

2020

Shanying International Holdings Co., Ltd.
Corporate Social Responsibility Report



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Chairman's Statement

— Wu Mingwu

The year 2020 was very unusual in the history of New China but of great significance for Shanying International. In the past year, the company has gone through ups and downs, formidably forged a new path for development in the face of COVID-19 pandemic, and delivered satisfactory outcomes to shareholders and other stakeholders with a higher, farther and more open disposition and actions.

Lead the industrial civilization of "co-creation, co-sharing and win-win". The company has planned Shanying group's five-year strategic plan from 2021 to 2025 to achieve transformation towards "a global service provider of green packaging integrated solutions that creates long-term value for customers". Ininin Technology has launched the packaging industry alliance, and signed strategic partnership agreements with Qidian@Tencent and Oriental Seiko to redefine Shanying by the industrial Internet.

Replace plastic with paper and develop green circular economy. Adhering to the philosophy of "Ecological Shanying, Centennial Foundation", the company has been contributing to sustainability and social responsibility, scaling up environment-friendly projects for comprehensive resource utilization, greatly promoting sustainable utilization of resources and business transition to a low-carbon economy, developing ink-less printing process, working with LONGi Solar and Alibaba Digital Agriculture in energy saving, carbon & plastic reduction, and fueling the low-carbon development of the entire value chain.

Be a responsible employer and corporate citizen. The company has continued to provide employees with an open, equal and dynamic working environment, strengthen workplace diversity and culture building, establish a scientific and efficient career development system, and improve employee happiness. We rose to the challenge of COVID-19 outbreak in fury, made every effort to ensure the safety of employees, carried out the resumption of work and production in an orderly manner, actively supported communities' fight against coronavirus and made contributions to pandemic prevention and control. In addition, we have actively shouldered corporate citizenship responsibility, given full play to our own advantages, practiced social welfare and community co-construction, and pursued common prosperity with the society.

2021 is the starting year of the "14th Five-Year Plan" strategy and the key year for Shanying International to implement our own five-year plan. The company will make every effort to seize new opportunities for development and promote our cultural DNA transformation from product manufacturer to service provider through lean operation and intelligent manufacturing. We will also actively respond to the common expectations and requirements of internal and external stakeholders, take practical actions to promote the achievement of the United Nations 2030 Sustainable Development Goals (SDGs), create value for shareholders, create wealth for the society, create a platform for employees, and realize the co-creation and co-sharing of business value and social value.

A Snapshot of Shanying International

Company Profile

Founded in
1957

Name
Shanying International Holdings Co., Ltd.
(hereinafter referred to as "Shanying International" or "the company")


Ownership and Legal Form
Listed on the Shanghai Stock Exchange
(Stock code: 600567)


Main Business
An international enterprise integrating green resources comprehensive utilization, industrial & specialty paper manufacturing, packaging & printing, energy & environmental protection, and industrial connection platform.


Headquarters
Shanghai, China

Employee¹
13,189

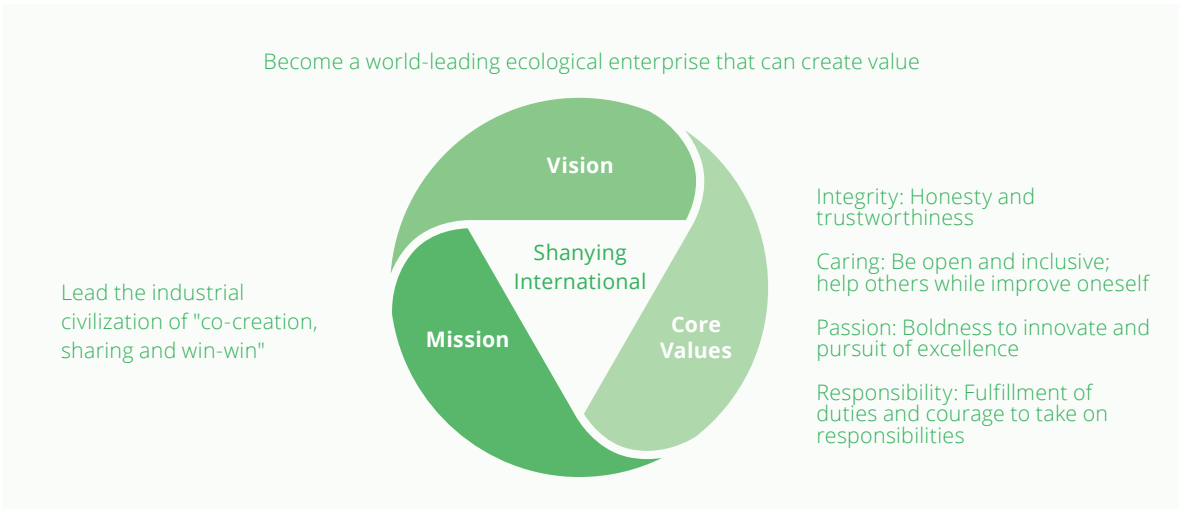
Market Coverage
In addition to China, the company has implemented overseas development strategy since 2007 and successfully entered the United States, the United Kingdom, the Netherlands, Sweden, Norway, Japan and Australia.

**Gross Profit**
1.690 billion RMB

**Paid Taxes**
1.739 billion RMB

**Social Contribution per Share**
1.23 RMB

Note:
1. The number of employees refers to the headcount of papermaking BU and packaging BU, excluding that of overseas subsidiaries.



International Deployment

Relying on our global industrial chain and international vision along with deep penetration in China and a global footprint, Shanying International has deployed in China, the United States, the United Kingdom, Sweden, Norway, the Netherlands, Japan and Australia. We have 10 industrial and specialty paper mills at home and abroad, 30 custom packaging plants, 20 international and domestic renewable resource trading companies, and 1 industrial Internet platform company.



Core Strengths



Integrated Industry Chain			
Full chaining: industrial Internet	Sustainability: comprehensive utilization of green resources	Intelligence: industrial and specialty paper manufacturing	Customization: packaging product customization
Shanying International acquired a controlling stake of Ininin Technology in May 2019, aiming to build a harmonious, symbiotic, mutually beneficial and win-win ecological platform for industrial interconnection.	We are committed to becoming a global integrator of green resources for comprehensive utilization by building fiber recycling channels in China, the United States, the United Kingdom and other countries and regions, and running 20 renewable resources trading companies at home and abroad.	We push forward the construction of industry 4.0, make every effort to build modern smart factories, introduce advanced international papermaking equipment, and vigorously promote automatic, intelligent and digital manufacturing.	We foster the service capability driven by intelligent packaging and Internet packaging, and strengthen the industry integration ability featuring "benefit first and customer-oriented", striving to become a leader in integrated packaging solutions.
1 industrial Internet platform company 30,000+ registered users	6,000 thousand tons fiber recycled globally in 2020 270 thousand hectare forests preserved	10 industrial and specialty paper manufacturing companies	30 custom packaging plants

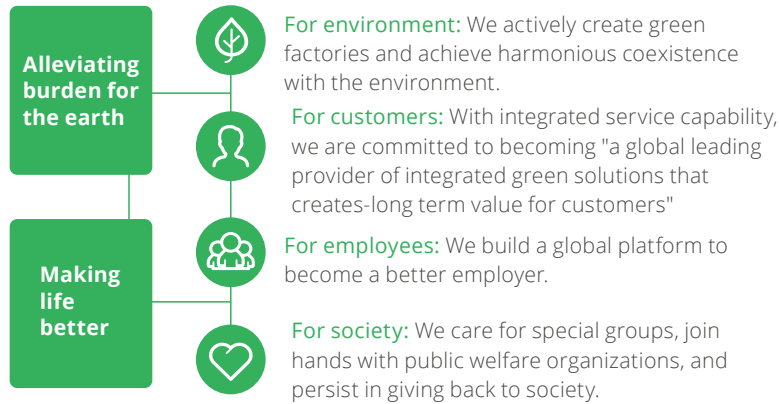
Harmonious Coexistence with Environment		
Industrial upgrading and innovation	Technological upgrading and innovation	Sustainable development
Shanying International persists in industrial upgrading and innovation. The company now has 2 post-doctoral research stations, 3 state-level high-tech enterprises, 4 environment- friendly projects for comprehensive resource utilization and is building an industry 4.0 smart factory.	Through technological upgrading and innovation, the spirit and ideas of innovation are put into practice to constantly improve production efficiency.	Comprehensive utilization of environment-friendly resources, photovoltaic power generation, sewage treatment system, and thermal power plants.
2 post-doctoral research stations 3 state-level high-tech enterprises 4 environment-friendly projects for comprehensive resource utilization	New valid patents granted during the reporting period 162 Growth rate of effective patents in 2020 80%	

Social Responsibility Management

Social Responsibility Management System

Shanying International pursues harmonious coexistence between human and nature. Based on our 2021-2025 five-year strategic plan, we have established a corporate social responsibility management system of "alleviating burden for the earth, making life better", set up sustainable development goals, and integrated social responsibility into all aspects of operation and business decisions.

• Social Responsibility Management System



• Social Responsibility Management System Sustainable Development Goals

Management		Action
Green circulation	In line with the company's own industry attribute of green circulation, promote resource conservation, reduce energy consumption and waste emissions in the process of production and operation.	<ul style="list-style-type: none">Reduce water resource consumption, comprehensive energy consumption and air pollutant emission per unit product;Increase the use of clean energy;Increase the recycling amount of recycled fiber.
Emission reduction and low carbon	Reduce GHG emissions in production and operation process and promote low-carbon and green upgrading of industry and society.	<ul style="list-style-type: none">Reduce GHG emissions;Develop innovative plastic-alternative products.
Win together with the industry	Build a responsible supply chain to reduce environmental and social impact, and promote common prosperity of the industry.	<ul style="list-style-type: none">Carry out supplier life cycle management;Strengthen lean management of production;Build an integrated, whole-industry green supply chain.

With love	Respect employees' rights and interests, empower them to develop, give them attentive care, and build a safe, healthy and harmonious working environment; Meanwhile, actively contribute to the society through volunteer service, rural revitalization projects and other social welfare activities.	<ul style="list-style-type: none">Manning all subordinated companies with national registered safety engineers;Fuel women development and increase the proportion of female employees;Promote localization in overseas subsidiaries;Encourage employees to participate in volunteer service;Carry out rural revitalization projects.
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Social Responsibility Communication

The company values the opinions of all stakeholders, including shareholders, investors, employees, customers, suppliers, communities, industry, governments and regulators. In order to have an in-depth understanding of all parties' focus and demands, we have established a normal communication mechanism with stakeholders, taken the issues concerned by stakeholders into account during operation and decision making, actively responded to their demands and expectations, and at the same time enhanced our sustainable development ability.

Key Stakeholders	Concerned Issues	Communication Channels
Government	<ul style="list-style-type: none">Green factoriesPollution reductionWaste managementCompliance and business ethics	<ul style="list-style-type: none">Government communication meetingsRegular visitsThe company's official website
Shareholders	<ul style="list-style-type: none">Economic performanceCorporate governance	<ul style="list-style-type: none">Investor survey, road shows, visits, etcAnnouncementE interactive platform of Shanghai Stock ExchangeE-mail and investor hotline
Customers and Consumers	<ul style="list-style-type: none">Product quality and safetyCustomer serviceR&D and innovationIntelligent manufacturingCompliance and business ethics	<ul style="list-style-type: none">Customer visits/communication meetingsSatisfaction surveyThe company's official website
Suppliers	<ul style="list-style-type: none">Compliance and business ethicsProduct quality and safety	<ul style="list-style-type: none">Email and daily telephone communicationSupplier meetings
Employees	<ul style="list-style-type: none">Employee rights and benefitsOccupational health and safetyTalent training and retention	<ul style="list-style-type: none">Labor union and workers' congressesThe company's intranetCorporate cultural activitiesWeChat official accountStaff meetings
Academic institutions	<ul style="list-style-type: none">R&D and innovationResource usePollution reductionWaste management	<ul style="list-style-type: none">Cooperative R&D mechanismTalent trainingThe company's official website
Community representatives	<ul style="list-style-type: none">Community and public welfareGreen factoriesResource useWaste management	<ul style="list-style-type: none">Community opinion handling and feedbackCommunity welfare activitiesDaily visits
Media	<ul style="list-style-type: none">Product quality and safetyGreen factoriesClimate change mitigation and adaptationR&D and innovationIntelligent manufacturing	<ul style="list-style-type: none">Media coverageThe company's official websiteWeChat official accountPress conference

Contribution to Global Sustainable Development Goals (SDGs)

The 2030 Agenda for Sustainable Development was formally agreed by 193 member states of the United Nations in 2015. It is composed of 17 Sustainable Development Goals (SDGs) and 169 Targets, which address the economic, social and environmental dimensions of sustainable development and seek to eradicate poverty, hunger and inequality, empower women and girls; build peaceful, just and inclusive societies, and protect the planet and its natural resources.

The company conducted a comprehensive review of SDGs and its relevance to our business in 2020, focused on SDG1 (no poverty), SDG3 (good health and well-being), SDG8 (good jobs and economic growth), SDG9 (industry, innovation and infrastructure), SDG12 (responsible consumption and production), SDG13 (climate action), SDG15 (life on earth) and SDG16 (peace, justice and strong institutions) as our priority for corporate social responsibility, and drive the implementation of the Agenda with concrete actions.

1
NO
POVERTY

The company facilitates community co-construction and targeted poverty alleviation to promote the well-being of local people's livelihood and help achieve the goal of no poverty.

