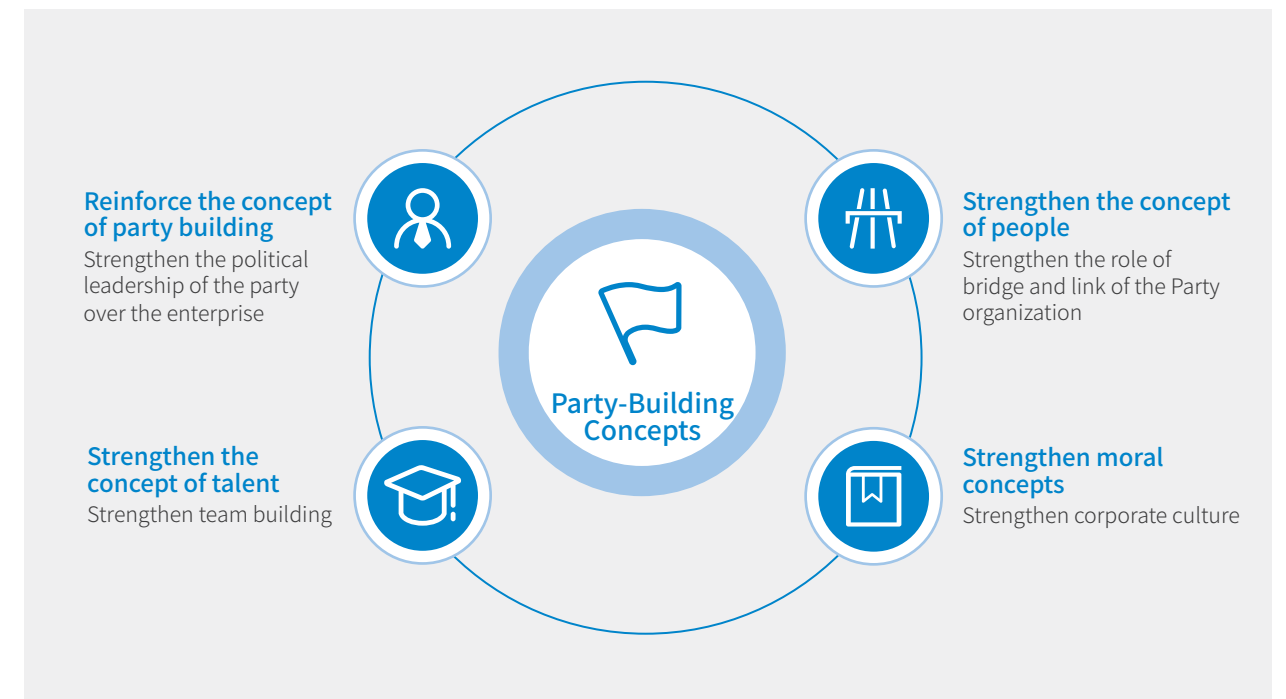
The Company attaches great importance to information communication with investors, and in accordance with the Company Law, the Securities Law, the Guidelines on Relationship between Listed Companies and Investors, the Rules for Listing of Stocks of the Shenzhen Stock Exchange, the Guidelines on Investor Relationship Management for Listed Companies, the Articles of Association, as well as other relevant laws and regulations, and in conjunction with the actual situation of the Company, the Company has formulated the Investor Relationship Management System, carried out investor management activities and continuously improved the information transparency.

The company focuses on communication with investors, using a variety of ways to communicate with investors.



## Party-Building Governance

The company has always insisted on rallying people's hearts through party building, promoting high-quality development of the enterprise, studying and implementing the spirit of the 20th CPC National Congress, and promoting the implementation of Xi Jinping's Thought on Socialism with Chinese Characteristics for a New Era in Unifull. The Party Branch of Unifull was established in December 2010. The company has one party secretary, one organization committee member, and one propaganda committee member. There are currently 41 party members, and it has won honorary titles such as the municipal "double-strong" non-public enterprise and the municipal five-star two-new party organization.



Honorary of outstanding enterprise party organization





Case 

Party branch Anji Yu Village field study

The company's party branch organized all party members to visit Anji Yu Village, the birthplace of the "Two Mountains" theory. Party members first visited the Yu Village Cultural Hall to gain an in-depth understanding of the development history and local conditions of Yu Village. At the same time, they watched General Secretary Xi Jinping's documentary "Green Water and Green Mountains Are Gold and Silver Mountains" to learn in detail about the profound connotation of this scientific conclusion. The branch group followed the village road that General Secretary Xi Jinping walked, visited and learned about the construction of green and ecological villages and towns, and got a close look at Yu Village's unwavering commitment to the path of green development and various measures to build China's countryside.



Group photo of Anji Yu village field study

Case 

Visit of the Memorial Hall of the New Fourth Army Jiangsu and Zhejiang Region

The company organized activities at the New Fourth Army Jiangsu and Zhejiang Region Memorial Hall to study the New Fourth Army iron army spirit of "iron faith, iron will, iron unity, iron discipline, and iron style". Under the light of the "Iron Army Spirit", the company should inherit the gene and keep contribute.

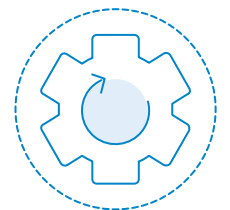


Group photo of visit of New Fourth Army memorial hall



## Internal Control Management

The company has established the "Internal Audit System" and set up an independent internal audit department with full-time auditors. The internal audit department works independently under the guidance of the Audit Committee of the Board of Directors. The internal audit department conducts internal control over holding subsidiaries, raised funds, major investments, etc., reduces the company's operating risks in the work of internal control management of the company's operations, and plays a good role in risk prevention.



### Internal control process optimization

- Upgrade and improve the comprehensive budget management system
- Upgrade and improve the fixed assets liquidation system
- Upgrade and improve the engineering project management system
- Optimization of the procurement and bidding process system



### Internal management system upgrade and optimization

- Optimization of business processes
- Upgrade the system firewall & security fence



### Internal regulatory actions

- Establishment of internal audit department
- Conduct and implement an audit of internal control compliance and effectiveness for 2023



# Anti-Corruption

## Company Policy System Development

The company has always insisted on the development of integrity, insisted on the creation of a clean and efficient working atmosphere, formulated the "Company Integrity Management Standards" to create a clean and efficient working atmosphere, standardize the behavior of the staff, and protect the staff from being induced by improper interests in their work. According to the provisions of the "Company Integrity Construction Management Standards", the Company's Audit Department carries out anti-corruption and integrity work, and exercises the duties of discipline inspection and supervision in accordance with the law.

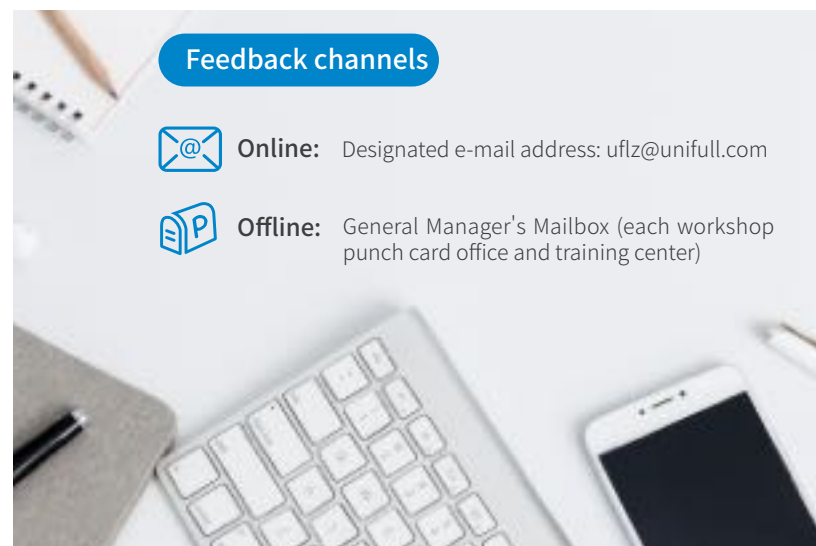
## Operation System Development

In order to further deepen the party style and clean government education, guide the majority of employees to enhance the sense of integrity and self-discipline, and effectively promote the staff to change their work style, compliance with the law, clean practices, so that the anti-corruption and clean work "always on the road", the "Anti-corruption and clean initiative" has been developed.

At the same time, the company adheres to the integrity of business, abide by business ethics, comply with all applicable anti-bribery laws and regulations where the business is located, and hold a "zero-tolerance" attitude towards business corruption, Unifull ensures anti-bribery compliance, and formulates the "Unifull Partners' Integrity and Integrity Construction Policy Statement".

## Complaint and Reporting Mechanism

The company has established a comprehensive complaint reporting mechanism, set up a smooth complaint reporting channels, accepting online email and offline mailbox reports. At the same time, the company protects the personal safety of whistleblowers, does not publicly expose the identity of the whistleblower, the whistleblower's name, home address and other relevant information and the content of the report is strictly confidential.



## Anti-Bribery/Anti-Corruption Commitment

The company implements the "Anti-Bribery/Anti-Corruption Commitment", strengthens the prevention and control of corruption from the source, adheres to both treating the symptoms and the root causes, improves system construction, and keeps records of the integrity of personnel in important positions.

# Building Culture of Integrity

In order to continuously improve the internal awareness of ethical compliance, ensure compliant operation and form an atmosphere of integrity, the Company carries out anti-corruption, anti-fraud and other ethical compliance training activities to achieve the popularization and normalization of ethical education.

### Case

#### Anti-corruption education training

In order to respond to the Party's call, promote new style and establish a clean image, during the reporting period, the company held three series of training on integrity, with 258 employees participating and a total of 1,161 hours of training.



Notice of the first series of training on anti-corruption education on February 4, 2023

#### During the reporting period

the company's management and functional departments' integrity training coverage rate is

100%



"Promoting Cleanliness and Integrity in Unifull" Campaign



## Anti-Trust and Fair Competition

The Company strictly complies with the Anti-Monopoly Law and in the course of its business operations, continuously strengthens the control of risks such as anti-monopoly and anti-unfair competition behaviors, and actively carries out training related to anti-unfair competition within the Company to guide employees to maintain good business ethics and conduct and safeguard the order of fair competition in the industry. During the reporting period, there was no violation of laws and regulations such as anti-trust and unfair competition.

## Intellectual Property

The company attaches great importance to the protection of intellectual property rights and has taken a number of initiatives to ensure that intellectual property rights are fully protected. The company strictly abides by the Trademark Law, Patent Law and other relevant laws and regulations, improves the intellectual property management system, establishes sound intellectual property management rules and regulations, sets up a specialized intellectual property management department, and establishes a full-chain management process of intellectual property rights creation, application, maintenance, licensing, transfer, disposal, etc., so as to protect the company's innovative development.

The company promptly applies for and registers independently developed scientific and technological achievements, designs, trademarks, domain names, copyrights, etc. to ensure that it has legal ownership and use rights.

The company provides employees with training on intellectual property legal knowledge, strengthens their awareness of intellectual property protection, and signs NDA to prevent employees from revealing the company's business secrets and technical secrets.



Intellectual Property Protection Measures

Track market trends and monitor potential infringements. Take legal measures to actively protect rights against infringements. At the same time, the intellectual property warning system is used to provide warning of potential infringement incidents.

Regularly inventory the company's intellectual property assets, evaluate their value, and adjust the intellectual property plan according to market changes and corporate development strategies.

While protecting its own intellectual property rights, the company reduces the risk of infringing on the intellectual property rights of others and achieves the legal and compliant use and protection of intellectual property rights.

- 

Conduct adequate intellectual property due diligence to avoid inadvertent infringement of others' patents, trademarks or other rights before developing new products, introducing technology or using trademarks.
- 

Conduct intellectual property compliance reviews on suppliers to ensure that the products and services supplied do not have the risk of infringing on others' intellectual property rights, and clarify intellectual property terms in procurement contracts when necessary.
- 

Conduct pattern searches in the early stages of product development to understand the patent status in related fields, reasonably avoid existing patented technologies, or seek authorization.
- 

In international collaboration and licensing the use of other people's intellectual property rights, ensure that a strict intellectual property license agreement is signed, the division of rights and responsibilities is clearly defined, and international intellectual property rules are followed.
- 

In advertising and product packaging, ensure that the text, pictures, audio, video and other content used do not infringe other's copyrights, trademark rights, etc.

