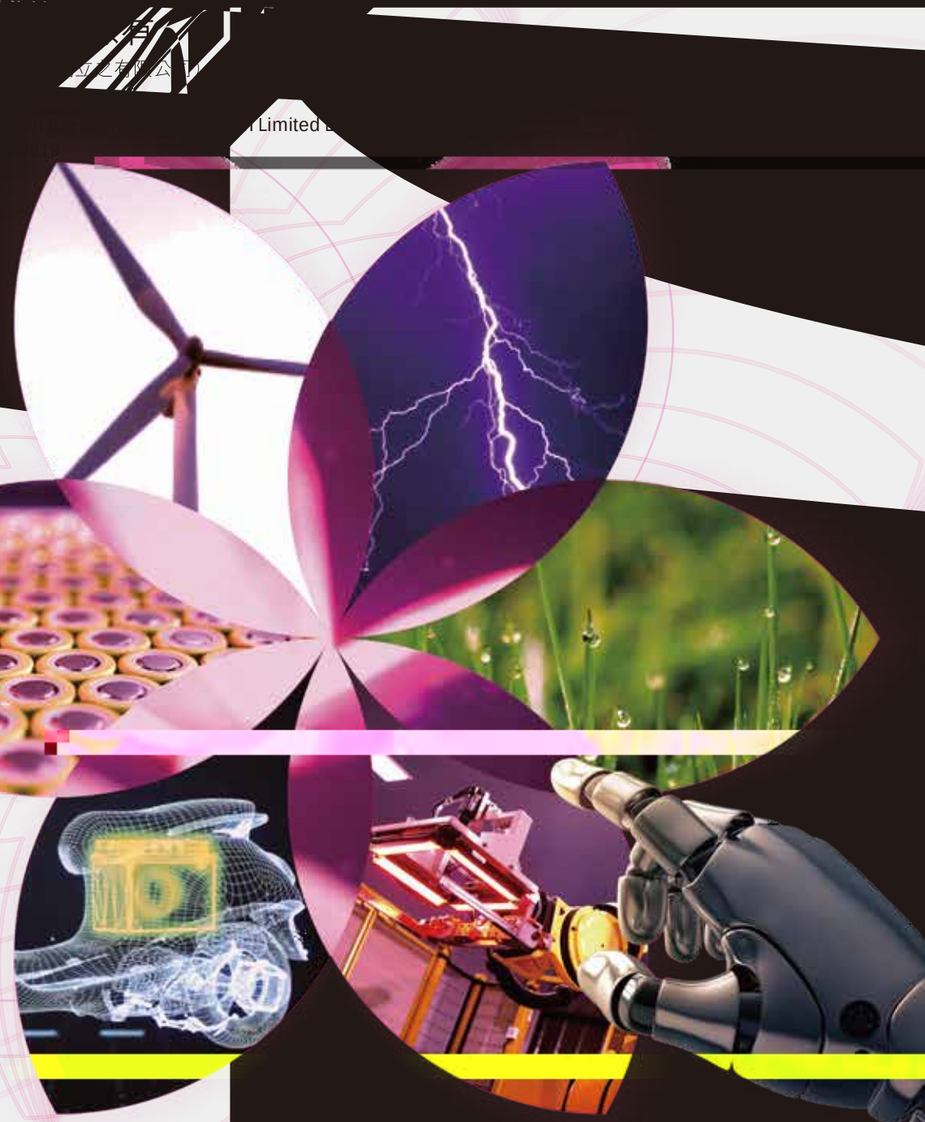

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2020 Environmental, Social and Governance Report

TIANNENG POWER
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01

Create Value Continuously
Create A Better Life Jointly

1.1 Enterprise Profile
1.2 Products and Services
1.3 Development Concept
1.4 State of Operation

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New Energy Batteries

The Company’ s new energy batteries are mainly lithium-ion batteries, and also involve the production and R&D of next-generation battery products such as fuel cells. The application fields of lithium-ion batteries are mainly divided into two categories: power applications and non-power applications. Among them, power applications include electric light vehicles, electric passenger cars, and electric commercial vehicles, whereas the non-power applications include consumer electronics and energy storage.

