2019

Environmental, Social and Governance Report

TIANNENG POWER
INTERNATIONAL LIMITED
00819.HK 天能動力國際有限公司

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Governance Structure

The Group always regards “managing enterprises in accordance with the law and operating in good faith” as the code of conduct, follows the guidelines of Hong Kong Stock Exchange‘s Securities Listing Rules, and builds a corporate governance platform through rules and regulations, internal management, risk prevention and control, and timely, comprehensive, and public information disclosure.

Decisions on major issues of the Group are made by the board of directors. The board of directors consists of eight directors,



Fair Employment

The Group strictly abides by the relevant local laws and regulations, insists on equal employment, and prevents discrimination on the race, gender, age, marital status, religion or nationality of candidate in recruitment and promotion, also rejects any discrimination or harassment in the workplace.The group provide fair and just employment opportunities .

Basic Employment Protection

The group obeys all regulations in Labor Law, carries out equal employment strictly and makes sure 100% legal compliance. All staff must sign labor contract on entry day and the Group pays for 5 social insurances and housing fund according to the regulations. Staff have marriage leave, pregnancy leave and so on according to law. The hours of work, remuneration for overtime, statutory holidays, paid leave and related benefits are in accordance with the stipulations in local labor laws. The labor union organizes congress of workers each year to discuss big issues related to workers' rights and interests.

Responsibilities of Tianneng

Protection of employees

The Group regards staff as the biggest fortune of enterprise, respects individual value, pays attention to talent training and motivation, improves the sense of belonging, happiness and accomplishment. In 2019, the Group has been rewarded as the "National Model Enterprise of Harmonious Labor Relations", "National Employment and Social Security Advanced Private Enterprises" and "National Worker Pioneer".

· The total number of employees in Tianneng more than 20,000 , of which near 40% are male and 40% are female.
· One third of the managers have a bachelor degree or above.
· There are about 1,000 persons with professional and technical qualifications /titles.

Employees participate
in sports games

The Group executes in strict rotation in relevant state policy and requirement, explores new path for recycling of waste lead-acid battery actively, relying on current sales network, integrates external qualified resources and expands recycling business of waster lead-acid battery, speeds up the construction of large logistics, forges stereo model of combination of self-recycling, joint recycling and recycling delegation. Currently, Tianneng has reached strategic cooperation with recycling, disposition and transportation companies in key provinces and cities nationwide.

Product Lifecycle Quality Management

As the largest power battery manufacturer nationwide, the life cycle management of lead-acid battery products has always been the focus of the Group. Through the unified coding of lead-acid battery products during the production process, the Company has established a fully closed-loop traceability system from production, sales, collection, storage, and transfer to recycling.

Since 2017, the Group has independently developed a dedicated information platform, for the collection and treatment of waste lead-acid batteries. That is used to manage from eight aspects, including registration, compliance certification, recycling management, centralized transfer management, data upload, information disclosure, data supervision and system integration. From the source of hazardous waste to the terminal for disposal and utilization, the entire business chain realizes data upload throughout the entire process. By synchronizing to the solid waste system of the relevant competent departments, we accept the supervision and management of the ecological environment department to ensure that we meet the requirements of ecological environment protection.

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Energy Conservation and Emission Reduction

The Group advocates ecological development all the time, runs the idea of green ecology development through Product Lifecycle Management from product ecological design, manufacturing, packaging, transportation, usage to recovery and disposition, realizing the closed-loop green development.

In 2019, the Group sold a total of about 300 million batteries. If each battery is 20 centimeters long, the length of 300 million batteries connected end to end is 60,000 kilometers, which equals 1.5 times of the length of the equator. On the basis that the power in a group of batteries (4 batteries in a group) can support riding of 60 kilometers, and a group of batteries can be charged and discharged 400 times, the cumulative mileage of riding supported by the batteries sold by the Group each year can reach 1.80 trillion kilometers, equivalent to 6,000 round trips from earth to sun.

