

The Baolong logo features the word "BAOLONG" in a bold, white, sans-serif font. Above the letters "O" and "L" is a white, curved line that arches over the text, resembling a stylized car roof or a bridge. The background of the entire page is a vibrant, abstract composition of overlapping, curved shapes in shades of blue, white, and red, with a subtle grid pattern in the upper right quadrant.

BAOLONG



2021

Baolong Automotive

Corporate Social
Responsibility Report

About this Report

Time Range

The Report is the first corporate social responsibility report issued by Shanghai Baolong Automotive Corporation to stakeholders. The text information and performance in the Report are mainly for the period from January 1, 2021 to December 31, 2021. Some text information and performance may involve the policies and practices of previous years or reflect 2022.

Scope of Report

The Report discloses the information about the performance of economic, social and environmental responsibilities of Shanghai Baolong Automotive Corporation and its subsidiaries, and the typical cases are from the subsidiaries of the Company.

Source of Information

The information and data disclosed herein are from the internal official documents, statistical reports and annual reports of Shanghai Baolong Automotive Corporation. The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements or major omissions herein, and assume jointly and severally liabilities for the authenticity, accuracy and completeness of the contents hereof. The financial data of the Report is in RMB. In case of any inconsistency with the financial report, the financial report shall prevail.

Company Names

Shanghai Baolong Automotive Corporation (hereinafter referred to as "Baolong Automotive" or the "Company" or "We/us")
Huf Baolong (Shanghai) Electronics Co., Ltd., Huf Baolong Electronics Bretten GmbH, Huf Baolong Electronics North America Corp. (hereinafter referred to as "Huf Baolong Electronics")
Shanghai Baolong Industry and Trade Co., Ltd. (hereinafter referred to as "Baolong Industry and Trade")
Shanghai Wenxiang Automotive Sensor Co., Ltd. (hereinafter referred to as "Shanghai Wenxiang")
Changzhou Infor Sensor Technology Co., Ltd. (hereinafter referred to as "Changzhou Infor")
Baolong (Anhui) Automotive Parts Co., Ltd. (hereinafter referred to as "Ningguo Baolong")
Anhui Tops Automotive Parts Co., Ltd. (hereinafter referred to as "Tops")
TESONA GmbH & CO.KG (hereinafter referred to as "Tesona")

Basis of Compilation

Guidance for the Compilation of Social Responsibility Report (GB/T 36001-2015) issued by China National Standard

Guidance for the Compliance of Corporate Social Responsibility Reports in China (CASS-CSR4.0) issued by Chinese Academy of Social Sciences

The 2030 Sustainable Development Goals of the United Nations (SDGs)

ISO 26000: Guidelines for Social Responsibility (2010) issued by the International Organization for Standardization

Global Reporting Initiative Standards (GRI Standards) issued by Global Sustainability Standards Board

No. 1 of Self-regulatory Guidelines for Listed Companies of Shanghai Stock Exchange- Standardized Operation issued by Shanghai Stock Exchange

Availability of the Report

The Report is available for your reading in both paper and electronic forms. You can visit www.baolong.biz to read the Electronic Report. In the event that you have any questions or suggestions about this Report, you may send an email to SBAC@BAOLONG.BIZ, or call at 21-31273333.

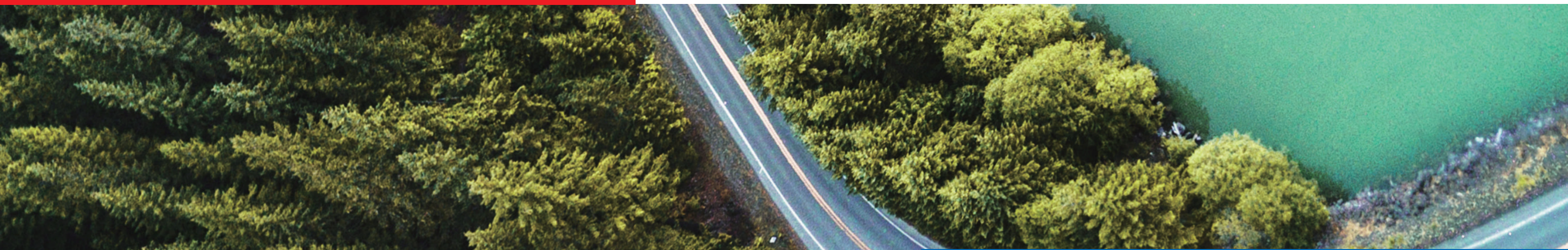
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Message from Chairman



Respond to the change, seize the development opportunity, face to the challenge and construct a green ecology

In 2021, Baolong Automotive faced to challenges and took responsibilities bravely. The impact of the Sino-US Trade War was not ended, and the shortage of chips, high prices of raw materials and shipping greatly impacted on the Company. The economic growth of China reached 8.1%, and the production and sales of automobile industry of China increased by 3.4% and 3.8% on a year-on-year basis, of which the market share of new energy vehicles increased to 13.4%. The automobile industry encountered with a century of great changes, and new energy vehicles began to be developed fast. Baolong Automotive took the opportunity in the crisis and made a new step in the changing situation. In 2021, it achieved an operating revenue of RMB3.898 billion, increased 17% with a year-on-year basis.

Baolong Automotive officially established the “321 Strategy” to respond to the changing situation of the times and better cope with the new challenges, of which 3 means Top 3 in the industry: each product line

aimed at the Top 3 in the global market share; 2 means 2 directions: intelligent and lightweight; 1 means that the operating revenue exceeded RMB10 billion: by 2027, i.e. the 30th Anniversary of the Company, the operating revenue of the Group will exceed RMB10 billion. The organizational structure was adjusted basis on this, 9 business units were established, and several young backbones took the leadership posts.

In 2021, Baolong Hefei Park was put into operation, forming the layout of four major production and R&D parks in China: Shanghai, Ningguo, Wuhan and Hefei; the air suspension system of passenger vehicles settled in and mass produced by five new energy vehicle companies. The businesses of sensors, tire pressure monitoring system, intelligent driving and lightweight hydraulic pipe fittings were further developed, and more businesses were obtained in new energy vehicles; traditional businesses, such as valves, balance weights and tailpipes grew, etc. continuously.

For environmental protection, Baolong Automotive strictly abided by the requirements of low-carbon environmental protection, and created a green industrial chain with energy conservation and low consumption through scientific management and utilization of resources and energy. For the production emission, Baolong Automotive ensured that all wastewater, waste gas and noise met the national emission standards, continuously reduced greenhouse gas emissions and maximized economic, environmental and social benefits. It promoted lean production and promoted the applications of new technologies, new processes, new materials and new equipment continuously; improved the processes continuously to improve material utilization, improve production efficiency and reduce waste production; the energy consumption of equipment was reduced through improving energy saving technology; improved the utilization of waste heat of equipment and promoted the utilization of clean energy; improved the architectural design standards, built and reconstructed new energy-saving buildings; conducted paperless office and workshop; improved management, saved electricity and water, and travelled with low carbon. For the product, Baolong Automotive produced high-quality and safe products, and developed lightweight and intelligent auto parts which contributed to energy conservation and emission reduction of automobiles, and helped the vehicles to be more environmentally friendly and energy-saving.

For employee protection and development, Baolong Automotive takes employees as the first, and protected the occupational health and safety of employees according to the national standards and system requirements of occupational health; provided full training and career development channels for employees; conducted rich corporate cultural activities to promote the mental health of employees; established relief system for difficult employees, provided help for difficult employees and helped for families with difficulties.

For social responsibility, Baolong Automotive contributed to help fight epidemic, run schools and relief continuously, and actively assumed social responsibility.

Baolong Automotive will continuously persist on the vision of “Letting more people benefit from the development of automobile science and technology” and the mission of “Mastering advanced technology and improving vehicle parts”, implement the spirits of “being responsible, advanced and shared”, to contribute to the fast development of China automotive parts industry, the growth of national brands and the realization of economic and social benefits.

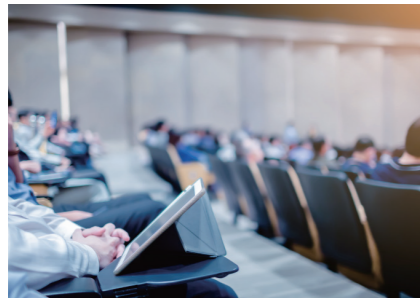
Honors in 2021



Sustainable Development

■ Analysis of Substantive Issues

Baolong Automotive identified and evaluated the substantive issues to make the Report better respond to the expectations of stakeholders, clarified the substantive issues with important impacts on the Company and stakeholders, and disclosed and responded mainly in the Report.



Governance Issues

- Corporate Governance
- Information Disclosure
- Investor Relations
- Risk and Compliance
- Intellectual Property Right
- Anti-corruption



Environmental Issues

- Environmental Management
- Environmental Protection Training
- Three Wastes Treatment
- Energy Conservation and Consumption Reduction
- Green Office
- Environmental Protection Activities



Social Issues

- Innovation and R&D
- Product Quality
- Supply Chain Management
- Customer Service
- Industrial Cooperation
- Employees' Rights and Interests
- Employees' Compensation and Welfare
- Employees' Training and Development
- Social Public Welfare

■ Stakeholder Engagement

Baolong Automotive focused communication and exchange with internal and external stakeholders of the Company, and conducted dialogue with stakeholders through various channels, deeply understood the demands and expectations of all stakeholders, strived for trust and support from all parties, and promoted the continuous improvement of social responsibility management.

Stakeholders	Expectations and Demands	Communication and Response
 Shareholders	<ul style="list-style-type: none"> · Legal Operation with Compliance · Stable Performance Growth · Protection of Shareholders' Rights and Interests · Sufficient Information Disclosure · Investor Relationship Management · Intellectual Property Protection 	<ul style="list-style-type: none"> · Operation with Compliance · Perfect Risk Management · Regular and Temporary Information Disclosure · Smooth Communication Channels for Investors · Intellectual Property Protection
 Government and Regulatory Bodies	<ul style="list-style-type: none"> · Legal Operation with Compliance · Compliance with Regulatory Requirements · Respond to National Development Policies · Strengthen the Supervision of Honest Employment 	<ul style="list-style-type: none"> · Comply with Laws and Regulations · Cooperate with Supervision and Inspection · Regular and Temporary Information Disclosure · Strengthen the Supervision of Honest Occupation · Strengthen the Construction of Management System · Participate in Drafting Industry Standards
 Customers	<ul style="list-style-type: none"> · High Quality Products · After-sales Service 	<ul style="list-style-type: none"> · R&D Design · Quality Management · Functional Security Support · Treatment of Customer Feedback · Customers' Satisfaction Survey
 Employees	<ul style="list-style-type: none"> · Employment and Protection of Rights and Interests · Employees' Compensation and Welfare · Career Development and Training · Employee Safety and Health 	<ul style="list-style-type: none"> · Guarantee Employees' Rights and Interests · Perfect Salary System · Smooth Promotion System · Rich Employees' Activities · Sound Health and Safety System
 Cooperative Partner	<ul style="list-style-type: none"> · Supply Chain Management · Honest and Friendly Cooperation · Anti-corruption 	<ul style="list-style-type: none"> · Suppliers' Evaluation · Supplier Training · Sunshine Procurement
 Community and Public	<ul style="list-style-type: none"> · Educational Cooperation · Community Public Welfare 	<ul style="list-style-type: none"> · Education Cooperation · Voluntary and Public Welfare Activities
 Environment	<ul style="list-style-type: none"> · Green Operation · Environmental Protection 	<ul style="list-style-type: none"> · Practice Green Development · Pay attention to the Treatment of Three Wastes · Conduct Environmental Protection Activities

About Baolong Automotive



In 2021, the total assets of the company

RMB 5.149 billion

In 2021, the company's operating revenue

RMB 38.98 billion

Company Profile

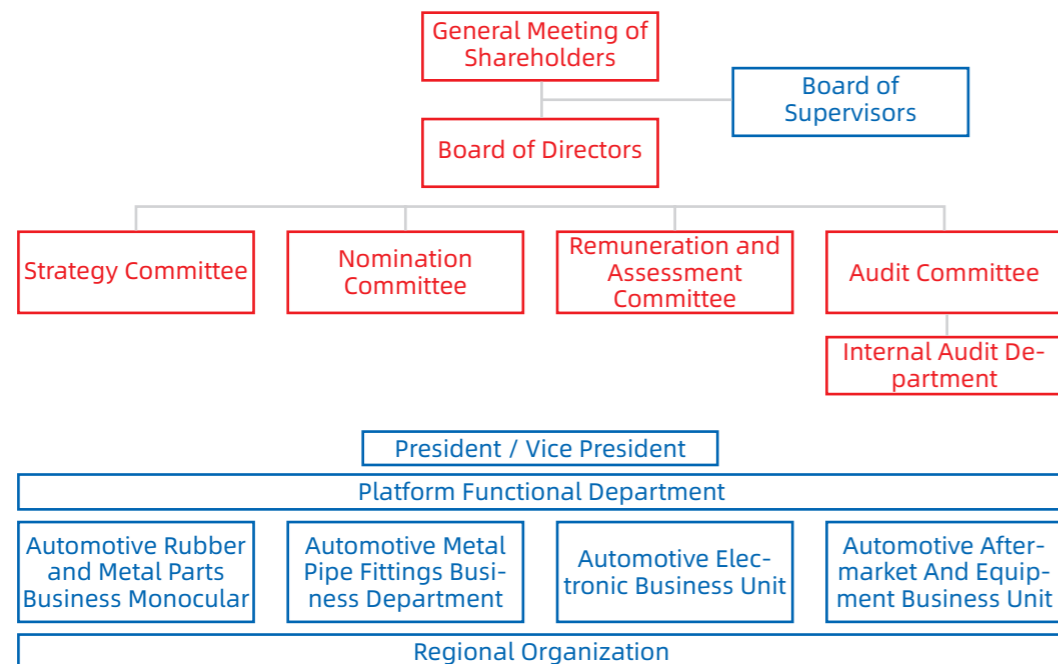
■ Company Profile

Founded in Songjiang in May 1997, Baolong Automotive successfully landed on Shanghai Main Board in 2017 (Stock Code: 603197). The Company is headquartered in Songjiang District, Shanghai with its production bases, R&D and sales branches in Songjiang of Shanghai, Ningguo of Anhui, Hefei of Anhui, Wuhan of Hubei, the United States, Germany, Poland, Hungary, and Austria, etc., with more than 4,700 employees worldwide.

The Company is committed to the R&D, manufacturing and sales of automotive intelligent and lightweight products. Its main products include automotive tire pressure monitoring system (TPMS), automotive sensors (pressure, light and rain, speed, position, acceleration and current), ADAS (advanced auxiliary driving system), active air suspension, automotive metal pipe fittings (lightweight chassis and body structure parts, exhaust system pipe fittings and EGR pipe fittings), valve and balance weight, etc.

The main customers of the Company include major global and domestic vehicle enterprises, such as Volkswagen, Audi, Porsche, BMW, Mercedes Benz, Toyota, GM, Ford, Nissan, Honda, Hyundai Kia, Stellantis, Jaguar Land Rover, SAIC, Dongfeng, Chang'an, FAW, Geely, GWM, Chery and BYD. It has also established business relations with leading electric vehicle enterprises, such as NIO, Xiaopeng, Lixiang, Leapmotor, Weltmeister, and He Zhong, etc. The Company has also established stable and long-term supply relations with large primary suppliers worldwide, such as Faurecia, Tenneco, BorgWarner, Magneti Marelli, Yanfeng, Magna, Continental, Knorr, ZF, Sanwu, Brembo, etc. In the after-sales market, the Company supplies products to well-known independent after-sales market distributors in North America and Europe, such as Discount Tire, Tire Kingdom, Ascot and Wurth. On the one hand, the rich customer resources of the Company reflect the market position of the main products of the Company in the industry, on the other hand, it is conducive to the market development of the Company's new products.

■ Organizational Structure



2021 Network Management Structure of Baolong Automotive

Corporate Culture

■ Cultural Program

Baolong People persist on the spirit of responsibility, progressive and sharing, actively learn advanced skills, apply them to the automobile industry, master advanced technologies and improve automobile components, to let more people be benefit from the development of automobile technology.

Vision

- Let more people be benefit from the development of automobile technology

Mission

- Master leading technology and improve auto parts

Core Competitiveness

- Ability of mastering and applying advanced technologies



Operation Philosophy

- People Oriented
- Legal Operation
- Offer Opportunities to Each Other
- Develop Jointly

Basic Morality

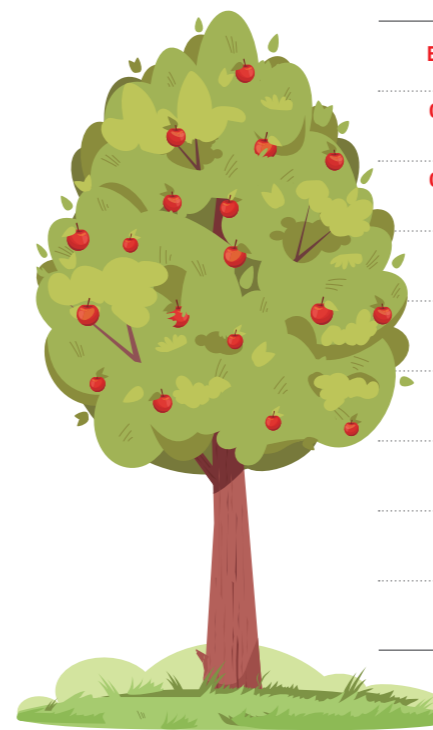
- Feed parents with filial piety and respect teachers and elderly

Employee Behavior Convention

- Saving and Environmental Protection
- Understand and Abide by the Rules
- Love Life, Friendly and Mutual Aid
- Learn, Innovate and Create Value

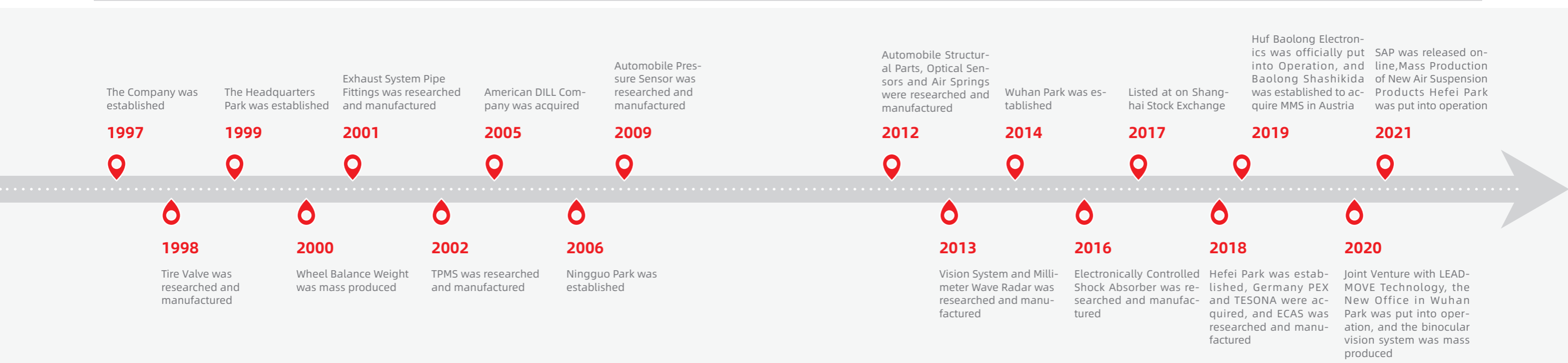
■ Cultural Logic

Baolong Automotive practices the "Orchard Culture" in enterprise operation, promotes the worship of diligent cultivation with body + land reclamation, and takes full use of wisdom to improve + innovate, to respect each other and share achievements with heart of gratitude.



