

# Ninestar

Stock code: 002180

Shenzhen Stock Exchange, China

# 2021

## Environmental, Social, and Governance Report





About This Report	01
Chairman's Statement	03
About Ninestar	05
Achievements in 2021	07

01	ESG Governance	11
	ESG Management	13
	Identification and Analysis of Material Issues	15
02	Responsible Governance and Stable Development	17
	Regulation of Corporate Governance	19
	Strengthening Risk Control	23
	Business Ethics and Anti-Corruption	25

03	Refined Quality with Ingenuity	27
	Product Quality	29
	Innovation Driven	34
	Customer Rights	38
04	Green Development & Environment Protection	41
	Green Products	43
	Green Operation	56
	Green Office	62
	Respond to Climate Change	62
05	Help Employees Succeed and Make Joint Efforts for the Future	63
	Guarantee of Employees' Rights and Interests	65
	Employee Training and Development	70
	Occupational Health and Safety	74
	Care for Employees	79

06	Partnership for Flourishing	81
	Supplier Management	83
	Conflict Minerals Management	88
	Promote Industry Development	89
07	Join Hands to Bring Harmony and Gather Love	91
	Social Assistance	93
	Community Inclusion	95
	Appendix	97
	Appendix I Key Performance Indicators of 2021 ESG Report	97
	Appendix II Content Index of Global Reporting Initiative (GRI) Standards	99
	Feedback Form	105



# About This Report

This report is the first Environmental, Social and Governance Report (hereinafter referred to as “ESG Report” or “the Report”) released by Ninestar. It mainly discloses Ninestar’s ESG ideas, important progress, and performance in 2021.

## Basis of Preparation

This Report is prepared mainly according to the *GRI Sustainable Development Report Standards (GRI Standards)* issued by the Global Reporting Initiative (hereinafter referred to as “GRI”) , the *Shenzhen Stock Exchange’s Social Responsibility Guide for Listed Companies* issued by the Shenzhen Stock Exchange and other relevant standards.

## Time Range

This Report covers the period from January 1, 2021 to December 31, 2021 (“this year”, the “Reporting Period”). In order to enhance the comparability, integrity, and consistency of the report, some of its contents have exceeded that range (as otherwise noted in the report).

## Organizational Scope

The scope of data and texts collected in this report covers Ninestar and its main subsidiaries. Pursuant to the constraints of some prohibitive clauses in the *National Security Agreement* that the Company and Lexmark International have signed with the Committee on Foreign Investment in the United States (CFIUS), some sensitive data shall not be externally disclosed, and due to such restrictions, the Company has not obtained or disclosed the key performance indicators of Lexmark International in this report. In addition, only some key performance indicators cover Zhuhai TOPJET Technology Co., Ltd., Zhuhai Kingway Technology Co., Ltd. and Zhuhai National Resources & Jingjie Printing Technology Co., Ltd.



## Addressing and Representation

For ease of expression, “Ninestar”, “the Company” and “we” mentioned in the report all refer to “Ninestar Corporation and its subsidiaries”.

Addressing and Representation	Shortened Form
Consumables Business Unit of Ninestar Corporation	Consumables Business Unit
Zhuhai Ninestar Information Technology Co., Ltd.	Ninestar Information Technology
Zhuhai Pantum Smart Manufacturing Technology Co., Ltd.	Pantum Smart Manufacturing
Zhuhai Pantum Electronics Co., Ltd.	Pantum Electronics
Zhuhai Apex Microelectronics Co., Ltd. and its subsidiaries	Apexmic
Geehy Semiconductor Co.,Ltd.	Geehy Semiconductor
Lexmark International, Inc. and its subsidiaries	Lexmark International
G&G Consumables brand	G&G China
G&G brand	G&G
Pantum brand	Pantum
Apexmic brand	Apexmic
Lexmark brand	Lexmark

## Data Source

All the data used in this Report is from the Company’s official documents, relevant reports and statistical reports. Unless otherwise specified, the amounts involved in this Report are denominated in CNY.

## Availability of This Report

You can view and download the electronic version of the Report at the website of the Shenzhen Stock Exchange ([www.szse.cn](http://www.szse.cn)) and the Company’s website ([www.ninestargroup.com](http://www.ninestargroup.com)).

## Feedback

Should you have any questions or feedback on this Report and contents hereof, please contact us by:

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# Chairman's Statement



“

2021 marked the kick-off of China's "14<sup>th</sup> Five-Year Plan" strategy and also the 21<sup>st</sup> anniversary of the founding of Ninestar. Thanks to the trust and support of all relevant parties, we continued our success and ushered in a fresh development landscape. As an enterprise listed on the main board of the Shenzhen Stock Exchange, we always take the initiative to shoulder our corporate social responsibility, give top priority to the ESG development and management practice of enterprises, and strive to pave the way for green and low-carbon sustainable development.

## Pursue refined quality with ingenuity as driven by innovation

We are committed to "becoming a leading technology and service company in the printing industry", and we encourage innovation as the driving force and insist on independent innovation. Through years of development, we have achieved full coverage of the printing industry chain and full mastery of independent core technologies of laser printers. We developed the first laser printer of China, "PANTUM"-branded printer, a laser printer with independent intellectual property, and built China's largest intellectual property analysis platform for the printer industry. As a leading integrated circuit chip design enterprise in the industry, we develop premium, innovative and technologically advanced products and services with ingenuity. In 2021, Apexmic participated in China's "13<sup>th</sup> Five-Year Plan" Sci-Tech Innovation Achievement Exhibition and showcased relevant scientific research achievements. Its subsidiary Geehy Semiconductor won the dual honors of "Chip Technology Breakthrough Award" and "Blue Sea Chinese Chip", demonstrating Ninestar's remarkable chip breakthroughs.

Motivated by the original aspiration, we continuously provide customers with safe and reliable products and services, strengthen product quality management, give ear to and respect every stakeholder's development proposals, and remain steadfast in the pursuit of refined quality with ingenuity.