Measures to prevent infringement of others' intellectual property rights



# Information Security

The company attaches great importance to the network environment and information security, and jointly builds an information security system through systems, facilities, software, strategies, training and other levels. The company strictly abides by the relevant national laws and regulations such as the "Network Security Law", "Data Security Law", and "Personal Information Protection Law", and formulates systems such as "Company Network Management Standards", "Information System Management Standards", "Information System Data Authority Management Measures", and "Information Security Emergency Plan" to improve the information security system guarantee. As the competent department for information security, the Information Department coordinates the group's information security-related work, formulates disaster recovery plans, and is responsible for mobilizing resources from all parties when information security emergencies occur, handling related incidents, restoring information system functions, ensuring the normal development of the group's business, and continuously improving the information security level of the company.

## Information Security Management Measures

<div style="background-color: #0070C0; color: white; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 10px;">Network Security Devices</div> <ul style="list-style-type: none"> <li>• Edge firewall</li> <li>• Core switch</li> <li>• Internet behavior management</li> <li>• Wireless Network Controller</li> </ul>	<div style="background-color: #0070C0; color: white; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 10px;">Encrypted Communications</div> <ul style="list-style-type: none"> <li>• IPSEC VPNs for the headquarter and branch offices</li> </ul>	<div style="background-color: #0070C0; color: white; border-radius: 10px; padding: 5px; text-align: center; margin-bottom: 10px;">Secure Connection</div> <ul style="list-style-type: none"> <li>• Secure connection via SSL</li> </ul>
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# Information Security Training

The company has established a complete information security training and learning system, carried out information security training, and continuously improved employees' information security skills and awareness.

### Case

### Cybersecurity training

In order to strengthen employees' awareness of the importance of network security and identify information security risks in work and life, the company conducts network security training to discuss and share practical network security skills and download websites with employees, as well as skills on how to identify whether the network is safe.



Photos of Cybersecurity training

# Digitalization and Intelligence

The company adopts advanced intelligent manufacturing technology and digital technology, aiming to realize automation, intelligence and dataization of the production process, improve product manufacturing efficiency, reduce production costs and improve product quality. At present, Unifull's IT systems covered administration, finance, sales, procurement, production, warehousing, etc. Through information technology, Unifull has greatly improved cross-departmental synergy and operational efficiency, created a preliminary data asset base, and realized the integration of industry and finance. At present, the main business systems are Kingdee K3 ERP and Zhiyuan OA, and the two platforms run independently. Among them, the K3 system has on-line modules for purchase, sales and inventory, production, finance, reimbursement, barcode, etc., and the main business processes other than R&D and manufacturing have been online. The OA system mainly includes the approval of administrative processes, filing of management documents, contract evaluation and printing, and the release of announcements, etc.

During the reporting period

Digitalization-related investment

## ¥757,200





# Clean and Low Carbon

building blue sky and white clouds

## Concepts

Unifull follows the dual-carbon management strategy. While achieving its own development, it strives to reduce carbon emissions and promote carbon neutrality; focuses on green R&D and promotes the development of eco-friendly new materials; strengthens the prevention and control of pollution and reduces the pollution emissions in production; strengthens the utilization of resources and improves the efficiency of resource use through technological innovation and rational deployment, and strives to maximize the saving of energy under the premise of guaranteeing the quality of its products. Unifull believes that through unremitting efforts and practices, the company will take solid steps on the road of environmental protection and sustainable development, and contribute to the construction of a green home.

## Our Actions

- Green Innovation
- Pollution Prevention
- Environmental Management
- Resource Utilization
- Carbon Management

## SGDs benchmarking



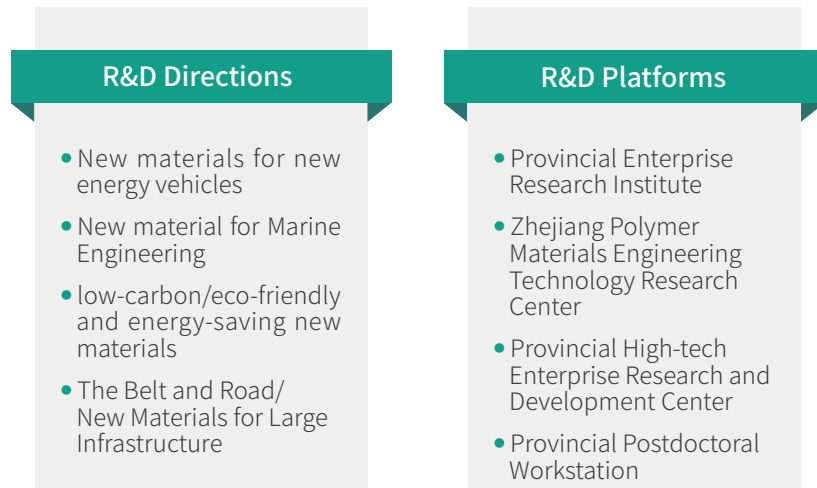


# Green Innovation

The company adheres to the "carbon peak & carbon neutrality" policy as the guide, focusing on "safety, environmental protection, low carbon, green", focusing on making the polyester industrial yarn industry chain green, lightweight, functional, and transform to high-end special fibers. From the perspective of the life cycle of fiber materials the company deploys green and sustainable core technologies for raw material acquisition, process processing, and end-of-life regeneration, continuously promotes technological innovation, promotes low-carbon product design, and reduces pollution to the environment.

## R&D System

The company takes green and environmentally friendly new materials as its anchor, equipped with high-level R&D talents, relies on provincial key research institutes and other innovation platforms, and cooperates with well-known domestic universities, research institutes, industrial application-end customers, etc. Through project cooperation, joint research, talent training, technical exchanges and other forms, it has created a new model of all-round and full-industry chain technology innovation involving "government, industry, academia, research and application".



In recent years, the company has signed a cooperation agreement with Donghua University and jointly established the "Donghua University" graduate internship base to cultivate high-level technical talents; cooperated with Zhejiang Sci-Tech University to build a provincial key enterprise research institute to cultivate high-level technical talents while also providing a practice base for colleges and universities. At the same time, it has carried out technical exchange activities with Zhejiang University and Zhejiang University of Technology to achieve collaboration and complementarity, and improve the talent team level. The company's R&D team has successively won the "Excellent Group of Huzhou City Local-School Cooperation in 2020" of the Huzhou Municipal People's Government, "Green Team" of Huzhou City, "Most Beautiful Team" of Nanxun District, and "Worker Pioneer" of Nanxun District. The technical team have successively won the honorary titles of Chief Technician of Nanxun District, the first batch of Nanxun Craftsmen, and Outstanding Scientific and Technological Workers in the National Rubber Skeleton Materials Industry.

In addition, in order to motivate employees in R&D, the company has formulated innovation management systems such as the "Innovation and Industrialization Incentive Management Measures" and the "New Product Development, Summary and Acceptance Process", to standardize new product development, technical review, project summary and acceptance, and established a competitive reward mechanism to encourage all R&D personnel to actively participate in innovation activities, efficiently promote the R&D of new products and technologies and the industrialization of results, and implement more than 80 R&D projects for industrialization each year.

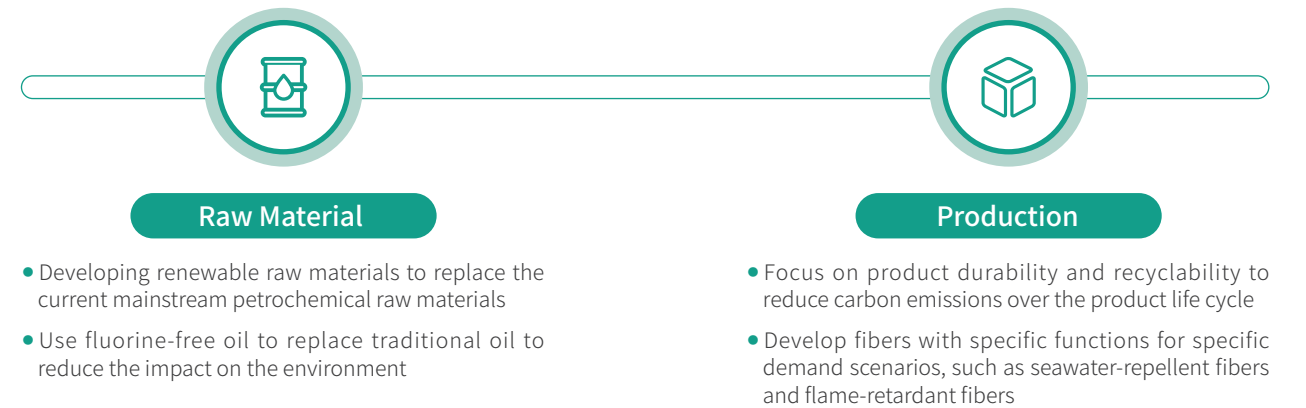
### Optimization of polymerization process

Improve the quality of polyester pellets, increase the reaction rate of polyester pellets in the viscosity-increasing process, and reduce the energy consumption of the SSP tower.

### Optimization of spinning process

While improving the post-processing strength retention rate of the product, it can also reduce the energy consumption required for the temperature of the hot roller.

## R&D Outcomes



### Case

#### Bio-based fibers

The company has developed bio-based polyamide 56 industrial yarn with good impact resistance, good wear resistance and high strength. It not only has a lower density than polyester, but also has better water absorption and heat resistance than conventional products. It also has the eco-friendly characteristics of renewable raw materials and recyclable products, which helps reduce dependence on oil and has great economic and environmental value.

### Case

#### Development of recycled industrial yarn

The company uses recycled polyester chips as raw materials, adopts new technologies and equipment, and produces recycled polyester industrial yarn through solid phase polymerization and a complete set of spinning equipment and process technology for recycled polyester industrial yarn, pushing the company's green R&D into a new stage. It is estimated that every ton of recycled polyester industrial yarn produced can be equivalent to reducing 60,000 discarded polyester bottles, 6 tons of crude oil mining, and 3.2 tons of CO<sub>2</sub> emissions.

### During the reporting period

Number of R&D personnel

**242**

R&D investment

**¥102,591,000**

Accounting of operating income

**3.97 %**

Growth year-on-year

**14.53 %**

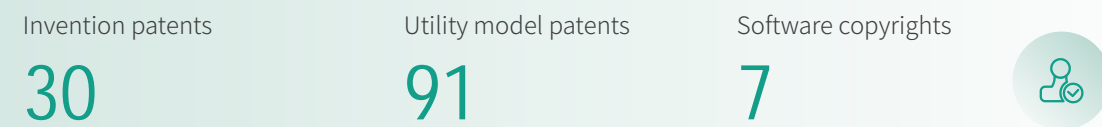




Categories	Projects	Economic Benefits
Polyester industrial yarn	New activated oil agent reduces consumption	¥740,000/year
Skeleton	Dipping glue to increase speed and efficiency	¥121,000/month
	Domestic aramid development	¥35,000/ton raw yarn
	Development of domestic resorcinol	¥30,000/ton raw material
	Low cost EPDM Recipe Development	¥6,000~8,000/ton product
	De-RP Dipped Cord	¥1,000~1,500/Ton Product
Film	Raw material formula development, formula quality surplus optimization	¥201,000/year

List of company's innovative projects

As of the end of the reporting period



High-strength UV-resistant polyester industrial yarn, anti-bacterial and anti-mildew high-strength polyester industrial yarn, and fluorine-free core-resistant polyester industrial yarn were selected as representative products of China's fiber trends 2022/2023, 2023/2024, and 2024/2025.