Expected Effect	To be Successful	To be an Adult	To be a talent
Corresponding Three Views	World Outlook	Sense of Worth	Outlook on Life
Corresponding Three Bounds	Material World	Mental World	Realm of Departed Spirits
Theoretical Support	Right Mission	Scientific Method	Meaning of Life
Decompose	Quality Culture	Improve Culture	Team Culture
Performance	Brave	Industrious	Happy
Essence	Instinct	Duty	Gratitude
Essentials	Due Diligence	Active Farming	Thanksgiving Sharing
Outline	Responsibility	Progress	Share

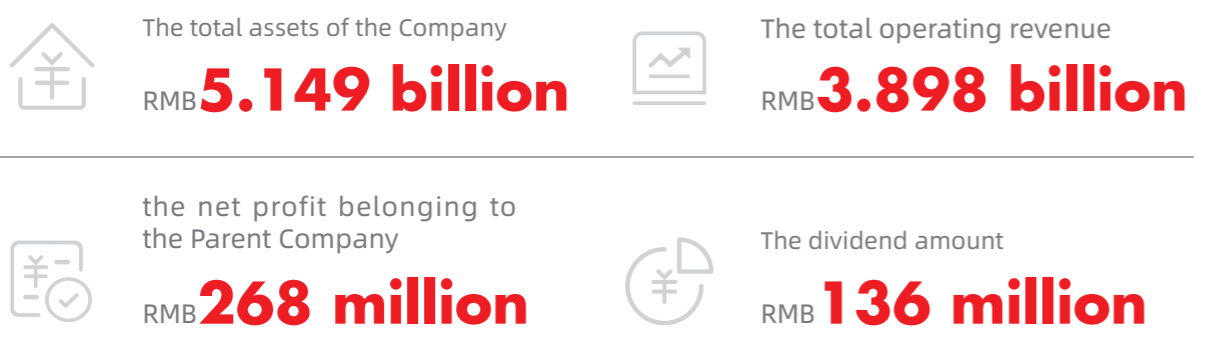
Development Process



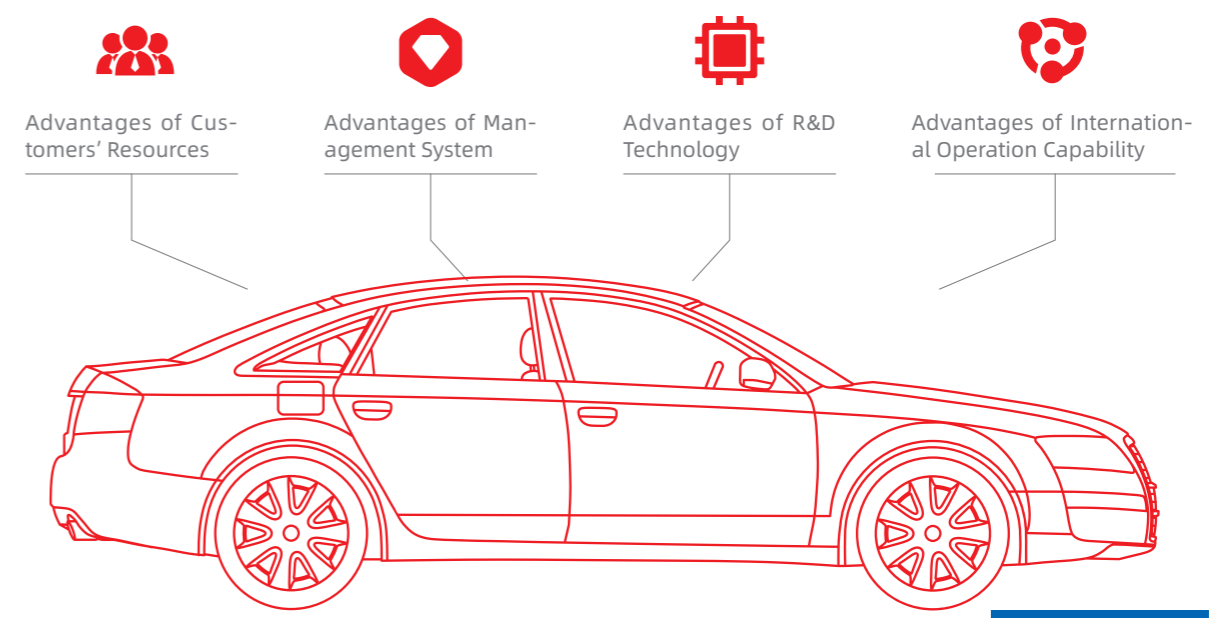
Market Performance

The Company focuses on the corporate mission of “Mastering Leading Technology and Improving Auto Parts” continuously, with the goal of making each product line become and maintain the Top three in the global subdivided industries, to consolidate and improve its core competitiveness.

The Company has established the operation and management ability through 24 years of learning and accumulation to meet the requirements of global benchmark customers in product development, quality assurance, cost control, product delivery and customer response, and has become one of the industrial leaders in the subdivided fields of multiple product lines.



Core Competitiveness



Shareholders' Responsibility, Promotes Long-term Development

■ Philosophy

Baolong Automotive strictly abided by laws, regulations and regulatory requirements, improved BMS management system of Baolong, operated according to laws and regulations, earnestly performed the obligation of information disclosure, strengthened risk management and integrity education, and protected the legitimate rights and interests of all shareholders and relevant parties.

■ Our Actions

- Management System
- Compliance Operation
- Risk Management
- Investor Relations
- Combat Corruption and Uphold Integrity

■ SDGs Benchmarking



Management System

With the improvement of the management level of the Company, the Company shall establish a perfect, healthy and strong management system, which can standardize, support and continuously improve all kinds of work in enterprise operation, provide customers and stakeholders with continuously improved value and promote the ability improvement of enterprises and individuals. Baolong BMS management system came into being accordingly.

The BMS management system of Baolong aims at forming the integration of multiple management systems of the Company, including IATF 16949 Quality Management System, ISO 14001 Environmental Management System, ISO 50001 Energy Management System, ISO 45001 Occupational Health And Safety Management System, ISO 27001 Information Security System, ISO 26262 Functional Security System, Internal Control System, Intellectual Property System, relevant regulatory requirements, other rules and regulations of the Company.

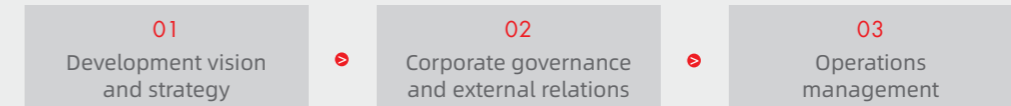
BMS Philosophy:

The Company firmly believes that it is necessary to ensure the “Coordination, Flexibility and Mobility” of enterprise management, and persist on the following concepts in management to achieve sustainable development in the current rapidly changing environment:

- 
Systematicness
 ensuring the consistency of core competitiveness, strategic objectives, action plans and work systems
- 
Management based on fact
 making decision closed to the front line
- 
Customer driven
 building a customer focused culture
- 
Focus on results and create value
 creating and balancing the value of stakeholders
- 
Build a learning enterprise
 integrating learning into the operation process of the enterprise
- 
Maintain flexibility
 continuously shortening the response cycle
- 
Pay attention to employees and partners
 achieving common development with employees and partners

BMS Management System:

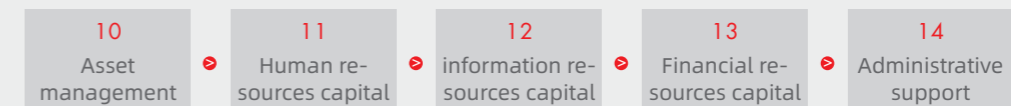
Management and Control



Customer Orientation



Resource Support



Category	Standard System				BMS Core Value Chain Process (Information System)	
Industry Technical Standard System	IATF16949	ASPICE	ISO26262	TISAX	Market to Business Planning	
EHSS Management System	ISO4001	ISO45001	ISO50001	SA8000	Demand to Product PLM	Lead to Order CRM
Corporate Governance System	Budget and Final Accounts System	Intellectual Property Management System	Internal Control Management System	Information Security System	Purchase Supply Chain SCM	
BMS Key Support Processes	Asset Management	Human Capital	Information Capital	Financial Capital	Administrative Support	Order to Delivery SAP / MES
BMS Operation Control Process	Development Vision and Strategy	Corporate Governance and External Relations Management	Operation Management		Customer Relationship Management CRM	

Indicates that there is interaction between Processes

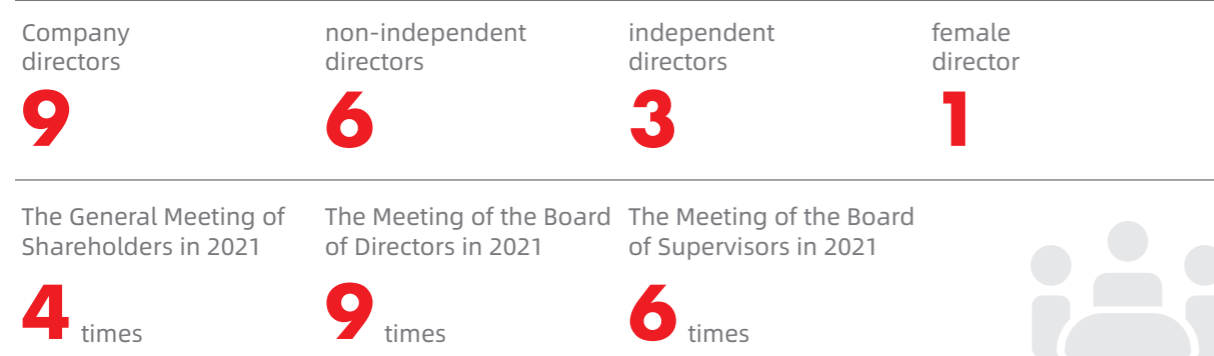
Indicates that the System Standards are integrated into the Process

Compliance Operation

■ Operation of Three Commissions

Strictly according to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the relevant provisions of China Securities Regulatory Commission and Shanghai Stock Exchange and the requirements of the *Articles of Association*, Baolong Automotive has improved the corporate governance structure, established and improved the internal control system of the Company, and effectively operated the internal control system of the Company. The General Meeting of Shareholders, the Board of Directors, the Board of Supervisors, the independent directors and Management shall operate strictly according to the requirements of the internal control system, and earnestly safeguard the legitimate rights and interests of the Company, shareholders and other relevant parties.

As of December 31, 2021



■ Integrity Operation

Baolong Automotive has made due contributions to the local economic development by operating in good faith and paying taxes according to law since its establishment. The Company has been rated as a contract abiding and trustworthy enterprise for many consecutive years, and its contract credit rating has been recognized as AAA for many consecutive years. It has never been included in the List of Serious Illegal and Dishonest Enterprises, the List of Dishonest Executives of National Courts and the List of Parties to Major Tax Violations. There is no dishonesty on Shanghai Public Credit Information Service Platform. The tax credit rating of the Company and its subsidiary Baolong Industry and Trade was "A", and the total tax payment of the Company reached RMB209 million in 2021.



• 2020 Tax Payment Gold Award

■ Information Disclosure

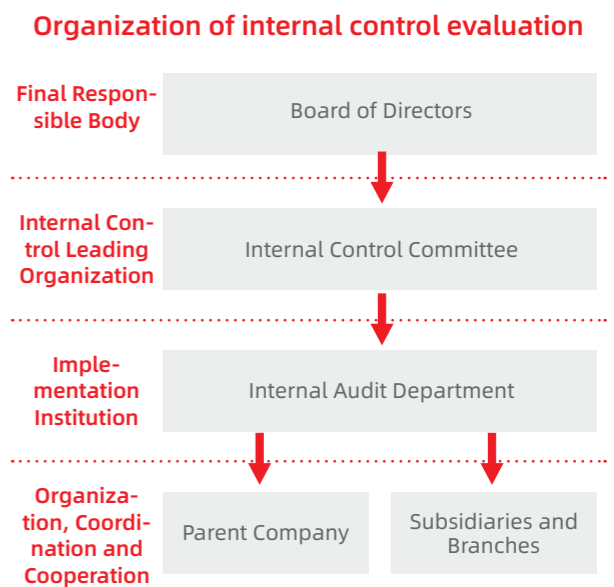
According to the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Measures for the Administration of Information Disclosure of Listed Companies* and other relevant laws, administrative regulations, normative documents and the *Articles of Association*, Baolong Automotive has established the *Information Disclosure Management System* to ensure the true, accurate, complete, timely and fair disclosure of relevant information on combination of the actual situation of the Company, to ensure that all investors have fair access to information.

In 2021, the information disclosure of the Company was uploaded through the system of Shanghai Stock Exchange and disclosed on the Website of Shanghai Stock Exchange (www.sse.com.cn). Throughout the year, **80** numbered announcements were issued with a total of **140** uploaded documents.

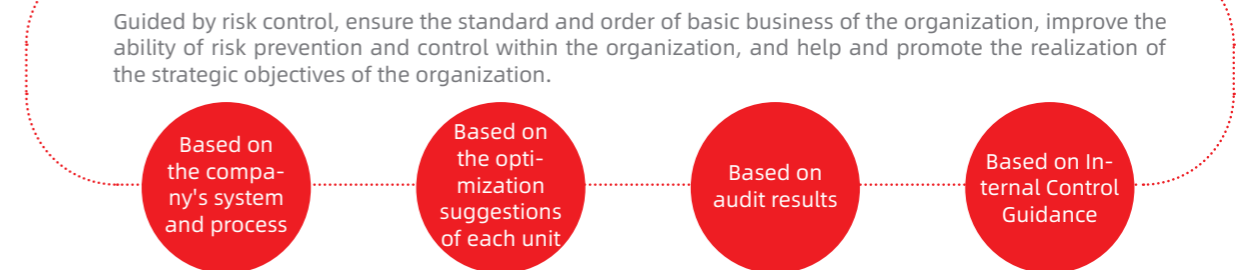
Risk Management

■ Internal Control

Based on the *Basic Standards of Internal Control of Enterprises*, *Application Guideline of Internal Control of Enterprises*, *Audit Guideline for Internal Control of Enterprises* and *Evaluation Guideline for Internal Control of Enterprises*, on combination of the requirements of laws and regulations, industry management and listed companies as the standard of internal control, Baolong Automotive establishes the organization of internal control evaluation, the *Internal Control Test and Evaluation Management System* and *Internal Control Management Manual* as the basis for establishing, implementing, evaluating and verifying whether the internal control is effective, ensuring the Company to improve the management level in ideology, enhancing the risk prevention ability, and ensuring the coordination, sustainable and rapid development of the Company.



Characteristics of Internal Control System



■ Risk Control Training

Baolong Automotive comprehensively evaluates all kinds of risks, actively conducts risk control training, integrates risk control into daily work of employees, strengthens employees' risk prevention and control awareness and ensures the operation of the Company.



Time	Risk Control Training Course
2021.1.10	Hazard Identification and Risk Identification and Evaluation
2021.3.24	Publicity, Implementation and Training of Litigation and Non-litigation Process
2021.3.28	Safety Production Management Risk
2021.4.14	How to conduct Risk Assessment and Control
2021.4.17	Risk Control of Procurement Contract
2021.5.12	Hazardous Work Permit, Operation Risk Analysis and Control Measures
2021.6.26	How to avoid the risk of collection
2021.9.17	Import and Risk Control of Old Mechanical and Electrical Products
2021.11.17	VR Experience of Common Risks in Manufacturing Industry and Prevention
2021.11.19	How to Control Contract Risk through Contract Management
2021.11.20	Import Shipping and Risk Control
2021.11.25	Project Risk Management

Investor Relations

In order to strengthen the communication between the Company and investors and potential investors, improve the understanding of the Company, standardize the operation of the Company, establish a good corporate image to the outside, promote the improvement of the corporate governance structure, and maximize the value of the Company and the maximization of shareholders' interests, Baolong Automotive establishes *Investor Relations Management System* according to the administrative regulations and provisions, such as the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Working Guidelines on the Relationship between Listed Companies and Investors*, the *Rules for Listing of Shares of Shanghai Stock Exchange*, the *Notice of Shanghai Stock Exchange on Further Strengthening the Management of Investor Relations of Listed Companies*, etc., the *Provisions of the Articles of Association*, on combination of the actual situation of the Company.



In 2021, the Company conducted investor relations activities

88 times

Investor relations activities



The General Meeting of Shareholders



Investor Relations Management Column on the Website of the Company



Brokerage Strategy Meeting, Performance Presentation and Roadshow



Investor Briefing



Investor Research



SSE E Interactive Platform



• Investor Relations Activities

Combat Corruption and Uphold Integrity

In order to solidly promote the anti-bribery and anti-fraud work of the Company, strengthen the internal control mechanism of the enterprise, be honest and trustworthy, and establish the business philosophy with law-abiding integrity and high-quality service as the core, Baolong Automotive has established the *Anti-Bribery And Fraud Management System*, the *Letter of Commitment for Integrity and Self-Discipline* and the *Detailed Rules for the Implementation of Reporting* on combination of the actual situation, strengthened the system supervision and promoted the system anti-corruption, strengthened the supervision and management of key links and posts in sensitive parts prone to corruption, strictly followed the rules of fair competition, guided the managers and relevant interest groups of the Company to act according to the law, be honest and trustworthy, consciously resist negative corruption phenomena, such as forgetting justice for profit, harming the public and enriching private interests, dishonesty and fraud, and establish a good image of corporate responsibility.

The Company has set up an Anti-bribery And Fraud Reporting Box and published the Reporting Telephone No. to encourage employees and companies with business contacts to report and expose corruption. The Company ensured to keep all links, such as the acceptance and investigation of the Report strictly confidential, and the informant and the Report materials were not disclosed. For the reporters, the Company gave a reward of no less than RMB1,000 according to the amount of loss recovered after verifying that the Report was true.

The Company promoted the construction of the moral behavior of the Company through lectures on honesty, moral lectures, "Good Little" moral practice, annual honest Reporting, warning education and other activities, as well as environmental construction, such as compliance with ethics and etiquette signs.

The Company clearly defined the integrity criteria of hierarchical classification:

For leading cadres

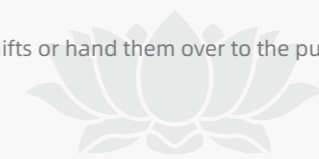
It executed the selection and employment standard of "Being Political Integrity and Ability and Morality First", and implemented the *Provisions on Honest*.

For ordinary employees

The Company has established the Rules of Conduct for Baolong employees, including 75 rules and regulations, such as "Eight Rules of Public Morality", "Four Rules of Integrity", "Seven Rules of Etiquette" and "Seven Rules of Transportation", which are the basic Code of Conduct for all employees and ensure that the organization abides by the Honest Principle.