## Embracing sustainable development with long-term vision

We proactively assume our corporate environmental responsibility and align our development with the national "double carbon" development strategy. We promote green and low-carbon operation, improve the environmental management system, refine management practice, actively adopt green and clean energy, and constantly enhance energy efficiency in production. We are committed to developing environmentally friendly green products, implementing full-lifecycle product management from design to recycling, and paying attention to the environmental friendliness and sustainability of products. We advocate the concepts of green office and green low-carbon lifestyles and promote more extensive green sustainable development.

We have a conviction that employees are the cornerstone of sustainable development, so we care about and respect every employee, build a fair and inclusive working environment, attentively listen to employees' real voices, and are devoted to providing employees with a diversified training system and empowering their future development. Moreover, we value the communication with stakeholders such as shareholders, investors, consumers, and regulators, and always learn about and respond to their expectations and needs in time.

## Living up to responsibility to advance towards a harmonious future

We insist on good faith in business operation, adhere to integrity as our overarching principle, improve risk management and internal monitoring, and shore up the foundation of our sustainable development. We implement responsible supply chain management, actively boost industry development, seek strategic cooperation, and are committed to establishing harmonious win-win partnerships and teaming up with all relevant parties to shape a harmonious future.

We actively respond to the call of policies to fulfill our corporate social responsibility and public welfare responsibility. In 2007, we founded China's first enterprise-sponsored "Ninestar Angel Love Fund" to help more children in poverty who suffer from leukemia and need help. As of the end of 2021, we have accumulatively invested CNY4.121 million in the fund. We also made joint efforts with Alxa SEE Foundation to devote ourselves to the public welfare causes of "green technology, extending life for the earth" and "addressing desertification to retain green waters and blue skies", where as of the end of 2021, our public welfare investment has totaled CNY1.1 million.

Looking ahead, Ninestar will always remain true to the original aspiration, uphold the corporate mission to "take responsibility for the society, provide services to customers, realize dreams for employees, and create value for shareholders", and steadily fuel the Company's sustainable development in a down-to-earth manner, by virtue of our original aspiration that guides development, our perseverance for long-term success, our determination to seize the moment, and our confidence to embrace change.

**Jackson Wang**  
Chairman



# About Ninestar

## Company Profile

As the world's fourth largest laser printer manufacturer and one of the top 500 listed companies in China, Ninestar Corporation has achieved full coverage of the printing industry chain, and its business covers laser printers and supporting consumables, integrated circuit chips, and general printing consumables.

The Company highly values technological innovation and patent development. We have 21,787 employees worldwide, of which 20% are R&D staff; our technological products include laser printers and consumables, integrated circuit chips, printer core components, general consumables, etc.; in 2010, we launched the first laser printer of China, "PANTUM"-branded printer, a laser printer with independent intellectual property, and built China's largest intellectual property analysis platform for the printing industry. As of December 2021, Ninestar owns 4,885 independent R&D patents, 3,378 of which are invention patents.

For more information about the Company's business operation and financial condition, please refer to Ninestar's 2021 Annual Report:

<https://www.ninestargroup.com/investor11.html>



Total number of employees worldwide

**21,787**



Proportion of R&D staff

**20%**



Number of independent R&D patents owned by Ninestar as of December 2021

**4,885**



Number of invention patents

**3,378**

## Ninestar's industrial layout

Laser printers



Full mastery of independent core technologies of laser printers

PANTUM

Lexmark

Integrated circuit chips



Industry-leading integrated circuit design enterprise

APEXMIC

Geehy



General printing consumables



Leading enterprise in the global general consumables industry

G&G

G&G SELECT

SMART MATE

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## Company Culture

### Corporate Mission:

- To fulfill our social responsibilities
- To provide exceptional service for our customers
- To help realize the dreams of our employees
- To create value for our shareholders

### Corporate Vision:

- To become the eminent high-tech service provider in the printer industry
- To build a globally renowned trusted brand

### Company Values:

- Loyalty: abide by laws and regulations, be honest and dedicated to work, adhere to professional ethics, and be loyal to the Company's business
- Truth-seeking: be an honest person, work practically, pursue substantial results, and make achievements
- Innovation: innovate boldly, keep exploring new possibilities, and seek development through innovation
- Win-win: share difficulties and success together, and recognize "competition before winning awards"

# Achievements in 2021

## Responsibility Indicators

### Economic indicators

Operating revenue

CNY **22.792** billion

Net profit attributable to shareholders of the parent company

CNY **1.163** billion

Total cash dividends (including other methods)

CNY **141** million

Taxes paid

CNY **781** million



### Social indicators

Total number of employees

**21,787**

Total number of employees trained

**7,800**

Total employee training duration

**31,200** hours

Total investment in employee training

CNY **2.43** million

Total investment in production safety

CNY **16** million

Amount of external donations

CNY **984,000**



### Environmental indicators

Total greenhouse gas (GHG) emissions (including Scope 1 and Scope 2)

**16,275.4** tCO<sub>2</sub>e



GHG emission intensity

**0.00714** tCO<sub>2</sub>e/CNY10,000 revenue

Fresh water consumption

**196,343** tons

Overall energy consumption

**3,789.5** tce

Overall energy consumption intensity

**0.00166** tce/CNY10,000 revenue



## Honors and Awards



### 2021 Chinese Computer Industry Development Achievement Award – Achievement Award for Printing Consumables

China Computer Industry Association



### Hi-Tech Enterprise of Guangdong Province

Department of Science and Technology of Guangdong Province

Department of Finance of Guangdong Province

Guangdong Provincial Tax Service, State Taxation Administration



### Global Brand Award

RT Media



### Advanced Enterprise in National Intellectual Property

China National Intellectual Property Administration



### The 4<sup>th</sup> IC Unicorn List

CCID Consulting



### Guangdong Province Enterprise of Observing Contract and Valuing Credit

Market Supervision Administration of Zhuhai City



### Top 500 Manufacturing Enterprises of Guangdong Province

Guangdong Manufacturers Association

Guangdong Industry Development Research Institute

Enterprise Competitiveness Research Center of Guangdong Academy of Social Sciences



### Global Industry Award

RT Media



### China TOP 500 Private Manufacturing Enterprises

All-China Federation of Industry and Commerce



### Blue Sea Chinese Chip

OFweek IoT





# ESG Governance



# ESG Management










## ESG Concept

Ninestar has established the enterprise mission “to fulfill our social responsibilities, to provide exceptional service for our customers, to help realize the dreams of our employees, to create value for our shareholders”, which is also our commitment to sustainable development. We are committed to integrating the sustainable development idea into various aspects such as the products, environment, employees, partners, and social impacts throughout all business segments, realizing sustainable operation and development from top to bottom and from the inside to the outside.