Renewable New Materials

Tianneng actively fulfills the producer’ s extended obligation to recycle metals, plastics, residual acids and other substances in used batteries.

Development Concept

Core Value

“ Responsible, Innovative, Hard-working and Shared ”

Mission

To devote to green energy and create happy life.

Enterprise Vision

To be the most respected new energy company among the world’s best.

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232.0 21.3%

24.8

47.3%

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State of Operation

In 2020, in the face of the complex and severe macro situation, industry trends, and the impact of the COVID-19 epidemic, the Group adhered to the keynote of “ seeking improvement in stabilization ”, coordinated the prevention and control of the epidemic and production and operation, and vigorously implemented the development strategy of “ intelligence, platform and globalization ” to continuously maintain high-quality and steady development.

In 2020, the total assets of the Group reached RMB 23.2 billion , with an increase of 21.3% over the previous year; the profit attributable to shareholders was RMB 2.48 billion, with an increase of 47.3% over the previous year.

During the year, the Group has actively responded to the ever-changing external situation and market environment, overcomed the challenges posed by the epidemic, seized opportunities and optimized strategies, which further enhanced our pattern of high-quality development. The Group places priority on the health and safety of its employees with improving its competitiveness in the industry as its core focus, consolidates the achievements of epidemic prevention and control, and pays close attention to its business objectives. In addition, the Group is committed to the R&D and the use of new technologies, new processes and new materials to fulfill the needs of di erent markets and customers, and thus its operating performance has improved gradually. The Group ranks 15th among the top 500 global new energy enterprises, 147th among the top 500 Chinese enterprises, 16th among the top 500 Chinese private manufacturing enterprises, and first among the top 10 enterprises in the Chinese light industry battery industry.

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“ ” Tianneng-styled “Epidemic” Prevention: Big Love, Big Responsibility

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elev “

The year 2020 is an extraordinary year. The Group has firm confidence and united e orts to dedicate to the following missions: while coordinating the epidemic prevention and control and the production and operation activities, we actively assumed social responsibilities and contributed to the fight against the epidemic with practical actions, which has drawn the attention of the mainstream media such as People’s Daily, the Xinhua News Agency, Guangming Daily and China Youth Daily, with about 80 relevant articles.

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Exploring New Model of Poverty

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On 9 May 2020, the signing ceremony of the Yuhang

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The project helped 500 impoverished villagers with

With benefit-linkage development to assist industrial projects, the Group is also actively carrying out consumption-driven poverty alleviation work.

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From January 2019 to May 2020, Tianneng Group Taijiang Company in Guizhou Province invested about RMB 100,000 in the consumption-driven poverty alleviation funds to purchase agricultural and sideline products such as rice, watermelon, mushrooms, loquat and farmed chicken and beef grown and raised by the surrounding villagers, solving the problem of unsalable agricultural and sideline products of local poor farmers.

2020 3 3

On 3 March, 2020, the People's Government of Guizhou Province issued an announcement o cially approving Taijiang County to withdraw from the list of state-level poverty-stricken counties. Tianneng has made due contributions to the poverty alleviation work in Taijiang County.

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On 9 May, 2020, Tianneng cooperated in establishing the Poverty Alleviation Industrial Park project in Guizhou Province.

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Village-Enterprise Joint E orts in Rural Revitalization

Xinchuan Village in Meishan Town, Changxing County, Zhejiang Province

2008

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Since 2008, the Group has paired up with Xinchuan Village, Meishan Town, Changxing County to blaze a new trail of rural revitalization of " industry feeding agriculture " through village-enterprise joint construction. With the Group as the leader, it has promoted the coordinated development of more than 10 supporting enterprises and modern service industry in the village. The villagers rely on the village-enterprises co-construction platform to achieve common prosperity.