Case

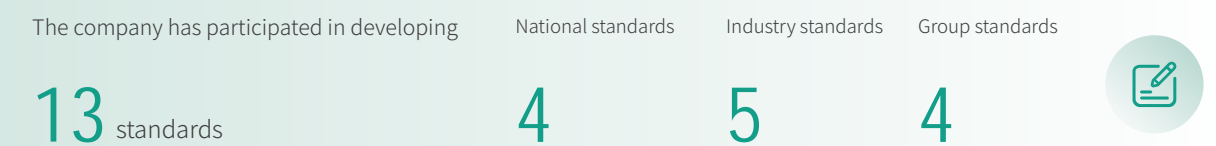
Polyester Industrial Yarn Industry Seminar

To adapt the changing market demand and enhance the innovation of polyester industrial yarn, the company jointly held the "Polyester Industrial Yarn Industry Application Innovation Forum and Unifull 20th Anniversary Celebration" with the China Industrial Textile Industry Association during the reporting period.



Polyester Industrial Yarn Industry Application Innovation Forum and Unifull 20th Anniversary Celebration

During the reporting period





# Environmental Management

## Environmental Management System

The company adheres to the concept of sustainable development, strictly abides by the Environmental Protection Law and other relevant national laws and regulations, continuously improves the environmental management system, and regularly reviews environmental safety policies, goals, and indicators to achieve the company's overall environmental and occupational health and safety management performance. The company has set up a safety and environmental protection department under the production center, led by the head of the safety and environmental protection department, responsible for developing the company's environmental protection work plan and management goals, reviewing the monthly environmental protection work plan, responsible for establishing and improving the environmental protection management network, formulating environmental protection management systems and various environmental protection standards, and comprehensively carrying out the company's environmental safety production activities.

The company actively responded to the "Law on the Promotion of Clean Production" and continuously apply the environmental protection strategy to the production process. In accordance with the principle of "energy saving, consumption reduction, pollution reduction and efficiency improvement", the company carried out technical transformation to improve production efficiency, the utilization efficiency of raw and auxiliary materials, water and energy, reduce environmental pollution, and strive to promote the circular economy and build a conservation-oriented society. As of the end of the reporting period, the company has obtained ISO14001 environmental management system certification. The company did not have any environmental accidents throughout the year and was not subject to administrative penalties.



Unifull's Environmental Philosophy



Organizational structure of Safety and Environmental team

During the reporting period

invested in environmental protection

¥1,025 million



## Environmental Emergency Management

### Environmental emergency plan

In order to enhance the company's emergency response capabilities for environmental incidents, control and handle accidents in a timely and accurate manner, effectively carry out emergency disposal, control and reduce the harm of environmental pollution incidents, and minimize the environmental pollution and economic losses caused by accidents, the company has compiled the "Emergency Plan for Sudden Environmental Incidents" based on actual operating conditions and submitted it to the Nanxun Branch of the Huzhou Ecological Environment Bureau for filing. The company has also established an emergency command center, as well as emergency organizations and emergency expert groups, to command and coordinate for the prevention, disposal, and rescue of sudden environmental incidents.

### Environmental emergency training

In order to ensure rapid, orderly and effective emergency response capabilities, the company regularly conducts environmental emergency training for factory employees. The training targets include relevant personnel involved in the plan, including professionals, general employees, transportation personnel, and the public. The training is to familiarize employees with the characteristics of the hazardous substances used, and the various emergency accidents and emergency actions that may occur. The training is carried out in the form of training courses and classes to strengthen employees' environmental safety awareness, so as to protect the company's property safety and maintain social stability.

During the reporting period

The company organized safety and environmental protection education and training for a total of

20,517 employees

Organized various special training

18 times





Case

2023 Spring Safety and Environmental Protection Joint Exercise

In response to the fire hazards in the operation of electrostatic oil removal equipment, the company held the 2023 Spring Safety and Environmental Protection Joint Exercise during the reporting period to standardize the rapid response and disposal procedures for sudden fire accidents, reduce accidents and environmental impacts caused by safety and pollution incidents, achieve "early detection and early control", and improve the safety emergency rescue system. In addition, the operability of the emergency rescue plan for fire accidents in electrostatic oil removal equipment was further tested and improve the emergency response capabilities of personnel.



# Carbon Management

## Carbon Management

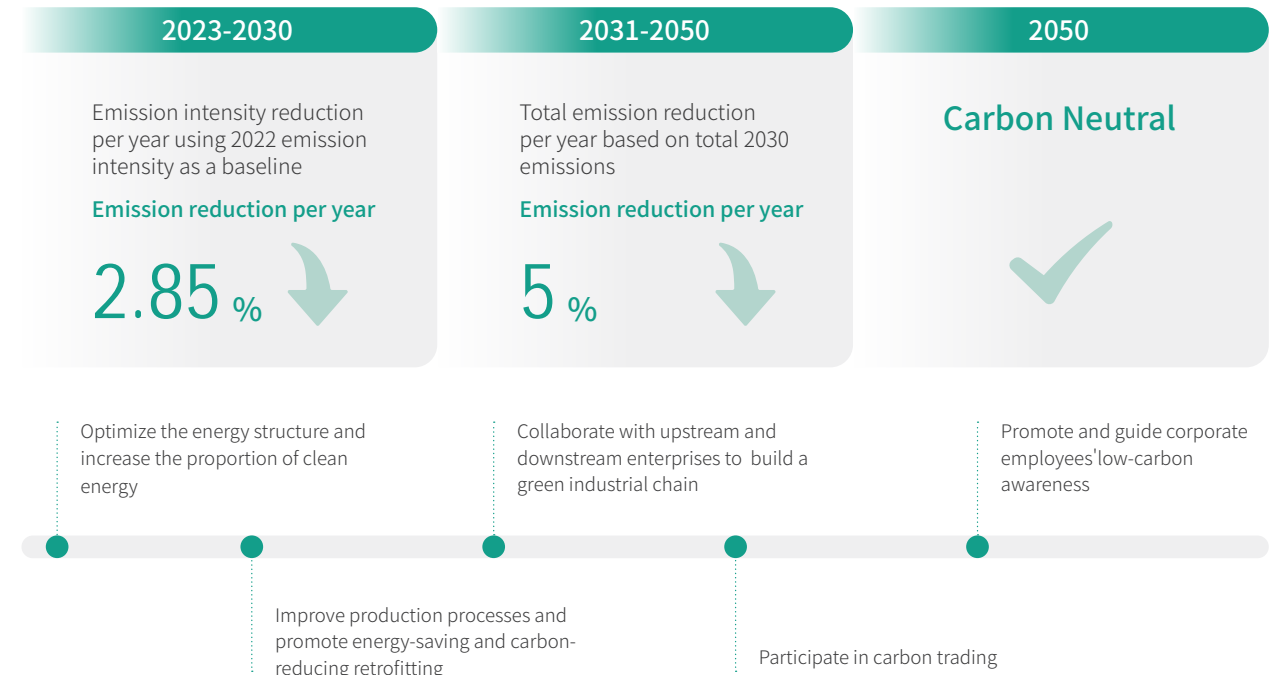
Unifull incorporates green and low carbon concepts into the company's strategy, comprehensively promotes the implementation of the three-year action implementation plan for the reform of state-owned enterprises, and deeply promoted the modernization of the enterprise's governance system and governance capacity, so that the foundation of green and low carbon development is consolidated. According to current situation developed the dual-carbon planning path to achieve the 3060 target. Implemented the Green Development Action Plan and Greenhouse Gas Peak Achievement and Neutralization Implementation Plan, to improve the carbon emission control system, carry out energy saving and emission reduction, and reach the national carbon emission control level.

In order to make the company's GHG inventory comply with the requirements of ISO 14064-1:2018, to ensure that the GHG inventory and GHG report comply with the principles of relevance, completeness, consistency, accuracy and transparency, and to standardize the company's GHG definitions, organizational boundaries and operational boundaries, exemption from the conditions of the inventory, GHG information, documentation and record keeping, the base year as well as the base year recalculation of the inventory control, the Company developed the "Greenhouse Gas (GHG) Inventory Comprehensive Control Procedure". Meanwhile, based on the requirements of the Company's GHG inventory, the Company has established the GHG Inventory Team, which is led by the general manager and promoted by the department heads, to deal with GHG inventory and GHG verification and other related matters. During the reporting period, the Company conducted greenhouse gas verification and obtained the Certificate of Greenhouse Gas Verification Certification.



Certificate of for GHG verification

In order to adapt to the current situation of enterprise development, the company has set greenhouse gas emission reduction targets:



GHG emission reduction program implementation measures



## Energy Management

The company has set up an energy management office to guide and develop the company's energy-related strategies and management procedures. At the same time, the company actively promotes energy-saving measures internally and encourages employees to propose innovative management methods to further strengthen the company's energy management practices.



### Improve energy efficiency

The company continues to promote energy-saving renovation projects, strengthen energy-saving management and promote green development.

Energy-saving Projects	Project Description	Energy-saving Results
Steam Boiler Upgrade Project	To optimize energy allocation, improve heating efficiency and reduce energy impact, Unifull built a new 75t/h coal-fired circulating fluidized bed boiler in the furnace area of the east factory with 3 new 20t/h gas-fired thermal oil boilers as backup heating source to provide central heating to each BU.	The project can save 1.5 million kWh of electricity, 1,385 tons of standard coal and reduce SO <sub>2</sub> emission by 35 tons. Unifull can improve the economic, energy-saving and environment benefits, and set a model for the company's green transformation.
Motor Replacement Project	In order to respond to the government's call to build ecological civilization, promote green, low carbon and circular development, and improve equipment efficiency, Unifull has replaced the type-Y motors in the factory in batches.	Upgrading the energy-efficient motors leads to annual saving of 500 tons of standard coal. As the pilot project of Unifull's green transformation strategy, it has laid a solid foundation for subsequent projects and accumulated valuable experience.
Photovoltaic Power Generation Project	Make full use of the rooftop space of buildings in the factory and install photovoltaic panels on the roof of the Science and Technology BU buildings.	This project can generate 5.6 MW of electricity annually, and reduce the annual electricity bill by ¥840,000 and the project would not only achieve good economic benefits, but also provides new possibilities for energy-saving scenarios. Unifull will continuously and systematically upgrade the factory roof space and further tap the potential of energy-saving and carbon-reduction.

### Green electricity consumption

In order to meet with the carbon reduction target, the company is committed to promoting the use of green electricity to achieve sustainable development. The company adopts green electricity in production and actively promotes the concept of green electricity consumption to contribute to building a ecological environment.

#### During the reporting period

The company's used green power consumption

# 28,350.3 MWh



### Renewable energy – Photovoltaic power generation

As renewable energy becomes increasingly important in addressing climate change, the company is actively exploring opportunities to replace traditional energy with renewable energy and low-emission fuels in operations to promote energy transformation. During the reporting period, the company actively promoted the use of photovoltaic energy, introduced a number of photovoltaic projects, and installed distributed energy storage equipment to promote the sustainable development.



Photovoltaic power generation

#### As of the end of the reporting period

Photovoltaic power generation capacity installed

# 9.9 MW

#### During the reporting period

Photovoltaic power generated

# 9,035,780 kWh



## Green Operation

Under the banner of sustainable development, the company actively carries out green operations. The company adheres to the value orientation of "mutual satisfaction of customers, shareholders, employees, society (environment)" and "goal of sustainable development", takes low-carbon development as its purpose, is committed to reducing the impact of production and operation activities on the environment, develop an annual green operation plan, and achieves the harmonious progress of economic benefits and ecological responsibility through systematic green management.



Green Unifull - Low Carbon Development Initiative



## Pollution Prevention and Control

### Waste Management

The company actively promotes the comprehensive utilization and treatment of solid waste. The company's waste is categorized into hazardous waste, general solid waste and domestic garbage, and special areas are set up for the storage of various types of solid waste.

#### General waste

The company continues to improve the management of general waste, including recycling and disposing of waste materials and unwanted items, creating the "Management Standards of Waste Materials and Unwanted Materials", clarifying the sales process of waste materials and unwanted items, and improving their processing procedures to prevent waste and adverse effects on the environment. Meanwhile, the company manages waste with recycling value in the operation process, such as recyclable waste silk, paper tubes, spinning oils, etc., and creates relevant standards and methods such as "Methods for Classification and Storage of Waste Silk for Granulation", "Standards for Recycling Paper Tubes", and "Standards for Recycling and Adding Spinning Oils", defining the standards for recycled materials and the recycling process to ensure circular production.