We are fully aware of the significance of sustainable development to the long-term development of the Company, and will constantly improve the ESG governance structure, optimize the review and decision-making process of ESG matters, standardize the management and implementation of ESG issues of each department, optimize ESG information integration and create long-term value for stakeholders.

## Stakeholder Communication and Engagement

We put a high value on the two-way communication with stakeholders, understand the demands and expectations of stakeholders via various channels, and constantly improve our operation management level and management practice in the communication. During the Reporting Period, a total of 42 meetings, including the general meetings of shareholders and meetings of the board of directors, the supervisory committee and professional committees, were held in the Company, with 257 proposals reviewed.

Category of stakeholders	Demands and expectations	Certain communication and response methods
 Government and regulators	<ul style="list-style-type: none"> <li>• Implementation of macro policies</li> <li>• Employment promotion</li> <li>• Lawful and compliant operation</li> <li>• Enterprise’s sustainable development</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly abide by the laws and regulations of each place where we operate</li> <li>• Conduct integrity management and pay taxes in accordance with the law</li> <li>• Participate in the policy and plan research and formulation</li> <li>• Accept supervision and assessment</li> <li>• Lean management and sustainable development</li> </ul>
 Investors	<ul style="list-style-type: none"> <li>• Continuous value creation</li> <li>• Prevention of operation risks</li> <li>• Protection of shareholders’ rights and interests</li> <li>• Good information disclosure</li> <li>• Corruption-free business environment</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with relevant laws and regulations</li> <li>• General meeting of shareholders</li> <li>• Regularly disclose operating and financial information</li> <li>• Regular and daily communication with investors</li> <li>• Strengthen the compliance and internal control system</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>• Protection of basic rights and interests of employees</li> <li>• Employee care</li> <li>• Occupational health and safety</li> <li>• Employee training and occupational development</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a fair and just remuneration system</li> <li>• Strengthen the construction of occupational health and safety management system</li> <li>• Establish a long-term talent training mechanism</li> <li>• Conduct employee satisfaction surveys</li> <li>• Care for special employees</li> </ul>
 Consumers	<ul style="list-style-type: none"> <li>• Information security and privacy protection</li> <li>• High-quality products and services</li> <li>• Localized products and services</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the information security and privacy protection measures</li> <li>• Develop the quality management system and service network</li> <li>• Keep consumer feedback channels open</li> <li>• Conduct the product satisfaction survey and feedback</li> <li>• Cultivate the local market, and continue the technological innovation</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>• Open, fair and just procurement</li> <li>• Insist on integrity management</li> <li>• Long-term and stable cooperation</li> <li>• Support the supplier growth</li> </ul>	<ul style="list-style-type: none"> <li>• Establish fair and transparent procurement principles and processes</li> <li>• Carry out regular communication with and training of suppliers</li> <li>• Advocate the responsible supply chain</li> </ul>
 Distributors	<ul style="list-style-type: none"> <li>• Win-win cooperation</li> <li>• High-quality products and services</li> <li>• Abide by business ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Expand cooperation and exchange channels</li> <li>• Strictly comply with laws and regulations of each place where we operate</li> <li>• Keep product and service feedback channels open</li> <li>• Strict review and certification</li> </ul>
 Partners	<ul style="list-style-type: none"> <li>• Conduct cooperation</li> <li>• Responsible products</li> <li>• Product optimization and innovation</li> <li>• Business ethics and anti-corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance the product innovation consciousness</li> <li>• Strengthen the industry-university-research project cooperation</li> <li>• Provide support to teaching in universities</li> <li>• Keep regular or irregular communication</li> </ul>
 Media	<ul style="list-style-type: none"> <li>• Response to public opinions</li> <li>• Information publication</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen the public opinion monitoring</li> <li>• Maintain communication with the media</li> </ul>
 Social public	<ul style="list-style-type: none"> <li>• Strengthen the communication and exchange</li> <li>• Support the public welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Keep the communication channels open</li> <li>• Organize social welfare activities and volunteer activities</li> </ul>