"Four Rules of Integrity" in the Code of Conduct for Employees

1. Do not possess items except your own, and return borrowed items in time; Do not use the company's resources for private affairs, such as telephone and network resources; Don't do personal things during working hours.
2. Fairness, impartiality, no favoritism, no fraud; Do not participate in activities conflicting with the company interests.
3. Refuse the dining from the supplier, refuse gifts or hand them over to the public according to the regulations.
4. Refuse dining and gifts from subordinates.



Work Plan:

In 2022, the Company plans to take anti-corruption related courses as required courses for employees' Elearning.

Customer Responsibility, Escorts High Quality Products

■ Philosophy

Baolong Automotive focuses on the important opportunities of automobile industry transformation, upgrades the internal industrial structure constantly, aims at realizing that each product line becomes and maintains the Top three in the global subdivision industry, and gradually develops from auto parts to assembly and system. In the development path of emerging business, the Company does not only focus independent R&D, but also actively integrate resources through joint venture and cooperation, and form strategic alliance with business partners in the industry to develop in coordination.

■ Our Actions

- Science and Technology Innovation
- Intellectual Property
- Quality Management
- Functional Safety Support
- Supplier Cooperation
- Handling of Customer Feedback

■ SDGs Benchmarking



Science and Technology Innovation

Baolong Automotive takes “Innovation of Automobile Parts and Upgrading the Level of Vehicle” as its mission, and integrates strong core technology competitiveness based on the strategic development direction of intelligent and lightweight. The Company has established a secondary R&D organization of “Technology Center + Unit Plate Technology Department”. The Technology Center is responsible for basic research and industry prospective product R&D, and the plate is responsible for application R&D and industrialization. A good product development pattern of “Development Generation, Production Generation and Pre-research Generation” has been formed for intelligent and lightweight product development of vehicle; the Company has established an experienced and solid foundation theory innovation team in the R&D of automobile electronics, intelligent and lightweight products through 25 years of development.

Baolong Automotive is an innovative enterprise in Shanghai and a small giant enterprise of science and technology in Shanghai. The Technology Center of the Company is recognized as a “National Recognized Enterprise Technology Center”, and Academician Workstations are respectively built in Songjiang of Shanghai and Ningguo of Anhui Province. The subsidiaries Huf Baolong Electronics, Shanghai Wenxiang, Ningguo Baolong, and Topology Thinking, etc. of Baolong Automotive are recognized high-tech enterprises.

■ Innovation and R&D

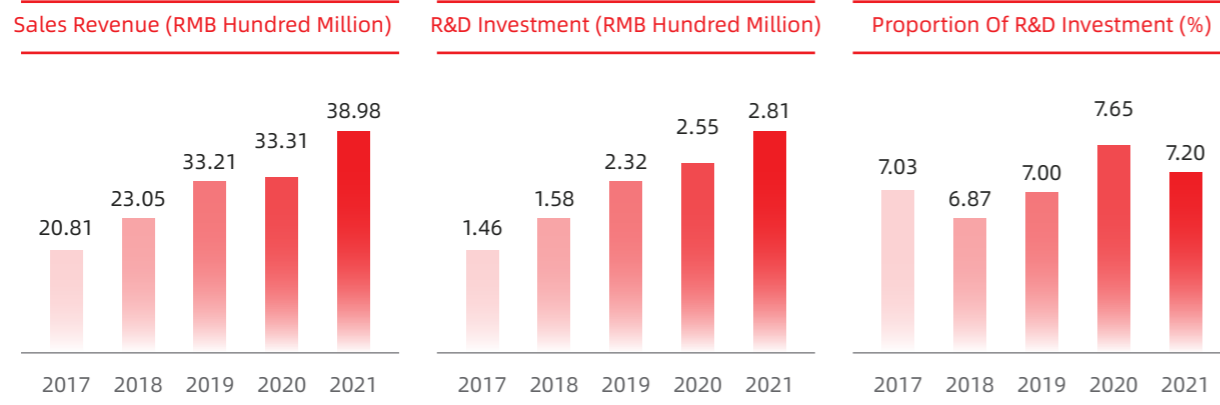
Baolong Automotive has perfected and established a series of R&D processes and rules and regulations according to its own development, thus ensuring the scientific and orderly development of the technology of the Company. In the relevant rules and regulations, such as the *Management System for the Project Initiation and Development of R&D Project* and the *Management System of Budget and Final Accounts of R&D Projects*, the Company has clear provisions on new product development, post setting of scientific and technological R&D, assessment of scientific and technological projects, management of science and technology funds and scientific and technological awards, and forms a standardized and continuous R&D management system. Meanwhile, the Company increases R&D investment continuously, promotes development with innovation, and forms a strong core technical competitiveness.

The R&D investment of the Company is mainly used in the R&D of advantageous projects, such as TPMS, valves, exhaust system pipe fittings, etc., as well as the development of new products, such as sensors, air suspension system, ADAS system and product development and test capacity construction.



- the Company's automobile valve mouth without inner tire air won the title of “single champion product in manufacturing industry”

R&D investment in recent five years

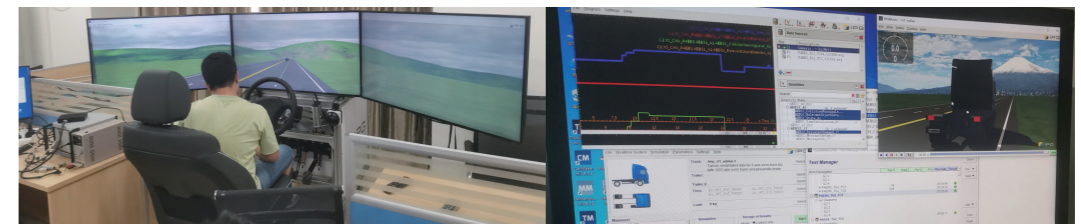


■ R&D Cooperation

Baolong Automotive insists on the way of technological innovation, which is mainly independent innovation and the combination of production, learning and research as auxiliary. For basic research on new materials and intelligent products, it cooperates and communicates with the technology of many universities, such as Wuhan University of Technology, Tongji University, Shanghai University of Engineering and Technology, etc.

Case Technical cooperation between Baolong Technology and Wuhan University of Technology

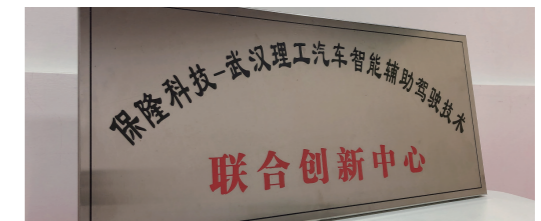
Baolong technology and Wuhan University of Technology continuously explore and deepen the cooperation mode, and fully take the advantages of Baolong Technology in automobile intelligent product R&D and industrialization and the advantages of Wuhan University of Technology in automobile intelligent driving technology research and talent training. In July 2020, the key technology research and application of advanced automatic driving in complex driving links jointly applied by Dongfeng Motor Corporation, Wuhan University of Technology, Baolong Technology and other four units won the project approval of the major project of intelligent networked vehicle technology in Hubei Province by the Department of Science and Technology of Hubei Province. In September 2020, the HIL Bench (hardware in the loop simulation test bench) jointly built by the School of Automobile of Wuhan University of Technology and Baolong Technology was put into operation. The use of the equipment improved the development efficiency of ADAS products, such as Baolong Technology LDWS (lane offset system) and PAEB (pedestrian automatic emergency braking system), and solved the bottleneck of lack of testing means in the development process. In October 2021, the joint Innovation Center of Automobile Intelligent assisted driving technology jointly built by Baolong Technology and Wuhan University of Technology was officially unveiled. The establishment of the Joint Center will further promote resource sharing and cooperation upgrading between the both parties.



- HIL platform jointly built by Baolong Technology and Wuhan Institute of Technology



- the building of Baolong Science and Technology Wuhan Park and Wuhan Science and Technology Joint Innovation Center were unveiled



- plaque of Baolong Technology Wuhan Institute of Technology Automobile Intelligent assisted driving Technology Joint Innovation Center

Technical cooperation between Baolong Technology and Tongji University in intelligent suspension system

As the configuration of high-end vehicles, intelligent suspension system has always been monopolized by a few foreign-funded enterprises. Baolong Technology and Tongji University have conducted technical cooperation in the control and system integration of intelligent suspension system and achieved good results to break the monopoly and achieve a breakthrough in the localization of this product. The “controller of electronically controlled variable damping shock absorber (ECU)” led by Tongji University and participated by Baolong Technology has passed the real vehicle test, has been applied and promoted in the suspension system of Baolong Technology, and its achievement level has reached the level of similar competitive products.



- ✓ Control Strategy Development
- ✓ Coding
- ✓ Sensor Signal Processing
- ✓ Real Vehicle Commissioning and Calibration
- ✓ Control Model Debugging
- ✓ Closed Loop Feedback Control of Solenoid Valve
- ✓ Code Generation and Testing

Intelligent Suspension Controller

- Baolong Technology cooperates with Tongji University to develop intelligent suspension controller

Baolong Technology signed a strategic cooperation agreement with Shanghai University of Engineering and Technology

Baolong Technology and Shanghai University of Engineering and Technology are located in Songjiang, Shanghai. They are both in the core area of G60 science and innovation corridor, with a distance of about 5km. Taking advantages of favorable location advantages and geographical conditions, Baolong Technology signed a strategic cooperation agreement with Shanghai University of Engineering and Technology in December 2021 to strengthen cooperation between the two sides in digital manufacturing, automotive intelligent products and talent training.



- Baolong Technology and Shanghai University of engineering and technology signed a joint postgraduate training agreement

■ Establishment of Standard

Baolong Technology has actively participated in the standardization construction of auto parts involved in the products of the Company. Since 2019, the Company has participated in the preparation and revision of 16 standards, such as valve, TPMS, sensor and visual sensor, millimeter wave radar and power battery recycling, of which 7 have been released and 9 are to be released. There are 6 national standards and 10 industrial standards.

Examples of standards developed and revised by Baolong Technology

Standard Name	Standard Nature	Status	Standard Code / Standard Plan No.
Recycling and Recycling of Vehicle Power Batteries- Part 3: Discharge Specification	National Standard	Issued (2021/10/11)	GB/T 33598.3-2021
Recycling of Automotive Power Batteries - Step Utilization - Part 4: Step Utilization Product Identification	National Standard	Issued (2021/8/20)	GB/T 34015.4-2021
Terms and Definitions of Tire Valves	National Standard	Issued (2020/3/6)	GB/T 12839-2020
GB/T Management Code for Recycling of Power Battery for Vehicle- Part 2: Recycling Service Network	National Standard	To be released	20205114-T-339
GB/T Electric Vehicle Mode 2 Charging on Cable Control and Protection Device (IC-CPD)	National Standard	To be released	20201470-T-604
GB/T Performance Requirements and Test Methods of Vehicle Panoramic Image Monitoring System	National Standard	To be released	20203958-T-339
Test Method for Tire Valve Extension Tube	Industry Standards	Issued (2021/3/5)	HG/T 4194-2021
Tire Valve Extension Tube	Industry Standards	Issued (2021/3/5)	HG/T 4193-2021
Tire Valve Series	Industry Standards	Issued (2020/3/6)	HG/T 3900-2020
Technical Conditions for the Safety of Operating Trucks- Part 2: Towing Vehicles and Trailers	Industry Standards	Issued (2019/3/15)	JT/T 1178.2-2019
Performance Requirements and Test Methods of QC/T On-Board Radar	Industry Standards	Under drafting	2021-1123T-QC
QC/T Ambient Light Sensor for Automobile	Industry Standards	To be released	2018-1082T-QC
QC/T Automobile Rain Sensor	Industry Standards	To be released	2018-1086T-QC
JT/T Technical Requirements and Test Methods for Tire Pressure Monitoring System of Operating Vehicles	Industry Standards	To be released	JT 2017-11
Technical Requirements and Test Methods for JT/T Operating Vehicle Panoramic Environment System	Industry Standards	To be released	20201470-T-604
QC/T Automotive Streaming Media Mirrors	Industry Standards	To be released	2019-0236T-QC

Note: Standard Code / or Standard Plan No.: the Standard Code with status of “Published” and Standard Plan No. in other status.

Baolong Technology participated in the drafting and formulation of automobile valve standards

The Company is the Chairman Unit of the sixth valve Sub-technical Committee of the National Tire and Rim Standardization Technical Committee of China Automobile Standardization Committee. Over the years, the Company has drafted or participated in the drafting of several automobile valve standards. In 2021, the Company mainly drafted two industrial standards: *Test Method of Tire Valve Extension Tube* and *Tire Valve Extension Tube*.



- the Company is the Chairman Unit of the sixth valve Sub-technical Committee

Intellectual Property

Baolong Automotive is responsible for the intellectual property of the whole Company through establishing the intellectual property and Technology Information Department of the Technology Center, and it is equipped with full-time intellectual property personnel and the intellectual property liaison of each business unit to be responsible for the excavation, layout, application and basic management of intellectual property rights. Focusing on how to better conduct the intellectual property work of the enterprise, the Company has established a series of intellectual property management systems and processes, such as *Intellectual Property Reward System*, *General Rules for Intellectual Property Management*, *Patent Management System*, *Trademark Management System*, *Intellectual Property Contact and Reward System*, *Patent Application Process*, and *Patent Information Retrieval Process*, etc. In August 2019, the Company obtained the third-party certification and obtained the certificate of intellectual property management system; in December 2019, the Company was identified as “National Intellectual Property Demonstration Enterprise”.

As of December 31, 2021

the Company has effective authorized patents	computer software copyright registrations	integrated circuit layout design registrations	registered trademarks in the world
396	59	5	47

Growth rate in 2021 compared with 2020 (%)



• Baolong Automotive has obtained the Certificate of Intellectual Property Management System Certification



• Baolong Automotive won the title of “National Intellectual Property Demonstration Enterprise”

Baolong Automotive has established the *Intellectual Property Award System* to encourage employees to invent and create, promote technological innovation of enterprises, form independent intellectual property rights and accumulate intangible assets of the Group. The Company gives awards and rewards to employees according to the type, direction, form of patent and the evaluation of the patents. The patents are evaluated according to the technical value and market value.

Evaluation Object	Key Projects	Evaluating Indicator	Indicator Definition
Patent Value	Technical Value	Innovation	Novelty, creativity and practicability of technology in the field
		Technical Difficulty	The degree of difficulty and complexity of the technical difficulties to be overcome in completing the Technical Scheme
		Technical Effect	The improvement of product quality, yield, accuracy and efficiency by product patents; the process method patent saves energy consumption, raw materials and processes, and makes the processing operation, control and use simple
	Market Value	Market Demand	Current and/or potential procurement demand of customers for products on domestic and foreign marketing markets
		Promotion degree of product market competitiveness	The promotion of patented technology on the competitive strength, competitive potential and competitive situation of products in domestic and foreign sales markets

Case

Payment of Intellectual Property Award of Baolong Automotive in 2021

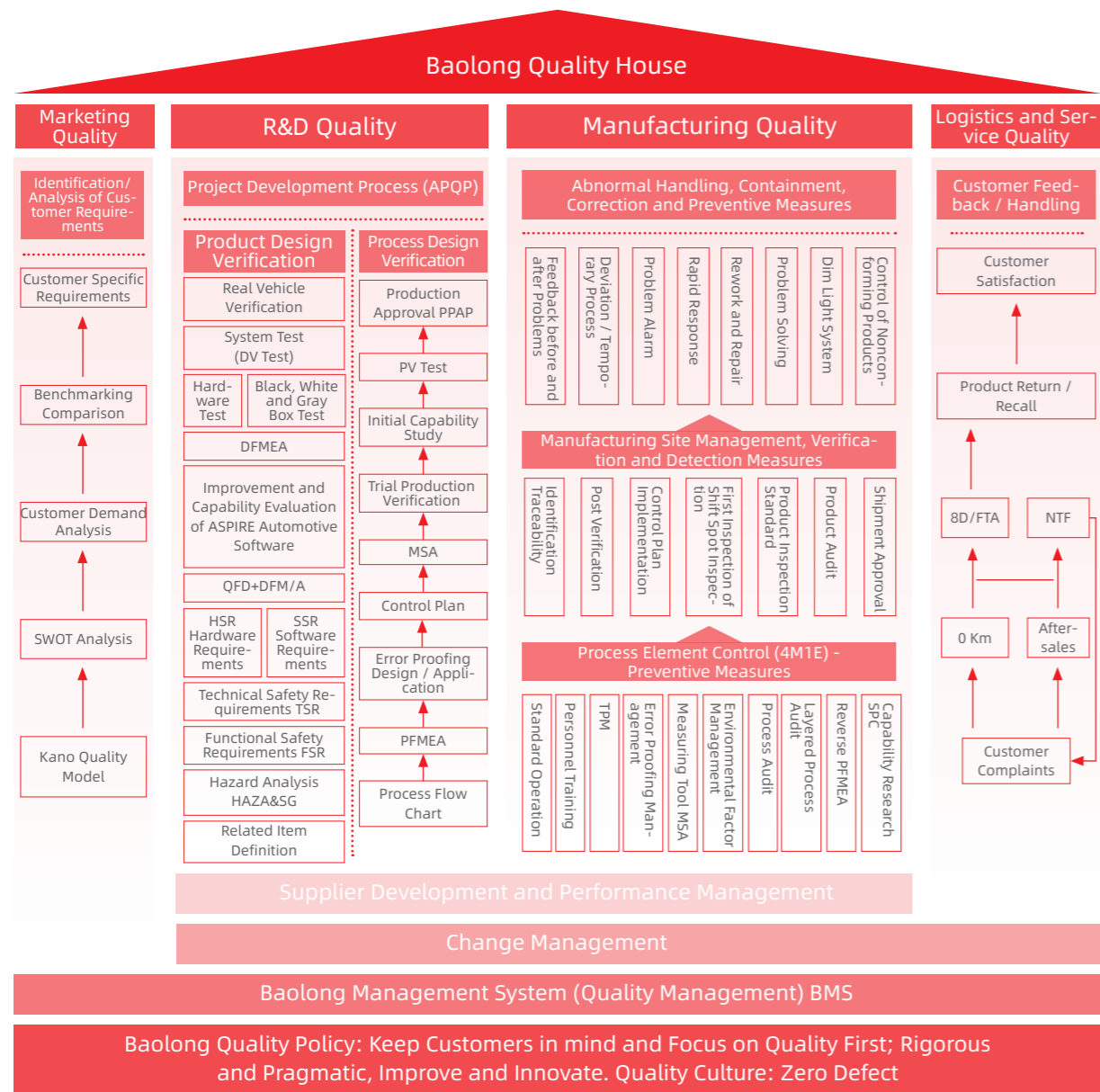
In 2021, Baolong Automotive distributed the reward to the participants of intellectual property rights according to the *Intellectual Property Reward System*, such as patents, technical secrets, software copyrights and scientific papers applied and authorized by the Company, with a total of RMB278,700, including RMB143,200 for Patent Reward, including Proposal Award, Acceptance Award and Authorization Award; Patent Reward Award (Economic Benefit Award after Patent Authorization) RMB97,500; technical secret: RMB13,000; Reward of RMB21,000 for software copyright; RMB4,000 for scientific and technological papers; in addition, the contact person was also rewarded with RMB4,300 to encourage the work enthusiasm of the intellectual property contact person of each business unit.

This award not only improves the employees' awareness of intellectual property protection of technological innovation points in their daily work, but also promotes the innovative development of the technology of the Company.