Tianneng participated in the environmental improvement and greening of Xinchuan Village, and funded the cultural public welfare undertakings in the village with an accumulative donation amount of more than RMB ten million, which injected vitality into the creation of the boutique village of Xinchuan Village.

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The Group employs professional legal practitioners as perennial legal consultants, and has established an Internal Control Legal A airs Center and an Audit Supervision Center to supervise and review business decisions, business processes and internal rules and regulations in real time. In order to safeguard the shareholders' legitimate right to know, the Group has formulated strict information disclosure systems and measures. The content of information disclosure is divided into periodic reports and provisional reports. Periodic reports are disclosed twice a year, including interim reports and annual reports.

Communication Mechanism

The Group builds cooperation and keeps closed contact with interested parties, through organization of conferences, investigations, seminars and other activities, gets through multiple communication channels, listens to voices of all parties with concentrated attention, and performs related responsibilities.

Interested Parties	/ Main Communication Modes/Activities
Sta	Congress of Workers and Sta , Sta Training, Labor Union Activities, Opinion Collection, Complaint Letter Box
Customers	Online Marketing, Exhibitions,Press Conference, Market Reserach and Survey, Customer Satisfaction survey and so on
	Market Reserach, Dealers Conference, Training Conference
Investors	Shareholders' Meeting, Performance Press Conference, Road Show, Disclosure, Email, Telephone, Seminar
Suppliers	Investigation and Survey, Business Communication, Conference and Questionnaire
Industrial Organization	/ Participation in/Taking the head in Standard Making, Participation in General Assembly, Industry Summit, Cooperation and Share
Cooperative Partner	Business Contacts, Strategic Cooperation, Conference
Scientific Research Institutions	Industry-College-Institute Cooperation, Technical Exchanges and Cooperation, Conference
Media	Meet-And-Greet, Press Conference, Oriented Communication, Interview
Community	Participation in Activities, Joint E orts to Build and Share, Public Benefit and Charity
Government	Participation in Conference or Sending Invitation to Join Conference, Projects Negotiation, Business Communication, Government A airs Contacts

Internal Control

Independent Audit

The Group has set up the Audit Supervision Center, an independent audit institution directly led by the chairman of the Board, formulated the audit supervision management related systems, and clarified various audit processes. The Audit Department independently conducts internal management audits and special audits of the Group, without any intervention or restrictions from other departments.

The Group also hires ZHONGHUI ANDA CPA Limited to provide the Group with related audit services such as auditing of accounting statements and verification of net assets. The results of external audit are reported directly to the Board by the firm’ s sta , which not only strengthens the internal risk management of the enterprise, but also e ectively avoids the occurrence of violations of laws and regulations.

Risk Monitoring

The Group’ s risk control framework is as follows:

Role	Person in Charge	Duties
Top-down identification and management of company-level strategic and business risks	Board (through the Audit Committee and Audit Supervision Department, etc.)	Monitor the Company's risk management policies and procedures. Determine the nature and degree of possible and emerging risks. Assess and publish risk management and internal control systems and ensure that all processes are properly implemented. Regularly organize the management sta of middle-level and above to study the Listing Rules of the Stock Exchange.

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Security and Environmental Protection System

In 2020, the Group normalized risk management and control, comprehensively boosted in-depth safety construction, which further ensured the good momentum of high-quality development. The relevant measures included: establishing a three-level inspection mechanism of " Second-level company self-inspection and self-correction + business department supervision and inspection + group supervision and control ", launching an internal control risk system, integration of safety and environmental information, construction of a safety and environmental system process system, organization of hierarchical risk management and control and hidden danger investigation and management, through the compilation of risk maps in key areas, precise management of production sites, and special trainings and education activities for liaison o cers. We have realized self-pressurization, fundamentally eliminating hidden dangers of accidents, and vigorously improving the intrinsic safety of the Group.

Over the past year, the Group has consolidated the foundation for environmental protection and security. We strengthened the safety bottom line awareness and environmental protection red line thinking, integrated internal high-quality resources, and further consolidated the foundation of environmental protection and security compliance with policy analysis, mechanism optimization, management empowerment, supervision and inspection, etc. as e ective means.