# Identification and Analysis of Material Issues

## Identification and Evaluation of Material Issues

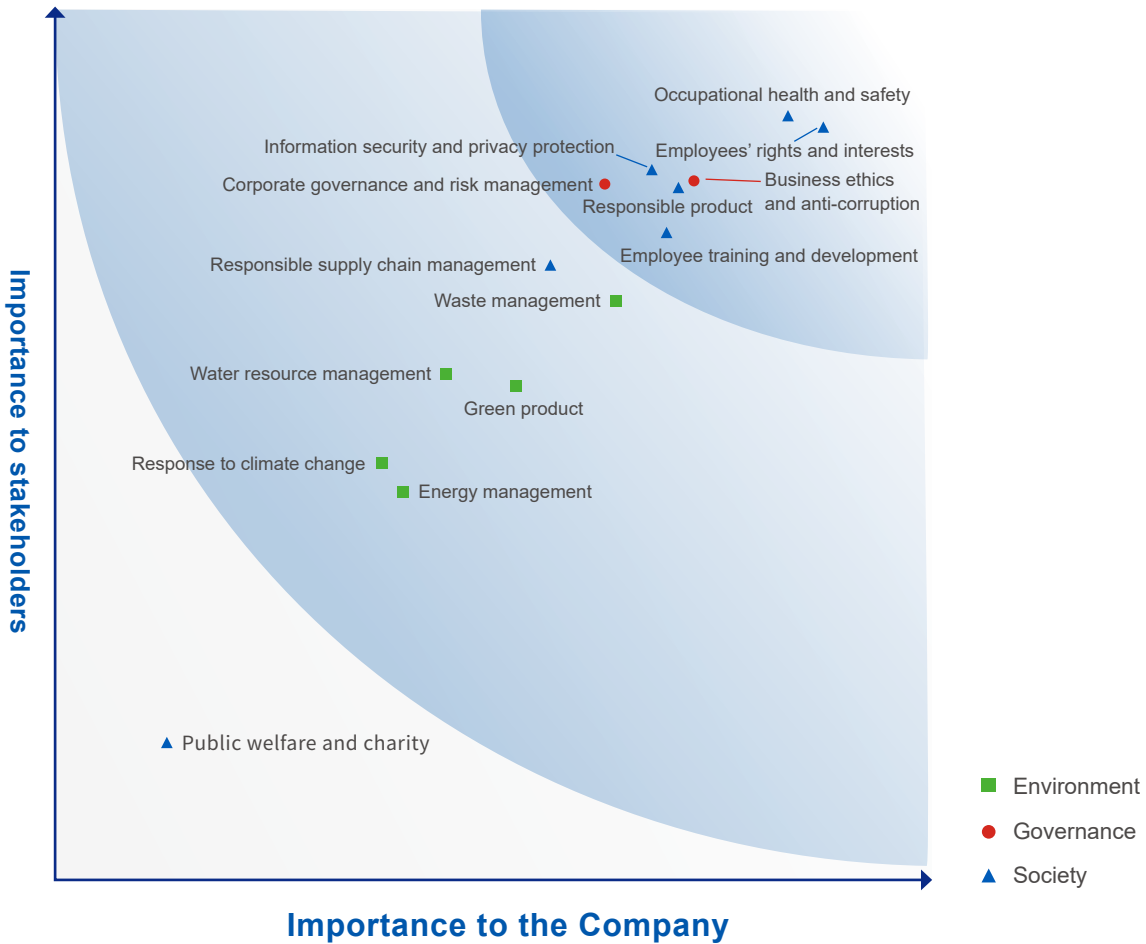
In accordance with *GRI Sustainable Development Report Standards*, we identified the material ESG issues of Ninestar for this year, taking into account the Company's business model, the industry development trend and national policy guidance.

In order to enhance the pertinence and effectiveness of the report, we carried out an extensive questionnaires survey and necessary on-site communication targeting the management and all stakeholders of the Company. We hope to fully understand the demands and expectations of all stakeholders on the ESG management practices and information disclosure of Ninestar, and pointedly select material issues with substantial significance through this procedure, so as to continuously promote and improve the Company's sustainable development management.



## Material Issue Matrix

Significance Analysis Matrix of Ninestar Corporation for 2021



Issue concern	Rank	Category	Issues
Highly important issues	1	Society	Employees' rights and interests
	2	Society	Occupational health and safety
	3	Governance	Business ethics and anti-corruption
	4	Society	Responsible product
	5	Society	Information security and privacy protection
	6	Society	Employee training and development
	7	Governance	Corporate governance and risk management
Moderately important issues	8	Environment	Waste management
	9	Society	Responsible supply chain management
	10	Environment	Green product
	11	Environment	Water resource management
	12	Environment	Energy management
	13	Environment	Response to climate change
Generally important issues	14	Society	Public welfare and charity



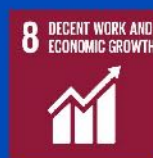
# Responsible Governance and Stable Development

## Material issues

- Business ethics and anti-corruption
- Corporate governance and risk management

## Indicators addressed in this chapter

### Response to SDGs



### Response to GRI indicators

GRI 102-15 GRI 102-16 GRI 102-17  
GRI 102-18 GRI 102-19 GRI 102-20  
GRI 102-21 GRI 102-22 GRI 102-29  
GRI 102-30 GRI 102-31 GRI 102-32  
GRI 102-33 GRI 102-34 GRI 102-40  
GRI 102-42 GRI 102-43 GRI 102-44  
GRI 102-47 GRI 103 GRI 205 GRI 206

Ninestar attaches importance to the Company's operational responsibility, practices responsible governance, continues to improve the Company's governance specification, strengthens the risk management and internal control, pays close attention to the promotion of business ethics, deeply cultivates incorruptible culture and reinforces the sustainable development of the Company.



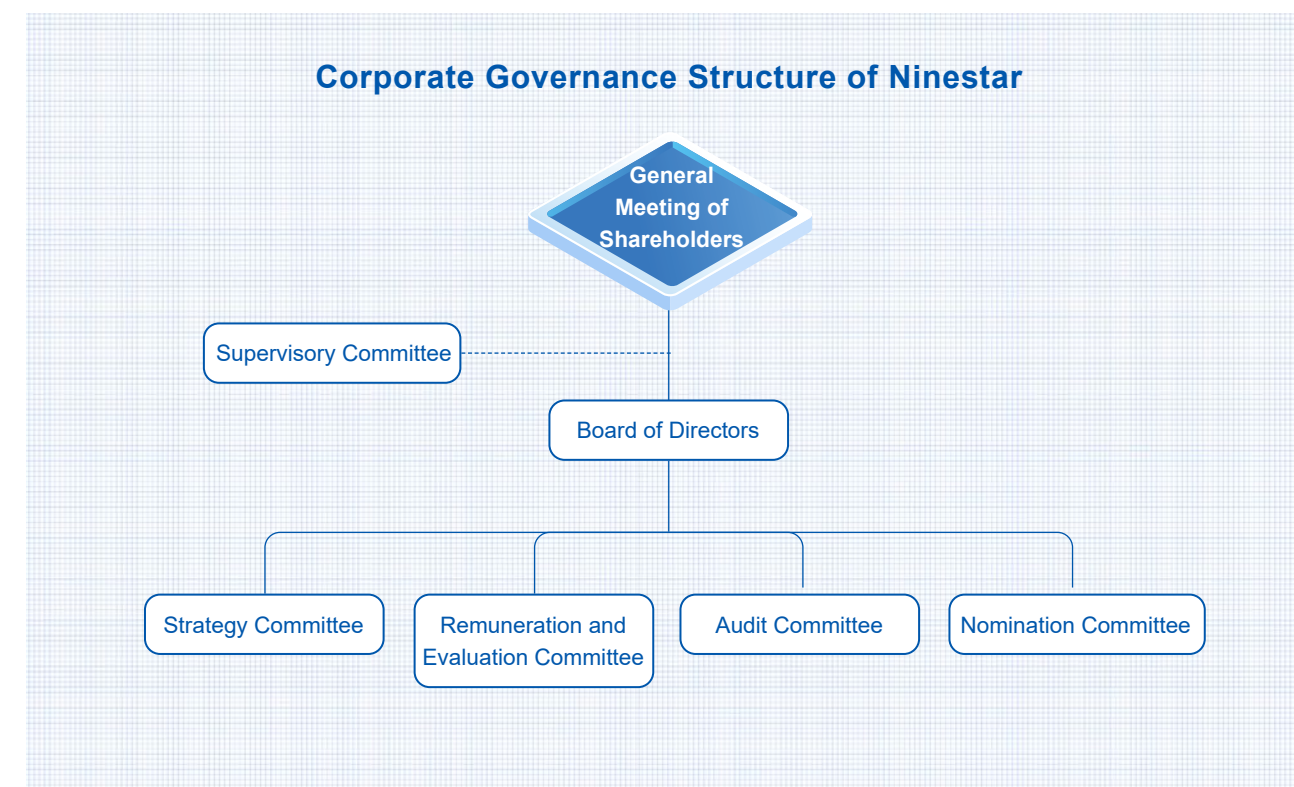
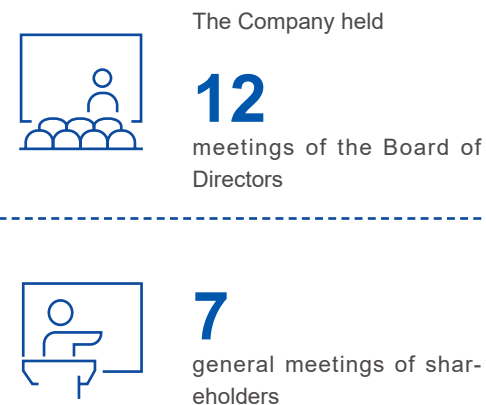