#### During the reporting period

Recycled waste silk  
**6,496.54** tons

Waste blocks and waste residues  
**950.113** tons



#### Case

#### Solid waste management training

During the reporting period, the Company gave lectures on the disposal and utilization of general solid waste in accordance with the requirements, and enhanced the ability and awareness of employees in solid waste management.



Solid waste management training



## Hazardous waste

In order to standardize the management of hazardous waste and clarify the disposal processes, the company revised the "Unifull Hazardous Waste Management Standards" in accordance with the "Solid Waste Pollution Prevention and Control Law", "National Hazardous Solid Waste List", "Hazardous Waste Transfer Joint Form Management Measures", "Hazardous Waste Collection, Storage and Transportation Technical Specifications" and other solid waste pollution related laws, regulations and provisions to clarify the collection, temporary storage, entrusted transportation and entrusted disposal processes and measures for the generated hazardous waste.

The company formulates the hazardous waste management plan every year and files it in the national solid waste management information system. The hazardous waste generating department is responsible for the collection of hazardous waste generated during the production process and takes anti-leakage measures at the site. The hazardous waste warehouse is equipped with anti-leakage emergency materials (yellow sand), fire extinguishers and personal protective equipment. At the same time, the construction of hazardous waste warehouses must take measures such as fire prevention, rain prevention, and anti-leakage. And relevant protective work should be done during the transfer of hazardous waste to prevent secondary pollution during the transfer process.

### Measures to reduce the impact of hazardous waste

- Make hazardous waste boards and cards to let employees understand the company's hazardous waste situation
- Develop the company's hazardous waste management system and hazardous waste emergency plan
- Conduct annual hazardous waste knowledge training to let employees understand the danger of hazardous waste
- Collect hazardous waste generated at the storage site in a timely manner and store it by categories
- Equipped employee with necessary protective equipment, such as protection gloves, etc.



### Hazardous waste reduction measures

- Promote clean production, improve level of green production. Improve from the source of production raw material utilization
- Improve the automation level of production facilities to reduce man-made production waste
- The company's environmental protection department strengthens supervision, conducts self-inspections, and rectifies irregularities constantly



## Wastewater Management

The company has formulated the "Sewage Treatment Operation Control Standard" to effectively treat and discharge sewage. The company has established a sewage station, formulated sewage treatment operation procedures, achieved "zero direct discharge of sewage", regularly carried out maintenance and repair of wastewater treatment facilities, and reused the usable wastewater in the production system after treatment to reduce wastewater discharge.

### During the reporting period

The total amount of wastewater discharged

**23,029** tons 

### Case

#### Water purification, water softening, pure water treatment plant

The company has a 300t/h river water purification facility. After the company takes river water, it first undergoes inclined plate sedimentation, purification and other treatments. Due to different water quality requirements, the company uses equipment for softening water treatment and supplies it to boilers and cooling tower circulation system replenishment water in East and West plants, steam generator water and air conditioning spray system replenishment. At the same time, in order to meet the water quality requirements for direct cooling water for the production of polyester chips, oil and rubber preparation in the East and West plants, the company further carries out pure water treatment after softening treatment, and then uses it for process water.



Water purification, water softening, pure water treatment plant

### During the reporting period

The total amount of solid waste was

**23,139.48** tons

Among them, industrial waste was

**100** % disposed and utilized in compliance with regulations

Hazardous solid waste was

**100** % collected and disposed of in a compliant manner





Case 

Sewage treatment system

The company built a sewage treatment plant with capacity of 500 m<sup>3</sup>/d. After the wastewater is collected, it enters the company's own sewage treatment plant for treatment, about 100 m<sup>3</sup>/d~200 m<sup>3</sup>/d of water returns to the water purification station for further purification and then reused in various production and auxiliary production processes. The remaining part is sent to the Hefu Town treatment plant for deep treatment, once it reaches the standard.



Sewage treatment system

Case 

Wastewater Reuse Upgrading Project

During the reporting period, the company invested more than 1 million yuan for two MBR soft membrane systems to improve the efficiency of sewage water reuse, which greatly increased the amount of recycled water reuse, and the recycled water reuse rate increased from the 80% to 88%, while effectively reduced the operating costs of the Fenton oxidation treatment system.

## Exhaust Gas Management

The company starts from management and technology to reduce the amount of waste gas generated in the production process. In terms of management, the company regularly commissions monitoring in accordance with the Pollutant Monitoring Standards to ensure that emissions meet the standards. In terms of technology, the company introduces waste gas treatment and emission reduction equipment, operation and maintenance of waste gas treatment facilities and equipment according to standards, routine maintenance, implementation of waste gas emission concentration and emission monitoring management, to ensure that the waste gas is processed by the environmental protection facilities. The environmental protection treatment facilities are operating normally, and the pollutant emission values are in line with the emission limits. At the same time, the skills and environmental awareness of the operators of the waste gas treatment facilities are trained to ensure the removal efficiency meets the regulations.

<p>Automatic spinning fume electrostatic oil removal device ▶</p> <p>Stiff cord exhaust gas treatment device control ▼</p>		
		<p>▲ Control of semi-automatic spinning fume electrostatic oil removal device</p> <p>◀ Soft-wired exhaust gas treatment device control</p>
	<p>◀ Fluidized bed boiler exhaust gas treatment ▶</p>	



Case 

Industrial yarn project fume exhaust gas treatment facility upgrade project

In order to further improve the efficiency of industrial yarn fume waste gas treatment, the company invested more than 2.6 million RMB to upgrade the existing old electrostatic oil removal facilities, eliminated 6 sets of plate-type electrostatic oil removal equipment, and introduced automatic honeycomb electrostatic oil removal equipment, which improved the efficiency of removing oil mist and non-methane total hydrocarbons in the exhaust gas and reduced the impact on the surrounding environment.

During the reporting period

The total amount of waste gas emissions was

**523.69** million cubic meters



Noise Management

In order to control and prevent noise pollution, protect the health of employees, create a quiet and comfortable working environment, and reduce the amount of noise generated during the production process, the company starts with management and technology. In terms of technology, it improves equipment lubrication and shock absorption; in terms of management, the company regularly inspects the operation of noise control equipment, handles abnormalities in a timely manner, and conducts noise check every quarter via 3rd party.

During the reporting period

The Company invited a third-party testing company to carry out

**4** noise tests All of which met the GB12348-2008 Environmental Noise Emission Standard for Factory Boundaries of Industrial Enterprises.



Resource Utilization

Water Resources Management

The company attaches great importance to water resource management. With the development of technology and equipment, the company continues to learn the development of equipment and technology, use equipment and technology with low water consumption, and carry out water-saving technology implementation. To strengthen water resource management, the company has formulated the "Water Saving Management System". During the reporting period, the company controlled production water, eliminated long-term water flow and water leakage, started from management, installed water meters at key points of each business unit. At the same time, for all sewage stations, soft water and pure water treatment equipment belonging to the water treatment station, the company defined start-up and shutdown conditions, and implemented timed start-up and shutdown of the equipment to save energy.

In terms of measures, the company adopts rainwater recycling, condensate reuse, reclaimed water reuse, river water purification, softening and other methods to prepare and treat mud water for collection and reuse, carry out comprehensive water saving, balance the supply and demand of water resources, reduce wastewater discharge, improve water environment quality, and achieve a win-win situation of economic and environmental benefits.

Packaging Material Management

In order to respond to the spirit of increasing revenue and reducing expenditure, and to effectively and efficiently carry out the recycling work, the company actively promotes cooperation among departments and ensures the recycling of packaging materials. The company adopts the principle that whoever produces the raw yarn is responsible for recycling the packaging materials, and formulates the "Industrial Yarn Packaging Material Recycling Assessment Standards" and the "Industrial Yarn Packaging Material Recycling Rate Improvement Plan" to analyze the problems in the recycling of packaging materials, set annual goals for recycled packaging materials, optimize the recycling process of packaging materials, and clarify the key nodes for the recycling of packaging materials. The packaging materials used for raw yarn include paper tubes, cartons, honeycomb boards, lids, pallets, etc. The responsible departments are responsible for sorting, recycling, and contacting for scrapping. The Inspection Department rewards and evaluates the recycling situation to ensure the smooth implementation of the recycling of packaging materials.

During the reporting period

The industrial yarn packaging material reuse rate is

**68.98** %



Use of packing material





# Creating Society Harmony

## and social value

### Concepts

Keeping in mind the corporate social responsibility, Unifull is committed to giving back to employees, suppliers, customers and other stakeholders. The company strictly controls the quality and carefully serves to win the trust of customers. The company effectively protects the legitimate rights and interests of employees, focuses on production safety, establishes a systematic talent mechanism, creates a good space for personal development, reasonable salary and treatment to create a harmonious corporate culture within the company, realizing the growth of employees and the enterprise. The company actively participate in social welfare.

### Our Actions

- Quality Management
- Customer Service
- Harmonious Workplace
- Occupational Health and Safety
- Sustainable Supply-chain
- Community Charity

### SDGs benchmarking





# Quality Management

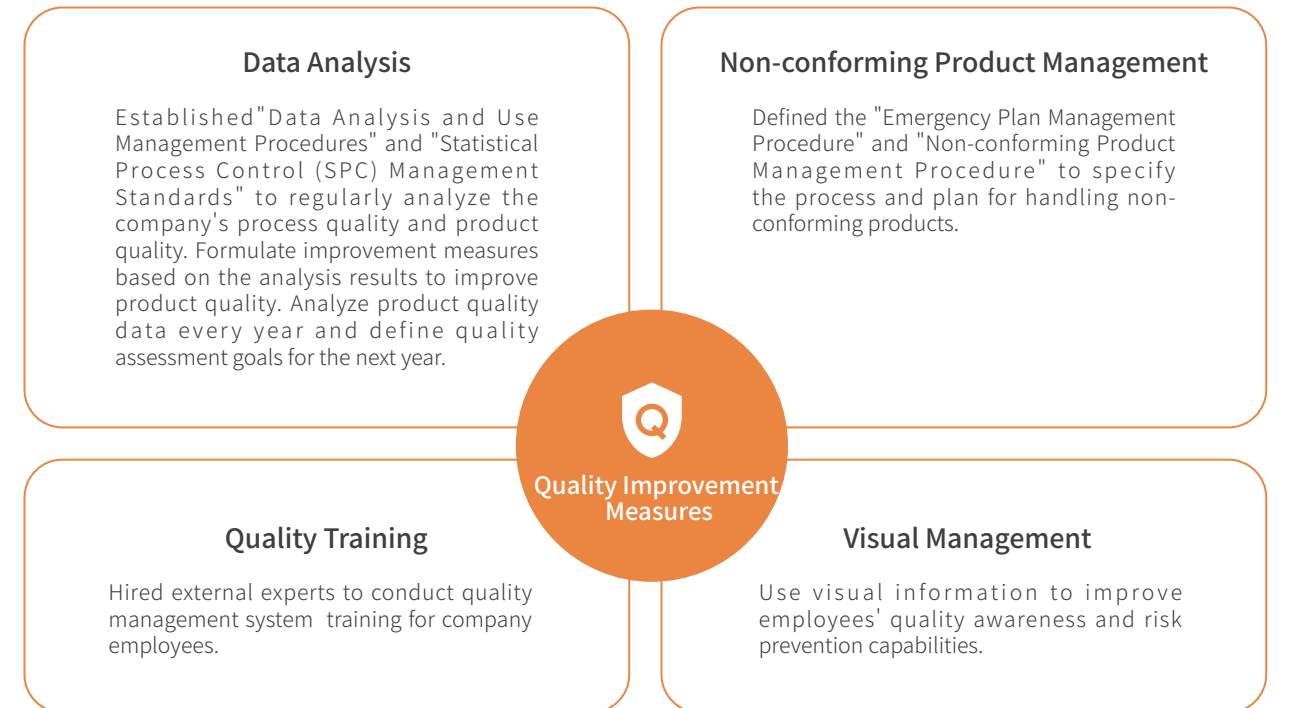
The company has a complete and systematic quality management system. The company implemented standardized management for each position, developed 1,002 work standards and 1,255 process standards, unified management methods, benchmarked against quality benchmarks, regularly conducted quality internal audits, process audits and product audits, conducted self-inspections of internal quality issues, and took corrective and preventive measures to rectify the self-inspected issues, strictly controlling product quality. As of the end of the reporting period, the company has passed ISO9001 and IATF16949 management system certification.