For more details, see Section: Common Prosperity with the Society

3
GOOD HEALTH
AND WELL-BEING

The company conscientiously fulfills the primary responsibility of production safety , spares no efforts in all related works, and accelerates safety culture building to safeguard the health and safety of employees.

For more details, see Section: 【Responsibility Story】 Concerted Fight against COVID-19, Waiting for Spring; Healthy and Safe Working Environment

8
DECENT WORK AND
ECONOMIC GROWTH

The company carries out targeted skills training for employees to ensure that they are qualified for their duties and provides a professional platform for them to achieve self-worth and dreams.

For more details, see Section: Build a Global Employee Platform; Empower Employee Development

9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE

The company attaches great importance to industrial upgrading and innovation, insists on promoting industry 4.0 construction and tries our best to build a modern smart factory.

For more details, see Section: 【Responsibility Story】 From "manufacturing" to "intelligent manufacturing", promote industrial and technological upgrading and innovation

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

Committed to green manufacturing, the company implements the environment-friendly and energy saving concept in each link of production, promotes clean production and reduces the impact of operation on environment.

For more details, see Section: Climate Change and Energy Use; Reduce the Environmental Footprint of Operation

13
CLIMATE
ACTION

The company actively responds to the appeals of global governments, investors and other stakeholders to address climate change, identifies risks and opportunities related to climate change, and constantly improves management based on the results to minimize the carbon footprint of operation.

For more details, see Section: Climate Change and Energy Use

15
LIFE
ON LAND

The company has established a recycling channel of recycled fiber, explored the possibility of saving materials in each link of production, and reduced deforestation.

For more details, see Section: 【Responsibility Story】 Promote sustainable use of resources and become an ecological enterprise that can create value

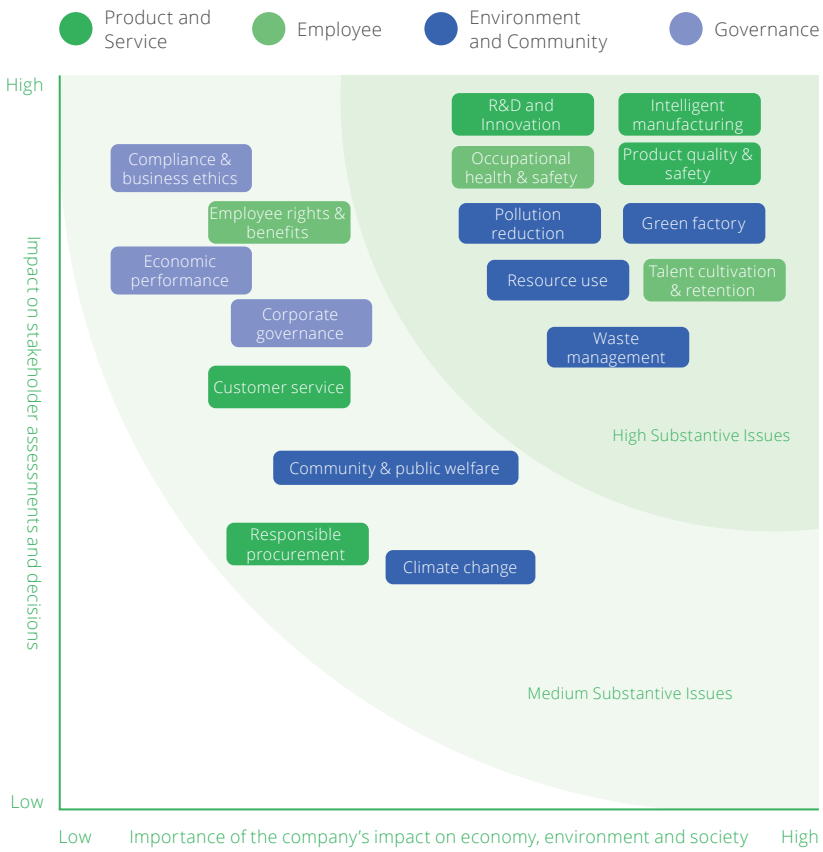
16
PEACE, JUSTICE
AND STRONG
INSTITUTIONS

The company adheres to clean culture building, and actively carries out business ethics and anti-corruption.

For more details, see Section: Robust Corporate Governance

Key Issues of Social Responsibility

The company carried out the identification, evaluation and screening of substantive issues to be defined and then emphatically disclosed and responded in this report in order to better respond to the demands and expectations of stakeholders.



01

Economic Responsibility

Lead the industrial civilization of "co-creation, co-sharing and win-win"

As an industry producing key basic raw materials, papermaking occupies an important position in the national economy. Under the background of "Made in China 2025", which proposes to accelerate the intelligent transformation of production equipment in light industry and textile sector, technological innovation and construction of smart factories have become the future direction for transformation of paper enterprises.

The company has been adhering to industrial upgrading and innovation, building Industry 4.0 smart factories, and constantly improving the quality of products and services. By optimizing and improving corporate governance, as well as promoting the sustainable management of supply chain, we continuously create value for investors, customers and other stakeholders, and lead the industrial civilization of "co-creation, co-sharing and win-win".

Substantive Issues



Intelligent
manufacturing



Compliance and
business ethics



Corporate
governance



Responsible
procurement

Responding to SDGs



Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes.



Target 16.5: Substantially reduce corruption and bribery in all their forms.

Responsibility Story

From "manufacturing" to "intelligent manufacturing", promote industrial and technological upgrading and innovation

Under a new round of technological revolution and industrial transformation worldwide, the paper industry, as one of the important industries closely related to the national economy, is also facing the mega trend of sustainable development around the globe and the actual demand of manufacturing industry upgrading and transformation in China. Shanying International has been constantly improving the construction of Industry 4.0 smart factories and research innovation management, and promoting industrial and technological upgrading and innovation from "manufacturing" to "intelligent manufacturing".

Building Industry 4.0 Smart Factories

Adhering to the concept of "industry 4.0 doesn't happen in silos", Shanying has integrated digital, network and intelligent technologies into the whole process of product development, design and manufacture with the world's leading industrial design framework and overall mentality, and introduced innovative thinking mode to drive changes in production and operation, so as to propel Shanying International's transformation and upgrading towards intelligent, green, flexible and sustainable manufacturing.

► Shanying International's essence of industry 4.0 is to achieve "one revolution" and drive "three reshaping".

One revolution: revolutionary integration, reshaping and innovation of the company and value chain in multiple dimensions through digital revolution to create superior customer experience.

Reshaping of production and manufacturing

- Automation and intelligentization of OA, management and production in factories
- Brand new recirculating network, unique identification of smart products, personalized product customization and highly flexible working environment

Reshaping of value system

- Restructure value system along all links throughout the industrial chain from ideation, logistics, manufacturing, operation to service
- Build a fully integrated, flexible, and agile operating environment through predictive analytics, cognitive computing, IoT, and automation technologies

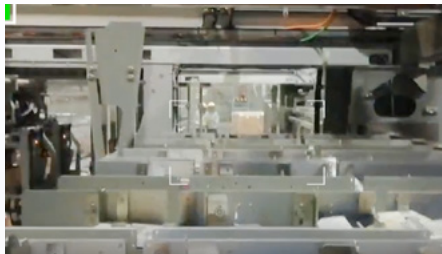
Reshaping of innovative culture

- Foster and sustain innovative culture
- Seek new ways of cooperation and revenue generation in the business ecosystem

► Main Achievements of Product & Technological Upgrading and Innovation



Product upgrading and innovation



Putian Xiangheng pioneered "Corona" multipack solutions, creating a new packaging model.



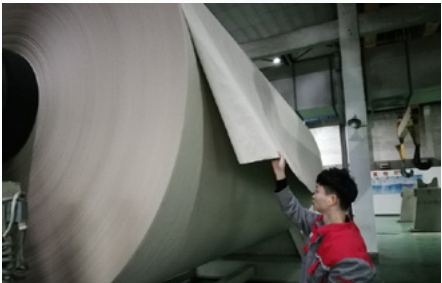
Transpak, a folding e-bike package designed by Wuxi Xiangheng, has been awarded the "IF Design Award 2020", a world-renowned design competition, for its customer-centric transportation and sales packaging structure.



Technological upgrading and innovation



Nordic Paper has installed a new shoe press equipment, which increases PM5 capacity by 10%.



The technical renovation in Anhui Shanying has shifted PM2 newsprint production line into a low-gram & high-strength corrugated paper production line, greatly improving the production efficiency.

Contribute to open up a new era of digital packaging

In 2020, the Packaging Industry Alliance of paper, cardboard, carton and equipment manufacturers and Internet enterprises was officially established through linkup of over 50 packaging plants in Jiangsu, Zhejiang and Shanghai by Ininin service. As an important partner of the Packaging Industry Alliance, the company is eager to unite with the alliance enterprises and seek new development opportunities for the industry through cross-upstream and downstream cooperation. Meantime, through the virtual central warehouse and the Wastepaper to Base Paper program, we will give more support to the alliance enterprises, so as to reduce their operating pressure and create an efficient and stable base paper supply system.



Dr. Sun Xiaomin, Vice President of Shanying Intl and Chairman of Ininin Technology, delivered a keynote speech at the Ininin Packaging Industry Alliance Summit 2020



Chen Yinjing, General Manager of Asia Pacific Paper Business Unit, delivered a keynote speech at the Ininin Packaging Industry Alliance Summit 2020

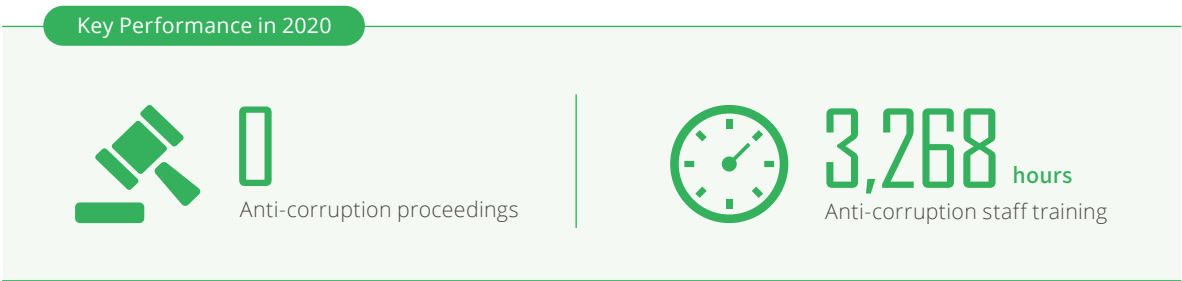
Improve R&D and innovation management

The company has established the Innovative R&D Decision-making Committee as the highest decision-making body for various innovation projects, of which the director is assumed by the company's president and its responsibilities include examination and approval of annual innovative R&D projects and incentive programs, etc. We have formulated the *Innovative R&D Project Management Measures* to plan for management in different phases of project R&D, and set corresponding incentives to personnel involved in project R&D.

We have also been actively in touch with universities, research institutions and postdocs and set up a sound guarantee system to constantly power the technology and product innovation.

In terms of intellectual property rights (IPR) protection, the company has set up a working group on IPR management system standardization, and organized relevant departments to carry out IPR training for many times. We have compiled internal IPR system documents in accordance with GB/T29490-2013, such as the *Rules for the Management and Protection of Intellectual Property Rights*, the *Emergency Plan for Intellectual Property Rights*, etc., to strengthen IPR planning and implementation and enhance employees' IPR awareness. The company got 162 valid patents granted in 2020.

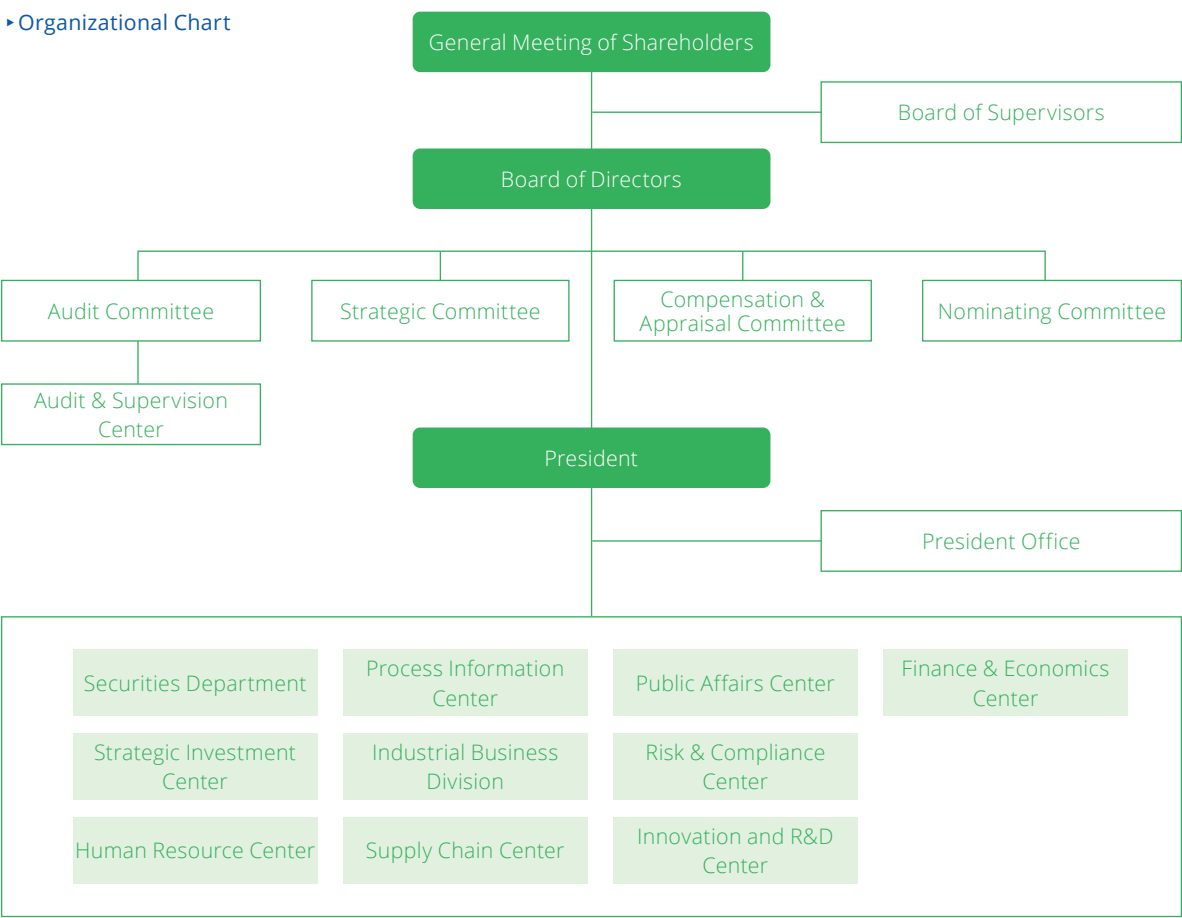
Robust Corporate Governance



Excellent corporate governance is the cornerstone of stable development. Adhering to the integrity and stability of operation, the company has established a sound management system and shareholder protection mechanism, strengthened business ethics and anti-corruption efforts internally, timely disclosed information to outside parties, actively communicated with all stakeholders and continuously improved our ability in value creation.