Quality Management

For adapting the Company to the environment of intensified industrial competition, Baolong Automotive takes the quality management system as the core of quality strategic management, regards "Providing Zero Defect Products and Services" as the goal and working standard, and takes "Focusing on Prevention and Pursuing Zero Defect Quality" as the strategic action direction of quality management, the latest version of *Quality Management System Manual* was prepared in 2021.

The Company believes that as long as all employees follow the business philosophy of "Customer-centered, Result-oriented, Data and Facts Based", measure the change management results of the Company in financial language through teamwork, process evaluation and optimization, and do things right for the first time better, faster and more economically than competitors by reducing "Quality Cost", and by gradually promoting lean production in a planned way, it is able to create the Company with stronger life system and reliable prevention oriented customers, suppliers, employees, social groups and other relevant parties.



The product quality and service of the Company have generally gained a high reputation among customers. It has been recognized as Q1 supplier by Ford Motor Company and awarded the title of an "Excellent Supplier" by General Motors Company.



The Company focuses quality culture education and quality skills training, and actively conducts relevant full employees training activities of quality every year.

- the Company is identified as a supplier of Ford Company Q1

- figure of the Company winning the General Excellent Supplier Certificate

Case

The Fourth Quality Culture Activity Month

In June 2021, the Company held the Fourth Quality Culture Activity Month in Ningguo Park. The activity theme was "Zero Defect", including the quality knowledge competition of "Working Together in the Same Boat, Showing Skills", the "Zero Defect" quality competition, the "Big Bar" debate competition, etc. The event has many participants and diverse functions, which has effectively improved the employees' understanding of quality management of the Company, deepened their understanding, and promoted the promotion of "Zero Defect" quality culture.



- Quality Culture Activity Month Activity Site

Case

The First Electrician Skill Competition

In September 2021, Baolong Automotive Ningguo Park held the first electrician skill competition. The skill competition is divided into two parts: theory examination and assessment about the breadth and depth of the players' understanding of theoretical knowledge, and the practical competition assesses the players' abilities of drawing, hands-on and quality control. In recent years, the trade union in the park has organized teams to participate in municipal and provincial skill competitions for many times with good results. This shows that the high-quality requirements for products and the concept of strict standard control of the Company have been deeply rooted in the hearts of the People, and the Company puts the "Zero Defect" product quality goal first.



- Award Ceremony of the First Electrotechnical Skills Competition

Functional Safety Support

Through establishing the Technical Center, the Functional Safety Department of Baolong Automotive is responsible for the support and management of the Company's projects with functional safety needs, and equipped with qualified functional safety managers and configuration management personnel to be responsible for the development process support, audit and product evaluation activities of each relevant product line. The Company has built a set of functional safety system in line with the actual operation according to the standard requirements of the functional safety management system, including manual, process, guide and template. And conduct a series of activities focusing on how to build a functional safety culture and how to ensure the functional safety of products in the process of project development, such as cooperation with Baolong College and training of full life cycle activities; publicize the enterprise functional safety culture to the newly recruited Baolong people; establish a functional safety association and establish a platform for technical exchange and sharing for personnel participating in the development of functional safety projects. Through these activities, it integrates the functional safety system with IATF quality system and Baolong corporate culture.

In October 2021, the Company passed the third-party audit of TUV Rhine and obtained the Certification Certificate of Functional Safety Management System conforming to ISO 26262. The certificate shows that Baolong Automotive can develop products with ASIL up to D.

At present, the functional safety department has conducted many project development activities with various units and product lines, such as PAEBs of IDS unit, light rain sensor and body height sensor of as unit, and intelligent suspension control system of ECAS unit, etc. These projects include products integrated into complete related items as components, as well as products that are independent of a complete related item level.

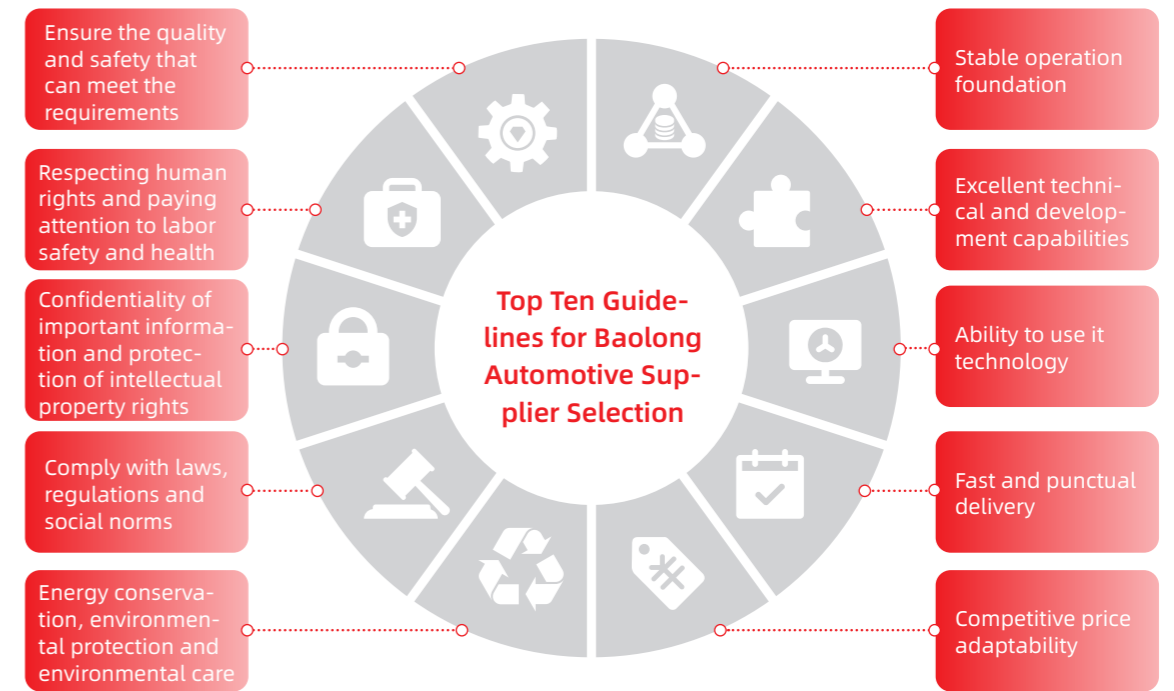


• TÜV Rhine issued the Certificate of ASIL D System conforming to ISO 26262



Supplier Cooperation

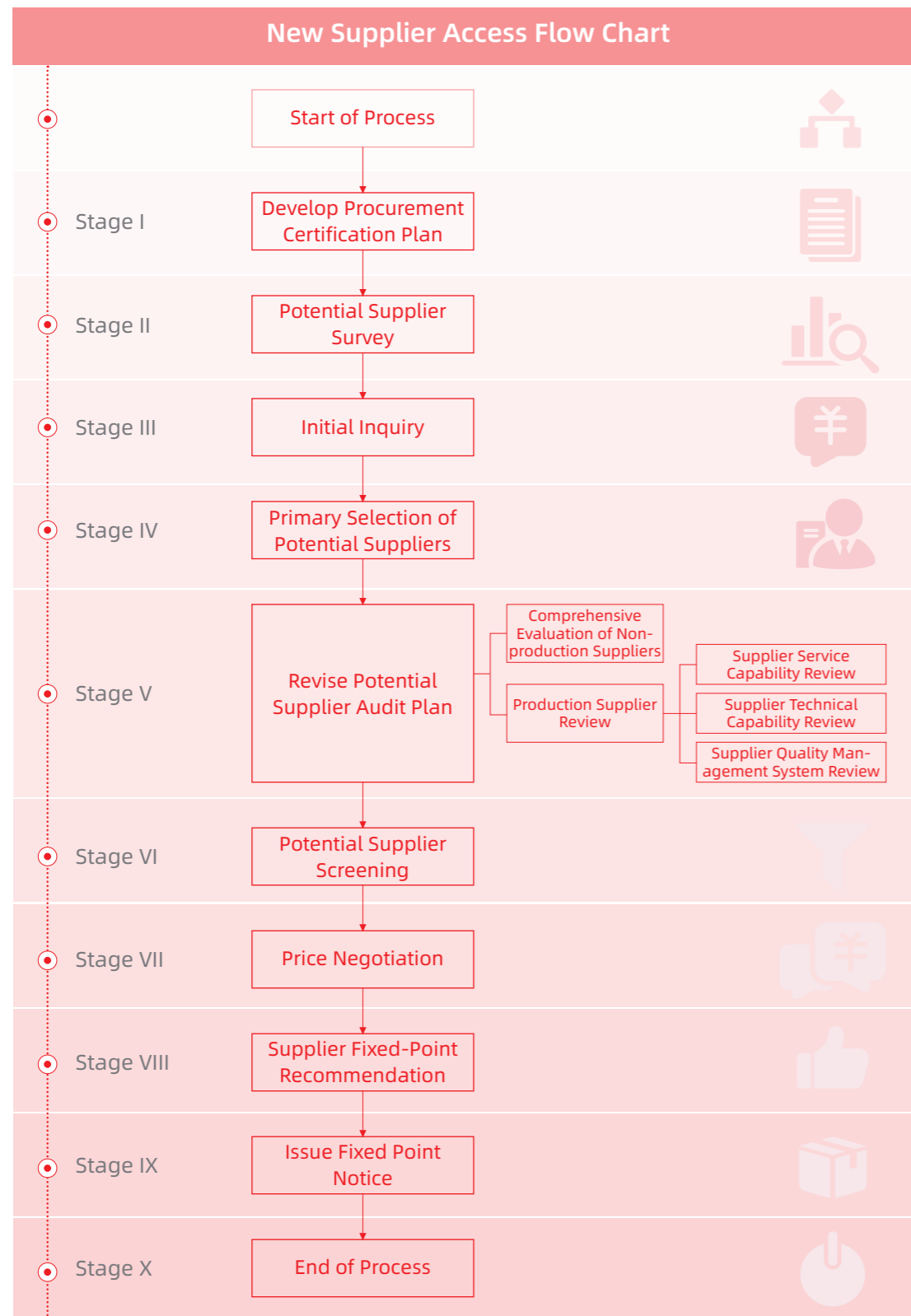
Baolong Automotive regards suppliers as important partners and strives to achieve long-term, stable and win-win cooperation and has established procurement management related systems, such as the *Operation System of Procurement Committee*, the *Operation System of Procurement Expert Group* and the *Code of Conduct for Procurement and Supplier Managers*. Based on the principle of timely, appropriate place, appropriate price and appropriate quality, the Company uses its network resources to conduct global procurement activities, which are not limited to region and space. At the same time, the Company adheres to the top 10 procurement policies, selects cooperative suppliers, and is committed to building a sustainable supply chain of Baolong Model.



■ New supplier access

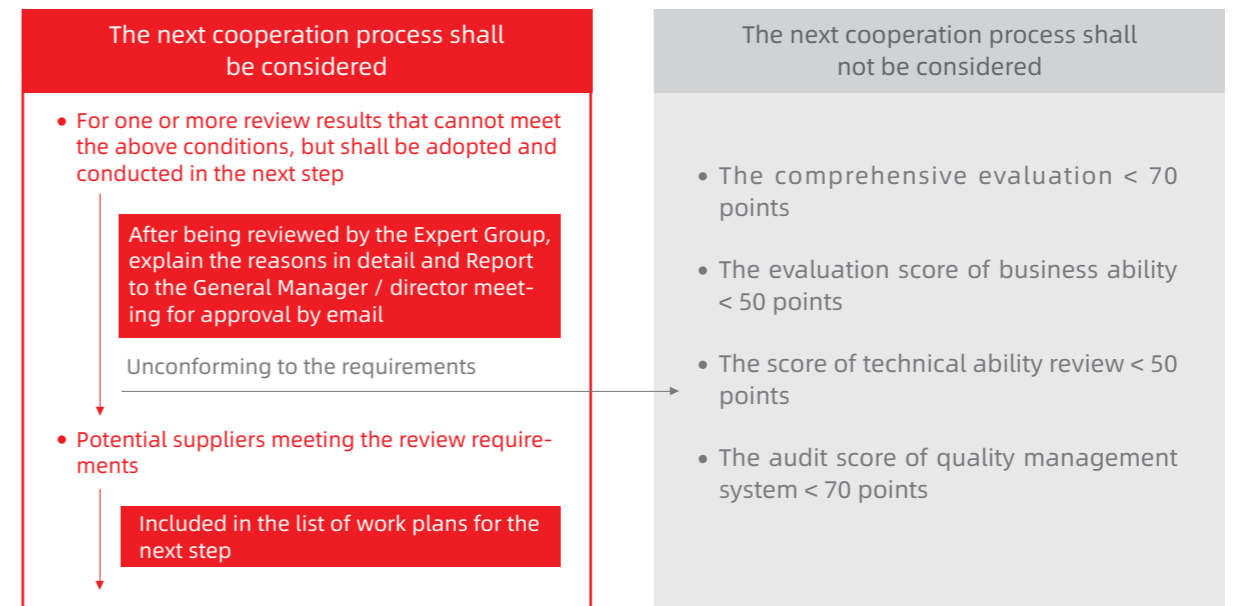
Baolong Automotive strictly controls the supplier qualification and selection process according to the working mode of the Procurement Expert Group to ensure that the newly selected suppliers meet the needs of the business development of the Company. The Company has developed a complete set of *Supplier Certification and Selection Process* to ensure that the process of new supplier certification meets the requirements of the procurement principle, policy and management system of the Company with a standardized and procedural working mode.

The procurement types of the Company are divided into production procurement and non-production procurement. Meanwhile, in the procurement process, there are four members at different levels and roles who assume different responsibilities and work contents in the whole procurement process, namely procurement certification engineer, Procurement Expert Group, Procurement Expert Group leader, General Manager/ director. In each stage of work, Baolong Automotive has established strict and standardized processes and work templates, such as *Nonproductive Material/ Service Procurement Certification Plan*, *Productive Material/ Service Procurement Certification Plan*, *Comparison and Analysis Form of Potential Suppliers*, and *Procurement Inquiry Comparison and Approval Form*, etc., to escort the efficient and compliant procurement of the Company.



The procurement certification engineer of the Company develops multi-channel potential suppliers and determines the Procurement Expert Group based on the requirements of new project development requirements or the procurement plan for the next year established by the Company in December each year and persisting on the principle of “Fairness, Impartiality and Openness”. After completing the preliminary selection of potential suppliers, the Procurement Expert Group will classify them and conduct a comprehensive evaluation according to the different requirements of nonproductive technical material suppliers, nonproductive general material suppliers and service suppliers. For productive suppliers, the Expert Group shall not only visit the site and evaluate their business ability, but also assess their technical ability, quality management and environmental protection management, etc.

Screening criteria for potential suppliers



■ Sunshine Procurement

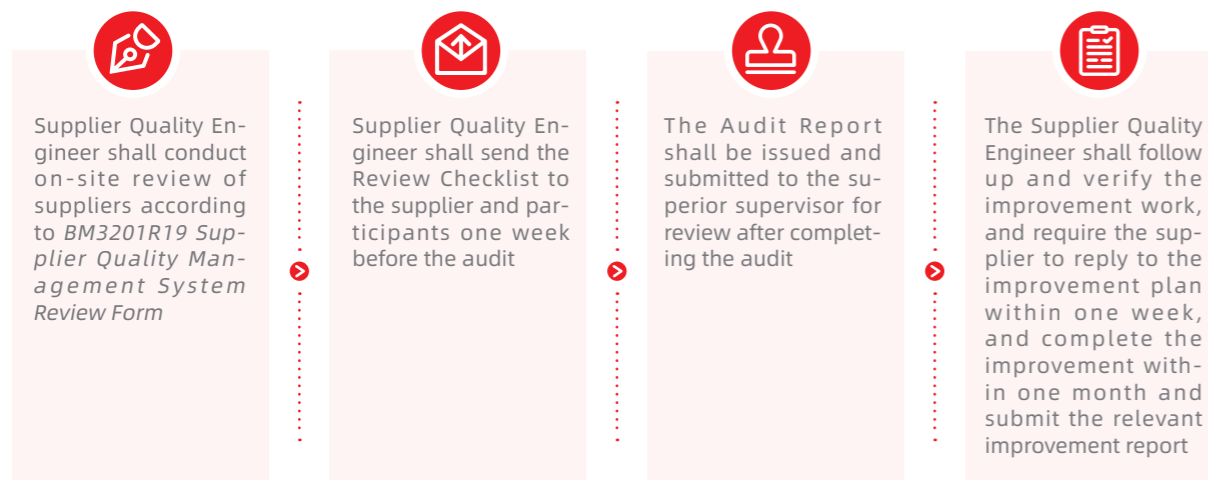
Baolong Automotive selects suppliers by a cross departmental Procurement Expert Group strictly according to the relevant system requirements of Sunshine Procurement. The Procurement Expert Group shall select more than three suppliers for selection among many suppliers. The Company shall finally select the supplier with the highest price ratio after more than three rounds of quotation process.

Meanwhile, the Company will also require suppliers to sign the *General Principles/ Framework Contract for Procurement*, clearly indicating the terms of integrity in the contract. If the supplier violates the incorruptible terms, it will be warned, reduced in share or even disqualified from supply according to the severity of the problem. The post of the Company related to the business of suppliers is defined as procurement sensitive post. The personnel shall sign the *Commitment Letter of Integrity and Self-discipline* before taking up the post, and regular rotation and anti-bribery training will be arranged for these posts.

■ Supplier Quality Review

Baolong Automotive regularly conducts on-site review of supplier quality management system in principle for suppliers supplying main raw materials and procured / outsourced parts to promote the development and continuous improvement of supplier quality management system. The specific frequency is determined by the supplier quality engineer according to the importance category of materials provided by the supplier, the comprehensive performance level of the previous year and whether the supplier has the quality management system certification and other conditions are determined.

Supplier Quality Review Process



After review, the Company will score the supplier review results, and provide important basis for selecting new suppliers or input data of the annual comprehensive performance of suppliers.



Baolong Automotive will also refer to its performance in social responsibility while selecting suppliers.

Supplier Selection

For environment

- The raw materials, production process and service process provided by the supplier shall meet the requirements of national, local and industrial laws and regulations on environmental protection, safe production and occupational health and safety;
- The supplier shall formulate corresponding plans and take measures for the excessive pollutants discharged in the process of production, activities and services to meet the national or local emission standards;
- The supplier shall consider to use the production process and production facilities without pollution, less pollution, no hazard and less hazard first in the production process, and shall not use the production process and construction equipment prohibited by the state or local government. Reduce the use of packaging materials while ensuring quality;
- Effective measures shall be taken to ensure the safety of employees and the protection of occupational diseases in the production process.

For social responsibility

- The supplier shall comply with national laws and regulations and various Code of Conduct for social responsibility. The supplier shall select high and strict standards, and ensure the safety performance requirements of the products and services provided when the requirements of multiple laws and regulations are different for the same behavior;
- The supplier shall standardize employment strictly according to relevant national regulations and protect the legitimate rights and interests of workers.

■ Supplier Training

Baolong Automotive does not forget to make common progress with suppliers while ensuring the development of self-height and quality. The Company conducts regular training for suppliers, which contents include supplier performance evaluation management, change management, 5S basic management, EHSS basic management and other training courses. The training contents are optimized and adjusted continuously according to the needs of supplier management every year. This can not only provide the overall service and product quality of suppliers, but also strengthen the stickiness between the Company and suppliers and realize long-term and stable cooperation.