During the reporting period

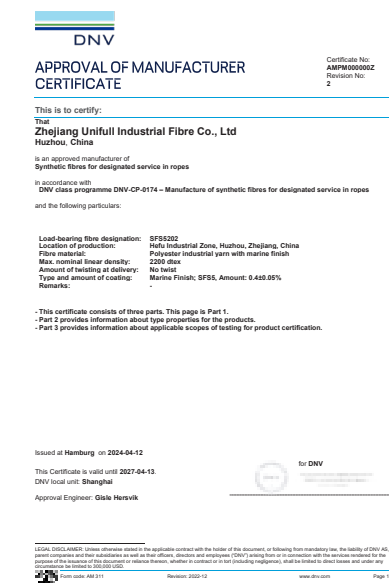
0 product recalls

### Quality control and management process

- Incoming raw materials are inspected and tested, and raw materials that do not meet the standards will not be put into use.
- Strictly follow the production standards, If the process needs to be changed, it must be reviewed by corresponding teams, and have to pass the technical feasibility and risk assessment.
- Defined strict standard for process control such as start/stop standards, cleaning, maintenance and inspection standards, and strictly implemented the standards.
- Equip key control positions with online monitoring devices, such as online viscosity meter at polymerization position, online hair detector at spinning process, etc.
- Establish sampling inspection frequency and information feedback channels for intermediate products to verify the stability of process control.
- Finished products are subject to th first article inspection, and production can only continue after passing the inspection.
- If any unqualified product is found during the test, the production control personnel will be notified immediately. The cause will be found and adjusted, and the products produced after the adjustment will be sent for inspection until they are qualified. The unqualified machine and the products produced before the unqualified time will be traced back to the time when the unqualified product was found until no defect is found.



The company focuses on product safety, standardizes the control of harmful substances in the whole process, insists that all products must meet environmental protection requirements, and ensures that industrial yarns, cord fabrics, cords and other products do not contain substances of high concern SVHC of the European Chemicals Agency and substances published in the EU ROHS directive. The company requires existing suppliers to provide REACH or ROSI test reports. If no harmful substance tests are conducted, they must sign a "Certificate of Non-Use of Environmental Substances" to control the content of harmful substances in raw materials. As of the end of the reporting period, the company's water-repellent products have passed the American Bureau of Shipping and the DNV certification; industrial yarns have obtained the textile ecological standard OEKO-TEX STANDARD100 certification.



DNV 2000D Polyester Industrial Yarn with Marine Finish



OEKO-TEX Polyester Industrial Yarn Certificate



## Customer Service

The Company adheres to the principle of customer first and is committed to establishing long-term and stable relationships with customers, providing valuable products and services, and emphasizing the actual benefits and values of the products and services. The Company continues to optimize its customer service management, analyze customer information in depth, and provide faster and more considerate quality services in order to achieve comprehensive management of business processes and continuously improve customer satisfaction.



### Pre-sales Service

**Play Unifull's own advantages, optimize the service and technology first**

The company provides customers with product quality and performance information, shares product industry chain and material performance characteristics, and provides relevant test reports and data as a product use guide to ensure that customers fully understand the product characteristics. At the same time, the company works closely with customers to jointly develop new product applications and product certification to further explore product potential.

### After-sales Service

**Efficient cooperation, technology-based, mutual benefit and win-win situation**

The company promptly resolves customer's product quality and technical issues, provides high-quality solutions to meet the ever-evolving needs of customers, and establishes a high-quality service team with the goal of joint development and mutual benefit to continuously improve customer satisfaction.



## Customer Complaint Management

To improve the management of customer complaint handling and after-sales service, Unifull developed the "Complaint Management Standard" to standardize the work process, carried out 8D report management in accordance with the requirements of IATF16949 to ensure that customer complaints are fully resolved and improvement measures remain effective in the long term.



## Customer Satisfaction Management

The company continuously collects customer feedbacks through customer satisfaction surveys to understand customers' latest needs, promptly understands customers' feedbacks and needs for products and services, discovers problems and room for improvement, strives to improve product and service quality. By improving customer satisfaction, the company enhances competitiveness and market position, and provide guarantees for the company's market strategy and sustainable development. In 2023, customer satisfaction rating of industrial yarn automotive fibers increased by 8.77% compared with 2022.



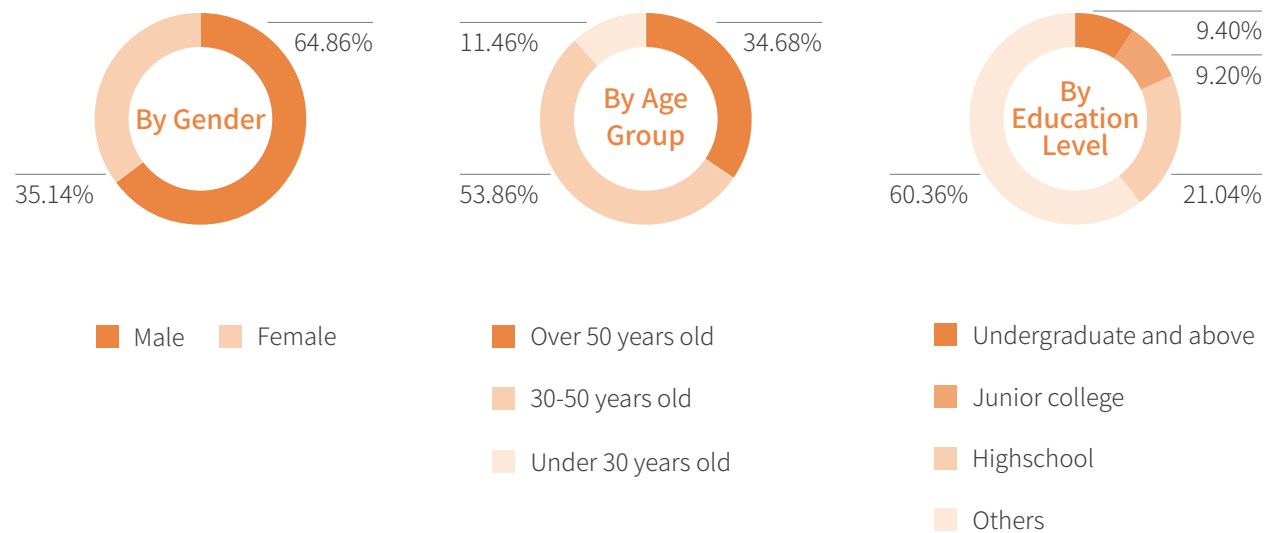
## Harmonious Workplace

Unifull has continuously improved in fair employment, talent development, employee benefits, and trade union organizations, and established a systematic talent mechanism for hiring, training and motivation, and continued to create a good space for personal development, reasonable remuneration, and a harmonious atmosphere within the company to achieve the growth of employees and the company. The company will continue to pay attention to employee safety, health, and satisfaction, ensure safe production, and improve the working environment.

## Employee Rights and Benefits

The company strictly abides by the Labor Law, the Labor Contract Law and other relevant national laws and regulations, formulates and improves the human resources management system and policy, and signs labor contracts with employees in accordance with the law. The company always adheres to the principle of "openness, equality, competition and selection of the best". Employees who meet the requirements and have excellent performance in the company will be given priority in selection and promotion, and then open to external personnel. All applicants have equal opportunities, and will not be given different considerations due to their gender, nationality, religious belief and recommenders. Applicants of different nationalities, genders, ages, positions, religions, beliefs, disabilities, nationalities, etc. are treated equally, and the legitimate rights and interests of employees are effectively protected. During the reporting period, the company carried out campus recruitment according to the needs of the employing departments. Through double-selection meetings, job fairs, and seminars, a total of 22 students majoring in materials and chemical engineering were recruited as reserve cadres for training.

The company prohibits child labor and forced labor. Before hiring an employee, the company will review the employee's identity information, and shall not recruit personnel under the age of 18. The company will review various labor and employment policies in a timely manner to ensure compliance with laws and regulations, and regularly train relevant personnel to avoid violations.



As of the end of the reporting period

Number of minority employees

258

Number of disabled employees

12



## Salary and Benefits

The company has effectively exerted the incentive effect of remuneration, established a scientific remuneration system, formulated the "Remuneration Management System", adhered to the principle of "distribution according to work, efficiency first, and fairness", implemented equal pay for equal work for men and women, and established a distribution system with post wages as the main body and a combination of multiple distribution forms. Remuneration consists of basic salary, post salary, overtime pay on rest days, overtime pay on statutory holidays, performance salary, rewards and penalties, among which performance salary is calculated based on performance appraisal results. During the reporting period, the company newly developed the "Administrative Personnel Performance Appraisal Method", which counts 20% of the salary of administrative employees as performance salary, and scores them from two aspects: work performance and professional quality, so as to achieve the link of personal income with the economic benefits of the company and personal work performance. The method has been approved by the company's employee union and announced in the OA system, and it is agreed that employees can appeal and feedback on projects with objections in performance.

The company has established an attractive and competitive welfare system. The company's welfare consists of three parts: statutory welfare, unified welfare and special welfare. At the same time, the company strictly abides by my country's statutory working hours and holidays, and protects employees' rights to rest and vacation in accordance with the law.

During the reporting period

Medical insurance coverage

100%

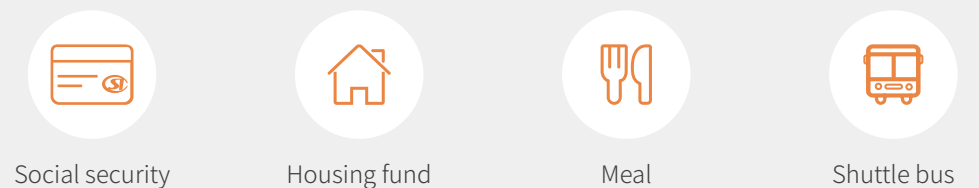
Social security coverage

100%

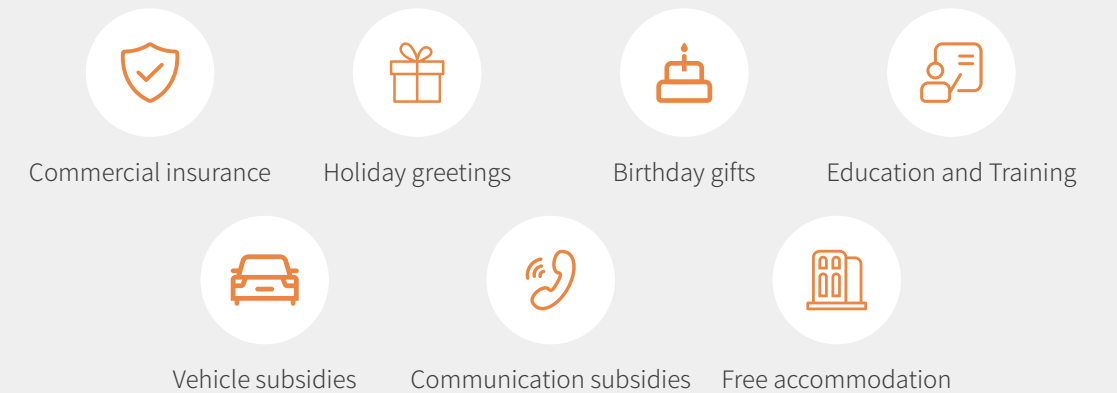


### List of Benefits

#### Benefits



#### Exclusive benefits





## Democratic governance

The company focuses on democratic management and has established a democratic management system with the workers' congress as the basic form. The new group contract has been signed during the reporting period and is valid for one year. The group contract clearly stipulates the management of labor contracts, labor remuneration, working hours and vacation, labor safety and health, special protection of female employees, etc., safeguarding the legitimate rights and interests of employees and establishing a harmonious and stable labor relationship. In addition, the company establishes multiple channels such as suggestion mailboxes, communication meetings, and discussion tea parties, advocates the use of communication to promote management, and creates a good working atmosphere to improve work efficiency and stimulate employee innovation.