Organizational Structure

► Organizational Chart



Investor Communication

Shanying International attaches importance to building a stable and high-quality investor base and adopts various ways to strengthen contact and communication with investors, aiming to promote a healthy relationship between the company and investors. We communicate with small and medium shareholders and institutional investors through face-to-face, telephone, network platform and other channels to maximize the company's overall interests and protect investors' legitimate rights and interests.

We organized a number of investor communication activities in 2020 to enhance capital market's understanding and support on our company, maintain our image and demonstrate Shanying International's value for investment.

► Investor Communication in 2020



Assist institutional investors and long-term strategic investors who recognize the value of the company to carry out targeted survey

We explained to investors the company's industrial prospects, performance, strategic deployment and other issues in the post-COVID era that they are concerned by means of webinars, etc.

Information Disclosure

The company has been attaching great importance to the transparency and fairness of information disclosure and established the Information Disclosure System to standardize our information disclosure and make it go in line with laws, regulations and relevant rules of the China Securities Regulatory Commission and the Shanghai Stock Exchange. The company's Securities Department is in charge of information disclosure enforcement under the guidance of the VP & Secretary of the Board of Directors. It has set up the internal transfer procedures of "reviewed by multiple persons, approved by line manager and confirmed by Chairman" to ensure the accuracy of information through effective internal circulation system for examination and approval.

During the reporting period, the company, without any violation of the *Listing Rules of the Shanghai Stock Exchange*, the *Articles of Association*, and other laws or regulations, timely, accurately and standardly disclosed Shanying International's relevant information in terms of operating results, financial status and major decisions. In addition, according to the *Listed Companies Information Disclosure Evaluation Method* issued by the Shanghai Stock Exchange, our information disclosure has been rated Grade B (good) by the Shanghai Stock Exchange for two consecutive years.

Internal Control and Risk Management

The company has established a risk & compliance management system and set up corresponding compliance audit for the links of system drafting, release and implementation from the perspective of system management, contract management and legal affairs management to review and approve key processes. We regularly identify and evaluate the compliance risks of investment, financing, finance, taxation, human resources, intellectual property and other business and management activities, and then formulate corresponding risk control measures.

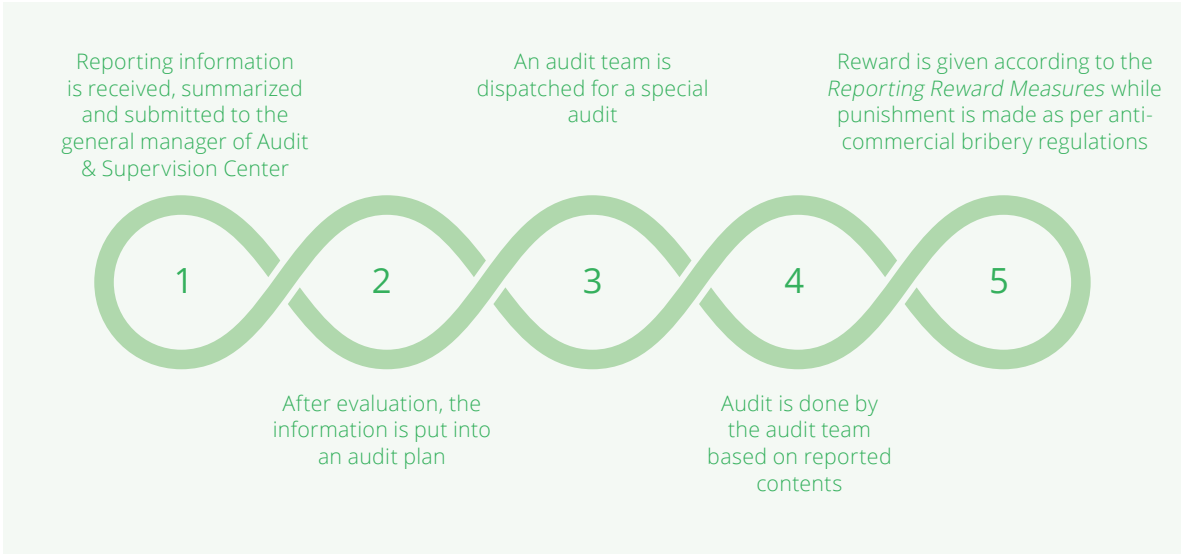
In 2020, the company updated the *Rights and Responsibilities Manual* of the whole group to further clarify the approval contents, methods, authority and process nodes of the headquarters, business divisions and subsidiaries in key business matters, so as to improve compliance management in business process.

The company has also set up the Audit and Supervision Center, established a sound internal audit system and carried out internal audit work on a regular basis.

Business Ethics and Anti-Corruption

The company has persisted in building anti-corruption system and culture, and formulated the *Anti-Commercial Bribery Rules* for managing employees who may accept or solicit commercial bribery in commercial activities, and required personnel in key positions to sign the *Anti-Commercial Bribery Agreement*. While providing various reporting channels such as letter box, mailbox, portal website, WeChat, and complaint hotline, we have published the *Reporting Reward Measures* to standardize the handling of reports, ensure the fairness and justice of handling results, and strictly protect the privacy of whistleblowers.

►Anti-Commercial Bribery Monitoring and Report Handling Procedures



Quality Product and Service

Key Performance in 2020

enterprises certified by ISO 9001: 2015

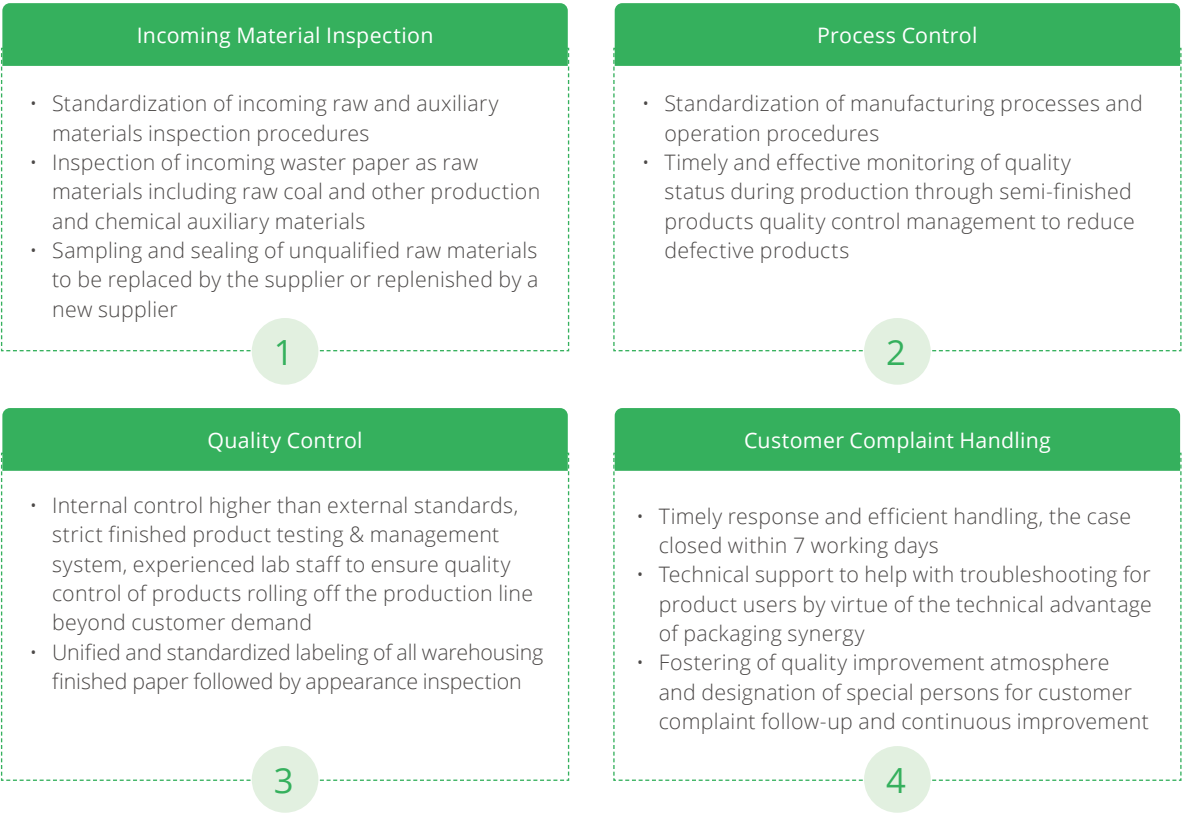
100% customer satisfaction

High quality product and service is one of the most important competitiveness of an enterprise. The company adheres to customer centricity, guarantees excellent quality through sound product life cycle quality management, actively responds to customer needs, continuously improves customer service level, and provides customers with quality products and satisfactory service.

Whole Process Quality Management

Shanying International is committed to implementing comprehensive quality management from four dimensions, i.e. incoming material inspection, process control, quality control and customer complaint handling. Meanwhile, the company has been improving product quality through technology upgrading, equipment renovation, targeted project quality improvement and quality awareness training.

►Whole Process Quality Management



►Measures to Improve Quality Management in 2020

Specific Measures	
Technical upgrading and equipment renovation	<ul style="list-style-type: none">Upgraded workshops according to food certification standards and passed food level workshop certificationReplaced lead screw to solve the deviation of cardboard press line caused by aging equipmentTackled proofing efficiency and delivery time issues reflected by customers, set up a special improvement team to solve product problems, which significantly improved the proofing efficiency and achieved 100% delivery rate
Quality training	<ul style="list-style-type: none">Carried out quality awareness training on several topics such as "Cardboard Paper Appearance Issues and inspection"

Build quality culture and defend the red line of product quality

In order to facilitate the penetration of quality culture, the company regularly carries out quality activities in various forms such as training and competition. For example, Huanan Shanying launched the "Quality Inspection Skills Competition" in October 2020, involving finished product inspection, chemical auxiliary inspection and other contents, with the aim to improve the practical operation ability of front-line product inspection staff, and help them constantly improve their professional ability and defend the red line of product quality.



Build a trustworthy and loyal customer relationship

The company practices customer centricity, actively responds to customer needs, listens to customer appeals, and provides services for customers in pre-, during-and after-sales stages, in order to build a trustworthy and loyal customer relationship. We have formulated the Technical Service Management System and set up technical service teams in various industries to coordinate and manage technical services of all products. The specific responsibilities of such teams include establishing and improving the regular customer visit system, coordinating customer complaint management, tracking product quality, etc.

Customer Service System

Product Sales Service

- CRM portal website, QR code and other IT facilities set up to facilitate customer consultation and feedback before, during and after sales.
- Business consultants assigned to receive and handle customer consultation and feedback.
- Hotline, WeChat, e-mail and fax open to consultation and feedback.

Customer Satisfaction Management

- Constant improvement of product and technical service quality for higher customer satisfaction.

Customer Information Protection

- Customer basic information filed in CRM with original or copy maintained by specialists.

Customer Communication

- Partnership Program initiated to arrange regular visits, understand customers' needs, and grow together with customers.

Quality Control

- Quality control set up to analyze and judge product quality issues pointed out in customer feedback, then make and implement rectification plans for continuous improvement .

Customer Communication in 2020

Customer visits and meetings



Strengthened communication with customers through visits and meetings; carried out customer site quality review workshops, customer site visits, customer appreciation dinners and other activities to improve customer satisfaction.

Customer satisfaction survey

Four subsidiaries, including Changzhou Xiangheng and Anhui Shanying carried out customer satisfaction surveys mainly on three aspects: quality, service and delivery time, to point out a direction for improvement and follow-up efforts.

Facilitate customer communication

In December 2020, Anhui Shanying received Jiangsu New Printing for an onsite visit to production line, during which the company introduced the lean production line, advanced production equipment and process facilities. The visit gave the customer a deeper understanding of the company's products and services, and facilitated effective communication between two sides.