Case

The Third Supplier Training Course

Baolong Automotive held the third supplier training course in August 2020. The training lasts for two days and includes seven aspects: 5S management and JIT basic knowledge, IATF16949 basic knowledge training and SPC basic knowledge. The Company also conducted a training completion examination for all students before the end of the next day's training. This activity greatly increased the interaction between Baolong Automotive and suppliers, which also created a communication bridge and platform for all suppliers while allowing suppliers to receive and learn.



• Group Photo of the Third Supplier Training Course

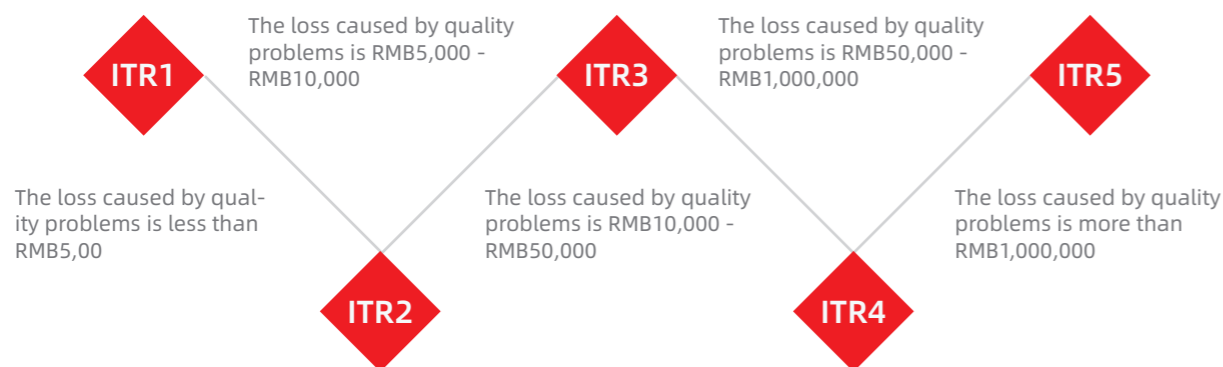


Handling of Customer Feedback

Baolong Automotive has established a clear customer complaint handling process in the *Baolong Management System Document* for the quality problems of the client while delivering and using the product. The Company will confirm, evaluate, contain and analyze the problems from the aspects of technology and management, and take corrective and corrective measures to avoid the expansion and recurrence of the problems. And reasonably allocate relevant resources according to the level of the problem.

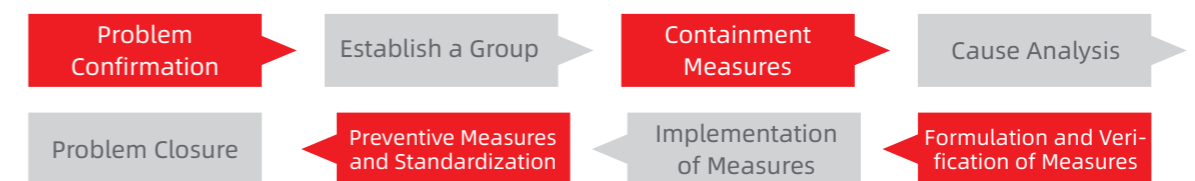
The Company strictly controls the effectiveness of handling customer complaints, adheres to the process driven rules of "4h Problem Confirmation", "24h Temporary Measures" and "2-month Problem Resolution", and divides the quality problem ITR (from problem to solution) into five different levels according to the amount of loss.

Grading Standard of Quality Problem Level



When a customer complaint occurs, the Quality Department shall convene relevant departments to initiate and establish a problem-solving team according to the scope of the problem, which is responsible for the cause analysis, measure formulation, implementation verification, and prevention of recurrence, etc. Different levels of personnel from quality engineer/ supervisor, quality manager, general manager/ general assistant, director and Quality Committee shall participate in and deal with the corresponding customer's 0km and after-sales complaints from ITR1 to ITR55 according to different levels of quality problems.

Flow Chart of Customer Complaint Handling



The main target customer groups of Baolong Automotive are automobile manufacturing enterprises and first-class parts suppliers. The Company conducts satisfaction surveys on customers and other stakeholders through interviews and questionnaires every year, measures customers' satisfaction and change trend in product quality, project development, customer service, order processing, and logistics services, etc., and tracks and formulates corresponding satisfaction improvement plans.

In 2021		In 2021	
the survey coverage rate of the domestic customers of the Company	overall score (Full Score: 5 points)	the survey coverage rate of export customers	overall score (Full Score: 5 points)
75%	4.6 points	68%	4.5 points

Environmental Responsibility, Builds Green Ecology

■ Philosophy

Baolong Technology is a high-tech enterprise developing in the direction of automotive intelligence and lightweight by R&D, production and sales of environment-friendly auto parts manufacturing industry. Adhering to the policy of “green production and social responsibility”, the Company not only pursues the “green production and operation”, but also pursues the common growth of its own products and suppliers.

■ Our Actions

- Environmental Management, Green Factory First
- Upgrading and Transformation, Focusing on the Treatment of Three Wastes
- Energy Conservation and Carbon Reduction to Create Energy Efficiency

■ SDGs Benchmarking



In 2021, the total power consumption
58,442,476 kwh

In 2021, the total water consumption
347,824 tons

Environmental Management, Green Factory First

■ Environmental Management

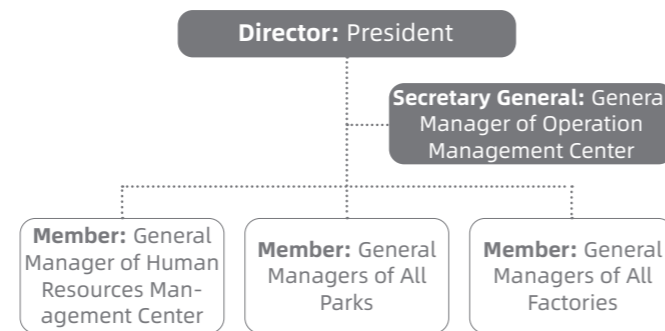
Baolong Automotive has never relaxed its environmental management, strictly abides by and always pays attention to national laws, regulations and local norms and standards, such as the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, has passed the ISO 14001 Environmental Management System Certification and ISO 50001 Energy Management System Certification, and covers the Company and its major subsidiaries. The Company conducts annual internal audit of environmental protection management according to the *Requirements and Guidelines for Using Environmental Management System* and the provisions of the multi system audit of the Company every year. In 2021, the Company did not violate environmental protection laws and regulations or dispute over pollution accidents, and was not subject to administrative punishment for violating relevant environmental protection laws and regulations.



• Baolong Automotive has obtained the ISO 14001 Environmental Management System certification



• Baolong Automotive has obtained the ISO 50001 Energy Management System Certification



Structure Chart of EHSS Organization Committee

The Company has established various special management processes, the corresponding management organization structure, the *Detailed Rules for the Implementation of EHSS Management* and other management regulations, and adopted post function optimization management to grid the whole according to the latest laws and regulations, external audit requirements, the expectations of industry customers and the satisfaction survey of community neighbors. Each employee has his own area of responsibility, refine the environmental responsibilities, monitor and assess the process .

Control Items	Impact Indicators	Related Risks	National Industry Standard	Internal Control Index	Measuring Method	Control Process and Method
Environmental Protection	Smoke	Air Environmental Pollution	Air Pollution Requirements Of <i>Integrated Emission Standard of Air Pollutants</i> .	Implement National Standards. Waste Management: Classified Management and Proper Disposal.	The Company entrusts a third-party testing unit to carry out environmental monitoring flue gas treatment	1.Flue Gas Treatment 2.Develop Document Control 3.Manage according to Environmental Management System Standard
Energy resource utilization	Electric Water Rare metals, etc.	Increasing production costs, wasting energy resources and affecting sustainable development	According to the annual energy conservation control index issued by Shanghai (national industry specific control index)	According to the annual energy conservation and consumption reduction target of the company.	Statistics and analysis	1.Make use of new technology, new equipment and new process. 2.Strengthen the education of energy conservation and consumption reduction.

The Company provided environmental protection training for the construction party and the contractor, and agreed that the construction party and the contractor shall deal with all wastes generated by construction. External construction personnel and delivery drivers shall follow the environmental protection system of the Company, and it is strictly prohibited for external personnel to dump residual materials or clean vehicles/ pipelines on site.

The Company also actively develops environmental protection training courseware and conducts environmental protection theme training to popularize environmental protection knowledge and skills and improve employees' environmental protection awareness and participation ability. 122 environmental protection training have been organized by the end of 2021, including *How to Store Hazardous Wastes*, *How to Correctly Distinguish between General Industrial Solid Wastes and Hazardous Wastes*, and *Hazardous Chemical Practitioners*, covering 2,895 people.



• Environmental Protection Training Site

■ Green Factory

Baolong Automotive focuses on building environmental protection, product production capacity design, production process management, safety and occupational health, labor protection, environmental protection facilities and measures, humanistic care, clean and civilized production, raw material procurement, finished product delivery and customer use based on the long-term development concept, focusing on the construction of green factories, starting from ecological design and source control. It has met the expected requirements of safety, environmental protection, energy conservation, water conservation, material and land conservation. Ningguo Baolong vigorously promoted various energy-saving and emission reduction projects while building a green factory according to the national requirements, and finally obtained the certification of green factory.

Ningguo Baolong shut down all 200KW power frequency air compressors and started 55KW variable frequency air compressors

saving power consumption **300,000** kWh

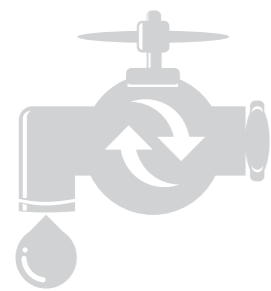
Upgrading and Transformation, Focusing on the Treatment of Three Wastes

Baolong Automotive has established a "Three Wastes" management system. Effective measures shall be taken to deal with the environmental impact of each production line and discharge up to the standard.

- Waste gas treatment facilities shall be provided in time, and a certain proportion of surplus treatment capacity shall be pre-configured
- Process increase/ decrease / change shall be evaluated in advance to match the correct waste gas treatment equipment
- The increase/ decrease/ change of production line and equipment shall be evaluated in advance to match the correct waste gas treatment equipment
- Regularly sort out the excess bending of the pipeline, regularly check the running, emitting, dripping and leakage, and reduce the loss
- Clean and maintain the equipment regularly to ensure the adsorption efficiency of the equipment and reduce the risk of safety/ deflagration
- Formulate annual inspection plan and regularly arrange discharge outlet monitoring to ensure up to standard discharge



Waste Gas Management



Wastewater Management

- Domestic Wastewater Management: septic tank cleaning; sewer flushing and maintenance
- Sewage Management: All production sewage and workshop floor cleaning sewage shall be piped into the station for treatment to prevent oil leakage; biological bacteria activity control of sewage station; the sewage station shall be cleaned and maintained regularly, and the discharge water quality shall be monitored online after sewage treatment
- Prevent Mixed Flow of Rain and Sewage: prevent pipe string; prevent damage and leakage
- Sewage Outlet Management: formulate annual inspection plan, regularly arrange discharge outlet monitoring, and regularly calibrate online monitoring equipment to ensure up to standard discharge

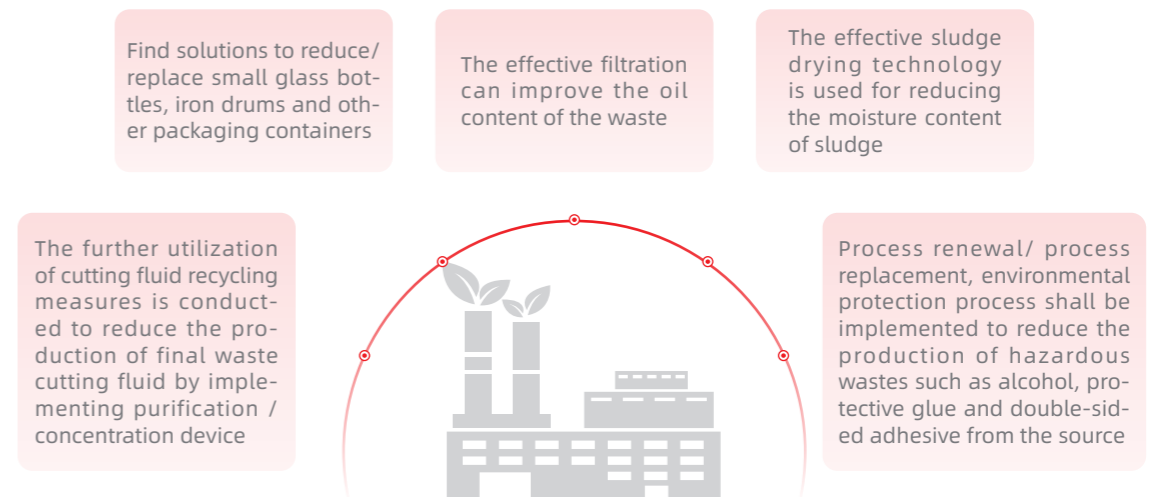
Baolong Automotive has established the *Responsibility System for the Prevention and Control of Hazardous Waste Pollution* and the *Responsibility System for the Prevention and Control of General Industrial Solid Waste and Domestic Waste Pollution*. The Company's wastes contain hazardous waste, general industrial solid waste, and domestic waste, etc. according to the requirements of the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste*.

The Company has built a hazardous waste storage room, standardizing the collection, storage, transfer and disposal process, regularly entrust qualified disposal units for disposal, improve the account, and realize the management of the whole life cycle of generation, storage and disposal in view of hazardous wastes.

The Company divides general industrial solid waste into recyclable waste and non-recyclable waste. The Company establishes a general solid waste storage room and entrusts qualified disposal units for recycling the general solid wastes, such as waste cardboard and scrap iron in the production process, to realize the classification collection, transfer and compliance disposal of general solid waste.

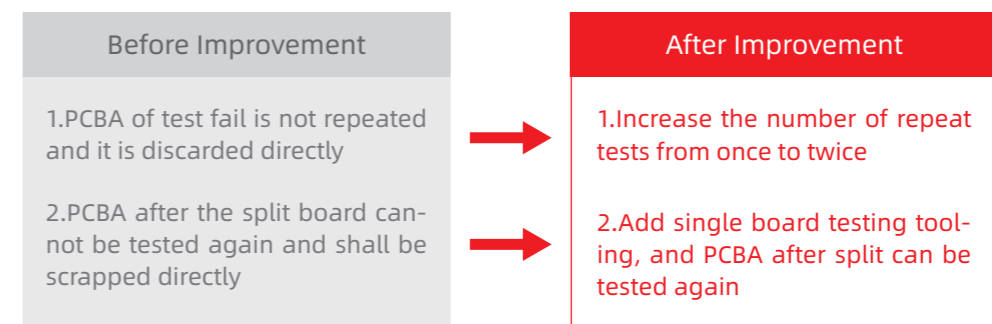
In 2021, the Company continuously improved the production process to reduce the waste loss generated by the process, and reduced the production of hazardous waste and solid waste through the following improvement scheme.

Hazardous Waste Reduction Project

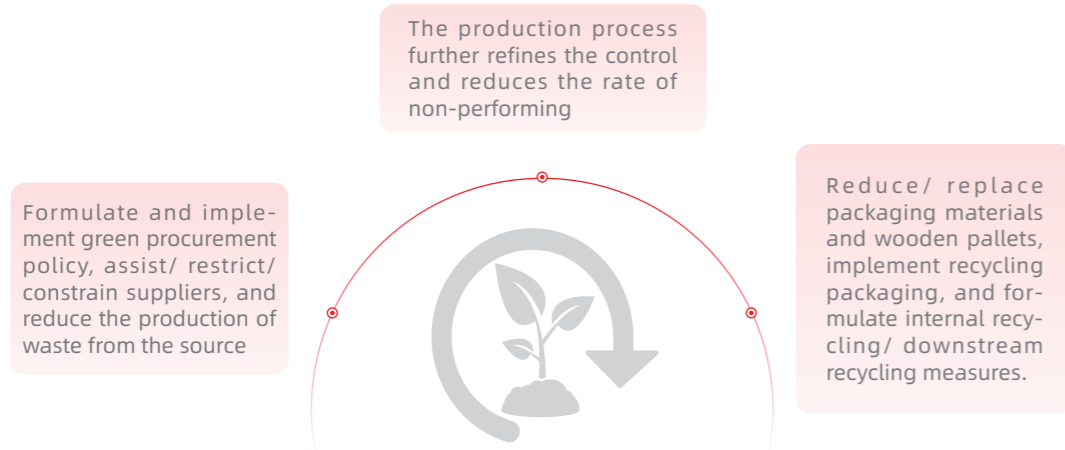


Case DPPO ICT Test Station Transformation Project

In 2021, the Process Department of the Company conducted the transformation of DPPO ICT test station, and established the equipment maintenance operation and needle bed storage specification, reducing the scrap of about 2,000pcs PCBA monthly.

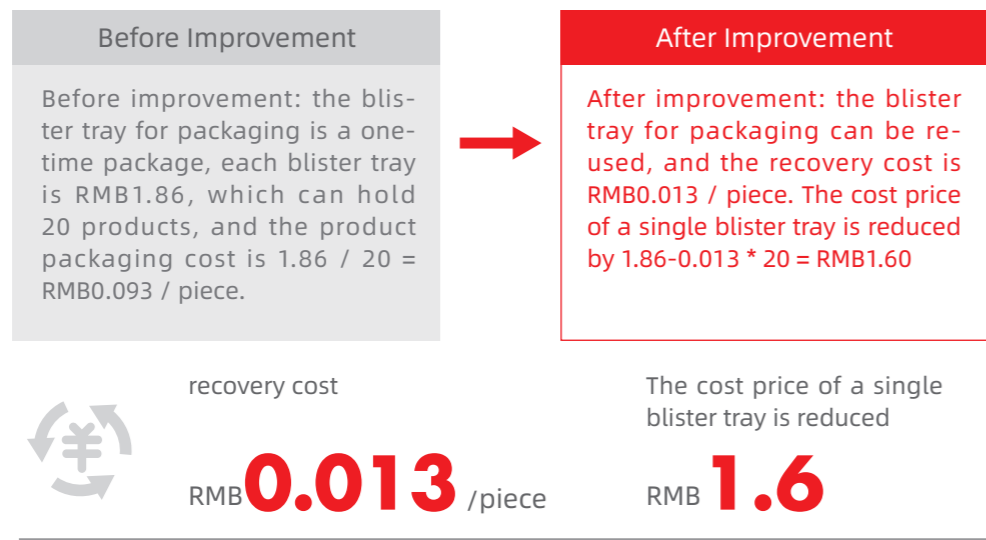


Solid waste reduction project



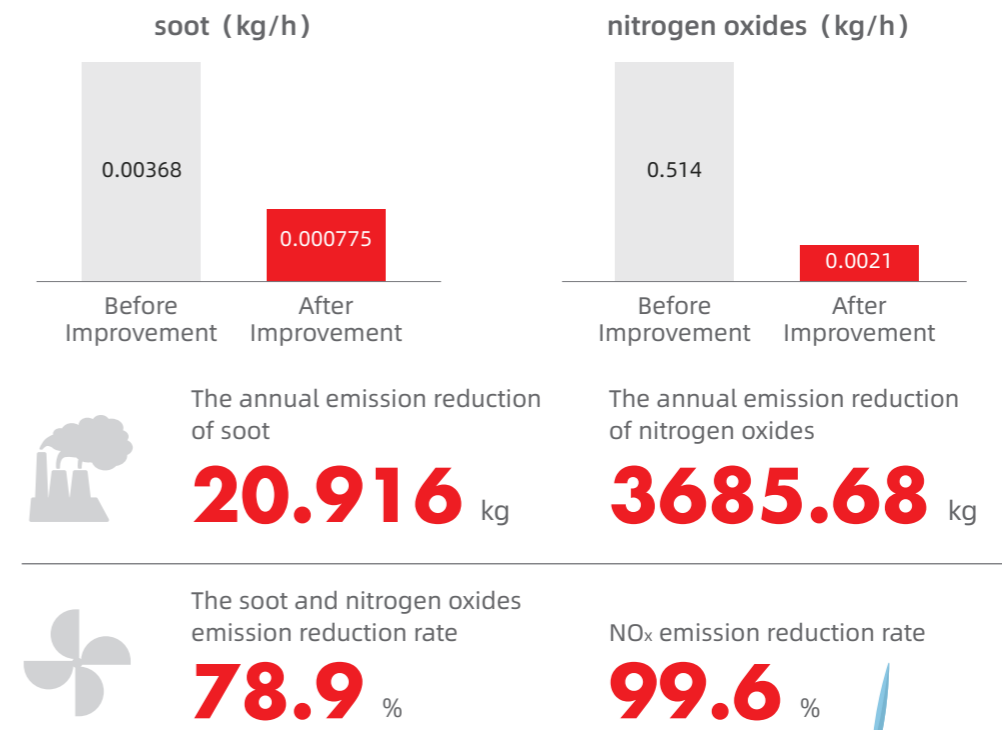
Case Plastic Suction Disk Reuse Project

The Project Team invested RMB3,900 to take the reuse measures to reduce the consumption of the suction cup and reduce the production cost.