The company also conducts a satisfaction survey every year, focusing on four aspects: work, internal communication and management, company resources and environment, and work rewards and development. The average result of the satisfaction survey in 2023 is 4.07/5. After analysis, it was found that the overall scores in the two items "Are you satisfied with the work meals provided by the company?" and "Do you think the company's cultural, sports and entertainment activities have improved?" were low. The company proposed solutions for these two aspects, replacing the new canteen contractor and adding new dishes; developing the "Monthly Employee Activity Plan", increasing cultural, sports and entertainment activities, and encouraging each business unit and department to actively carry out outdoor activity, team building and other activities to enrich the lives of employees.

### Case

#### Employee Forum

During the reporting period, the company held an employee forum, which was organized by the company's chairman. The chairman listened closely to the voices of front-line employees, opened up democratic channels, and truly understood the employees' "urgent needs and concerns". At the same time, by opening up channels for communication, the role of employee representatives in making suggestions was fully utilized to truly solve the urgent and difficult issues that employees are most concerned about.



The Employee Forum was successfully held

Employee representatives expressed their opinions, and had in-depth discussions on the problems they encountered in work and life. They put forward many feasible opinions and suggestions from various aspects, ranging from production process optimization, equipment maintenance, work environment improvement, talent training to welfare and benefits improvement.

### Case

#### "If I were the head of... center" speech contest

During the reporting period, the "If I were the head of the... center" speech contest came to a successful conclusion. Employee from the production, R&D, and reserves talent gathered together to convey their views on the company's current situation and the management of each department, put forward various novel suggestions, and tell their own stories with Unifull.

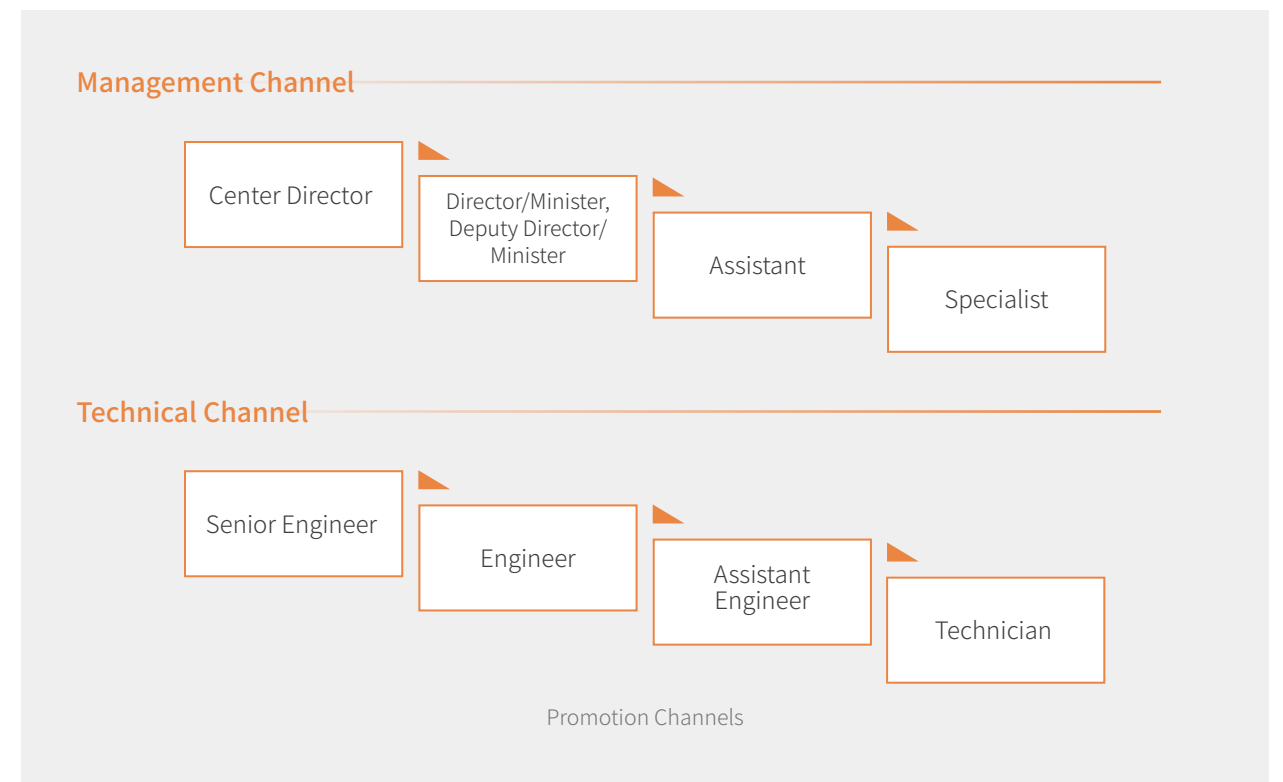


Final of speech contest

## Development and Training

### Career development

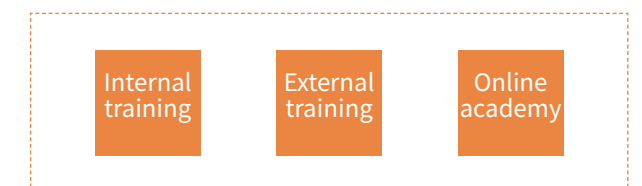
The company follows the principle of giving equal importance to virtue and performance in promotion, comprehensively considering the personal qualities, abilities and achievements of employees at work; adopts a combination of vertical and horizontal promotions to establish dual channels of management and technology, so that employees can be promoted along one channel or adjust the promotion channel as the development direction changes. When a position is vacant, internal personnel will be given priority, and external recruitment will be considered when there is no suitable internal candidate. To optimize the internal human resource allocation of the company, a competition mechanism is introduced to give employees the opportunity to choose a position that is more suitable for their talents, work enthusiasm and company identity. During the reporting period, the company implemented competition for management positions, and a total of 34 candidates were successful in the competition.



### Talent development

The company adheres to the talent training policy of "synchronization training of professional skills and general skills", is committed to strengthening the talent team, improving the knowledge structure of employees at all levels, improving work skills, building a learning-oriented enterprise. The company developed the "Employee Training Management System". Every year, an annual training plan is formulated according to the company's strategy and annual operating goals, combined with the results of the annual training needs survey and the results of employee capabilities and performance reviews.

#### Forms of training





In addition, the company pays attention to the training of management at all levels and managers' "educating" ability, including self-cognition, corporate culture, knowledge and skills, and innovation ability. The company regularly conducts training, sharing meetings, etc., and requires each manager to carry out specific planning, implementation, feedback and summary of training tasks to jointly promote the growth of employees and meet the company's long-term development needs.

Case 

Reserve Leader Training

During the reporting period, the company increased the recruitment and training of reserve cadres and introduced a rotation plan. The first 3-6 months are the rotation learning period. During this period, employees will learn from the incoming raw materials to the delivery of finished products, including production, R&D, sales and other positions in the end to end chain, so that they can fully understand their work ability requirements. The position will be determined after referring to the employee's wish and the assessment results given by the company. During this period, employees will also participate in daily meetings and training with the learning academy to integrate into the company as soon as possible.

Case 

Self-certification of spinning workers

The company encourages and supports employees' training, learning and re-education. During the reporting period, the company applied for a pilot project for enterprise skill level certification and organized the company's independent certification of spinning workers. A total of 104 people passed and obtained certificates.



BMG Wire Hanging Skills Competition

During the reporting period

Total sessions of company-level training

43

Total employee training hours

27,776



Employee Care

The company truly cares for its employees and actively carries out various care projects and activities to ensure employees' work-life balance and promote their physical and mental health.

Case 

Mental Health Lecture

To further improve the physical and mental health level of Unifull employees and guide employees to correctly face the pressure in life and work. During the reporting period, the company invited external experts to hold lectures on psychological stress relief and corporate cohesion for employees. The lectures analyzed the root causes of common mental health problems of modern workplace people and the personal factors that caused them. In view of the characteristics of the industry, the lectures focused on how to face up to pressure, enjoy a happy life, maintain a healthy and harmonious mentality, and improve professional skills, etc., providing employees with channels and methods for self-identification, cognition, adjustment of psychological pressure and ensuring mental health.



Employee mental health lecture

Case 

Retired Employees Forum

During the reporting period, the company held a forum for retired employees in 2023. At the meeting, retired employee representatives shared their work experiences and expressed their deep friendship with their colleagues. The company expressed its gratitude to retired colleagues for their long-term contributions to the development of Unifull, and issued commemorative trophies to the retired employees.



A total of 20 retired employees attended the forum



Case

### The "Little Bird" School in the Employee Home

During summer vacation, left-behind children from other cities come to reunite with their parents and become "little birds" for the summer. In order to let the kids spend a healthy, safe and meaningful summer vacation, the company's summer "little migratory birds" charity class is officially opened in the employees' home, it teaches summer safety knowledge such as drowning prevention, traffic safety, water and electricity safety, and anti-abduction to the kids, and arranges a variety of courses to create a good learning environment for them to spend a happy and interesting summer vacation.



Employees' Home

### Care for female employees

The company pays attention to the care of female employees and has established a Women's Federation. In addition to signing a special contract, it has also formulated the "Anti-Discrimination and Female Employee Protection Standards", carried out corporate female employee protection training, helped female employee representatives understand the relevant provisions of the labor law for female employees, and provided solutions and channels within company.



Training on protection of female employees

Case

### Mom's House

In order to provide more services to female employees in special periods and properly solve the difficulties faced by female employees in physiological hygiene and breastfeeding, the company has set up a "Mom's house" and developed daily management systems such as the "Company Mother and Baby Room Usage Guidelines". The room is cleaned everyday, and the necessary items are replenished and added in a timely manner by assigned person, providing a private, hygienic, comfortable and safe resting place for the female employee.