Production Line Visit

Build a Responsible Value Chain



The company has been promoting paperless procurement and building SRM supplier relationship platform to interact and share procurement data with suppliers in a real-time manner, so as to shorten procurement cycle and reduce error rate.

Sustainable Procurement Management

Suppliers' responsible practices have an important impact on the sustainable development of Shanying International. The company has taken social responsibility into account during supplier selection, including requiring suppliers to provide ISO 14001 Environmental Management System Certification, and incorporating environmental governance and security-related clauses into *Supplier Questionnaire* and *Access Evaluation Form*, etc. We also require partner suppliers to sign *Anti-Commercial Bribery Agreement* and *Ethical Principles in Business*, so as to ensure that they abide by requirements of business ethics.

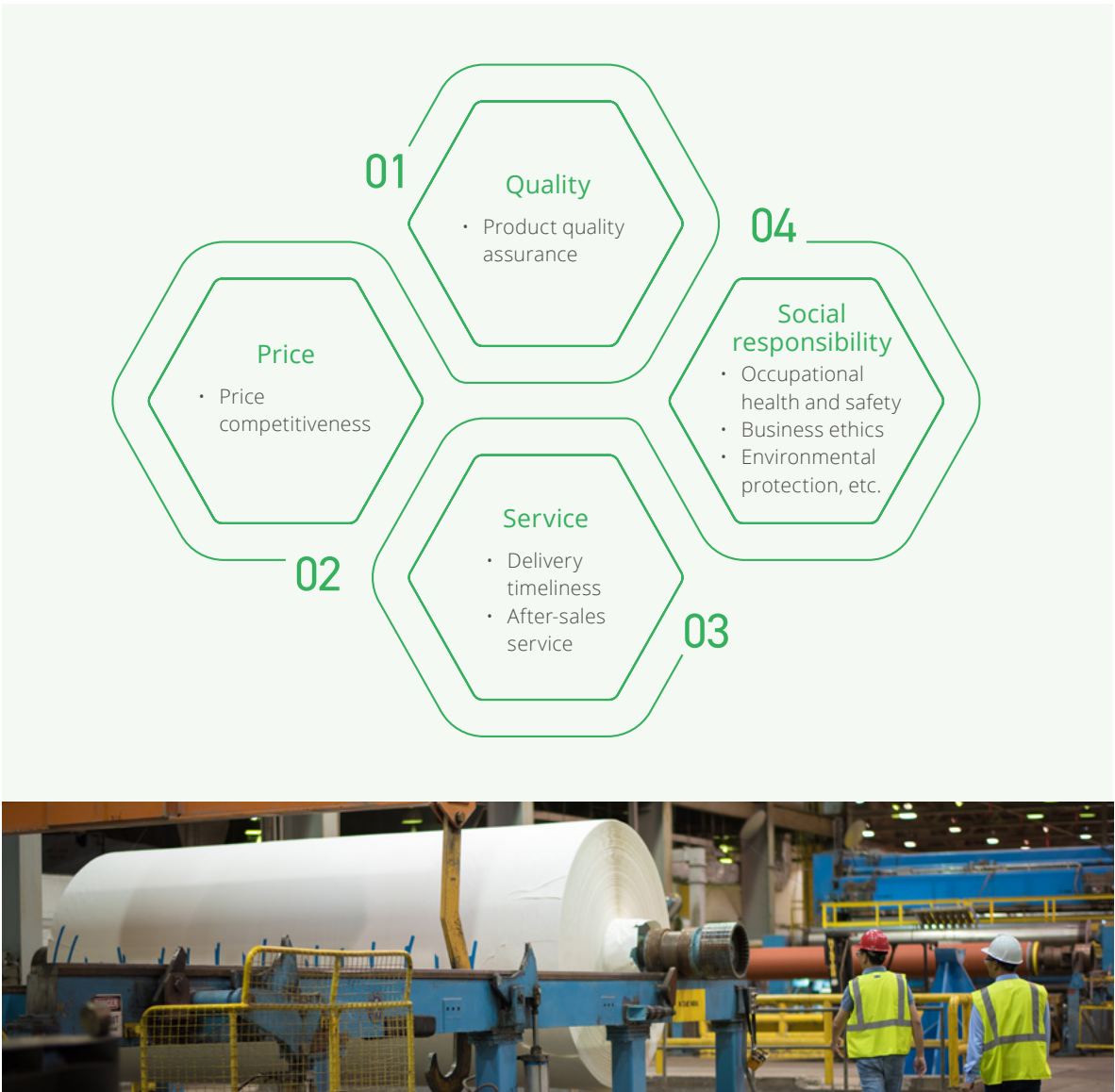
Supplier Environmental and Social Management Requirements

Environmental Responsibility	Labor	Business Ethics
<ul style="list-style-type: none">• ISO14001 or GB/T24001 environmental management system certification• Measures to prevent and control environmental pollution	<ul style="list-style-type: none">• OHSAS18001 or GB/T28001 occupational health and safety management system certification• Safety and emergency measures• Safety education and training	<ul style="list-style-type: none">• Anti-commercial bribery• Gifts and gratuities• Conflict of interest

Supplier Evaluation and Assessment

The company has formulated *Supplier Questionnaire Form*, *Access Evaluation Form* and *Supplier Regular Evaluation Form* and built a sound system of audit, access and regular evaluation. In addition to price, quality and service, we also take suppliers' environmental and social responsibilities into account during evaluation, and request rectification from or terminate cooperation with those who do not meet the standards.

Supplier Evaluation System



02

Environmental Responsibility

Replace plastic with paper and develop green circular economy

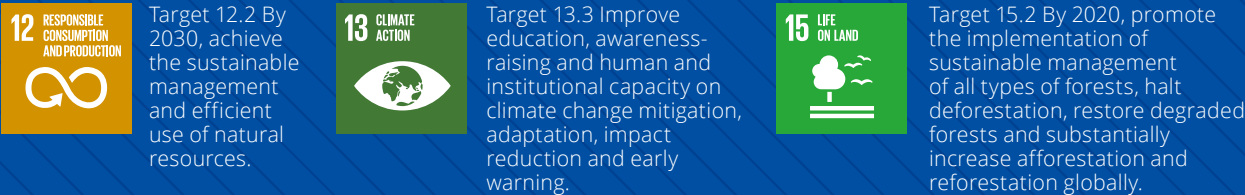
With typical characteristics of circular economy, modern paper industry has developed into a complete circular economy system with recyclable resources, low energy consumption and low emission. Waste paper is an important raw material to support the industry's future development. Its reuse can reduce deforestation and forest degradation, bringing good ecological and social benefits.

Adhering to the environmental protection philosophy of "Ecological Shanying, Centennial Foundation", Shanying International persists in green and ecological development, propels energy conservation and emission reduction, protects ecological environment, promotes cleaner production, and develops low-carbon economy, so as to achieve harmonious development between the company and nature.

Substantive Issues



Responding to SDGs



Responsibility Story

Promote sustainable use of resources and become an ecological enterprise that can create value

Natural resources play a very important role in economic and social development, including supply of raw materials for various industrial products, etc. The company continues to make greater efforts in waste paper recovery and recycling, develop green recycling technology, constantly promote the transformation of our own business to circular economy, drive the recycling of all kinds of raw materials in production and operation, and strive to become an ecological enterprise that can create value.

Recycle waste paper and utilize “urban forest” in a smart way

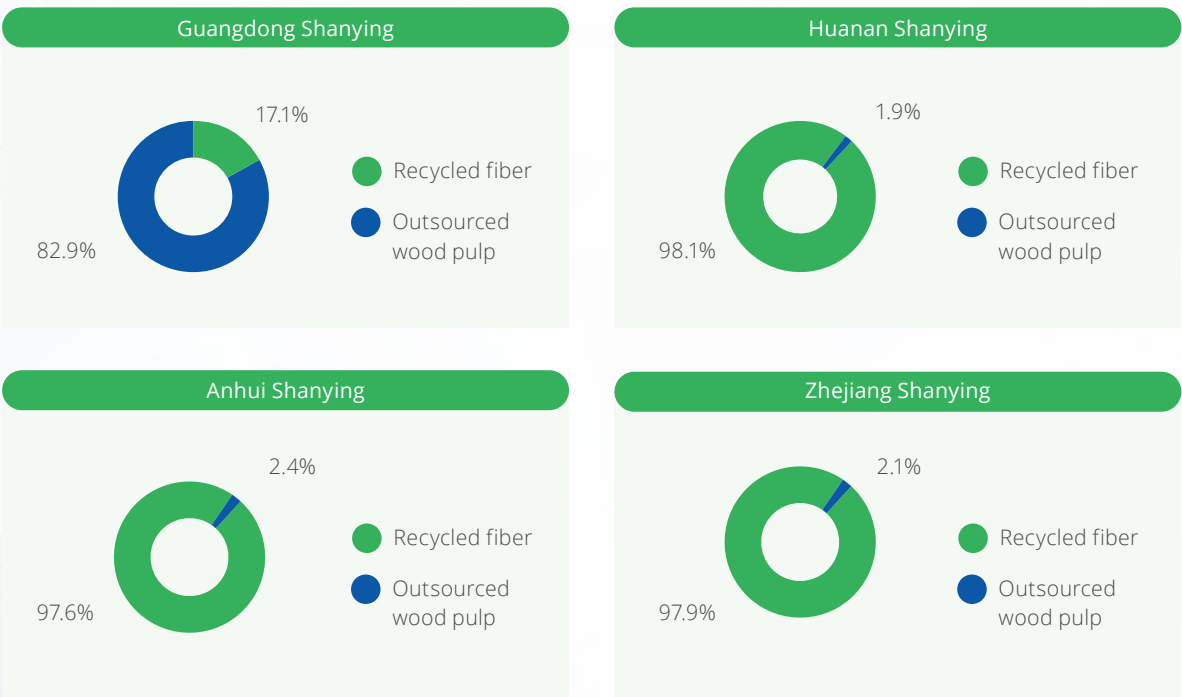
Paper making with waste paper is conducive to reducing the deforestation of primary trees, reflecting the natural and recyclable properties of paper, which is called "urban forest".

The company has built fiber recycling channels in China, the United States, the United Kingdom, Sweden, Norway, the Netherlands, Australia and other countries and regions, and run 20 renewable resources trading companies at home and abroad. In 2020, we totally recycled 6 million tons of recycled fiber and protected 270,000 hectares of forest resources. We are committed to becoming a global integrator of green resources for comprehensive utilization.

In China, we have established a renewable resource recycling company -- Ma'anshan Cycle Link Renewable Resources Technology Co., Ltd., to strengthen the construction of domestic waste paper recycling system, standardize and unify recycling and trading behaviors, and improve the effective supply and utilization rate of waste paper in China.

As of the end of the reporting period, 95% of raw materials used in our products come from recycled fiber, which, as a kind of renewable environment-friendly resource, is of great significance to reduce deforestation and protect ecological environment.

Raw Material Use of Major Papermaking Subsidiaries in 2020



Green and recyclable: innovate packaging to replace plastic with paper

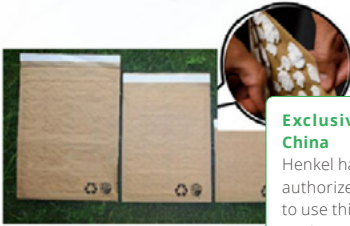
Under the new background of "zero-carbon economy", the company is committed to developing and creating more renewable and biodegradable products to replace plastic packaging products in the market, and promote harmonious coexistence between human and nature.

Shanying Typical Products

Strategic partnership



Shanying combines its high strength and light weight recycled fiber kraft paper technology with Henkel's EPIX foaming technology to develop a **100% fully renewable cushion paper bag**



Exclusive Patent in China
Henkel has exclusively authorized Shanying to use this patent in China, and mass production will start in July 2021

If **3.2 billion** plastic bubble bags are completely replaced in a year, more than **80,000 tons** of plastic waste can be saved annually.

Innovate technology to promote green circulation

Through technological innovation, the company's subsidiary Zhongyin Technology has developed energy-efficient process, equipment and fast-absorbed materials that are easier to recycle. In 2020, Zhongyin Technology joined hands with well-known domestic express enterprises to launch ink-less printing mailers in 10 pilots nationwide, which has won wide praise from market users.

Ink-less printing technology

Zhongyin Technology has disrupted the traditional ink printing process by developing a process that can identify texts and graphics without ink, which removes link from printing process, saving raw materials while shortening the processing cycle. In addition, it also eliminates the deinking part during pulping of recycled waste paper and improves fiber recycling quality.

All-paper fashion bags

In view of existing non-woven bags in the market are not environment-friendly and degradable microplastics are harmful, the company has developed and designed all-paper environment-friendly fashion bags with following green attributes:

- The bag including handle and stitches is fully made of degradable fiber.
- The bag can be recycled, degraded and reused.

Reuse waste and achieve full life-cycle environmental management

Pulping and papermaking process produces a large number of paper solid waste, slurry, sludge, etc., which poses an increasingly greater impact on the environment if not treated in time, followed by a variety of ecological and social problems. The company has been committed to recycling production waste, including use of slurry and sludge as fuel for power generation, etc. We have invested 2.425 billion yuan RMB to build solid waste incineration power generation projects in Jiaxing, Zhejiang, Ma'anshan, Anhui and Jingzhou, Hubei, with an estimated annual treatment capacity of 1.2874 million tons, aiming to achieve waste full life-cycle environmental management, and constantly promote the transformation of our own business towards circular economy.