# Regulation of Corporate Governance

## Focus on Corporate Governance

Ninestar attaches importance to the regulation of corporate governance, strictly follows the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China*, *Regulations on the Governance of Listed Companies*, *Rules for Listing Shares on the Shenzhen Stock Exchange*, *No. 1 Guidance on Self-regulation of Listed Companies of Shenzhen Stock Exchange - Standardized Operation of Companies Listed on the Main Board*, and relevant regulations of regulatory authorities such as the CSRC, and effectively implements the *Articles of Association*, *Rules of Procedure for General Meeting of Shareholders*, and other internal systems, so as to continuously improve the governance structure of the Company, perfect the internal control system, actively regulate the operation of the Company, strive to reduce risks and ensure the effective operation of the corporate governance structure.

The Board of Directors of the Company has set up the Strategy Committee, Remuneration and Evaluation Committee, Audit Committee, and Nomination Committee. Each professional committee performs its own duties and fulfills its responsibilities carefully to fully ensure the rationality and efficiency of operation decision-making. During the Reporting Period, the Company held 12 meetings of the Board of Directors and 7 general meetings of shareholders.



## Compliant and Good-Faith Operation

Ninestar attaches importance to the enterprise management according to law and steadily promotes compliance management and good-faith operation by constantly improving the corporate compliance management system and deeply strengthening the concept of good faith.

### Basis of compliance system

The Company strictly abides by the *Company Law of the People's Republic of China*, *Securities Law of the People's Republic of China* and other laws, regulations and regulatory requirements, and has established compliance management systems including the *Corporate Strategy Management System*, *Contract Management System*, *Project Management System* and *Internal Audit System*, so as to consolidate the systematic foundation for enterprise management according to law.

### Compliance management mechanism

Ninestar has established the compliance management system from top to bottom. The Legal Management Department of the headquarters coordinates the legal compliance management of the Company, and the legal departments at different levels strictly control the high-risk business areas in the process of enterprise operation, carry out targeted compliance risk management, actively participate in the compliance audit, guidance and supervision from such aspects as contract management, intellectual property risk management and data compliance management, and build an effective compliance management mechanism, taking into full consideration the operation and management practices. In the future, the Company will also conduct compliance audit regularly, and carry out compliance risk management in advance.

### Compliance information disclosure

Information disclosure is an important window for investors and the public to obtain information related to the listed companies, and also a basic requirement of transparent and fair company information. Ninestar strictly abides by relevant laws, regulations and regulatory requirements, carefully performed the information disclosure obligation and ensured the truthfulness, accuracy, completeness and timeliness of the information disclosure, without false records, misleading statements or major omissions, during the Reporting Period to fully guarantee the compliance of information disclosure. In 2021, we issued 341 regular announcements and interim announcements in total.



In 2021, we disclosed

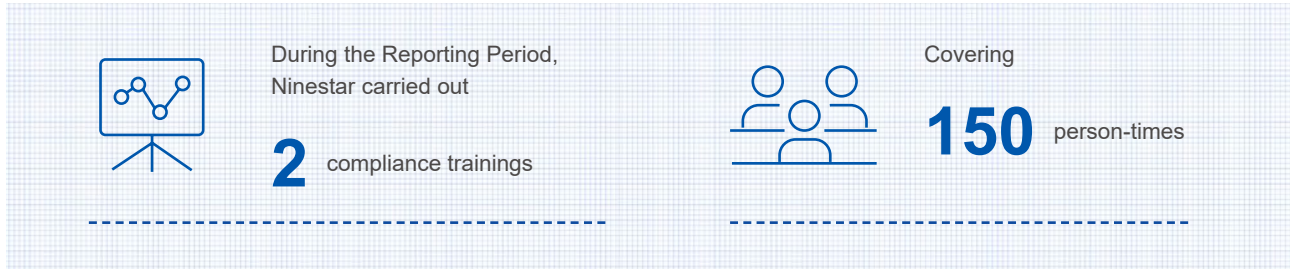
**341**

regular announcements and interim announcements in total



Compliance training culture

In 2021, Ninestar held multiple compliance training and law publicity activities, carried out labor employment training and information compliance training in the practical operation process of research and development comprehensively from multiple levels, deeply strengthened the cultural concept of compliance and good faith, strengthened the compliance awareness of all employees, standardized and promoted the legal and compliant operation of enterprises at different levels. During the Reporting Period, Ninestar carried out compliance training twice in total, covering 150 person-times.