Equipped with air conditioner, refrigerator, sofa and other necessary items

### During the reporting period

Assisted employees in need

2 people

Employees in medical mutual aid

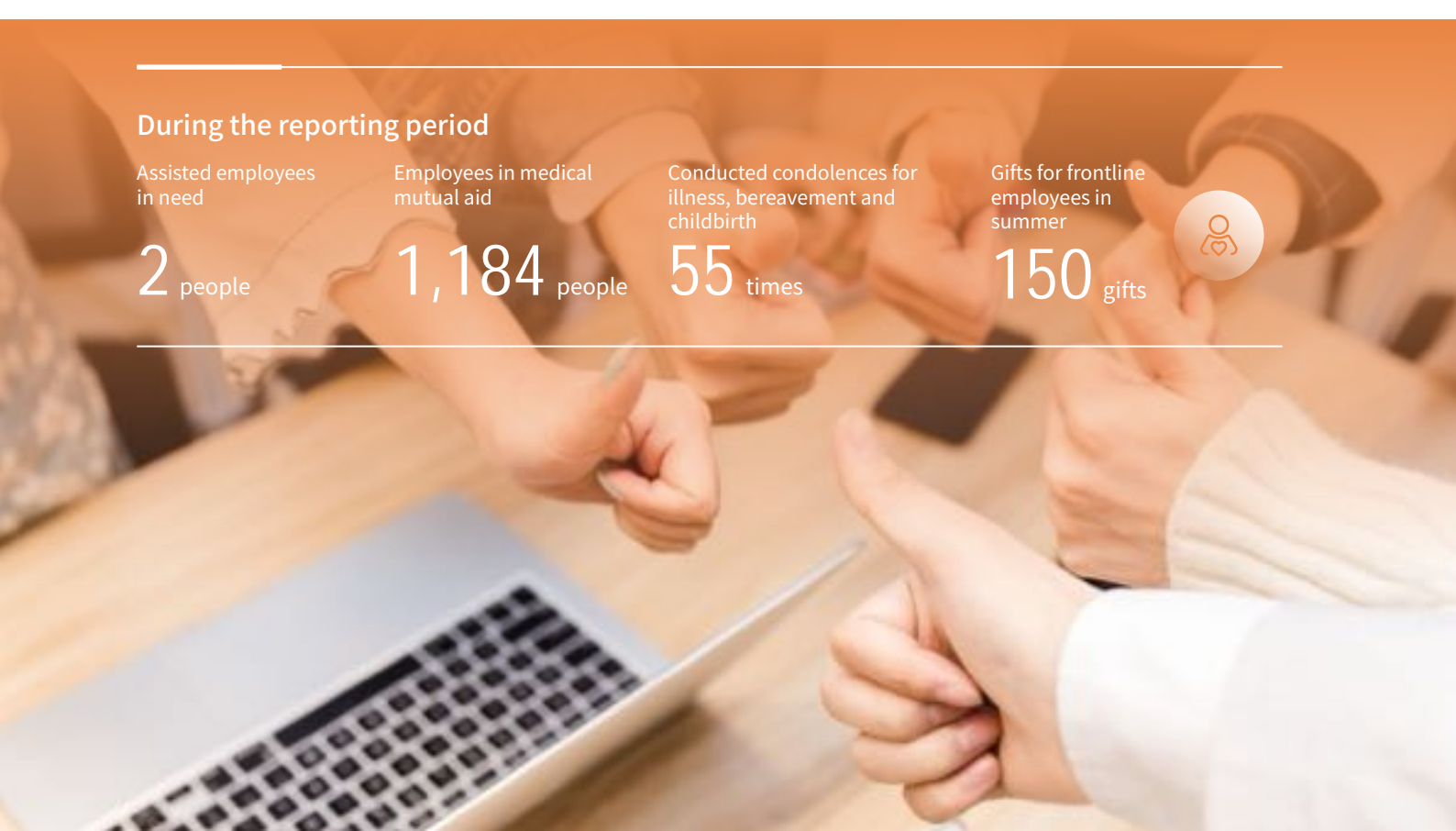
1,184 people

Conducted condolences for illness, bereavement and childbirth

55 times

Gifts for frontline employees in summer

150 gifts





Case

"Work hard and strive for excellence, women make contributions" themed activities

To celebrate the International Women's Day, enhance the sense of happiness, gain and security of female employees, fully demonstrate the style of women in the new era, and show the beauty of female employees, the company jointly organized a series of activities with the Hefu Town Federation of Trade Unions with the theme of "Hard Work and Strive for the First, Female contribution".



"The Rose and the Scent of Books" reading activity



Flowers for warmth and appreciation for the hard work of female employees in the past year

Employee Activities



Tug of war



Photo Competition



Skills Training for Chinese and Western Pastry Chefs

# Occupational Health and Safety

The company strictly abides by the "Work Safety Law", "Occupational Disease Prevention and Control Law" and other laws and regulations, adheres to the "safety first, prevention first, control risk, continuous improvement, compliance with laws and regulations, and safe development" safety production policy, follows the people-oriented principle, strengthens employee safety training and education, and strives to improve the safety awareness and safety quality of the workforce; increases safety management efforts, strictly implements various safety management measures, implements safety standardization and corporate integrity level construction, and establishes a long-term safety management mechanism; strengthens risk prevention, prevents the occurrence of major production safety accidents, and all types of accidents; increases safety investment, consolidates the foundation of safe production, improves the safe production environment, achieves inherent safety, and creates a good safety development environment.

## Strengthening Production Safety

During the reporting period, the company revised and approved the implementation of a series of policies such as "Safety Production Standardization Management", deepened the legal concept that department heads are the first responsible persons for safety production in their departments, truly fulfilled the "one post, two responsibilities", implemented the management of production must also manage safety, established an assessment mechanism, and ensured responsibilities are effectively assigned. As of the end of the reporting period, the company passed the ISO45001 occupational health and safety management system certification and obtained the safety production standardization level 3 enterprise (textile) certificate.



Certificate of Grade 3 Enterprise (Textile) for Safety Production Standardization



ISO45001 Occupational Health and Safety Management System Certification

During the reporting period

Investment in production safety	Fatal and serious injury accidents	General fire (explosion) accidents
¥2.82 million	0	0
The completion rate of rectification of safety hazards	The accident "four no-tolerance" handling rate	The rate of licensing and testing of special equipment
100 %	100 %	100 %
Occupational disease incidence	The rate of licensed special operators	
0	100 %	





### Safety production architecture

The Safety and Fire Safety Committee is the highest organization of the company's production safety management, with an office (Safety Committee Office) in charge of the daily work of safety. The general manager is the first person responsible for the company's production safety, and the heads and supervisors (or persons in charge) of each department belonging to the company are the first person responsible for the production safety of their own departments.

At the same time, in order to standardize and promote the development of the company's safety standardization system, establish, implement, maintain and continuously improve the safety standardization system, effectively strengthen the company's daily safety work, and encourage the company to establish a long-term mechanism for safe production with self-discipline and continuous improvement, ensure that the safety standardization development is carried out in a pragmatic and orderly manner, and meet the requirements of the level-3 safety standardization and A-level integrity level, the company established a safety standardization and integrity mechanism development leading group, working group and assessment group during the reporting period.

### Risk Identification and management

The company regularly conducts safety hazard inspections to promptly discover and resolve safety hazards and protect people's safety of life and property. During the work execution, the safety inspection is divided into company-level, department-level, post-level and various special safety inspections, and each department is responsible for the rectification of hidden dangers in its jurisdiction. Among them, company-level inspections are conducted at least once a month; department-level inspections are conducted at least once a week; post inspections are conducted once a day; special safety inspections: at least 8 times a year.

#### During the reporting period

Number of Special safety and environmental protection inspections targeting key risk areas

15

Total safety hazards identified and rectified

22

with a rectification rate of

100%



### Emergency Management

The company adheres to the principle of "people-oriented, reducing hazards; being prepared for danger, combining prevention and response; unified leadership, hierarchical responsibility; relying on technology, rapid response, self-rescue, mutual rescue and early disposal", protecting company's employees, reducing property losses, and enabling rapid, effective and orderly emergency rescue after accidents, and compiling the "Emergency Plan for Production Safety Accidents". The emergency plan includes a comprehensive emergency plan, a special emergency plan, an on-site disposal plan and supporting attachments, clarifying the relevant requirements such as the emergency organization and responsibilities, emergency response, emergency disposal principles, and emergency guarantees. At the same time, emergency plans have been formulated for key supervision areas of risks in the production and operation process, including the safety operating procedures and emergency disposal plans for the incineration of acetaldehyde waste gas in new boilers, and emergency disposal standards for boiler and pipeline natural gas leaks. At the same time, in order to ensure the effectiveness of the emergency plan, the company has improved the emergency disposal process, and regularly conducted emergency drills, and actively carried out environmental safety emergency activities such as emergency drills for hazardous chemical leaks and fire rescue drills. All drill results are in line with the expected goals, effectively improving the company's ability to respond to emergencies.

#### Case

#### 2024 Spring Fire Fighting Emergency Exercise Plan

The company held the 2024 Spring Fire Fighting Emergency exercise to further strengthen the organization and command, rapid response and handling capabilities of fire accidents, improve employees' fire awareness, test the effectiveness of fire fighting facilities, and enhance employees' emergency response and escape capabilities in emergency situations where fires occur. Let every employee learn about "one understanding and three skills", understand the fire hazards in the workplace, know how to call the emergency, know how to put out initial fires, know how to and evacuate.



Fire Fighting Emergency exercise

#### Case

#### Anti-terrorism and riot emergency exercise

In order to effectively strengthen anti-terrorism and counter-terrorism work and improve the company's employees' awareness of prevention and emergency response skills, the company organized an anti-terrorism exercise for employees.



Anti-terrorism exercise activities



## Chemicals management

The company attaches great importance to the management of hazardous chemicals. To prevent and control the pollution caused by the leakage of hazardous chemicals during production, storage, loading and unloading and use, and to take quick and effective measures once there is a leakage occur, the company developed the "Environmental Emergency Plan for Hazardous Chemical Leakage" which includes emergency response procedures such as leakage accident reporting procedures, elimination and treatment of leaked materials, leakage source control, disposal measures for leakage points, and waste disposal. At the same time, the "Chemical Safety Operation Procedures" and "Chemical Warehouse Management" systems are created for the storage and operation of hazardous chemicals, and active measures are taken to improve the ability to ensure safe production.

### Case

#### Fall Production Safety Emergency Rescue Plan - Safety and Environmental Protection Exercise

In order to prevent the leakage of hazardous chemicals during storage and operation, strengthen the organizational command, rapid response and disposal capabilities for emergencies, establish a team with rapid emergency rescue capabilities, and improve the safety and environmental protection emergency rescue system, further test the operability of the hazardous chemical leak emergency plan and improve the emergency response capabilities of the team, the company held the 2023 Hazardous Chemical Leakage Emergency Plan Safety and Environmental Protection Linkage Drill.



Safety and Environmental Protection Joint Exercise



## Safety culture building

In order to strengthen the management of employee safety training, standardize the safety training process, and implement safety training in a planned and categorized manner, the company has developed the "Safety Production Education and Training Standard".

The company develops safety training plan every year, and each department conducts employee safety training. New employees must undergo three levels of safety education and training: "company level, department (or workshop) level, and team level". Each person must participate in the three-level safety education for no less than 24 hours, and can only take up their posts after passing the assessment. At the same time, the company regularly organizes emergency rescue training and exercise, organizes various activities such as the "Ankang Cup" and other safety production knowledge competitions, "June Safety Production Month", "Safety Production Education for a Quarter of an Hour", etc.

### During the reporting period

Coverage of safety production education and training for front-line employees

100%

The rate of level-3 safety education and training for new workers entering the factory

100%



The warehouse conducts safety production training in 2023



Production Support Department's 2023 Annual Safety Production Training

### Case

#### Firefighting skills competition

In order to further strengthen the company's production safety, enhance the fire safety awareness of all employees, and improve the emergency firefighting capabilities, the company adheres to the principle of "safety first, prevention first" and the idea of "people-oriented", and launched the 2023 Unifull Fire Fighting Skills Competition. The purpose of this event is to further improve the firefighting skills of all employees.

### During the reporting period

Major chemical leaks

0

Major fire incidents

0

Explosions

0





## Occupational Health Protection

The company strictly abides by the "Occupational Disease Prevention and Control Law", continuously improves occupational health and hygiene management, ensures the health of employee involved in occupational disease hazards and the safety of the workplace environment, controls and prevents occupational disease hazard accidents, and developed the "Occupational Health and Hygiene Management System" to provide guidance for occupational health work.

In order to create a healthy working environment and protect the health of employees, the company conducts occupational disease hazard factor detection, current status evaluation and various evaluations of new projects in the workplace. At the same time, the company conducts occupational disease physical examinations (involving personnel exposed to occupational disease hazard factors) once a year and establishes management files. After identification, the company's occupational disease hazard factors mainly include: high temperature, noise, chemical substances, ionizing radiation, etc.



## Sustainable Supply Chain

Based on the principles of fair, just and open procurement, the company strictly controls the procurement process, ensures procurement quality, continuously improves the requirements for suppliers to fulfill social responsibilities, and strengthens communication with suppliers through various forms to jointly establish a healthy, green and sustainable supply chain.

## Supplier Management

The company strictly manages the procurement process and classifies suppliers into four categories, ABCD, according to product classification. Suppliers with sustainable development concepts and capabilities are prioritized at the development stage, of which suppliers in category A/B are required to undergo on-site audits and sample testing, and can only be recognized as qualified suppliers after passing the test. In supplier performance evaluation stage, in addition to quarterly and annual review according to the ontime delivery rate, pass rate, after-sales service, system certification, etc., the company also regularly conduct on-site audits, the evaluation results will be used as a reference basis for subsequent collaboration. For unqualified items, the company requires suppliers to make continuous improvement and track the rectification plan, and if the supplier failed to improve, the amount of supply would be reduced, and in serious cases, the qualification of the supplier will be canceled.



Meanwhile, in order to avoid the impact of supply chain disruption on the company's production, quality and delivery date, the company created contingency plans for possible supply chain disruptions, and conducts a supply chain disruption contingency plan exercise once a year to verify the feasibility of the relevant contingency plan and improve the team's ability to handle the emergency situation.