Paper Waste Recycling in Zhejiang Shanying

Zhejiang Shanying has built a power plant in the economic development zone of Haiyan County, Jiaxing City, Zhejiang Province, using waste like slurry and sludge produced in the process of papermaking as fuel. The recycling of paper waste can also reduce water and soil pollution near the operation site, bringing good environmental and social benefits.

►Process Flow

Paper waste

- Slurry, sludge, etc.

Crusher

- Wound steel wire and twisted rope in paper waste cut up to facilitate subsequent material sorting

Waste recovery and reuse

- Waste crushed and then burned in the furnace
- Incombustible residue and lime soil eliminated to improve fuel quality in the furnace
- Iron metal in paper waste removed and recycled
- PVC in paper waste eliminated by optical sorting machine to inhibit dioxin generation from the source

Comprehensive Utilization of Resources for Power Generation in Anhui Shanying

Light slag, slurry and sludge generated in papermaking process contains abundant energy. Anhui Shanying has launched the project of solid waste “reduction, recycling, and harmless disposal” by incinerating light slag, slurry and sludge in boiler to absorb energy and produce steam and electricity that can be fed back for papermaking, which saves a lot of fossil fuels. In addition, in order to reduce various air pollutants generated during incineration like sulfur dioxide, nitrogen oxides, etc., the project adopts 1×130t/h circulating fluidized bed boiler process, which can achieve 87% desulfurization efficiency. Meanwhile, the low nitrogen combustion technology can reduce NOx concentration to less than 240mg/Nm³, meeting the national environmental standards for ultra-low emission.

►Environmental and Social Benefits

Environmental benefits


- Waste reduction, recycling and harmless disposal

Social benefits

- Energy supply for urban construction in Wanjiang area of Ma'anshan to promote the rationalization of power distribution, adapt to higher load requirement in Wanjiang area, and drive local economic development.

Environmental Management System

Key Performance in 2020



enterprises certified by ISO 14001

In order to ensure the orderly execution of environmental management, the company has established an environmental management system according to the environmental protection laws and regulations of different operating locations. Under the policy of "compliance with regulations, prevention and control of pollution, energy conservation and consumption reduction, and harmonious development", we have formulated a series of environmental protection systems including the *HSE Technical Standards and Work Requirements*, covering environmental management, training, emergency response, etc. We have also set up the Health, Safety and Environment (HSE) Management Committee, which is responsible for guiding, inspecting and supervising the environmental protection work of all subordinated enterprises.

►Environmental Management System

Environmental Management Philosophy

Adhering to the environmental protection philosophy of "Ecological Shanying, Centennial Foundation", Shanying International persists in green and ecological development, propels energy conservation and emission reduction, protects ecological environment, promotes cleaner production, and develops low-carbon economy, so as to achieve the harmonious development between the company and nature.

Environmental Management Objectives

- Full compliance: We will be fully compliant with all applicable environmental laws and regulations that affect our activities.
- Minimized environmental impact: We will keep minimizing our environmental impact to meet the society's expectations, and fulfill this commitment by using energy and other resources efficiently and reducing waste and environmental consumption in all forms.

Organizational System

Health, Safety and Environment (HSE) Management Committee

System Construction

HSE Technical Standards and Work Requirements, HSE Management Measures, etc.

Testing & Statistics

Environmental indicators set, monitored on a regular basis, and reported to relevant departments

Education & Assessment

Environmental management goals incorporated into the annual management goals of all enterprises, to promote environmental management through assessment, incentive and punishment

Zhejiang Shanying Awarded National "Green Factory"

Zhejiang Shanying has been actively building a green factory and incorporating green manufacturing into its strategic development plan through formulation of annual targets and implementation program and constant improvement of environmental protection level. It was awarded the national "green factory" in 2020.

Highlights in building green factory

- A waste plastic cleaning line to clean plastic by reuse water and power generated inhouse; clean plastic recycled by qualified third parties while fiber supplied back to paper production line.
- Photovoltaic power generation project: construction area of 75,000 m², total installed capacity of 18.5 MW, annual power generation of 17.82 million kWh, equivalently saving standard coal of about 5,114 ton/ year.

- Vacuum pump energy saving project: water ring vacuum pumps throughout the factory transformed into turbine fans, saving 32.55 million kWh of electricity equivalent to 9,342 tons of standard coal per year.
- Gas energy cycle: high-concentration methane gas transported to power plant through special pipelines for incineration and power generation, equivalently saving standard coal of about 7,120 ton/ year.

Environmental Management Performance¹

During production and operation, the company consumes energy, water and other raw materials while produces waste gas, waste water, waste materials and other emissions.

Water

Total water consumption49.50 million ton
Surface water48.14 million ton
Tap water0.85 million ton
Collected & stored rainwater0.50 million ton
Water consumption per unit product10 ton/ton product

Raw Materials

Papermaking: recycled fiber, hydrochloric acid, sodium hydroxide, etc
Packaging: raw paper, starch, printing ink, etc.

Energy

Total power consumption²2,543,428 MWH
Power consumption per unit product495 KWH/ton product
Total coal consumption1,919,974 ton
Coal consumption per unit product³0.37 ton/ton product
Total NGS consumption1,045,097 m³
NGS consumption per unit product0.20 m³/ton product
Total steam consumption6,192,958 ton
Steam consumption per unit product1.21 ton/ton product

Raw Material Sourcing

Production & Operation

Products

Waste materials

Hazardous waste discharge4,114 ton
Hazardous waste discharge per unit product8 ton/10,000 ton product
Total general waste984,650 ton
General waste discharge per unit product1,917 ton/10,000 ton product

GHG³

GHG emissions5,738,092 ton CO₂ equivalent
GHG emissions per unit product11,172 ton CO₂ equivalent/10,000 ton product

Waste gas

Total exhaust emission16.59488 billion m³
NOx841 ton
SO₂294 ton
Fume38 ton

Waste water

Industrial effluent discharge32,922,921m³
COD1,341 ton
NH3-N72 ton

Notes:
1. Only papermaking BU was taken into account for environmental management performance data statistics.
2. Total power consumption includes net purchased power and power generated by inhouse power plants.
3. GHG emissions are calculated based on net purchased power, raw coal, steam, and self-owned vehicle diesel & gasoline consumption.

Climate Change and Energy Use

Global climate change not only results in all kinds of extreme weather phenomena, but also seriously affects various economic and social activities. In September 2020, President Xi Jinping made an important statement at the General Debate of the 75th Session of the United Nations General Assembly, pointing out that China will scale up its Intended Nationally Determined Contributions, aim to have CO₂ emissions peak before 2030 and achieve carbon neutrality before 2060.

The company actively identifies risks and opportunities associated with climate change, constantly improves management based on the results, and enhances energy efficiency to minimize the carbon footprint of our operations.

Management of Climate Change Risks and Opportunities

In order to better cope with the potential risks and opportunities of climate change, the company identifies related risks and opportunities and evaluates their impact on our own business operations by conducting policy research and peer benchmarking in combination with expert advice.

Identified climate change risks		Counter measures
Regulatory pressure	The company may face the risk of legal liability, regulatory action, disciplinary action, property damage or loss of business reputation due to failure to comply with climate-related policies or laws.	• Actively fulfill national carbon quota settlement and carry out third-party carbon check. Zhejiang Shanying completed its 2019 annual carbon emission verification in 2020.
Extreme weather	Climate change will lead to extreme weather (e.g. continuous high temperature, etc.) or natural disasters (e.g.typhoons, floods, etc.), which may affect the company's normal operation and thus impact our business.	• Establish a relatively comprehensive emergency management plan for work safety in extreme weather.
Supply chain	Raw materials such as waste paper and pulp that we need for production come from China, the United Sates, Japan and Indonesia. Extreme weather or regulatory pressure caused by climate change may affect suppliers' ability to continuously provide products and services to us, thus impact our business continuity.	• Incorporate environmental management system and occupational health management system certification into the company's supplier evaluation requirements.

Identified climate change opportunities		Counter measures
Energy efficiency	Energy conservation and emission reduction driven through improved resource and energy efficiency is conducive to reducing operation costs.	• Carry out energy-saving technical renovation in production and operation, and eliminate equipment with high energy consumption.
Energy sources	Adoption of clean and low carbon energy as alternative to traditional high carbon energy is conducive to reducing Shanying's energy expenditure in the future.	• With third party investment, build PV power generation facilities on plant roof to directly supply power to production process.
Market opportunity	The introduction of carbon neutrality, climate change and other related policies has played a guiding role in the green product market, and climate-friendly focused business will help open up new growth space for the company.	• 95% of our raw materials come from waste paper pulp, the recycling and reuse of which is beneficial to alleviate the worsening climate warming caused by massive cutting of primary trees.

29

30

Energy Use

The company mainly consumes electricity, natural gas, raw coal, and gasoline. In line with the principle of energy saving and consumption reduction, we have made source control and continuous improvement while satisfying and improving the productivity, and reduced the production cost while mitigating impact on the environment.

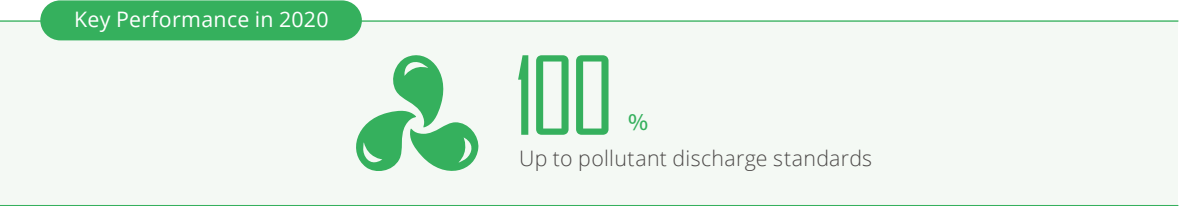
We have cut down the coal consumption by replacing part of coal with desiccated sludge from papermaking waste water for power generation and heat supply, and introduced advanced desulfurization technology to use the biogas generated in the sewage treatment process for power generation.

In addition, we are committed to popularizing photovoltaic power generation through utilizing the roofs of factories to develop PV projects invested by third parties. Four packaging plants, namely Hefei Xiangheng, Zhejiang Xiangheng, Jiashan Xiangheng and Hangzhou Xiangheng have implemented PV power generation projects, with an annual power output reaching up to 15.51 million KWH, which is directly supplied to production.

►Energy Saving Measures and Results

Business	Emission Reduction Measures
Papermaking	<ul style="list-style-type: none">We launched technical renovation projects such as replacement of air preheaters in thermal power plants and renovation of papermaking turbine fans to improve energy efficiency. The comprehensive power consumption rate of thermal power plants was reduced by 1% compared with that in 2019.
Packaging	<ul style="list-style-type: none">We have installed energy management monitoring system on each machine to monitor power consumption online in a real-time way, providing effective data support for lean management.We have tried to centralize production and gas supply to reduce overall steam energy consumption in production line.

Reduction of Operational Environment Footprint



Water Use

The company mainly consumes surface water and paid tape water. We have set quota assessment indicators for each key water-consuming process, and implemented measures such as saving rewarded and excess fined to improve employees' positivity for water saving; established the water pipeline and equipment inspection system throughout factories to facilitate timely leakage repair and timely elimination of water running, dripping and leaking; strengthened the water use management system in office buildings and toilets by regularly checking the long running, dripping and leaking of water appliances at all points of use; reinforced water saving publicity and education by putting up posters in main locations, and improve employees' awareness of water conservation.

Each paper machine of the company is equipped with advanced waste water recovery system, which can recycle more than 90% of waste water produced during papermaking. Meanwhile, the reuse water after processing by double membrane method can replace fresh water and be widely used in production. In addition, all subordinated enterprises keep improving water utilization efficiency through technological improvement and recycling.

Water Conservation Measures and Results

- Backwash water is collected and cleared, then pumped back to the system for reuse so as to improve water utilization efficiency. It is expected to save 300m³ of water for the company every month based on backwash displacement.

Exhaust Emissions

The company's production activities produce sulfur dioxide (SO₂), nitrogen oxide (NO_x) and other emissions. In accordance with the requirements of the national and local governments, we have obtained emission permits, strictly implemented emission declaration and registration, as well as established and improved the internal emission management system. In addition, we have adopted mature, reliable, economical and reasonable waste gas pollution prevention and control technology and equipment, in line with the relevant national environmental laws and regulations, to meet the government's environmental regulatory requirements.

►Exhaust Emission Types and Treatment Methods

Type	Treatment Methods
SO ₂	<ul style="list-style-type: none">Wet limestone-gypsum desulfurization
NO _x	<ul style="list-style-type: none">SNCR+SCR
Stench	<ul style="list-style-type: none">All open pools in the sewage treatment system are put on a cover to collect stench, which is then sent into the furnace of inhouse power plant for incineration after removal of inflammable, explosive and corrosive gases through chemical washing and biological deodorization systemWaste water is completely sealed for coolingA scrubber tower is installed for treating the exhaust gas generated by the vacuum system

Emission Reduction Measures and Results
<ul style="list-style-type: none">Boiler was renovated to maintain the existing energy consumption level while reducing NO_x emission concentration (converted value) to 80mg/Nm³ below.Biomass boiler was replaced with natural gas boiler to reduce the emissions of NO_x, CO₂ and PM.