Case Study Information compliance training

Ninestar carried out training on interpretation of key laws and regulations for R&D Department. The main content of the training included interpretation of typical cases, interpretation of key laws and regulations, explanation of key concepts, and compliance problems that need to be noticed in the practical operation of research and development. This training covered **135** employees in total.



Focus on the Board Diversity

Ninestar highly values the diversity of board members. We fully consider diversified factors to appoint the members of the board, including but not limited to gender, age, specialty, experience, culture and educational background. As of December 31, 2021, Ninestar has 8 board members, including 5 executive directors and 3 independent directors. 4 directors have rich industry experience, and 1 director is an expert of finance management with professional financial risk management background.

Name	Independent director or not	Age	Employment period (year)	Number of the boards of listed companies where the director served (including Ninestar)	Key capabilities / focus areas
Wang Dongying	No	56	7	1	Corporate governance / talent development / corporate strategy development
Yan Wei	No	62	7	1	Corporate governance / talent development / corporate strategy development
Pang Jianghua	No	57	8	1	Corporate strategy development
Kong Dezhu	No	56	1	1	Corporate operation / corporate strategy development
Zhang Jianzhou	No	55	1	1	Corporate strategy development / corporate operation
Tang Tianyun	Yes	62	2	2	Financial management / financial risk management
Xiao Yongping	Yes	56	1	4	Compliant operation / legal compliance management
Wang Guoyou	Yes	57	1	1	Artificial intelligence and automation (intelligence science and technology)

Protection of the Rights and Interests of Minority Shareholders

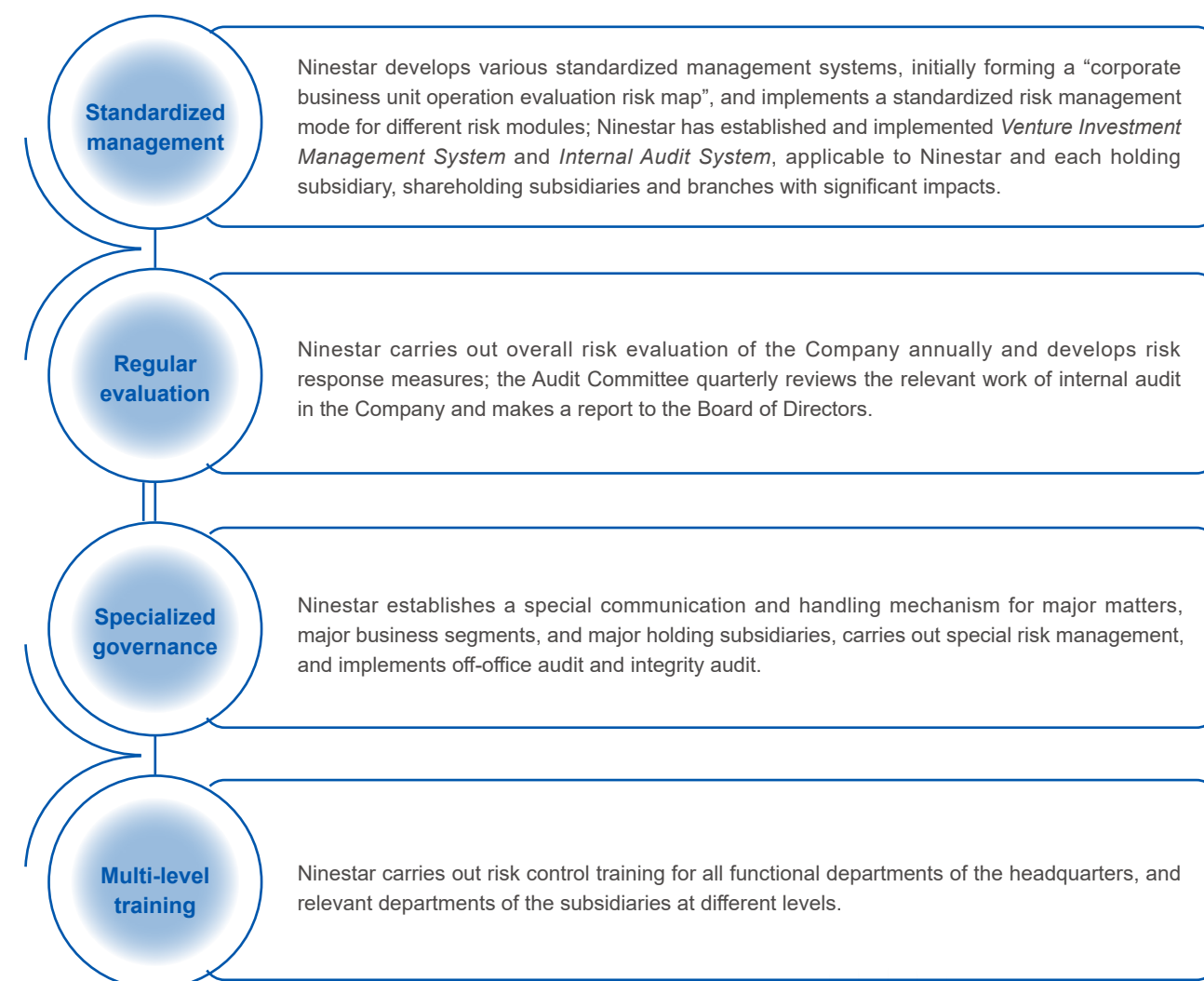
Ninestar fully respects the rights and interests of all shareholders and attaches particular importance to safeguarding the equal status enjoyed by minority shareholders. In accordance with the *Articles of Association* and *Rules of Procedure for General Meeting of Shareholders*, the Company ensures the truthfulness, accuracy, completeness and timeliness of information disclosure, and discloses relevant information via specified channels, so as to safeguard the legitimate rights and interests of corporate shareholders, especially minority shareholders.