Case Ultra-Low Emission Transformation of Gas Boiler (Please the Design Team highlight the data)

In 2021, the Company invested RMB250,000 in the ultra-low emission transformation of gas-fired boilers. We adopted the process of replacing burners and flue gas circulation to make the exhaust gas emission level of boilers at the domestic advanced level. The emissions of soot and nitrogen oxides decreased, and the comprehensive treatment effect was remarkable. The soot and nitrogen oxides decreased from 0.00368 kg/h before the transformation to 0.000775 kg/h, from 0.514 kg/h before the transformation to 0.0021 kg/h. The annual emission reduction of soot and nitrogen oxides was 20.916 kg, 3685.68 kg, 78.9% and 99.6%, respectively.

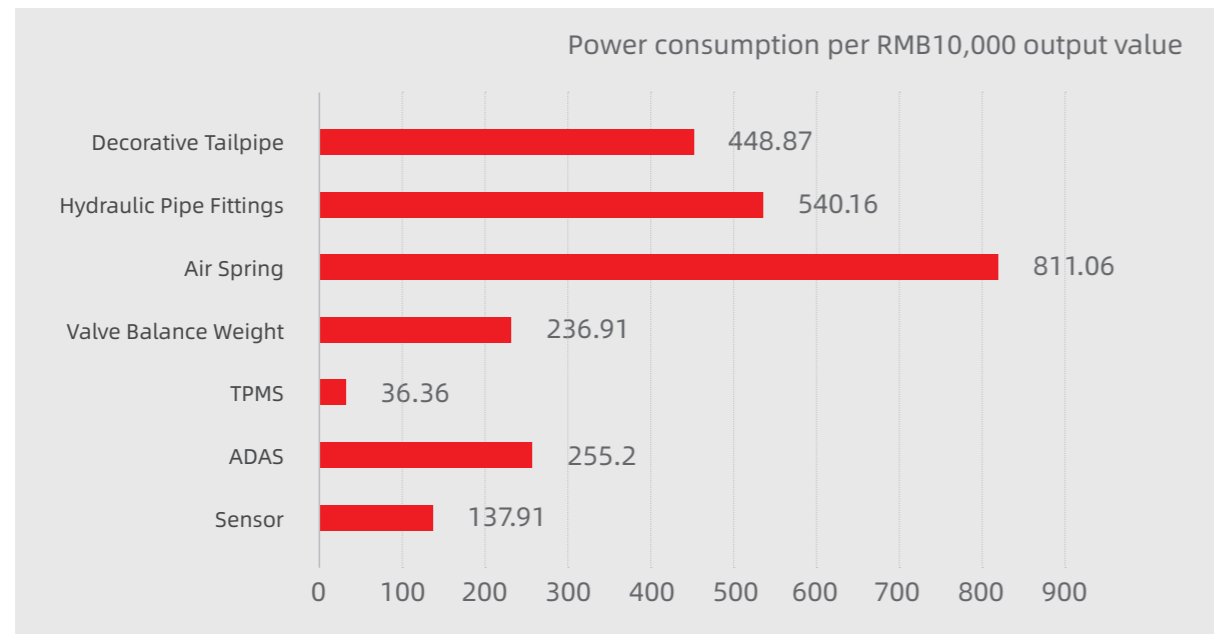


Energy Conservation and Carbon Reduction to Create Energy Efficiency

Energy Conservation and Consumption Reduction

Baolong Automotive has always adhered to the development direction of improving energy efficiency and low-carbon production and has specially established the *Energy Resource Management System* to manage the water and power consumption, use the ERP system to summarize and analyze the monthly energy consumption, and formulate improvement measures for projects with large energy consumption.

Power consumption data of RMB10,000 output value in 2021

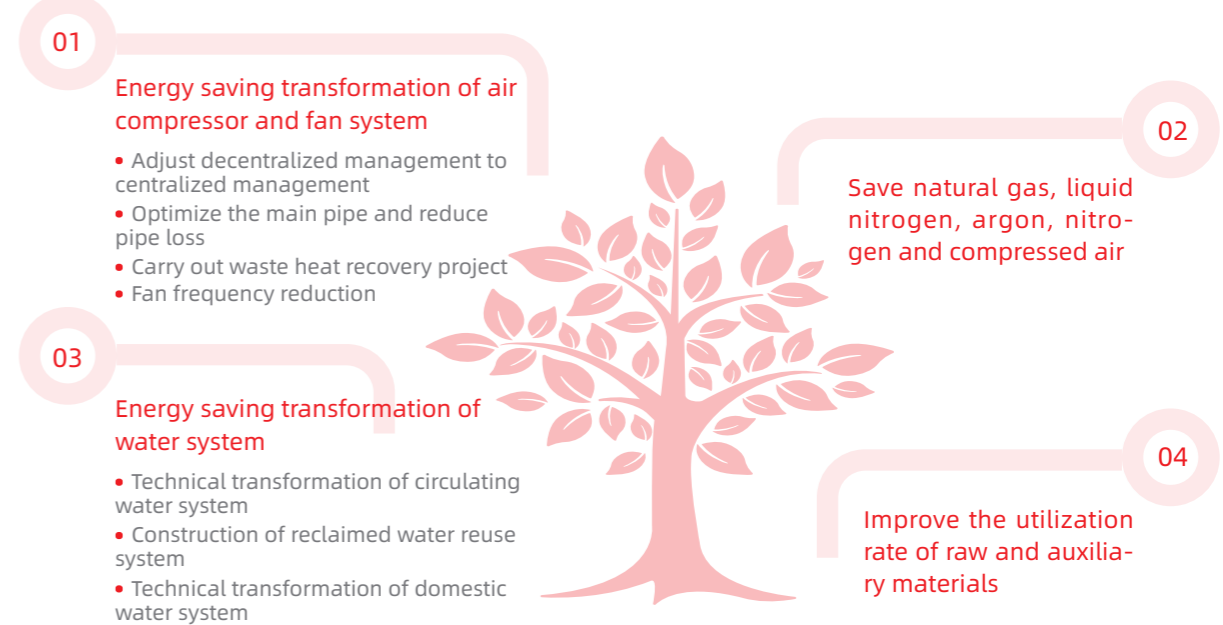


The energy consumed by the company is mainly purchased electricity, and the greenhouse gas emission is mainly the indirect emission generated by the purchase and use of electricity.

[Greenhouse gas emissions]	Main emission sources	Types of greenhouse gases	Unit	2019	2020	2021
Indirect greenhouse gas emissions	Purchased electricity	Carbon dioxide	Ton	30,619.47	35,319.62	46,292.29
Greenhouse gas emission per RMB10,000 output value	Purchased electricity	Carbon dioxide	Ton/ten thousand yuan	0.237392	0.214105	0.168321

Note: (1) Indirect energy emissions refer to greenhouse gas emissions caused by purchased electricity, etc; (2) Indirect emissions are calculated according to the Emission Factors of China Regional Power Grid Baseline of *Emission Reduction Projects in 2019*.

2021 Energy Saving And Consumption Reduction Improvement Project Tree of the Company



Air Compressor Reconstruction Project

In 2021, the Company reduced the load, improved the efficiency of filtered water and protected the equipment of the workshop through transforming the main pipeline of the air compressor system workshop, optimizing dryer configuration and expanding the diameter of branch pipeline in the workshop, to improve the efficiency.

Before Improvement	After Improvement
1. Annual electricity charge: $200\text{kW} * 65\% * 24\text{h} * 320\text{d} * \text{RMB1/kWh} = \text{RMB}998,400$	1. Annual electricity saving: $200\text{kW} * 10\% * 24\text{h} * 320\text{d} * \text{RMB1/kWh} = \text{RMB}153,600$
2. Replacement cost of equipment spare parts: the total loss of key equipment solenoid valve damage and cylinder damage caused by excessive water in the air source is RMB120,000 in 2020.	2. Replacement cost of equipment spare parts: after the transformation in 2021, the loss caused by the water content of the air source reaching the standard is zero, to avoid the loss. (Saving RMB120,000)
3. The unstable air pressure of the equipment increases the equipment shutdown rate by 2%	3. The air source of the equipment is stable, and the shutdown rate of the equipment is reduced by 3%

Annual electricity saving **RMB 153,600** The replacement of equipment spare parts saves **RMB 120,000** the shutdown rate of the equipment is reduced **3%**

■ Green Office

Baolong Automotive has been committed to improving employees' awareness of environmental protection, advocating the concept of green office and low-carbon life for all employees, enhancing their awareness of energy conservation, consciously practicing the healthy working and life style of "Green Office and Low-Carbon Life", and creating a good atmosphere of energy conservation, consumption reduction, environmental protection and cost saving.

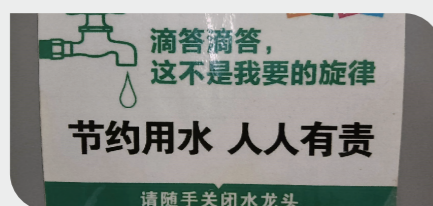
1. Promote paperless office, implement the pilot of paperless workshop, and encourage the use of online OA system
2. Paste the slogan "Save Paper, Double-sided Printing" at the printer to remind employees to save energy and reduce consumption
3. Place waste battery recycling boxes in each document printing area, and uniformly treat the replacement selenium drum
4. Turn off the electrical equipment in the area when personnel leave
5. Paste the slogan "Water is a Precious Resource" at the faucet to remind employees to save water
6. Set and post the specifications for the opening of the air conditioner in winter and summer (the air conditioner can be opened only when the temperature is > 28 °C in summer and < 10 °C in winter)
7. Establish a standardized management system for the office and strictly require the office environment
8. The buses in the park adopt new energy pure electric vehicles



• put up the slogan "Save Paper, Double-sided Printing"



• Waste Battery Recycling Box



• Advocate Water Conservation



• Advocate Saving Electricity

■ Conduct Green Environmental Protection Activities

Baolong Automotive promotes energy conservation and environmental protection continuously, actively participates in global public welfare activities such as "World Environment Day" every year, and continuously improves the environmental protection awareness of all employees. Meanwhile, the Company constantly explores and innovates green environmental protection projects, organizes afforestation activities for many times, absorbs the generated carbon dioxide emission through afforestation, and jointly protects the green home.

Case

Ningguo Park Conducted Environmental Day Activities

June 5 is the Environment Day. The theme of China Environment Day in 2021 is "Harmonious Coexistence between Human and Nature". Various environmental protection activities were held in the Park in June with the intention of fully participating and jointly creating the construction of ecological civilization to implement the independent responsibility of enterprise environmental management, promote the systematic construction of environmental management in the park, improve the awareness of environmental protection of employees, and create an ecological Baolong with harmonious environment and green development.

The park conducts publicity, Q&A and improvement evaluation activities with the theme of "Green Call for Help", shows employees the images and figure materials that affect human development and life, health and safety due to environmental damage, combs the difficulties in daily environmental management, and organizes online question answering activities of environmental knowledge. Take the team as the main body, conduct the action of "Environmental Improvement Golden Idea", and encourage all to participate in environmental protection actively. Meanwhile, the park conducts external exchange activities of "Green Guards" as the theme, organizes a voluntary cleaning activity, and cleans and recovers the surrounding rivers or lake wastes; conducts an activity of "Environmental Opening Week of the Park" to listen to the environmental protection demands of surrounding residents and related parties; contacts relevant environmental management professional consulting units to hold an "Environmental Lecture Hall" activity to improve the environmental management awareness and legal limits of the Employees.

Employees' Responsibility, Builds a Happy Enterprise

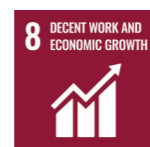
■ Philosophy

Baolong Automotive persists on the principle of People-oriented, and also pursues the maximization of social benefits simultaneously while pursuing economic benefits. The Company focuses on the safety, health, professional development and cultural life of employees, gives humanistic care to employees, protects the rights and interests of employees, and is committed to creating a responsible, progressive and shared orchard culture atmosphere for employees during the continuous development and growth of the Company.

■ Our Actions

- Employees' Rights and Interests
- Career Promotion
- Safety and Health
- Caring Activities

■ SDGs Benchmarking



In 2021, there were
employees in total
4,712

In 2021, the coverage rate
of occupational health
examination
100%

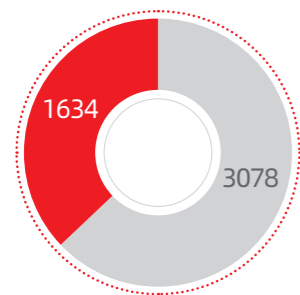
Employees' Rights and Interests

Compost of Employees

Baolong Automotive has established the *Recruitment Management System* to standardize recruitment, selection and employment, adapt to the development strategy of the Company, optimize personnel structure, meet the requirements of human resources for various production and operation of the Company. The Company treats all employees equally and does not discriminate against the employees' ethnic, region, social origin, social class, blood origin, religion, physical disability, gender, family responsibility, marital status, union members, political opinions, and age, etc.

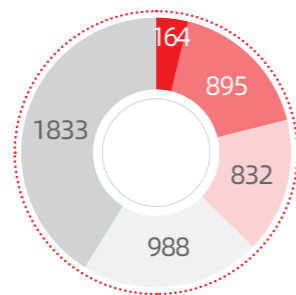


Gender Distribution Diagram



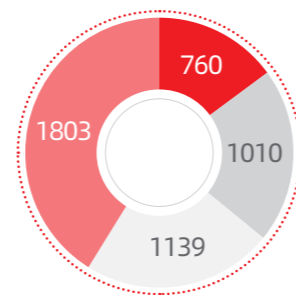
Male Female

Education Background Distribution



Master Undergraduate Specialty High School and Below Other education background

Age Distribution Diagram



Over 51 41-50 31-40 Under 30

Democratic Management of Employees

Baolong Automotive protects and respects the opinions and freedom of expression of employees, creates an open and inclusive atmosphere, makes broad speeches and encourages employees to participate in management. It fully respects the opinions of employees in the system construction. When the Company formulates various management system processes, it will seek the opinions of relevant employees, such as Article 75 of *Employees' Code of Conduct*, i.e., soliciting from all employees.

The Company has established an Employee Congress and elected a Trade Union Committee through the General Meeting. The Employee Congress and the Trade Union Committee regularly collect the opinions of employees through Inter-layer Employee Forum, Employee Meeting, Employee Satisfaction Network Survey, and cooperate with all business departments to improve. The Company has launched the online feedback function "Colleague Bar" to make employees fully express their opinions and suggestions at any time. The Employees participate in management through these measures.

The Company establishes various sports associations. Employees join the Association according to their own interests and needs, and participate in the informal organization and management of the Company through associations and organizations.

Workshop for inter-layer employees

Every year, organize a meeting of the different layers, collect more than **290** improvement opinions, and implement the improvement for managing the central and grassroots level, including canteen, shuttle bus, salary, welfare and various work improvement.

Employees' Meeting

In 2021, a total of **6** employees' meetings were organized and held, and nearly **33** issues related to employees were solved.

Employee Satisfaction Network Survey

4 employee satisfaction network surveys were organized every quarter, more than **200** feedback opinions and requirements were collected, and the implementation of all were explained or improved, including comprehensive services, corporate culture, performance management, information management, system platform and other satisfaction.

Compensation and Benefits

Baolong Automotive has established the *Compensation System* and *Welfare System* to ensure that the employee income is closely linked with the position value, personal ability and performance, and the Company's benefits, and timely gets rewards and incentives, attracts and retains all kinds of talents required by the Company and ensures the sustainable development of the Company. The Company implements the equity incentive plan for the key talents.

Salary = basic salary + performance salary / bonus + overtime salary + year-end bonus + special reward

The salary posting shall consider all factors comprehensively, and achieve three fairness, and the overall trend shall keep increasing under the condition of the benefit growth of the Company.

External equity

current market salary level, and current price level, etc.

Internal equity

the level of others on similar position.

Self-equity

consider the salary level, personal ability and performance of the employee in the previous year, the change of responsibilities in the next year, the results of qualification certification and the change of rank and grade brought by post adjustment.

Welfare Items

Transportation Subsidy

Meal Allowance

Seniority Allowance

Children's Day Welfare

Health Allowance for Female Employees

Social Security

Housing Provident Fund

Housing (Low Rent or Public Rental)

Leave (including marriage, funeral, maternity, illness, and personal leave, etc.)