Waste Management

General waste produced during the company's production and operation activities mainly includes coal ash, coal cinder, desulfurized gypsum, waste packaging iron wire, and household garbage. Hazardous waste includes waste engine oil, etc. We have formulated relevant management measures and standardized the collection, storage, transportation, utilization and disposal of solid waste.

►Waste Discharge Types and Disposal Methods

Business	Type	Main Waste	Disposal Methods
Papermaking	General waste	Coal ash, coal cinder, desulfurized gypsum, waste packaging iron wire, etc.	Disposal by qualified third parties
		Household garbage	Centralized disposal by local sanitation department
	Hazardous waste	Engine oil, etc.	Materials containing hazardous waste prioritized for recycling; Unrecyclable hazardous waste transferred to qualified institutions for disposal
Packaging	General waste	Machine parts, waste paper, belts, wooden beds, strapping belts, etc.	For sale or disposal by qualified third parties
		Household garbage	Centralized disposal by local sanitation department
	Hazardous waste	Paint bucket, lamp tube, battery, sludge, ink bucket, etc.	Disposal by qualified companies

Waste Reduction Measures and Results
<ul style="list-style-type: none">Circulating fluidized bed boiler and pumping coagulant units have been installed with paper slag, slurry and sludge as fuel, which is expected to reduce 272,000 tons of general solid waste annually.All production workshops have been equipped with waste plastic extrusion equipment to improve dryness of waste plastic, resulting in reduction of waste plastic by 60ton/ day.

03

Social Responsibility

Be a responsible employer and corporate citizen

As a technology-intensive sector, modern paper industry is developing towards informationization, intellectualization and digitalization, which puts forward higher requirements for the quality, skills and quantity of talents. Talent attraction, cultivation and retention have become the core competitiveness of paper enterprises in the global economy. In addition, social welfare is an important manifestation of building public image and maintaining community relations. Paper enterprises should give consideration to social benefits and actively return to the society while maintaining steady operation and continuously creating economic benefits.

The company is committed to becoming a better employer to attract and retain talents, create more diversified career development paths for employees, pay attention to humanistic care, and actively participate in targeted poverty alleviation and social welfare to promote the improvement of people's livelihood.

Substantive Issues



Talent Attraction
and Retention



Employee Health
and Safety



Community and
Public Welfare

Responding to SDGs



Target 1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.



Target 3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.



Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

Responsibility Story

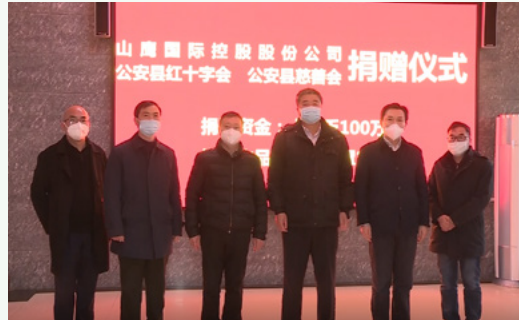
Concerted Fight against COVID-19, Waiting for Spring

COVID-19 pandemic caught every one's attention at the beginning of 2020. Since the outbreak of coronavirus, Shanying International has attached great importance to pandemic prevention and control, actively supported community anti-pandemic efforts and contributed to pandemic containment while resuming work and production and protecting employees.

► Highlights of Fight against COVID-19 in 2020



Donated **1 million** RMB and **20,000** masks to the charity department in Jingzhou, Hubei Province
Donated **1 million** RMB to Ma'anshan Charity Federation for pandemic containment
Donated **50,000** RMB to Haiyan Economic Development Zone as a special fund for pandemic prevention
Overseas subsidiary Nordic Paper donated **20,000** SEK in response to the "Support Wuhan" initiative of the Swedish Chamber of Commerce in China
Listed in the **2020 China's Best Employers during COVID-19** by Hurun Report



Donation to charity department in Jingzhou, Hubei Province



Donation to Ma'anshan Charity Federation

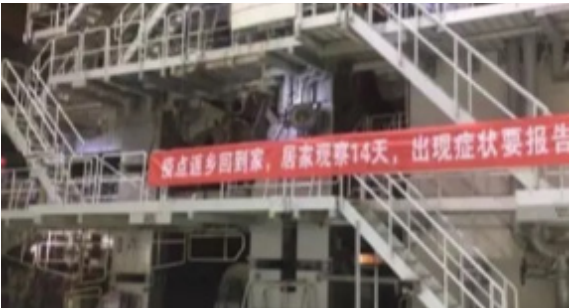


Donation to the Swedish Chamber of Commerce in China

Rapid work resumption to meet customers' needs

The company and our subsidiaries immediately set up anti-pandemic working teams to actively carry out prevention and control work. On the premise of ensuring safe production, we strove to resume work and production as early as possible to meet supply demand:

- Investigated employees' whereabouts and found out customer needs
- Introduced incentive policies to encourage employees to return to their posts safely
- Organized the purchase of infrared thermometer, face mask, disinfectant and other pandemic prevention materials to make full preparations for personal protection after work resumption
- Actively kept contact with government departments, strictly followed the requirements of pandemic prevention and control, and made preparations for the approval of production resumption



Publicity and implementation of pandemic prevention and control strengthened through WeChat groups, bulletin boards and other channels



Pandemic prevention materials purchased rapidly to make full preparations for work resumption

All-round Safeguard of Employees' Health

In order to ensure the safety of workplace, Shanying International quickly formulated the Pandemic Prevention Plan, which detailed the work of external visitors control, staff canteen management, public area sterilization during the pandemic prevention and control period. At the same time, the company strengthened the publicity of pandemic prevention knowledge and guided employees to raise awareness of self-protection and do a good job in pandemic prevention through various channels such as broadcasting, large screen publicity, message pushing to all employees about pandemic prevention instructions for return to work and daily pandemic situation report.

The company paid close attention to employees' mental health, and organized psychological lectures with the theme of maintaining mental health during the pandemic to popularize psychological knowledge from three perspectives of emotional awareness, encouraging positive thinking and emotional regulation methods, so as to help employees with psychological adjustment during the pandemic.

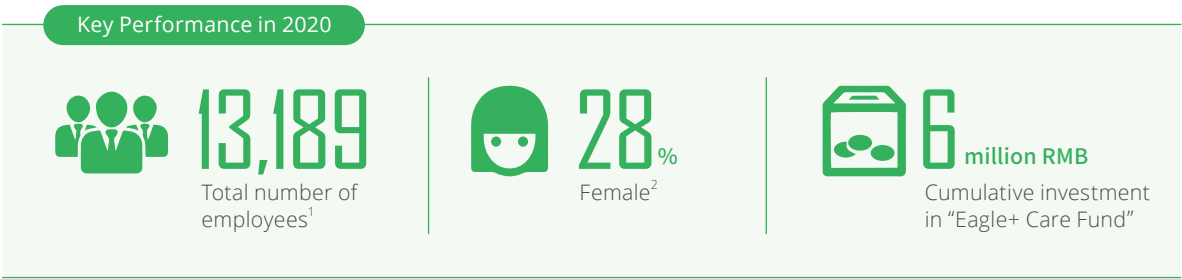


Office area thoroughly disinfected twice a day



Measures taken, such as partial work resumption, work from home and online office

Build a Global Employee Platform



Basketball Game in Wuhan Xiangheng

In September 2020, in order to further improve team cohesion, Wuhan Xiangheng held the "Let's Play Basketball" game to advocate and promote healthy life while making employees further realize the importance of team cooperation, communication and tolerance, deepen communication among colleagues, and promote corporate culture building.



Basketball Game in Wuhan Xiangheng

Empower Employee Development

Key Performance in 2020



100 %
employees trained



24.75 hours
training per capita

Talent Development

Adhering to the open talent principle of "smooth career development path and sound internal flow mechanism", Shanying International attaches great importance to talent cultivation and continuously explores and trains talent reserve. The company develops talent tracking and succession plan every year, confirms the succession list of key positions in each center, business division and subsidiary, and constantly updates our talent pool.

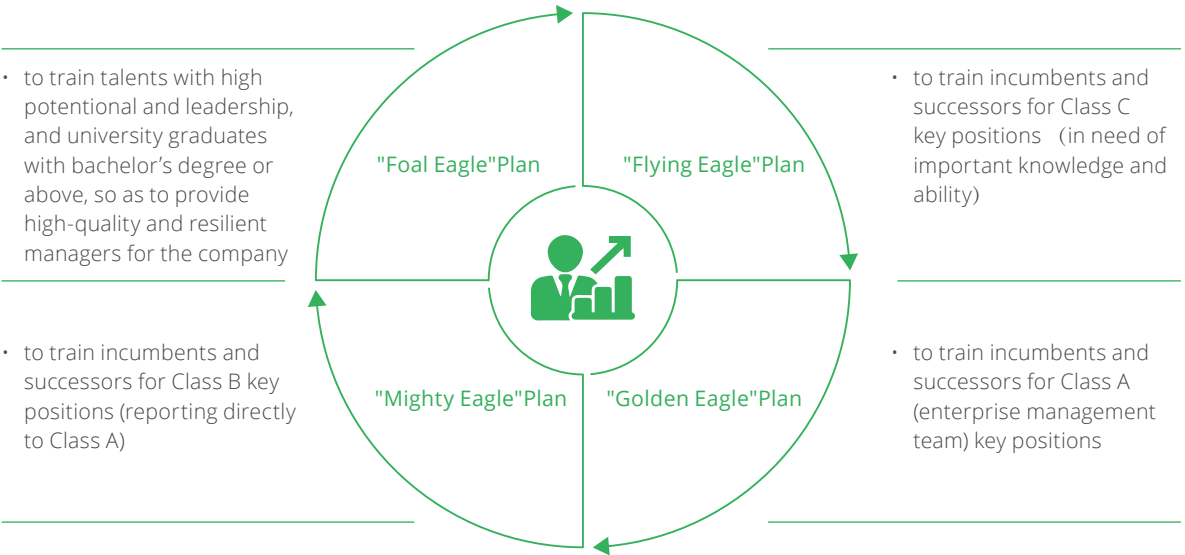
Shanying International Talent Training Process

- 1 Definition of Target Positions**
Definition of target positions for the personnel entering talent pool
- 2 Setting of competency development focus**
Setting of at least 2 competency development focus points by comparing the current competency of those in talent pool with the requirements of target positions
- 3 Designation of mentors**
Designation of mentors in accordance with the mentorship requirements
- 4 Development and implementation of personal growth plan**
Development of personalized growth plan based on the competency development focus
- 5 Follow-up assessment**
Execution of follow-up assessment as required
- 6 Appointment/continuing development**
After assessment, motivation of those qualified with appointment to job vacancies or other incentives; continuing development of those unqualified or elimination from talent pool

The company has set up talent development programs at the headquarters and business division levels aiming at different people, job characteristics, knowledge and skill needs, and established targeted talent training programs, giving employees a broad space for development.

Talent Program	Objective	Target Group
Shanying International "Eagle+" Talent Training Program	To improve targeted ability for specific positions	High potential talent, current and successor of different key positions
Packaging BU "One-hundred Talents Program"	To improve the management ability of operation personnel in packaging enterprises	Operation personnel in packaging enterprises
Papermaking BU "Torch Program" (mentorship)	To accelerate the pace of talent development and pass on knowledge and skills from generation to generation by means of mentorship	Personnel in talent pool of papermaking BU

Overview of Shanying International "Eagle+" Talent Training Program



Staff Training

Helping employees grow and develop is one of Shanying International's important missions. The company pays attention to the construction of staff training system, aiming at building a "learning organization". We adopt the model of "internal training as the pillar, external training as a supplement", and have established a training system centering on post competence and staff ability improvement, involving professional qualification training, management skills training and general competency training, to meet employees' all-round and multi-level training needs.

- 1 Job function competency and professional qualification training**, including general skills training, special skills training, etc.
- 2 Leadership training for management positions**, including general self-management training, management personnel training, etc.
- 3 Core general competency training for all staff**, including new staff training, corporate culture training, etc.


To further improve employees' ability, the company has established Shanying Academy, which regularly carries out Shanying Lecture Hall, Shanying Open Class and other projects to enrich the professional knowledge of employees, improve their front-line skills and comprehensive quality.

►Staff Training Progress of Shanying Academy in 2020



Front-line skills, professional competence and general quality, leadership training

- Organized and launched Shanying Lecture Hall with the themes of "The Impact of COVID-19 on the Global Economy and Corporate Supply Chain Layout" and "Become the Leader of Corporate Culture";
- Organized and delivered 6 public courses such as "A Theory Course on Communication and Influence".



Training resource construction

- Promoted the construction and operation of e-learning platform "Smart-Bird" Eagle School;
- Built a competency-based curriculum system;
- Completed development of management, production and operation, and sales courseware;
- Carried out a series of training to improve the ability of internal lecturers, covering more than 100 internal lecturers by the way of face-to-face coaching and online broadcast.

60
new courses developed

Management Skills Training Camp

To further improve the management ability of front-line managers, the company implemented the pilot program "STEP Front-line Supervisor/Team Leader Management Skills Training Camp" in Huazhong Shanying, which involved 141 front-line managers in six courses such as "Front-line Supervisor Team Building", "Post-95/00 Staff Management", "Executive Force Buildup of Front-line Managers", "Stress Management and Psychological Adjustment", etc. Course learning, active group discussion and opinion sharing deepened participants' understanding of team management and enabled them to carry out management work more efficiently.