In addition, we also publish an announcement according to the relevant information disclosure requirements of the stock exchange before convening a general meeting to disclose the matters to be deliberated at the meeting as well as the date and venue of the meeting. The general meeting adopts a method of on-site voting and online voting in combination to ensure that all shareholders can fully exercise their rights. Meanwhile, it discloses the results of separate vote counting from minority shareholders in the announcement of resolutions of the general meeting for relevant proposals involving separate vote counting from minority shareholders, to fully reflect the opinions of minority shareholders. Ninestar also strengthens the communication with investors and keeps the communication channels open by telephone consulting, receiving the visiting investors and roadshows, to fully respect and protect the rights and interests of minority shareholders.



## Strengthening Risk Control

Ninestar attaches importance to the corporate risk management, has set up internal audit departments, checks and supervises the establishment and implementation of internal control systems in the Company, regularly reports work to the Audit Committee, and is responsible to the Audit Committee. We pay attention to and improve the risk control procedures of the Company:



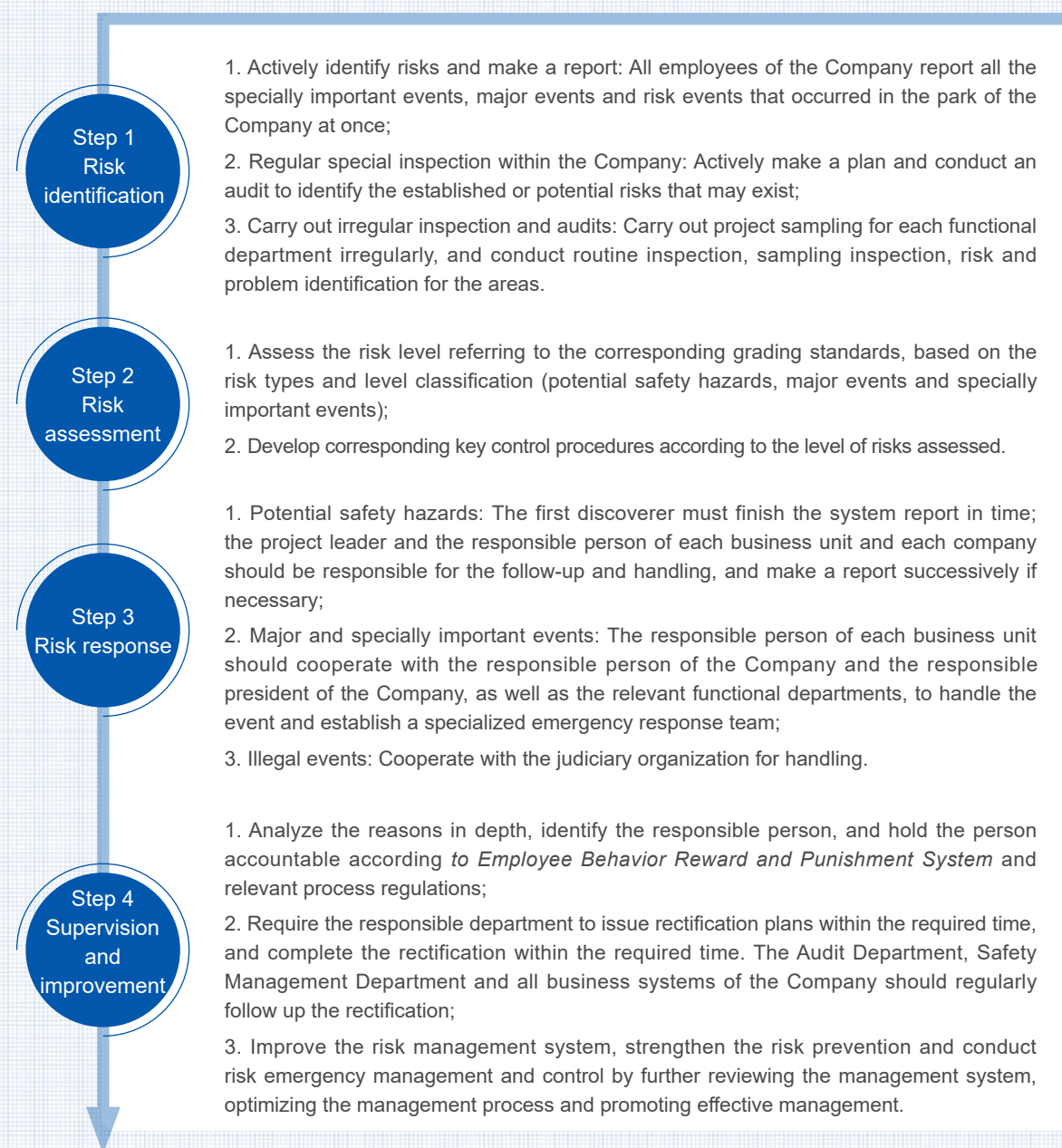
In 2021, Ninestar effectively implemented reinforced supervision and risk control surrounding the Company's operation and control. 29 compliance audits, off-office audits, and integrity audits were conducted during the Reporting Period, reflecting 86 problems of 13 categories, and 68 proposals, which promoted the rectification of 89 business control points.



Ninestar continuously improves the risk management, optimizes the management procedure, improves the management system and refines the control details to form an effective closed management loop.



### Ninestar's Risk Management Process



# Business Ethics and Anti-Corruption

## Business Ethics and Anti-Corruption Management

Ninestar upholds the corporate values of “loyalty, truth-seeking, innovation and win-win”, strictly abides by the *Company Law of the People’s Republic of China*, the *Anti-Monopoly Law of the People’s Republic of China*, and the *Interim Provisions on Prohibition of Commercial Bribery* issued by the State Administration for Industry and Commerce, as well as other laws and regulations related to construction of integrity. It has established and implemented *Employee Integrity and Self-discipline Regulations* and other internal regulations, agrees to abide by the Business Social Compliance Initiative (BSCI) Code of Conduct, and is committed to maintaining the highest standards of business ethics conducts in all aspects of business operations.