Paid Annual Leave

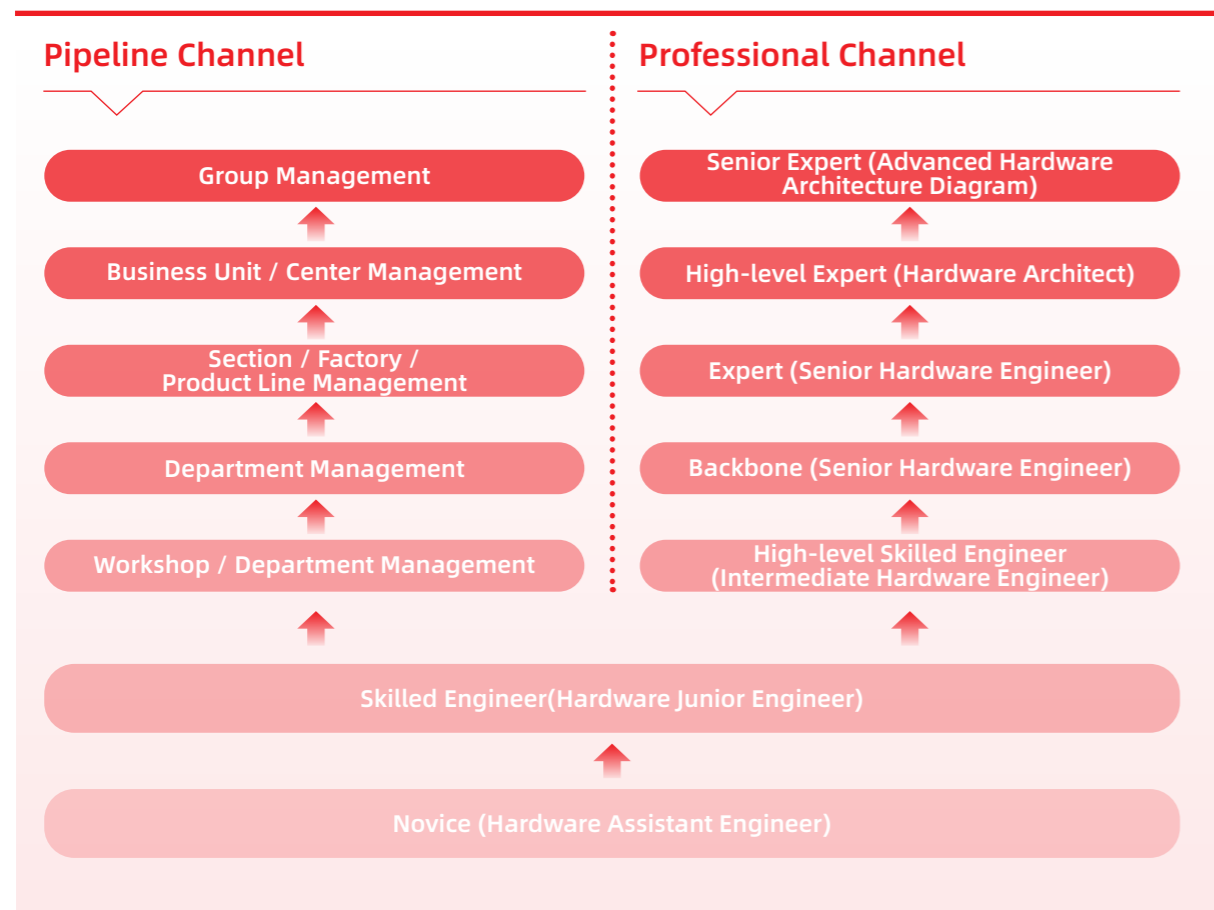
Work Clothes and Labor Protection

Career Promotion

■ Development Path

Baolong Automotive divides the existing posts into two channels: management channel and professional channel according to the post characteristics. Among them, the professional channel is divided into R&D and technology, business, project management, production, function, operation and other channels, and each channel is divided into different position sequences. In the management channel, the ability requirements of each management level are established, the learning and development direction is clarified, and sufficient development space is provided for employees who expect to develop in the management channel. On the professional channel, we create an atmosphere of professional pride and advocate the craftsman spirit. We set up professional ranks ranging from three to eight, set corresponding qualification standards for each rank of each position, propose specific requirements for behavior and ability, and let employees actively improve and develop themselves according to the professional requirements of each position rank according to the professional depth of various positions. The design and application of dual development channels, on the premise of meeting the needs of organizational development, fully respect the personality and development needs of employees, and form a positive and positive learning and development environment for employees.

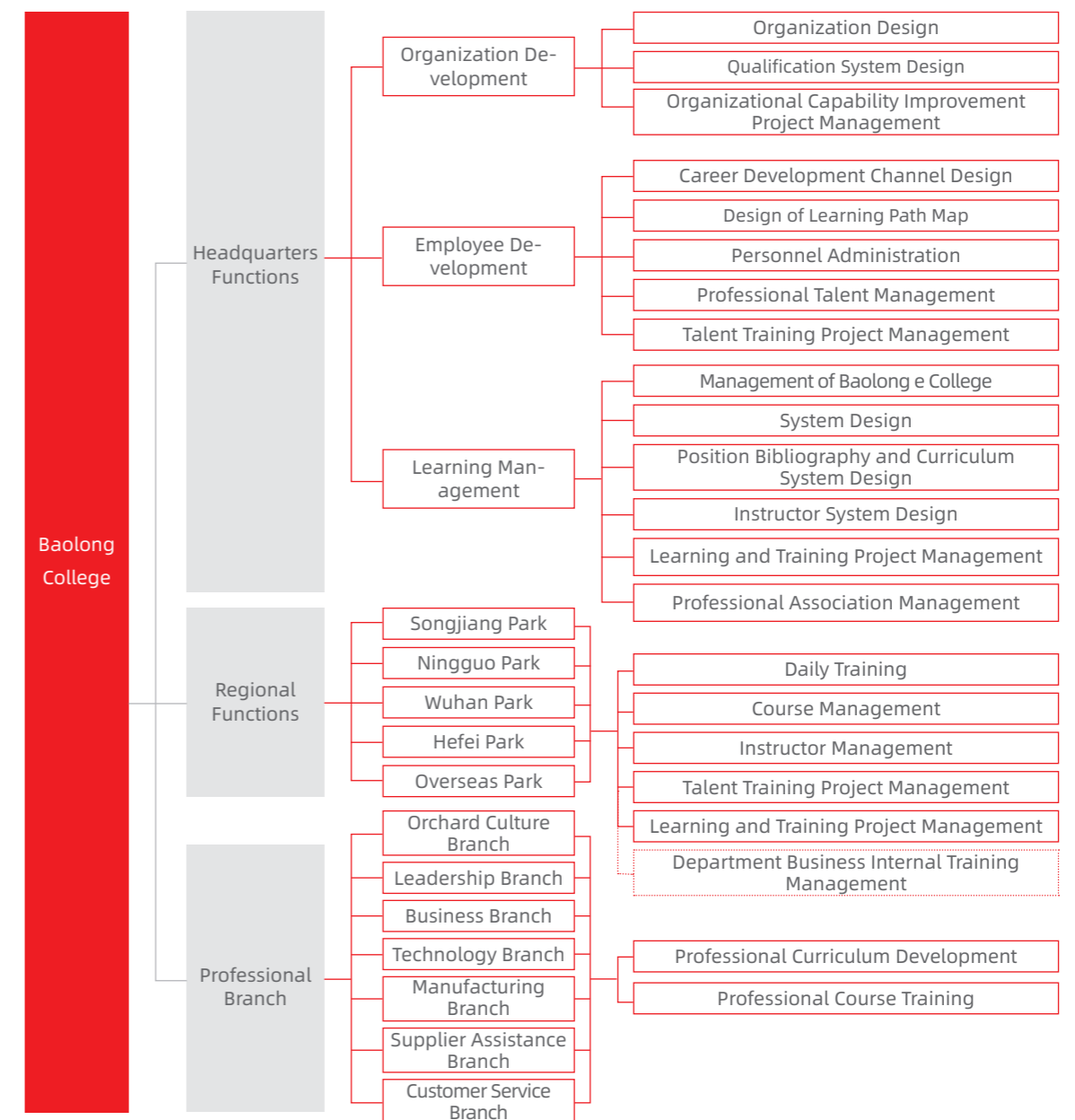
double channels for career development



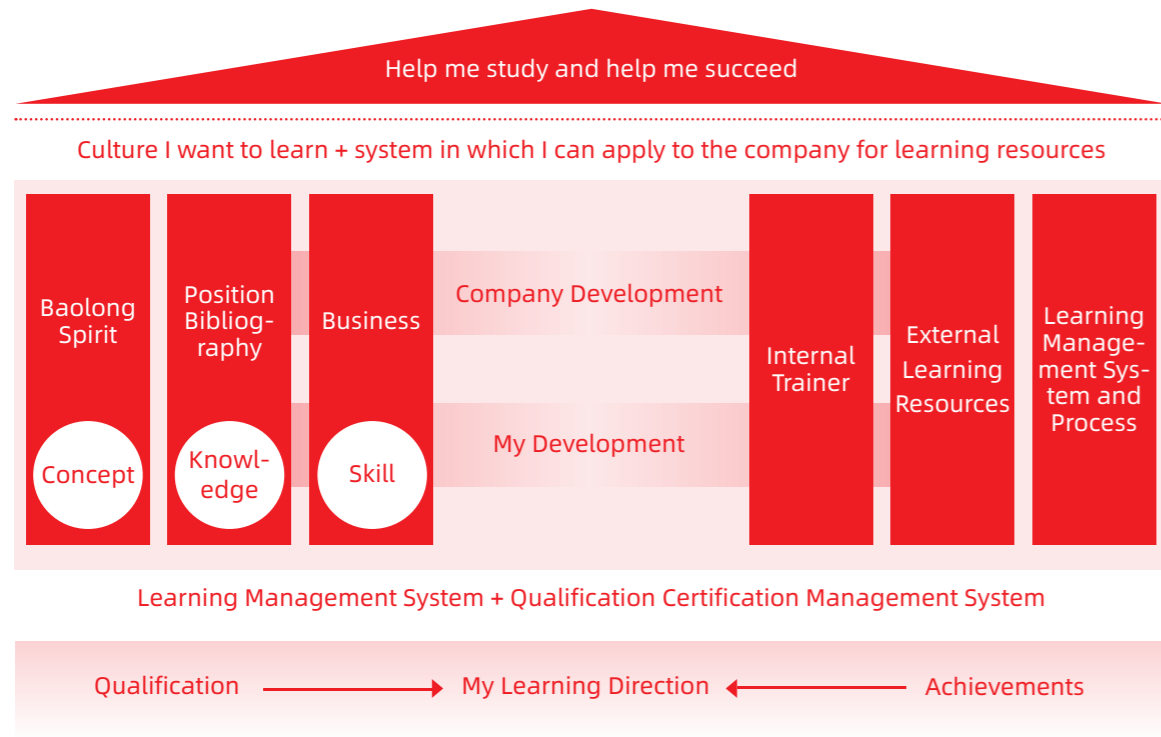
■ Employees' Training and Development

Baolong Automotive has built an independent learning and development platform and Baolong e College Learning Management System for employees, established a six horizontal and twelve vertical content system, sorted out the learning needs of new employees, managers at all levels and employees of various professional systems in terms of knowledge, skills and ideas, and built a learning path map to facilitate all kinds of employees to learn according to the path through the establishment of Baolong College based on the job qualification system. They also provide talent reserves for the development of the Company in the next five years while helping employees meet the needs of their current positions.

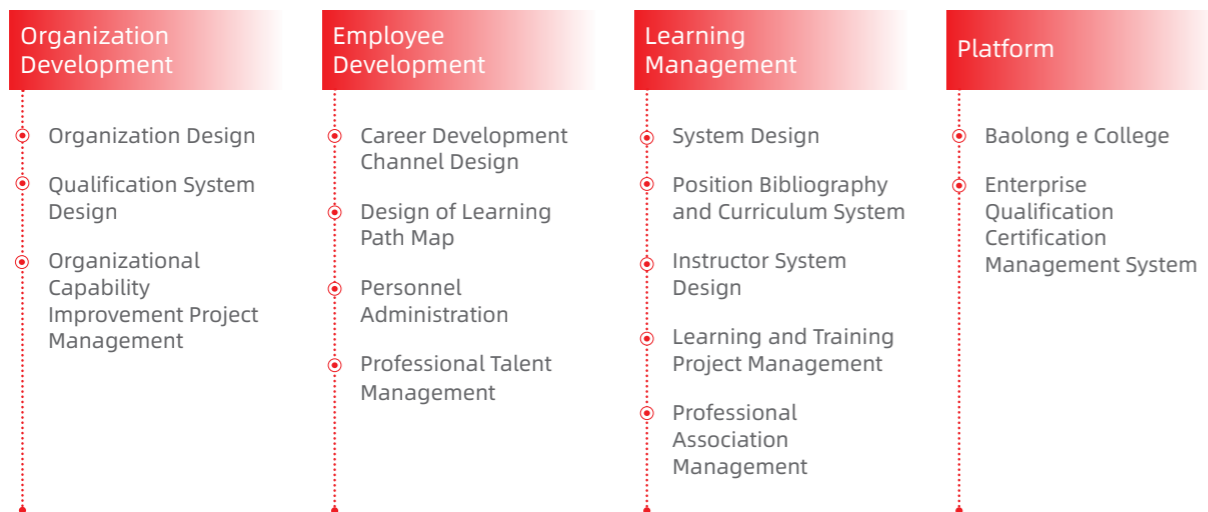
Organizational Structure and Working Framework of Baolong College



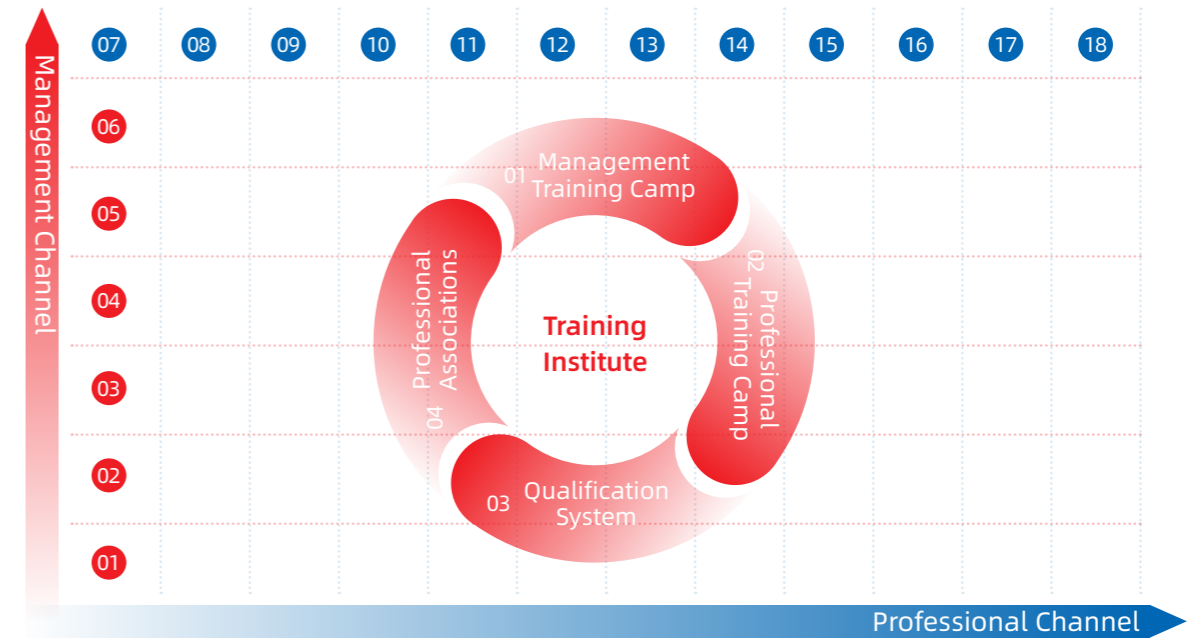
Implementation method of Baolong College



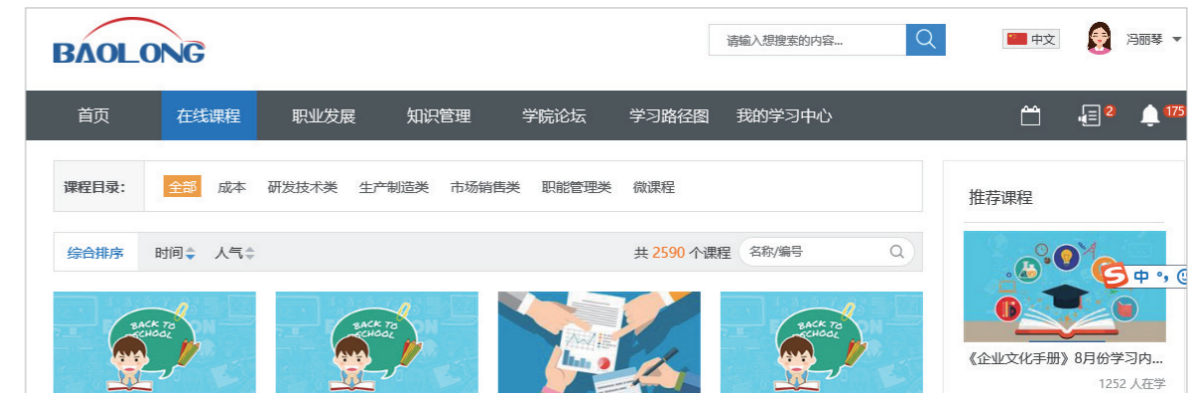
Action direction of Baolong College



Framework of Company learning content system (five horizontals and twelve verticals)



- | | | |
|-----------------------------|---|---------------------------|
| 01 Team Leader / Technician | 07 Enterprise Development | 13 Sales and Service |
| 02 New Employee | 08 Operation Management | 14 Supply Chain |
| 03 General Quality | 09 Procurement Certification and Management | 15 HR Management |
| 04 Grass Roots Management | 10 Quality Assurance | 16 Financial Management |
| 05 Middle Management | 11 Business Planning and MKT | 17 Information Technology |
| 06 Senior Management | 12 Research and Development | 18 Integrated Management |



• learning management system of Baolong e College



New Employee Training

• New Employee Induction Training



General Quality Training

• “TTT” Training Program



Management Training

• Leadership Training Project

• Youth Cadre Team Project



Sales Training

• Sales of Four Modernizations Training Camp Project



Technical Training

• Sales of Four Modernizations Training Camp Project



Manufacturing Training

• Lean Green Belt Training Project

Safety and Health

Baolong Automotive has established documents, such as *Occupational Health Management System*, *Safety Production Site Management System* and *Management Guide For Hazard Identification, Risk Assessment and Control*, Implemented the Policy of “Safety First and Prevention Focused”, implemented the target control of “Three Simultaneities” in safety production and “Four Can’t Be Avoided” in safety accidents, and established a safety early warning mechanism and emergency handling mechanism for safety accidents, regularly conduct fire drill activities, achieve safety production objectives, pass ISO 45001 System Certification, and cover the Company and major subsidiary companies.



The coverage rate of occupational health examination

100%



• Baolong Automotive subsidiary has obtained ISO 45001 Occupational Health and Safety Management System Certification

Control Items	Impact Indicators	Related Risks	Measuring Method	Control Process and Method
Safe Production	Object Strike, Mechanical Injury, Electric Shock, and Lifting Injury, etc.	Casualties, Property Losses, Impact on Social Stability	<ul style="list-style-type: none"> Regular Internal and External Evaluation Regular Inspection 	<ul style="list-style-type: none"> Implement EHSS “Three Simultaneities” procedures The Annual Letter of Responsibility for EHSS Management was signed The dual prevention mechanism of hierarchical management and control of safety risks and troubleshooting and governance of hidden dangers were implemented
Public Health	Noise and Dust	It may lead to occupational diseases such as noise deafness and pneumoconiosis	Regular Inspection	<ul style="list-style-type: none"> Establish and improve occupational health archives Arrange occupational disease physical examination regularly Conduct regular occupational health monitoring in the workshop

The Company focuses safety production and environmental protection, strives to create a good and safe working environment for employees, actively provides various safety production training for employees, and improves the employees' safety skills and reduce safety risks.