Assume that 80% substitutes motorcycle mileage (saving 2.5 liters of fuel per 100 kilometers) and 20% substitutes car mileage (saving 9 liters of fuel per 100 kilometers), the weighted average volume of fuel saved is 3.8 liters per 100 kilometers, and the whole life cycle of these batteries can achieve fuel saving of 68.4 billion liters (49.248 million tons), equivalent to 15% of China's refined oil consumption in 2018.

If 80% replaces motorcycles and 20% replaces cars, the batteries sold by the Group each year can reduce carbon monoxide by 2.376 million tons, hydrocarbons by 1.188 million tons, and nitrogen oxides by 237,500 tons, and can reduce carbon dioxide emissions by 135.7 million tons, which is equivalent to planting 370 million larch trees.

Feedback

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Occupation

The Group directly provided more than 20,000 jobs in 10 production bases in the five provinces. More than 400,000 terminal sales stores have indirectly created more than 1 million jobs.

The Central Economic Work Conference pointed out that "stabilize employment" ranked first in the work of "six stabilizations". The job opportunities created by the Group contribute to the high-quality development of the economy and society.

Offer Advice and Suggestions

As the representative of the 12th and 13th National People's Congress, Zhang Tianren, Chairman of the board, actively advises and seeks public interest, and actively assumes the great responsibility endowed by the people. As a representative of the National People's Congress, Zhang Tianren put forward 124 high-quality proposals and suggestions.

In 2019, Zhang Tianren participated in the "Two Sessions" of the nation for the seventh time. He prepared 26 proposals on new energy and circular economy, green development, and promotion of rural development. Among them, the Proposal on Enacting the Law on the Protection of Human Genetic Resources drew the attention of relevant national departments and people from all walks of life. On June 10, 2019, the State Council formally promulgated the Regulations of the People's Republic of China on the Management of Human Genetic Resources (hereinafter referred to as the Regulations), which came into effect on July 1, 2019. The Regulations make new provisions on the management of human genetic resources in China in terms of increasing protection, promoting rational use, strengthening standardization, and optimizing service supervision, which plays an important role in protecting human genetic resources in China and promoting the rational use of human genetic resources, preventing illegal access to and use of human genetic resources for biotechnology research and development activities.

Joint Development of Villages and Enterprises

Since 2008, Tianneng Group has cooperated with Xinchuan Village in 2008 and built a win-win platform of "Joint Development of Villages and Enterprises" to facilitate village rejuvenation. Since the establishment of the platform, the Group has guided villagers to find jobs and develop village-level economies. Two-thirds of the villagers in Xinchuan Village are engaged in work related to Tianneng, and the common development among the enterprise, the surrounding villages, employees and villagers have been achieved.

Since the "Joint Development of Villages and Enterprises", Tianneng has helped Xinchuan Village in road and school construction, sewage treatment, etc. and supported the public welfare establishment of the village, with an accumulative donation amount of over 70 million Yuan. The current per capita income of Xinchuan Village has reached 100,000 Yuan. Xinchuan Village now has nearly 100% of compulsory education enrollment rate, social security participation rate, public toilet renovation rate, garbage disposal rate, and clean energy utilization rate, and 38% of village greening rate, and has successively won honors such as the Zhejiang Provincial Comprehensive Well-off Construction Demonstration Village and Zhejiang Hygienic Village.

At the 1st Xiangxian Conference of Xinchuan Village and the Beautiful Rural Construction Reporting Meeting held on November 17, 2019, Tianneng Group, as a village and enterprise co-construction unit, donated 5 million Yuan to Xinchuan Village. Zhang Tianren, Chairman of the board, donated 1 million Yuan personally to help the beautiful rural boutique village construction in Xinchuan Village.



* Tianneng group donated co-construction funds to Xinchuan village



* Zhang Tianren, Chairman of the board , visited villagers of Xinchuan Village

Part of the honors

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The Group always regards green development as the driving force for progress, and actively explores and accumulates experience in green smart manufacturing, resource recycling, energy saving and emission reduction, and clean production, in order to promote high-quality, intelligent, sustainable development of the entire industry. The Group's efforts in green development have also been praised by mainstream media such as People's Daily, Guangming Daily, Economic Daily, and Workers Daily.