"STEP Front-line Supervisor/Team Leader Management Skills Training Camp" in Huazhong Shanying

Leadership Training Camp


In August 2020, the company launched a leadership training program for 60 outstanding successors in key positions at director level and above to cultivate and improve their abilities in self-cognition, human knowledge and employment, overall awareness, strategic thinking, financial thinking and management through various forms such as evaluation, sharing, sand table and special lectures.




Leadership Training Camp

Healthy and Safe Working Environment


Key Performance in 2020



100 %
Safety education and training



100 %
Occupational health checkup



0
Chemical leakage incident

The paper industry consumes a lot of steam in the production process with equipment running at high speed, which is easy to produce chemical poisons, dust, high temperature, noise and other occupational hazards. Therefore, it is very important to protect the occupational health and safety of employees.

Adhering to the "people-oriented" principle, Shanying International is committed to providing a healthy and safe working environment for our employees by formulating the "Safety First, Prevention Focused, Comprehensive Management and Full Participation" occupational health and safety policy, and building the HSE Management Committee which is responsible for guiding and supervising business divisions to carry out relevant occupational health and safety work, advancing all staff participation in potential hazards detection and occupational hazard protection, and continuously enhancing safety awareness throughout the company.

► Occupational Health and Safety Management System



Safe Workplace

Production safety, related to employees' personal safety as well as normal production and operation, is one of the most important foundations for an enterprise's sustainable development. The company has been driving the standardization of production safety and building a safe workplace environment mainly from the following three aspects:



► Production Safety Progress in 2020

The Group supervises the subsidiaries to complete key special rectification in fire protection, environmental protection, outsourcing units, and fork carrying vehicles

The Group completed two rounds of HSE inspection on all subsidiaries, and inspected and corrected **1,855** problems in total

The Group conducted **56** HSE inspection training, professional training and accident case training for all subsidiaries

The total number of accidents in 2020 was about **28%** lower than in 2019 and **66%** lower than in 2018

Guangdong Shanying, Zhejiang Shanying and other subsidiaries commissioned third parties to carry out workplace safety hazard assessment

Raise Employees' Awareness of Safety in Limited Space

Targeted against high risk and uncontrollable factors of limited space operations commonly seen in the paper industry, Anhui Shanying launched the "Limited Space Special Knowledge Training" in 2020, with 68 employees involved. The training improved participants' safety and protection awareness of limited space operations through videos and expert explanations, so as to standardize and strengthen the company's management of limited space operations.



Limited Space Special Knowledge Training in Anhui Shanying

Advance Safety Culture Building

On the occasion of the 19th national work safety month, all subsidiaries of Shanying International carried out various education activities with the theme of "eliminating accident potentials and building a solid safety defense line", aiming to raise employees' safety awareness, reinforce their safety knowledge and promote the company's production safety.

Taking Wuhan Xiangheng as an example, it held a safety knowledge contest and the "Safety in My Heart" photography competition during the work safety month. In addition, the company also carried out fire and emergency drills, popularizing the use methods of fire extinguishers and conducting emergency fire escape drills, so as to improve employees' ability to use various kinds of fire equipment.







"Work Safety Month" Activities in Wuhan Xiangheng

Safeguard Employees' Health

The company has taken a series of occupational disease preventive measures to effectively prevent those who come into contact with occupational-disease-inductive factors from being harmed, so as to ensure the occupational health of employees. At the same time, we actively carry out occupational health related training to improve employees' awareness of occupational health.

As of the end of the reporting period, no occupational-disease-inductive accidents had occurred in the company.

► Preventive Measures against Occupational Hazards

 Occupational Hazard Identification and Prevention	<ul style="list-style-type: none">• Annual identification and evaluation of occupational hazards• Annual Development of annual work plan and implementation plan for occupational hazard prevention
 Occupational Hazard Signage and Notification	<ul style="list-style-type: none">• Setup of warning signs in striking positions of workplaces, workstations and equipment and facilities• Notification of potential occupational hazards and consequences
 Occupational Hazard Monitoring and Control	<ul style="list-style-type: none">• Regular monitoring of occupational-disease-inductive factors in workplaces• Regular check, maintenance and repair of occupational-disease-prevention facilities
 Personal Protection and Health Checkup of Personnel in Exposure	<ul style="list-style-type: none">• Provision of required protective equipment for staff• Occupational health checkup for occupational-disease-inductive personnel before, on and off duty

► Progress in Safeguarding Employees' Occupational Health in 2020

 Occupational Health Hazard Factor Detection	<ul style="list-style-type: none">• Six subsidiaries, including Guangdong Shanying and Zhejiang Shanying, entrusted third parties to monitor and evaluate occupational disease hazard factors in workplaces.
 Occupational Health Training	<ul style="list-style-type: none">• Eight subsidiaries including Changzhou Xiangheng and Huanan Shanying carried out occupational health training on the topics such as "pneumoconiosis" occupational health training, occupational injury prevention and occupational health, occupational disease hazard identification, etc.

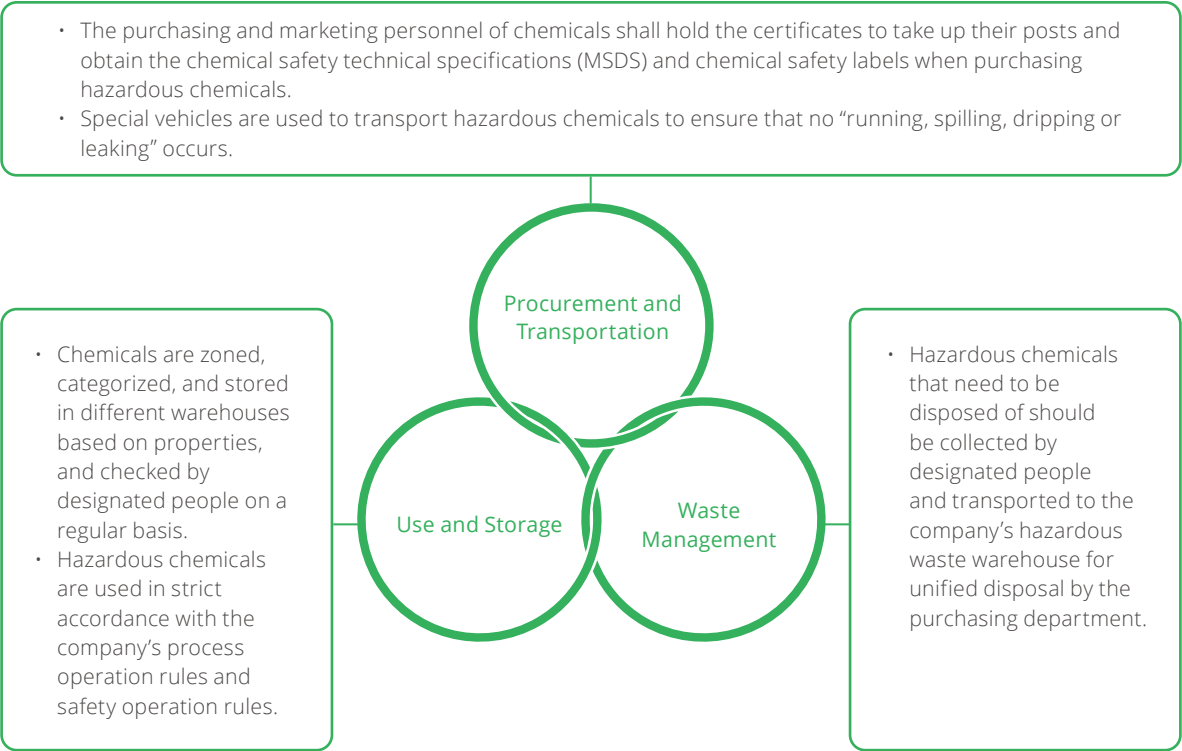


Chemical Management

The production and operation of the company involves use of hazardous chemicals, including sodium hydroxide, concentrated sulfuric acid, etc. Shanying International has established the "Chemical Safety Management System" and other relevant management systems, conducted regular training on identification of major hazardous sources and safe operation, and set up emergency measures for chemical leakage, so as to minimize personnel injury, property loss and environmental pollution caused by accidents.

As of the end of the reporting period, no chemical leakage had occurred in the company.

► Chemical Management Measures

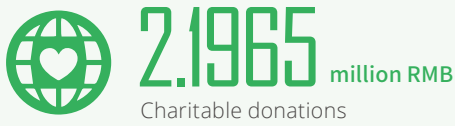


Promote the Safe use and Management of Hazardous Chemicals

In November 2020, Zhejiang Shanying carried out an emergency drill of dangerous chemical leakage. Through simulating hydrochloric acid pipeline leakage in sewage treatment plant, it organized an emergency drill of handling accidents, which improved its employees' rapid response and emergency rescue abilities, and comprehensively enhanced the company's ability to withstand major disasters and accidents.

Common Prosperity with the Society

Key Performance in 2020



With the goal of being a responsible corporate citizen, Shanying International makes use of our own resources to formulate and promote corporate public welfare strategies, support local economic construction, assist vulnerable groups, promote the development of social public welfare undertakings, and strive to achieve common prosperity of the company and the society.

Targeted Poverty Alleviation

The company has thoroughly followed the spirit of the *State Council's Circular on the Issuance of the 13th Five-Year Poverty Alleviation Plan*, fully implemented relevant arrangements and requirements of the *Opinions of China Securities Regulatory Commission on Giving Play to the Role of Capital Market to Serve the National Poverty Alleviation Strategy*, and responded to the overall requirements of national poverty alleviation strategy with concrete actions. We have formulated targeted plans based on our own advantages, and implemented from the aspects of helping the disabled and poverty alleviation by developing industries, so as to make a contribution to the accomplishment of poverty alleviation.

Help the disabled

Actively explore a working mechanism for employment of people with disabilities and provide them with jobs

The company welcomes disabled job applicants from multiple channels. The subordinated packaging enterprise Putian Xiangheng has 560 employees, of which about 270 are disabled.

Help the disabled integrate into society by providing an equal, participatory and sharing platform

The company has invested nearly one million RMB in establishing multimedia training classrooms for the disabled and hiring professionals to provide skills training for the disabled, so as to continuously improve their comprehensive quality.

Poverty alleviation by developing industries

Comprehensively support the battle against poverty with industries as the driving force

In response to the national call, the company's subordinated enterprises have paired up with poor villages and counties to participate in rural infrastructure projects, promote local employment and economic development through industrial support, and achieve poverty alleviation and income increase for peasants.

- Ma'anshan Trichosanthes Planting Project**
Anhui Shanying has paired up with the poor Guantang Village, Zhengpugang New District of Ma'anshan City, invested 1 million RMB to develop local trichosanthes planting industry, making poor people benefit from industrial development.
- Guizhou Chitianhua Project**
The company develops environment-friendly industries by relying on local natural resources, directly or indirectly promotes local agriculture development and helps bamboo farmers increase income and get rid of poverty through nurture, management, cutting, processing and transportation of bamboo raw material forest and employment of local people. The project was awarded the "Targeted Poverty Alleviation Model Project of the 100 Enterprises Help100 Villages Initiative".

Community Co-building

The company actively supports the development of communities where we operate, carries out all kinds of community public welfare activities, commits to achieving harmonious coexistence with surrounding communities, and practices corporate social responsibility with actions.

Aid poor medical students

Shanying International has been donating to the "WEALOVE Fund" of Shanghai Charity Foundation for a long time, and committed to the aid of medical students and the training of young doctors. The company has annually donated 50,000 RMB to aid poor medical students for 11 successive years.

2020年上海市评优表彰

Student recipients who have grown into outstanding resident physicians

Help Ma'anshan Fight Against Floods

2020 was a difficult year for flood control and disaster relief when water level in Ma'anshan reached a record high. In the emergency flood season, Anhui Shanying assumed the responsibility of guarding 30 meters of Yangtze River and gates for flood control and city defense, including urgent allocation of yellow sand filled into flood control sandbags to block and raise embankment entrance, etc. In addition, the company actively purchased materials and donated raincoats, life jackets and other disaster relief materials to flood fighting front line to support flood control and rescue, and ensure the safety of Ma'anshan.

Flood Relief by Anhui Shanying

Digitalization empowers garbage sorting and recycling

As an ecological enterprise, the company has been following the digital reform trend in Zhejiang Province since 2019, taken the initiative to tackle pain points and difficulties in rural sanitation for building beautiful villages, invested and set up Ningbo Huashen Garbage Sorting Service Co. Ltd. in Cixi City, innovated and practiced the smart environmental sanitation model integrating cleaning, trash pickup, garbage sorting and recycling.

Vision

Objective

Business system

Core competence

Supporting system

Urban Green Steward

To reduce solid waste/garbage through harmless treatment and

Green recycling

Digital sanitation

Circular economy

Renewable resources recovery business

Integrated operation of sanitation

Bulk solid waste end reuse

Construction and operation of smart sanitation stations

Bulk solid waste end reuse

Integration of multiple networks

Industrial scale

Digital and intelligent operation

Professional talent system

Digital and intelligent system

Recycling system

Urban Green Steward -- Ningbo Huashen Garbage Sorting Service Co., Ltd

Date-proven Social Responsibility

Economic Contribution

Type	Indicator	Unit	2019	2020
Economic performance	Operating revenue	100 million yuan RMB	232.41	249.69
	Total profit	100 million yuan RMB	15.66	16.90
	Total tax paid	100 million yuan RMB	20.54	17.39
	Net assets per share	yuan RMB	3.25	3.39
	Earnings per share	yuan RMB	0.30	0.30
	Social contribution value per share ¹	yuan RMB	1.28	1.23

Note:
1. Social contribution value per share = (net profit attributable to common shareholders after deducting non-recurring profit and loss + payments to government + employee compensation and benefits + loan interest paid to banks and other creditors + value created for other stakeholders like external donations - other social costs caused by environmental pollution and staff dismissal) /total number of shares.