Time	Topic
2021.1-2	Training and Signing of Safety Production Responsibility System
2021.1	Investigation of Potential Accidents and Prevention of Major Accidents
2021.2	Safety Management Responsibility of Team Leader
2021.2	Accident Case Sharing
2021.3	Identification Methodology of Occupational Hazard Factors
2021.3	Internal Motor Vehicle Driving: Relevant Professional Knowledge
2021.3	Fire-fighting Training for Employees and Practical Operation of Fire Extinguishers
2021.3	Accident Report and Handling and Emergency Measures
2021.4	Training of Hazardous Chemical Practitioners
2021.4	Special Fire Management and Training
2021.6	Basic Knowledge of Heatstroke Prevention and Cooling
2021.6	Team Leader Safety Management during High Temperature
2021.7	Safety Operation Skill Training of Ammonia Station
2021.7	Electricity Safety in Summer
2021.8	Publicity and Implementation of Occupational Health System Training
2021.8	Annual Drill of Comprehensive Emergency Plan and Disposal Training of Special Plan
2021.8	Unsafe Psychological State
2021.10	Elevator Safety Theory Training and Accident Emergency Drill
2021.11	Common Risks and Precautions in Manufacturing Industry
2021.12	New Safety Law and Regulations of Shanghai Municipality on Work Safety

Case

Fire Emergency Drill

In August 2021, the Company conducted fire emergency area linkage drill in Songjiang Park. The Emergency Response Team has made full preparations for the emergency plan exercise and prepared the exercise implementation plan, for the exercise area, the road closure management of traffic roads in the plant area was conducted to prevent traffic accidents in the escape process of the exercise, and the guarantee was in place before the plan. The drill is divided into two groups: night shift and day shift. All regional emergency teams can quickly and effectively conduct various work, such as initial fire extinguishing, power cut-off, first aid and evacuation.



• Fire Extinguishing Site



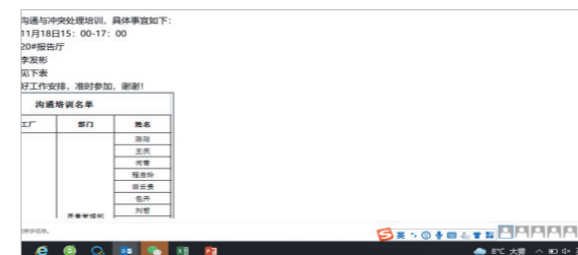
• Escape and Evacuation in the Area



• Exercise Summary

The Company ensures the personal safety of employees in the plant area, divides pedestrian and vehicle access lines in each plant area, and formulates driving specifications in the plant area; divide the pedestrian and logistics lines in the workshop to ensure the separation of People and reduce the possibility of injury to employees.

The Company identifies the occupational hazard factors of the factory and formulates the allocation and distribution standards of labor protection articles for employees with occupational hazards. Meanwhile, in the process of employees using labor protection articles, the Company regularly carries out the investigation on the comfort and applicability of employees' labor protection articles, updates the products from time to time, and tries its best to provide more comfortable working conditions. The Company pays attention to the growth of employees in mental health and actively carries out mental health training, counseling and exchange activities.



• mental health training notice



• emotional stress management

Caring Activities

Cultural Activity

Baolong Automotive pays attention to humanistic care, regularly organizes characteristic cultural activities, promotes employee exchanges, enhances feelings between employees, enriches employees' spare time life, improves employees' sense of belonging and enables employees to better engage in work. Various sports associations within the company will also organize various activities to add color to the daily life of employees..

Tourism Activities

- Employee Travel Activities



Special Activities

- Employees Sports Meeting



Festival Celebrations

- Valentine's Day Activities



Sectoral Activities

- Departmental Activities



Association Activities



• Spring Festival Couplet Baifu Welcomes the Spring Festival



• Employees' Hand-made Cake Activities



• Hiking Photography



• Badminton Friendship Match

Employee Assistance

Baolong Automotive has established the *Management System of Temporary Living Difficulties Subsidy for Employees*, and allocated assistance funds every year to help employees with living difficulties caused by serious diseases, disasters and accidental injuries, to provide guarantee for employees to get out of their living difficulties.

In 2021, the Company issued a total of temporary hardship relief to employees

subsidized
RMB **329,500** **70** employees



• University Grants for Employees' Children



• Visit of employees with difficulty

Public Welfare Responsibility, Builds A Better Home

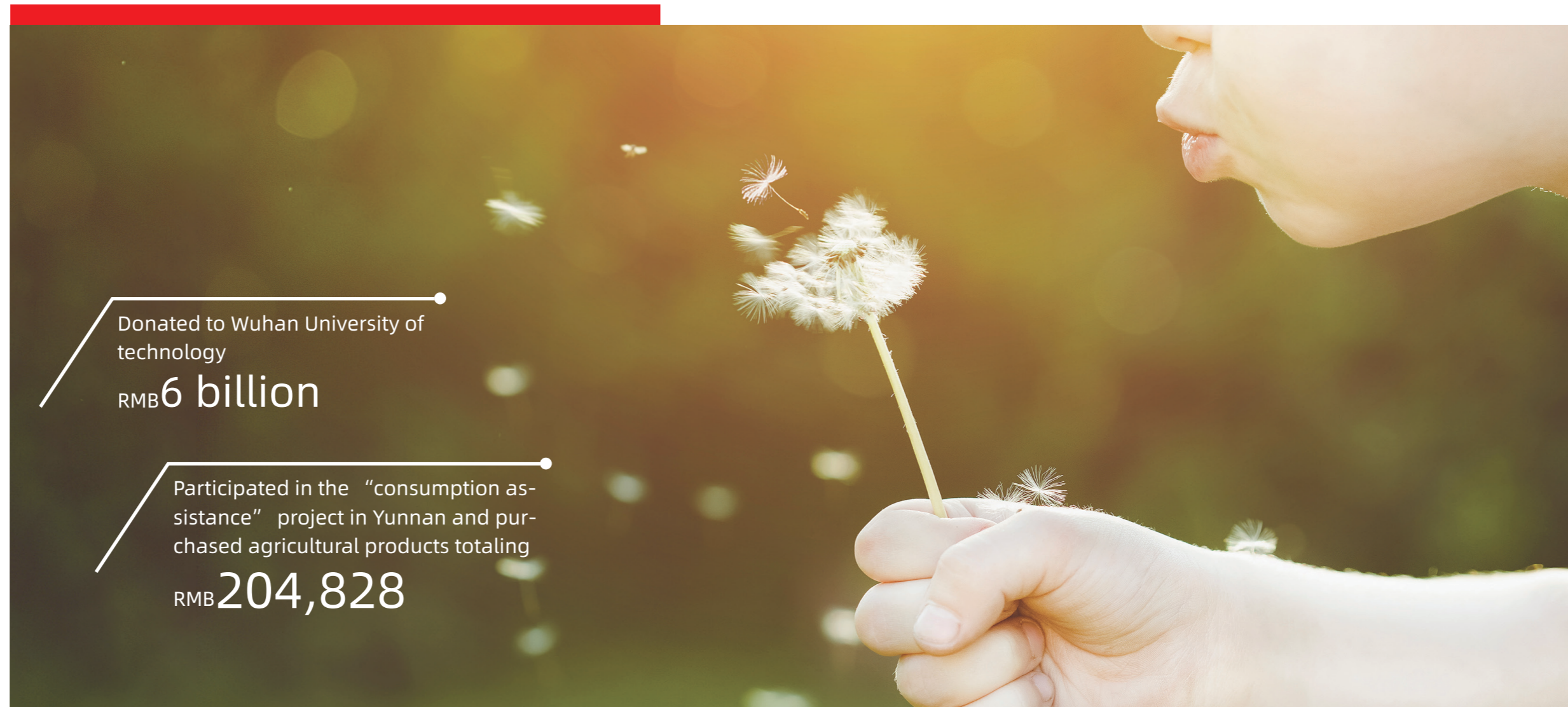
■ Philosophy

Baolong Automotive takes supporting public welfare and contributing to society as an important connotation of enterprise values. Combined with the industrial characteristics of Company, and takes popular science, environmental protection, student assistance and poverty relief as important public welfare support. The Company has established the public welfare goal of "Developing the Automobile Industry, Revitalizing the Local Economy and Returning to the Public Society", established the Baolong Public Welfare Support Plan, and identified five aspects of local economic and industrial development, education and culture, sports, environmental construction and philanthropy as the key support direction of public welfare undertakings.

■ Our Actions

- Education And Culture
- Community Public Welfare

■ SDGs Benchmarking



Donated to Wuhan University of
technology

RMB **6 billion**

Participated in the "consumption as-
sistance" project in Yunnan and pur-
chased agricultural products totaling

RMB **204,828**

Education And Culture

Baolong Automotive pays attention to scientific research progress and supports discipline construction in colleges and universities. The Company has reached a strategic alliance of industry university research cooperation with Wuhan University of Technology to promote the sharing and interaction of academic, talent and resources between schools and enterprises, and help cultivate high-quality and high-level compound talents.

Case

Donated to Wuhan University of Technology to help the development of Education

The Company insists on donating to Wuhan University of Technology every year and pays great attention to the construction and promotion of school education. The Company signed a contract and agreed to donate RMB10 million to Wuhan University of Technology for constructing automobile discipline conditions in 2017. The Company has donated RMB6 million to Wuhan University of Technology by 2021. In December 2021, the Company donated RMB100,000 to the education development foundation of Wuhan University of Technology for the second time for the construction and development of the School Football Team (in 2017, it donated RMB100,000 for the first time for the construction and development of the school football team).

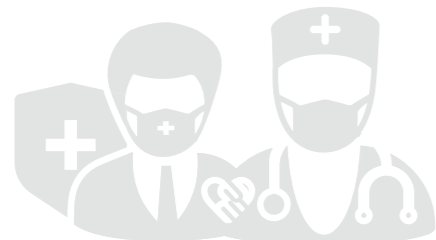


• Donation Certificate of Wuhan University of Technology

Case

Donated "Hard Core" equipment to help the school return to work and school

The Company has paid attention to the development of Wuhan University of Technology for long time. The Company donated one intelligent epidemic prevention workstation to the school to help the campus epidemic prevention and control when the school entered the stage of normalized epidemic prevention and control.



• Donation Ceremony of Intelligent Epidemic Prevention Workstation

Community Public Welfare

Baolong Automotive has always adhered to the values of "responsibility, sharing and progress", gratitude and responsibility, self-love and progress, and fraternity and sharing during of growth process. The Company has not forgotten to bear the social responsibility of the enterprise and actively support various public welfare undertakings in the community with more than 20 years of continuous development.

Help the Poor

Case

Actively Participated in the "Help Consumption" project of Songjiang District, Shanghai to aid Yunnan

Baolong Automotive has insisted on participating in the "Help Consumption" project of Shanghai Songjiang District to assist Yunnan every year, and has played its part in the poverty alleviation work by purchasing Yunnan agricultural products. The Company's participation in the project in recent three years is as follows:

	2019	2020	2021	Total
Amount of Agricultural Products Procured (RMB)	25,500	119,328	60,000	204,828

Note: In 2020, including RMB30,000 of agricultural products procured by Mr. Chen Hongling, Chairman of the Company.

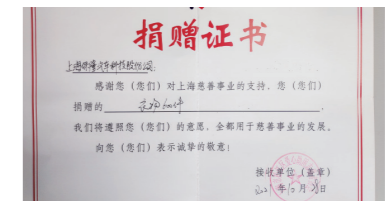
Case

Donation of Used Clothes

The Company pays attention to the life of the difficult people in backward areas continuously. The Company has organized its employees to donate old clothes every year to do their utmost to bring warmth to the life of the difficult people in recent ten years. The Company collected 600 pieces of used clothes through this activity, and helped the difficult people in Yunnan through the Shanghai Songjiang District caring volunteer's association in 2021.



• Used Clothes Donation Site



• Charity Donation Certificate

Case

Focus on Rural Public Welfare and Devote Themselves to the construction of New Countryside

The Company never forgets its original intention, always has a high sense of responsibility of "Returning Favors and Taking Responsibility", pays attention to rural public welfare undertakings, and has adhered to rural pairing activities to help left behind children and fund student aid activities for a long time; meanwhile, actively participate in the construction of new villages with local enterprises and local People.



• Activities of Visiting Orphaned And Widowed Elderly and Disabled Children in Ningguo Welfare Home

Volunteer Work

Case

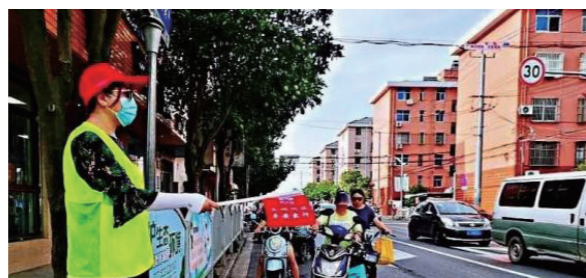
Voluntary Vaccination Activities

At present, Baolong Automotive actively cooperates with the national epidemic prevention policy and supports the national epidemic prevention work. Seven employees of the Company conducted voluntary vaccination service at the vaccination point of Songjiang University City Sports Center for several consecutive days to help maintain the on-site order and guide the personnel in June 2021, to ensure the orderly and rapid vaccination. The total volunteer time of 7 volunteers during volunteer service is 315 hours.

Case

Voluntary Re-inspection in Civilized Cities

All party members of Ningguo Baolong participated in the public welfare work of re-inspection of the establishment of civilized city, dredged the people flow and vehicles in the city, standardized and guided the civilized behavior of the city, and ensured the smooth completion of the re-inspection of civilized city in December 2021 under the organization of the party organization of the Company.



• Urban Public Welfare Volunteer Work

Anti-epidemic and Disaster Relief

Case

Assist Ningguo to Help Rebuild Their Homes

In 2019, typhoon "Lekima" brought great disasters to many places in Ningguo of Anhui Province. Residents' living and diet were lost, and township transportation, power supply and other infrastructure were seriously damaged. The Company paid close attention to and issued the proposal of all employees' donation for the first time, calling on everyone to lend a helping hand. In this donation activity, the subsidiaries Ningguo Baolong and Anhui topological Auto Parts Co., Ltd. donated RMB1.25 million to the disaster area respectively, the Group Chairman Chen Hongling personally donated RMB500,000, the Employees donated RMB110,000 in total, and the total donated RMB3.11 million to Ningguo Charity Association.

Meanwhile, the Company's employees actively joined the volunteer organization and spontaneously went to the front-line disaster areas to participate in rescue operations and help the victims rebuild their homes to support the front-line disaster relief.



• Employees Volunteers Spontaneously Went to the Front-Line Disaster Area for Support



• Donated Materials for Flood Fighting and Disaster Relief

Case

Donating Medical Units in Hubei to Help Fight the Epidemic

In 2020, Baolong Automotive donated RMB300,000 to Hanchuan People's Hospital, and its subsidiary Ningguo Baolong donated RMB300,000 to Hubei Province to help Hubei fight COVID-19 epidemic.

Case

Emergency Donation Mask to Solve the Urgent Needs of Overseas Medical Centers

In 2020, the overseas epidemic spread continuously. Baolong Automotive always paid attention to the epidemic prevention and resumption of work of subsidiaries around the world. Meanwhile, the mission and responsibility of the enterprise paid high attention to the epidemic situation in various places and prepared to lend a helping hand in time. Tesona, a subsidiary of the Company urgently contacted for help in April 2020, hoping to solve the critical situation of severe shortage of masks in local medical centers. The Company urgently organized the procurement of a batch of masks and delivered them to Germany by the fastest shipping method. Together with its subsidiary, the Company donated masks to the medical center, which solved the local urgent need.



• Photos Taken by the Assisted Medical Center for Thanks

Key Performance

Economic Performance

	Unit	2019	2020	2021
Business Income	RMB Ten Thousand	332,096.43	333,108.51	389,758.56
Net profit attributable to shareholders of listed companies	RMB Ten Thousand	17,227.90	18,318.44	26,839.82
Total assets at the end of the period	RMB Ten Thousand	375,055.35	391,333.48	514,948.44
Net assets attributable to shareholders of listed companies at the end of the period	RMB Ten Thousand	103,522.13	115,067.60	219,851.29
R&D expenses	RMB Ten Thousand	23,234.95	25,493.20	28,050.41
R&D personnel	Person	741.00	743.00	773
Proportion of R&D personnel	%	17.35	16.28	16.40

Note: Please refer to the 2021 Annual Report of Baolong Automotive for other financial data of the Company in 2021.

Social Performance

	Unit	2019	2020	2021
Total Number of Employees	Person	4,271	4,564	4,712
Labor Contract Signing Rate	%	100	100	100
Social Insurance Coverage	%	100	100	100
Number of Training	Times	1,327	1,416	1,560
Training Duration	Hour	128,984.20	149,699.20	166,333.60
Training Person Times	Person Time	4,271	4,564	4,712
Public Welfare Donation	RMB Ten Thousand	391.19	171.48	117.4
Consumption Supporting Agriculture	RMB Ten Thousand	2.55	1.19	6.00

Environment Performance

[Energy]	Unit	2019	2020	2021
Electricity Consumption	KWh	38,656,062	44,589,847	58,442,476
Electricity Consumption/RMB10,000 Output Value	KWh/ten thousand yuan	299.7	270.3	212.5

Note: The electricity consumption/ RMB10,000 output value reflects the electricity consumption/RMB10,000 output value. The less the electricity consumption/unit output value, the lower the electricity consumption/RMB10,000 output value.

[Water Resources]	Unit	2019	2020	2021
Water Consumption	Ton	349,487	364,162	347,824
Water consumption/RMB10,000 output value	Ton/ten thousand yuan	2.7	2.2	1.26
















Note: The water consumption/ RMB10,000 output value reflects the water resources consumed per RMB10,000 output value. The less water resources consumed/unit output value, the lower the water consumption/RMB10,000 output value.

[Greenhouse Gas Emissions]	Main Emission Sources	Types of Greenhouse Gases	Unit	2019	2020	2021
Indirect greenhouse gas emissions	Purchased Electricity	Carbon Dioxide	Ton	30,619.47	35,319.62	46,292.29
Greenhouse gas emission per RMB10,000 output value	Purchased Electricity	Carbon Dioxide	Ton/ten thousand yuan	0.237392	0.214105	0.168321

Note: (1) Indirect energy emissions refer to greenhouse gas emissions caused by purchased electricity, etc; (2) Indirect emissions are calculated according to the *Emission Factors of China Regional Power Grid Baseline of Emission Reduction Projects in 2019*.



Indicator Index

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Reader Feedback Form

Dear Readers:

Hello!

Thanks very much for reading the 2021 Annual Social Responsibility Report of Shanghai Baolong Automotive Corporation in your busy schedule. We sincerely look forward to your opinions and suggestions to provide you and other stakeholders with more valuable information and effectively promote the Company to improve its ability and level of fulfilling corporate social responsibility.

Multiple choice questions (Please tick in the corresponding post)

	Very Good	Good	Average	Poor	Very Poor
Your overall evaluation of the Report is:	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The response and disclosure of the Report to the concerns of stakeholders?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you think Baolong Automotive is doing in terms of economic responsibility?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
What do you think of Baolong Automotive's environmental responsibility?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you think Baolong Automotive is doing in safety management?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you think Baolong Automotive is doing in terms of employee responsibility?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
How do you think Baolong Automotive is doing in terms of community responsibility?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Is the information, indicators and data disclosed in the Report clear, accurate and complete?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Do you think the content arrangement and layout design of the Report are easy to read?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Open issues:

Do you have any opinion and suggestion on the performance of social responsibility and the Report of Shanghai Baolong Automobile Technology Co., Ltd?



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