At the same time, the Group initiated the construction of an internal risk control system to drive contract management and seal management upgrades with digitalization, further reducing operating risks. We conducted inspections on the project bases, discovered hidden dangers in time, and urged the rectification to be implemented; during the inspection on operations management, we conducted various audits, and recovered more than RMB 20 million in direct losses. For the development of new industries, new platforms and new businesses, from the initial investment and research of projects to the final operations, we implemented the whole-process and all-around control to ensure stable operations.

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The Group also continued to optimize the grid management system, organize special trainings and education activities for liaison o cers, greatly improving the risk identification capabilities of the part-time team; we continuously solidified the daily supervision and operation mechanism, and further improved the risk prevention and control and emergency response capabilities; the assessment mechanism was established, so that in response to sudden and mass incidents, public crises, major business risks, etc., which cause damage to the Group' s economy or brand, a one-vote veto was applicable for the principal responsible person. The in-depth advancement of the joint construction mechanism of the government-enterprise cooperation has formed a strong joint force of upper and lower linkage and coordinated advancement.

04

Responsibilities of Tianneng

4.1 Protection of Employees
4.2 Protection of Investors
4.3 Protection of Customers
4.4 Protection of Intellectual Property Rights

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We help to solve basic problems such as employee housing, transportation and children' s education. We have constructed environmentally friendly employee dormitories at the headquarters and multiple bases. We also provide multi-shift, multi-route shuttle services, canteen food allowance, employee shopping vouchers, and organize employees to participate in sports and leisure activities.

Health and Safety

Adobe Version
Protected Document

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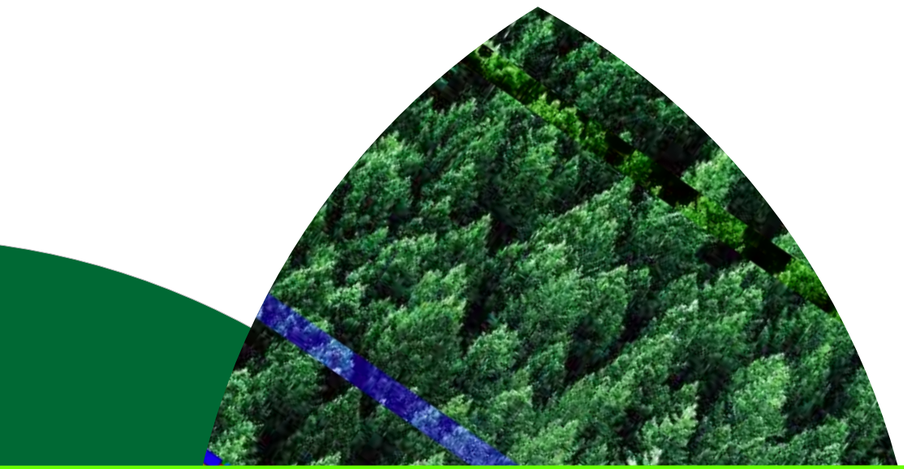

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At present, Tianneng has built a number of projects such as the o -grid photovoltaic energy storage project in Africa, the solar storage system of the Presidential Villa in Gambia, and the intelligent micro-grid lead-carb

Pollution Prevention and Governance

Tianneng actively builds an environmentally-friendly enterprise, and embeds the concept of green ecology throughout the entire life cycle of its products from design to disposal. Through innovative measures such as ecological product design, clean production process, intelligent equipment manufacturing, and recycling of resources, it has realized battery pollution prevention and control in every link from design, production, use to recycling.

The Group has also formulated a rigorous emergency response plan for environmental emergencies, including emergency headquarters, emergency material allocation, and emergency drill plans. It regularly conducts emergency drills for environmental emergencies every year, updates the plan every three years, and reports to the local competent department of ecological environment for record.