Environmental Protection

Papermaking BU

Type	Indicator	Unit	2019	2020
Resource consumption	Total power consumption ¹	MWH	2,542,605	2,543,428
	Power consumption per unit product	KWH/ton product	569	495
	Total coal consumption	ton	1,755,570	1,919,974
	Coal consumption per unit product	ton/ton product	0.39	0.37
	Total NGS consumption	m³	-	1,045,097
	NGS consumption per unit product	m³/ton product	-	0.20
	Total steam consumption	ton	-	6,192,958
	Steam consumption per unit product	ton/ton product	-	1.21
	Self-owned vehicle diesel consumption	L	-	1,781,412
	Self-owned vehicle gasoline consumption	L	-	125,007
	Total water consumption	10 thousand ton	4,202	4,950
	<i>Surface water</i>	10 thousand ton	4,103	4,814
	<i>Tap water</i>	10 thousand ton	99	85
	<i>Collected and stored water</i>	10 thousand ton	-	50
	Water consumption per unit product	ton/ton product	9	10
Emissions and discharges	Total exhaust emission	10 thousand m³	1,803,458	1,659,488
	NO _x	ton	866	841
	SO ₂	ton	283	294
	Fume	ton	48	38
	Total industrial effluent	m³	29,535,395	32,922,921
	COD	ton	1,236	1,341
	NH3-N	ton	65	72
	Total hazardous waste	ton	5,766	4,114

Type	Indicator	Unit	2019	2020
	Hazardous waste per unit product	ton/10 thousand ton product	13	8
	Total general waste	ton	913,605	984,650
	General waste per unit product	ton/10 thousand ton product	2,046	1,917
GHG ²	GHG emissions	ton CO ² equivalent	3,852,893	5,738,092
	GHG emissions per unit product	ton CO ² equivalent/10 thousand ton product	8,629	11,172

Notes:
1. Total power consumption includes net purchased power and power generated by inhouse power plants.
2. 2019 GHG emissions are calculated based on net purchased power and raw coal consumption. 2020 GHG emissions are calculated based on net purchased power, raw coal, steam, and self-owned vehicle diesel & gasoline consumption. The increase of GHG emissions in 2020 was attributed to production scale up.

Packaging BU

Type	Indicator	Unit	2020
Resource consumption	Total power consumption ¹	MWH	4,200,246
	Power consumption per unit product	KWH/10 thousand m² product	56
	Total coal consumption	ton	4,779
	Coal consumption per unit product	ton/10 thousand m² product	0.006
	Total NGS consumption	m³	7,343,336
	NGS consumption per unit product	m³/10 thousand m² product	97.15
	Total steam consumption	ton	54,380
	Steam consumption per unit product	ton/10 thousand m² product	0.72
	Self-owned vehicle diesel consumption	L	139,871
	Self-owned vehicle gasoline consumption	L	60,336
	Total water consumption	10 thousand ton	72
	<i>Surface water</i>	10 thousand ton	72
Emissions and discharges	<i>Tap water</i>	10 thousand ton	0
	<i>Collected and stored water</i>	10 thousand ton	0
	Water consumption per unit product	ton/10 thousand m² product	0.001
	Total exhaust emission	10 thousand m³	11,635
	NO _x	ton	13
	SO ₂	ton	5.4
	Fume	ton	1.9
	Total industrial effluent	m³	111,765
	COD	ton	30
	NH3-N	ton	2
	Total hazardous waste	ton	84
	Hazardous waste per unit product	ton/10 thousand m² product	0.001
GHG ²	Total general waste	ton	31,676
	General waste per unit product	ton/10 thousand m² product	0.429
	GHG emissions	ton CO ₂ equivalent	3,405,124
	GHG emissions per unit product	ton CO ₂ equivalent/10 thousand m² product	45

Notes:
1.Total power consumption includes net purchased power and power generated by inhouse power plants.
2.GHG emissions are calculated based on net purchased power, raw coal, steam, and self-owned vehicle diesel & gasoline consumption.

Employment and Labor Practices

Type	Indicator	Unit	2019 ¹	2020 ²
Employment	Total number of employees	person	11,553	13,189
	Contracted	person	11,187	12,677
	Labor dispatch	person	366	512
	Male	%	74	72
	Female	%	26	28
	Over 50 years old	%	13	11
	30 to 50 years old	%	63	63
	Under 30 years old	%	24	26
	In mainland China	%	91	95
	In Hong Kong, Macao, Taiwan and overseas	%	9	4
	Number of new employees	person	3,946	3,809
	Male	person	2,991	2,435
	Female	person	955	1,374
	Over 50 years old	person	220	260
	30 to 50 years old	person	1,981	2,067
	Under 30 years old	person	1,745	1,482
	Total staff turnover	person	3,484	2,173
	Male	person	2,512	1,361
	Female	person	972	812
	Over 50 years old	person	386	171
	30 to 50 years old	person	1,958	1,032
	Under 30 years old	person	1,140	970
Training and development	Number of employees trained	person	-	13,189
	Training time per employee	hour	15.85	24.75
	Training time per male employee	hour	16.81	29.67
	Training time per female employee	hour	13.13	11.83
	Employee performance and career development assessment coverage	%	100	100

Notes:
1. Only papermaking BU was taken into account for 2019 performance data statistics.
2. Both papermaking BU and packaging BU were taken into account for 2020 performance data statistics, and overseas subsidiaries were excluded.

Supply Chain Management

Type	Indicator	Unit	2019	2020
Supply chain management ¹	Total number of suppliers	company	4,280	4,538
	In mainland China	company	3,986	4,496
	In Hong Kong, Macao, Taiwan and overseas	company	294	42
	Proportion of suppliers that have signed anti-corruption agreements	%	100	100

Notes:
1. Only papermaking BU was taken into account for 2019 performance data statistics.Both papermaking BU and packaging BU were taken into account for 2020 performance data statistics and overseas subsidiaries were excluded.

Occupational Health and Safety

Type	Indicator	Unit	2019 ¹	2020 ²
Production safety	Number of employees trained	person	60,621	67,558
	Safety education and training coverage	%	100	100
	Number of deaths at work ³	person	0	2
	Number of working days lost due to work-related injuries	day	-	1,326
Occupational health	Occupational disease health checkup coverage of on-the-job employees	%	100	100
	Occupational-disease incidence	%	0	0

Notes:
1. Only papermaking BU was taken into account for 2019 performance data statistics.
2. Both papermaking BU and packaging BU were taken into account for 2020 performance data statistics.
3.In 2020, there was a fatal accident in Zhejiang Xiangheng under the packaging BU caused by a worker violating rules during mechanical operation, who was rushed to hospital but died after emergency treatment failure. After the incident, the company took a series of corrective measures, including raising production safety awareness at daily morning meetings, and standardizing PPE use; conducting safety inspection irregularly, and giving heavier punishment to violating operations. Rectification had been completed as of the end of the reporting period. In 2020, an employee of Anhui Shanying under the papermaking BU died in hospital after an accident happened while handling a paper cutting roller. After the incident, the company took a series of corrective measures, including raising production safety awareness and strengthening inspection of violating operations and on-site management, etc. Rectification had been completed as of the end of the reporting period.

Community Investment

Type	Indicator	Unit	2019	2020
Community public welfare and voluntary service	Public welfare investment	10 thousand yuan RMB	54.94	7,300

Compliance

Major Laws and Regulations in Operating Places

Area	Type	Laws and Regulations
Product	Product quality	Product Quality Law of the People's Republic of China, GBT 13023-2008 Corrugating Medium, GBT 13024-2016 Liner Board, etc.
Staff	Staff rights and interests	Labor Law of the People's Republic of China, Law of the People's Republic of China on Employment Contracts, etc.
	Occupational health and safety	Law of the People's Republic of China on Work safety, Warning Signs for Occupational Hazards in the Workplace (GBZ158-2003), Assessment and Gradation of Disability Caused by Work-related Injuries and Occupational Diseases (GB-T 16180-2014), etc.
Anti-commercial bribery	Anti-commercial bribery	General Principles of the Civil Law of the People's Republic of China, Law of the People's Republic of China on Anti-Unfair Competition, Enterprise Internal Control Guidelines
Environment	Environmental management	Environmental Protection Law of the People's Republic of China
	Energy efficiency	Energy Conservation Law of the People's Republic of China, Renewable Energy Law of the People's Republic of China
	Exhaust emission	Law of the People's republic of China on the Prevention and Control of Atmospheric Pollution
	Wastewater discharge	Water Pollution Prevention and Control Law of the People's Republic of China, Integrated Wastewater Discharge Standard
	Waste management	Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

Appendix

Certification

Certification	
Certified by	Coverage
Product quality	
 ISO 9001: 2015	Papermaking: Anhui Shanying, Zhejiang Shanying, Huanan Shanying, Nordic Paper Packaging: 17 enterprises including Hefei Xiangheng, Wuhan Xiangheng, Putian Xiangheng, Zhejiang Xiangheng, etc.
Occupational health & safety	
 ISO 45001/OHSAS18001	Papermaking: Anhui Shanying, Zhejiang Shanying, Huanan Shanying Packaging: 10 enterprises including Hefei Xiangheng, Wuhan Xiangheng, Ma'anshan Xiangheng, etc.
Safety production standardization	Papermaking: Anhui Shanying, Zhejiang Shanying Packaging: 11 enterprises including Hefei Xiangheng, Wuhan Xiangheng, Putian Xiangheng, Ma'anshan Xiangheng, etc.
Environmental protection	
 ISO 14001: 2015	Papermaking: Anhui Shanying, Zhejiang Shanying, Huanan Shanying Packaging: 15 enterprises including Hefei Xiangheng, Wuhan Xiangheng, Putian Xiangheng, Ma'anshan Xiangheng, etc.
 China Environmental Labeling Certification	Papermaking: Huanan Shanying
Industry regulation and others	
 FSC Standard for Chain of Custody Certification	Papermaking: Anhui Shanying, Zhejiang Shanying, Huanan Shanying, Nordic Paper Packaging: 5 enterprises including Hefei Xiangheng, Zhejiang Xiangheng
 AEO Advanced Certification	Papermaking: Anhui Shanying

Index of Shanghai Stock Exchange Suggestions for Information Disclosure

Notice on strengthening the social responsibility of listed companies and issuance of the Guidelines on Environmental Information Disclosure of Listed Companies on the Shanghai Stock Exchange

Suggestions for Information Disclosure	Content Index
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Article 3	In conformity
Article 4	Appendix
Article 5: Point One	Social Responsibility: Be a responsible employer and corporate citizen
Article 5: Point Two	Environmental Responsibility: Replace plastic with paper and develop green circular economy
Article 5: Point Three	Economic Responsibility: Lead the industrial civilization of "co-creation, co-sharing and win-win" Social Responsibility: Be a responsible employer and corporate citizen
Article 6	In conformity
Article 7	In conformity

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Notes on Report Preparation

Reporting Purpose

This report is the social responsibility report for 2020 issued by Shanying International Holdings Co., Ltd. (herein referred to as "Shanying International" or "the Company"). Based on the principles of objectivity, standardization, transparency and comprehensiveness, this report discloses to all stakeholders the company's practices and performance in the areas of economic, social and environmental responsibility.

Reporting Scope

Unless otherwise specified, the scope of disclosure in this report is Shanying International Holdings Co., Ltd. and its subsidiaries included in the consolidated financial statements.

The disclosure time range of this report is from January 1, 2020 to December 31, 2020. Information beyond the time range may be added in order to help readers better understand the contents of this report.

Explanation of Company Abbreviations

Full Name ¹	Abbreviation in the Report
Shanying International Holdings Co., Ltd.	Shanying International
Zhejiang Shanying Paper Co., Ltd.	Zhejiang Shanying
Shanying Southern China Paper Industry Co., Ltd.	Huanan Shanying
Shanying Paper (Guangdong) Co., Ltd.	Guangdong Shanying
Wuhan Xiangheng Packaging Co., Ltd.	Wuhan Xiangheng
Putian Xiangheng Packaging Co., Ltd.	Putian Xiangheng
Zhejiang Xiangheng Packaging Co., Ltd.	Zhejiang Xiangheng
Maanshan Xiangheng Packaging Co., Ltd.	Maanshan Xiangheng
Zhongyin Technology Co., Ltd.	Zhongyin Technology
Ininin Technology (Shenzhen) Co., Ltd.	Ininin Technology

Note:
1. The table above only lists the names of subsidiaries that appear in the report, not all subsidiaries of Shanying International.

Data Explanation

The data and cases in the report are from the original records or financial reports of the actual operation of Shanying International and its subsidiaries. The financial numbers in this report are in RMB. In case of any inconsistency with the financial reports, the latter shall prevail.

Preparation Basis

This report follows the *Notice of the Shanghai Stock Exchange on Strengthening the Social Responsibility of Listed Companies & the Release of the "Guidelines on Environmental Information Disclosure by Companies Listed on the Shanghai Stock Exchange"*, with reference to the core themes and principles of *ISO26000 Social Responsibility Guidelines*. This report also cites some disclosure items of the *Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 (GRI Standards)*.

Report Release Form

This report is released to the public in Chinese, in both printed and digital form. Please feel free to contact us if you have any questions or suggestions about the contents of this report.
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