## Supplier ESG Management

The company requires all suppliers to sign the "Supplier Safety and Environmental Protection Agreement" and "Supplier Social Responsibility Commitment", to puts forward requirements on environmental protection, production safety responsibility system, business ethics, human rights protection, energy conservation and emission reduction, etc., and covers ESG-related performance evaluation items in the regular assessment and on-site review of suppliers. During the reporting period, the company conducted 12 on-site supplier audits and found no violations of the "Supplier Safety and Environmental Protection Agreement" and "Supplier Social Responsibility Commitment". There was no illegal discharge of pollutants, use of child labor, forced labor, etc. and the on-site audit compliance rate is 100%. In addition to the content of the agreement and commitment, specific improvement suggestions were made to the suppliers audited to encourage them to better achieve sustainable supply chain goals.

In addition, in order to better achieve the sustainable development of the supply chain, the Company conducts training on the safety and environmental requirements and social responsibility of suppliers, covering the contents in the Supplier Safety and Environmental Protection Agreement and the Supplier Social Responsibility Commitment, as well as the contents of the BSCI Code of Conduct, and specific items of social responsibility and safety and environmental status in supplier evaluation and development.

## Community Charity

The company has always taken social responsibility as an important part of its corporate development strategy, and actively encourages and organizes its employees to participate in various public welfare activities and contribute to the development of society.

### Case

#### Unifull Blood Donation Event

On the morning of November 27, 2023, the Municipal Blood Donation Office, Hefu Town Government and Unifull employee trade union organized a "Free Blood Donation Activity" at the company's training center. More than 100 employees participated in the blood donation activity, voluntarily contributing their love to the society.



Blood Donation Event



# Appendix

## Key Performance Table

Topics	Performance Indicators	Units	2022	2023
<b>Enviromental Performance</b>				
Energy consumption	Purchased Electricity	KWh	296,145,700	350,142,800
	Natural gas	m <sup>3</sup>	0	785900
	Coal	Ton of standard coal	46,302.30	53,999.69
	Photovoltaic power generation	kwh	6,019,100	9,035,800
	Total energy consumption	Ton of standard coal	75,382.21	85,676.75
Greenhouse gas	Total emissions(scope 1 & scope2)	tCO2e	412,585.52	493,931.30
	Scope 1	tCO2e	209,454.30	250,738.30
	Scope 2	tCO2e	203,131.22	243,193.00
Exhaust gas	Total emissions	Ton	45,064	52,369
	VOCs	Ton	6,817	8,590
	Particulates	Ton	36	43
	NOx	Ton	22,942	27,726
	SOx	Ton	15,269	16,010
Wastewater	Total emissions	Ton	20,936	23,029
Effluent quality	Chemical Oxygen Demand	Ton	35.00	22.00
	5-day Biochemical Oxygen Demand	Ton	8.05	3.48
	Ammonia nitrogen	Ton	3.46	1.03
	Suspended solids	Ton	18.00	10.00
	Total phosphorus	Ton	0.02	0.01
Water resources	Water withdrawal	Ton	—	1,152,450
Waste	<b>General Waste</b>			
	Generation	Ton	19,068.81	22,780.00
	Incineration	Ton	299.30	315.50
	Oursourcing	Ton	18,769.51	22,464.50
	<b>Hazardous Waste</b>			
	Generation	Ton	237.10	359.48
	Landfill	Ton	0.882	1.17
	Incineration	Ton	74.067	203.86
	Oursourcing	Ton	162.151	154.45
Packaging material	Total consumption of packaging materials	Ton	4,676.72	5,618.86
	Wood	Ton	3,751.72	4,608.43
	Plastic	Ton	426.43	440.89
	Paper	Ton	495.67	567.17

Topics	Performance Indicators	Units	2022	2023
<b>Social Performance</b>				
Employee employment	Total Employees	People	1,564	1,554
	<b>By Gender</b>			
	Male	People	1,034	1,008
	Female	People	530	546
	<b>By Employment Type</b>			
	Labor contract	People	1,301	1,299
	Labor dispatch	People	263	255
	<b>By Education Level</b>			
	Bachelor's degree and above	People	106	146
	Associate's degree	People	156	143
	High school degree	People	350	327
	Others	People	952	938
	<b>By Age Group</b>			
	Over 50	People	544	539
	30-50	People	848	837
	Under 30	People	172	178
	<b>By Category</b>			
Non-managerial employee	People	1,411	1,390	
Junior management	People	55	74	
Middle management	People	92	82	
Senior management	People	6	8	
Disabled employee	People	77	12	
Ethnic minority employee	People	910	258	
Labor contract signing rate	%	100	100	
Employee training	Number of employees trained	People	1,120	3,472
	Total hours of employee training	Hour	8,960	27,776
Employee career development	Percentage of employees receiving regular performance and career development reviews	%	100	100



## Index of Indicators

Instruction	Unifull reported the information cited in this GRI content index in accordance with GRI standards from January 1, 2023 to December 31, 2023.
GRI 1 Used	GRI 1: Foundation 2021

GRI Standards	Disclosures	Corresponding chapter
<b>GRI 2: General Disclosures 2021</b>		
<b>The organization and its reporting practices</b>		
2-1	Organizational details	Company overview
2-2	Entities included in the organization's sustainability reporting	About this report
2-3	Reporting period, frequency and contact point	About this report
<b>Activities and workers</b>		
2-6	Activities, value chain and other business relationships	Corporate governance
2-7	Employee	Harmonious workplace
<b>Governance</b>		
2-9	Governance structure and composition	Corporate governance, ESG management
2-10	Nomination and selection of the highest governance body	Corporate governance
2-11	Chair of the highest governance body	Corporate governance
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance
2-13	Delegation of responsibility for managing impacts	Corporate governance
2-14	Role of the highest governance body in sustainability reporting	Corporate governance
2-16	Communication of critical concerns	Corporate governance
2-17	Collective knowledge of the highest governance body	Corporate governance
2-19	Remuneration policies	Harmonious workplace
<b>Strategy, policies and practices</b>		
2-22	Statement on sustainable development strategy	ESG management
2-23	Policy commitments	ESG management

GRI Standards	Disclosures	Corresponding chapter
2-24	Embedding policy commitments	ESG management
2-25	Processes to remediate negative impacts	Customer service
2-26	Mechanisms for seeking advice and raising concerns	Anti corruption
2-28	Membership associations	ESG management
<b>Stakeholder engagement</b>		
2-29	Approach to stakeholder engagement	Stakeholder communication
2-30	Collective bargaining agreements	Harmonious workplace
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Stakeholder communication
3-2	List of material topics	Stakeholder communication
3-3	Management of material topics	Stakeholder communication
<b>GRI 201: Economic Performance 2016</b>		
201-1	Direct economic value generated and distributed	2023 Performance
201-3	Defined benefit plan obligations and other retirement plans	Harmonious workplace
<b>GRI 203: Indirect Economic Impacts 2016</b>		
203-1	Infrastructure investments and services supported	Community charity
<b>GRI 204: Procurement Practices 2016</b>		
204-1	Proportion of spending on local suppliers	Sustainable supply chain
<b>GRI 205: Anti-corruption 2016</b>		
205-1	Operations assessed for risks related to corruption	Anti corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti corruption
<b>GRI 206: Anti-competitive Behavior 2016</b>		
206-1	Legal actions for anti-competitive, behavior, anti-trust, and monopoly practices	Antitrust and fair competition
<b>GRI 301: Materials 2016</b>		
301-1	Materials used by weight or volume	Key performance table



GRI Standards	Disclosures	Corresponding chapter
301-2	Recycled input materials used	Resource utilization
301-3	Reclaimed products and their packaging materials	Resource utilization
<b>GRI 302: Energy 2016</b>		
302-1	Energy consumption within the organization	Key performance table
302-2	Energy consumption outside of the organization	Key performance table
302-3	Energy intensity	Key performance table
302-4	Reduction of energy consumption	Carbon management
<b>GRI 303: Water and Effluents 2018</b>		
303-1	Interactions with water as a shared resource	Resource utilization
303-2	Management of water discharge- related impacts	Resource utilization
303-3	Water withdrawal	Key performance table
303-4	Water discharge	Key performance table
303-5	Water consumption	Key performance table
<b>GRI 305: Emissions 2016</b>		
305-1	Direct (Scope 1) GHG emissions	Key performance table
305-2	Energy indirect (Scope 2) GHG emissions	Key performance table
305-3	Other indirect (Scope 3) GHG emissions	Key performance table
305-4	GHG emissions intensity	Key performance table
305-5	Reduction of GHG emissions	Key performance table
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Key performance table
<b>GRI 306: Waste 2020</b>		
306-1	Waste generation and significant waste-related impacts	Pollution prevention
306-2	Management of significant waste- related impacts	Pollution prevention
306-3	Waste generated	Key performance table
306-4	Waste diverted from disposal	Key performance table
306-5	Waste directed to disposal	Key performance table
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
308-1	New suppliers that were screened using environmental criteria	Sustainable supply chain

GRI Standards	Disclosures	Corresponding chapter
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable supply chain
<b>GRI 401: Employment 2016</b>		
401-1	New employee hires and employee turnover	Key performance table
401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	Harmonious workplace
<b>GRI 403: Occupational Health and Safety 2018</b>		
403-1	Occupational health and safety management system	Occupational health and safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational health and safety
403-3	Occupational health services	Occupational health and safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety
403-5	Worker training on occupational health and safety	Occupational health and safety
403-6	Promotion of worker health	Occupational health and safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety
403-8	Workers covered by an occupational health and safety management system	Occupational health and safety
403-9	Work-related injuries	Occupational health and safety
403-10	Work-related ill health	Occupational health and safety
<b>GRI 404: Training and Education 2016</b>		
404-1	Average hours of training per year per employee	Key performance table
404-2	Programs for upgrading employee skills and transition assistance programs	Harmonious workplace
404-3	Percentage of employees receiving regular performance and career development reviews	Key performance table
<b>GRI 414: Supplier Social Assessment 2016</b>		
414-1	New suppliers that were screened using social criteria	Sustainable supply chain
414-2	Negative social impacts in the supply chain and actions taken	Sustainable supply chain
<b>GRI 416: Customer Health and Safety 2016</b>		
416-1	Assessment of the health and safety impacts of product and service categories	Quality management



# About This Report

## Report Description

This is the first Environmental, Social and Corporate Governance (hereinafter referred to as "ESG") report issued by Zhejiang Unifull Industrial Fiber Co., Ltd. (hereinafter referred to as "Unifull" or the "Company") for stakeholders. ("ESG") report for stakeholders. The textual information and performance of the report are based on the period from January 1, 2023 to December 31, 2023, and some of the information may be related to previous years or reflect the 2024 policy.

## Report Scope and Boundaries

The disclosure scope of this report is consistent with the disclosure scope of the financial information in the Company's 2023 annual report.

## Description of Reported Data

The financial data in the report are from the audited financial report of the Company, and other data are from the Company's internal documents and information statistics. Unless otherwise specified, the currencies and amounts involved in this report are measured in RMB. This report does not contain any false records, misleading statements or major omissions, and is responsible for the authenticity, accuracy and completeness of the report content.

## Basis of Preparation

Sustainable Development Goals (SDGs) Corporate Action Guide

Global Reporting Initiative (GRI) Sustainability Reporting Standards 2021

International Organization for Standardization "ISO26000: Guidance on Social Responsibility (2010)"

China National Standard "Guidelines for Writing Social Responsibility Reports" (GB/T36001-2015)

The Ten Principles of the United Nations Global Compact (UNGC)

## Preparation Process

This report is based on the company's ESG practices and is developed in accordance with the process of "project approval - material collection - preparation and revision - senior management review - board meeting proposals - board review - external disclosure". Active communication was carried out with relevant stakeholders during the project approval, preparation and revision stages to study and demonstrate the report framework structure and content.

## Release form

You can view or download the electronic version of this report on the CNINFO (www.cninfo.com.cn) or the Company's official website (https://www.unifull.com/).

The Company will continue to improve the level of report disclosure and the Company's ESG management in the future. If you have any questions or suggestions about this report, please feel free to contact the Company at any time:

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