In addition, Tianneng always advocates the harmonious development of enterprises and the environment, and regards environmental protection as the bottom line of enterprise development. In addition to setting environmental protection distances and green buffers in the park, Tianneng also regularly conducts atmospheric, water and soil monitoring activities on the surrounding environment of the park. The introduction of advanced monitoring equipment and the establishment of a professional technical team have realized the manual daily monitoring of pollutant factors and online 24-hour monitoring.

Tianneng discloses pollutant monitoring data and reports of the factory every year to the public and the government information disclosure platforms, and prepares environmental reports on an annual basis. In the past three years, through continuous improvement of the pollutant management system, Tianneng has achieved lower probability of environmental pollution accidents.

Tianneng observes the industry and sector development rules, the Environmental Occupational Health and Safety Management System (EHS), adheres to energy conservation and emission reduction, solidly promotes pollution prevention, and strives to eliminate the "three wastes" in the technological process. In addition, Tianneng has established a professional management team to effectively ensure the smooth development of ecological environment construction and safe production. For example, Tianneng has formulated a series of environmental and safety management systems such as Tianneng Group Environmental Protection Management System, Tianneng Group Safety Management System and Tianneng Group Occupational Prevention Management System, and entrusts qualified units to conduct impact assessment and safety assessment on the production environment to ensure green production.

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Tianneng launched the “ Warm Way Home ” charity service activity .

In addition, during the Spring Festival travel rush in China every year, Tianneng launches the “ Warm Way Home ” charity service activity, interacting with passengers on Tianneng’ s title-sponsored “ Tianneng ” high speed EMU trains, passing blessings and presenting exquisite gifts such as customized Chinese character of “ Blessing ” that symbolizes peace and reunion, Tianneng brand power banks and pillows by Tianneng’ s mascot Tab. From 2018 to 2020, Tianneng’ s “ Warm Way Home ” activity has been held for three consecutive sessions. The content of the public welfare activity has been continuously upgraded with gradually expanded influence.

Tab

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2018 2020

Tianneng conducted a voluntary blood donation activity.

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On28 April , 2020, Tianneng launched a voluntary blood donation activity with the theme of “ I am healthy, I donate blood, I am proud to be a socially responsible person ” . Tianneng’ s employees actively participated in the activity, taking practical actions to bear responsibility and give back to society.

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Annex 01:

About the Report

2020 1 1
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This report involves Tianneng Power International Limited (“Tianneng” or “the Company”, and the various subsidiaries, collectively referred to as the “Group”), and the content relates to the environmental, social and governance performance of the Group in its main operating venue, the People’s Republic of China (“China” or the “PRC”).

The report covers the period from 1 January 2020 to 31 December 2020, and some of the content may trace back to previous years as needed.

Reference Standard

Environmental, Social and Governance Reporting Guide by the Stock Exchange of Hong Kong Limited

ISO26000
International Organization for Standardization Social Responsibility Guide (ISO26000)

G4
Global Reporting Initiative Sustainability Reporting Guidelines (G4)

GC 10
The 10 principles of the United Nations Global Compact (GC)

GB/T36000-2015
GB/T36001-2015 GB/T36002-2015
National Bureau of Quality Supervision, Inspection and Quarantine, National Standardization Management Committee Social Responsibility Guide GB/T36000-2015, GB/T36001-2015 Social Responsibility Report Writing Guide and GB/T36002-2015 Social Responsibility Performance Classification Guidelines

Description of the Report Data

2020

The data used in this report comes from annual reports, official documents and statistical reports. The data are mainly for 2020, and some may include data for previous years. The currency amounts involved in this report are measured in Renminbi, unless otherwise specified.

Guarantee of the Report

The Board and all directors of the Group guarantee that there are no false records, misleading statements or major omissions in the content of this report, and assume individual and joint responsibility for the authenticity, accuracy and completeness of the content.

Form of Report

The report is divided into two versions of Chinese Traditional and English and is provided in electronic format.

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Annex 02:

Indicator Index of the Environmental, Social and Governance Report

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層面 B2:
健康與安全

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