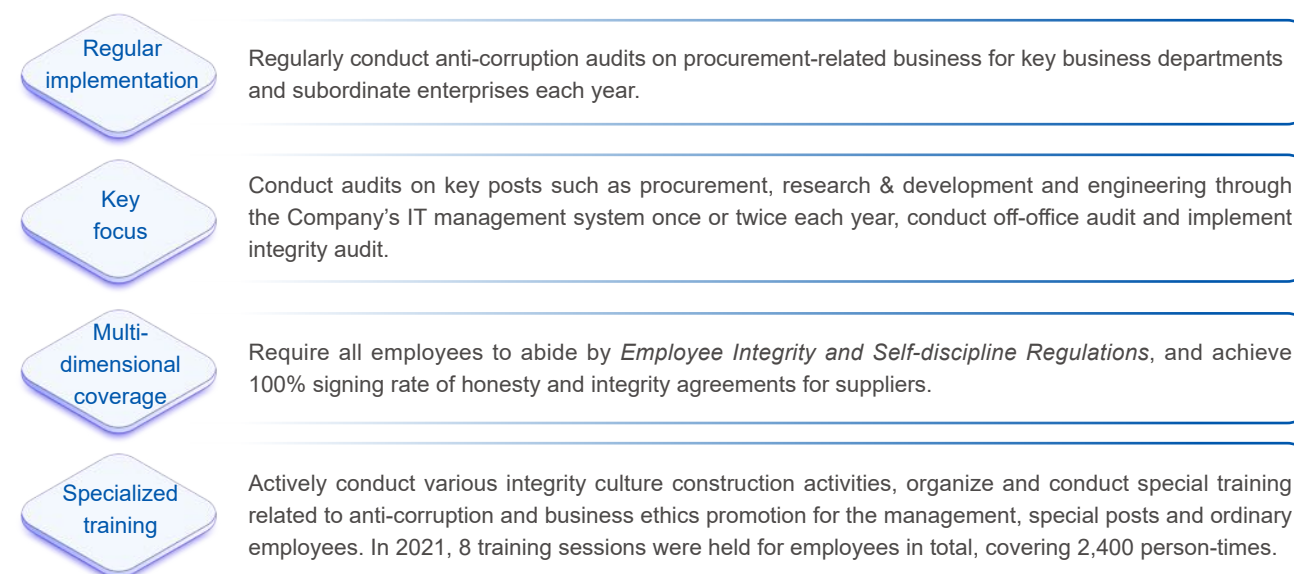
### Business ethics management structure

The Audit Committee of Ninestar is responsible for supervising and managing the promotion of the corporate business ethics and the anti-fraud control. The Company has set up internal audit departments, which make a report to the Audit Committee quarterly. The internal audit team is responsible for supervising the promotion of the Company’s business ethics, assists in improving the anti-fraud mechanisms, and identifies the key areas, key links and main content for the anti-fraud effort.

### Business ethics management mechanism

Ninestar strictly observes the *Anti-Monopoly Law of the People’s Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery* and other laws and regulations, abides by business ethics, builds a clean and honest corporate culture, and adopts an attitude of “zero tolerance” towards any form of corruption behaviors. We take the initiative to observe BSCI Code of Conduct and don’t participate in any embezzlement, blackmail or corruption or any form of bribery. Ninestar prohibits employees from accepting any commission, donation and sponsorship in the Company’s operation activities, prohibits any employee from making facilitation payments to accelerate or ensure the normal government actions, and also prohibits any form of political donations, or any form of donation or sponsorship towards organizations supporting illegal activities or violating international conventions, organizations supporting terrorist activities or organizations with religious, gender or other discrimination.

In 2021, Ninestar was not involved in any lawsuits filed due to embezzlement and corruption.



## Case Study Anti-corruption training course *Incorruptible Employment*

Ninestar conducts training for key posts quarterly, with topics including the reasons of incorruptible employment, the ways to incorruptible employment, common circumstances of corporate corruption, harms of embezzlement and corruption to individuals and others, etc. 6 anti-corruption training sessions were held in 2021 in total, with the total duration of 12 hours, covering 400 person-times.



Anti-corruption training site

## Reporting System

### Reporting channels

Ninestar has set up a standardized reporting management process and public reporting channels, sufficiently respects and guarantees the smoothness of the reporting channels. The internal audit team is responsible for the management of report processing, timely makes a record and reports it to the superior after receiving the report information, establishes and implements the standardized reporting handling process.

### Ninestar’s reporting handling process



### Public channels of anti-corruption reporting:

Fax number: +86-756-853-9856  
 Tip-off hotline: +86-756-853-9806  
 Contact person: Mr. Tang



### Reporter protection

We attach great importance to the protection of the legitimate rights of reporters, encourage all parties to report the violations they find, implement strict investigation procedures, strictly maintain confidentiality for and protect reporters’ identity information, and handle any behavior harming the legitimate rights of reporters in strict accordance with the relevant laws and regulations.



# Refined Quality with Ingenuity

## Material issues

- Responsible products
- Information security and privacy protection

## Indicators addressed in this chapter

Response to SDGs



Response to GRI indicators

GRI 416

GRI 418

Adhering to the core values of “loyalty, truth-seeking, innovation and win-win”, Ninestar is dedicated to building every product and sincerely serving every customer, continuously focused on improvement and innovation, and committed to the vision “to become the eminent high-tech service provider in the printer industry, to build a globally renowned trusted brand”.





Product Quality

Ninestar stays true to its original aspiration, adheres to the vision “to become the eminent high-tech service provider in the printer industry, to build a globally renowned trusted brand”, and actively promotes the value of products.

Quality Management System

Ninestar strictly observes the *Product Quality Law of the People's Republic of China* and other related laws and regulations, as well as national standards such as the *Quality Control System* (GB/T 19001-2016). The Company formulated several internal documents such as the *Quality Handbook* and *Total Quality Management System*, and performs total product quality management on the processes ranging from product development & design, process preparation, sourcing of raw materials, inspection control, packaging & storage to sales and services.



Management measures

We take diversified measures to continuously improve product quality. Specifically, we set up annual plans, specify the inspection standards and frequencies of incoming materials, parts and complete machines, establish and improve production and inspection standards for products, and continuously optimize the supplier's extended quality management and on-site inspection management mechanism, aiming to promote quality management in the aspects of quality inspection control and quality management system.

Working groups were set up in various departments and subsidiaries, such as the Consumables Business Unit and Ninestar Information Technology, in order to resolve quality problems in the production process, and continuously improve quality standards while promoting the standardization of process management.

Quality management certification

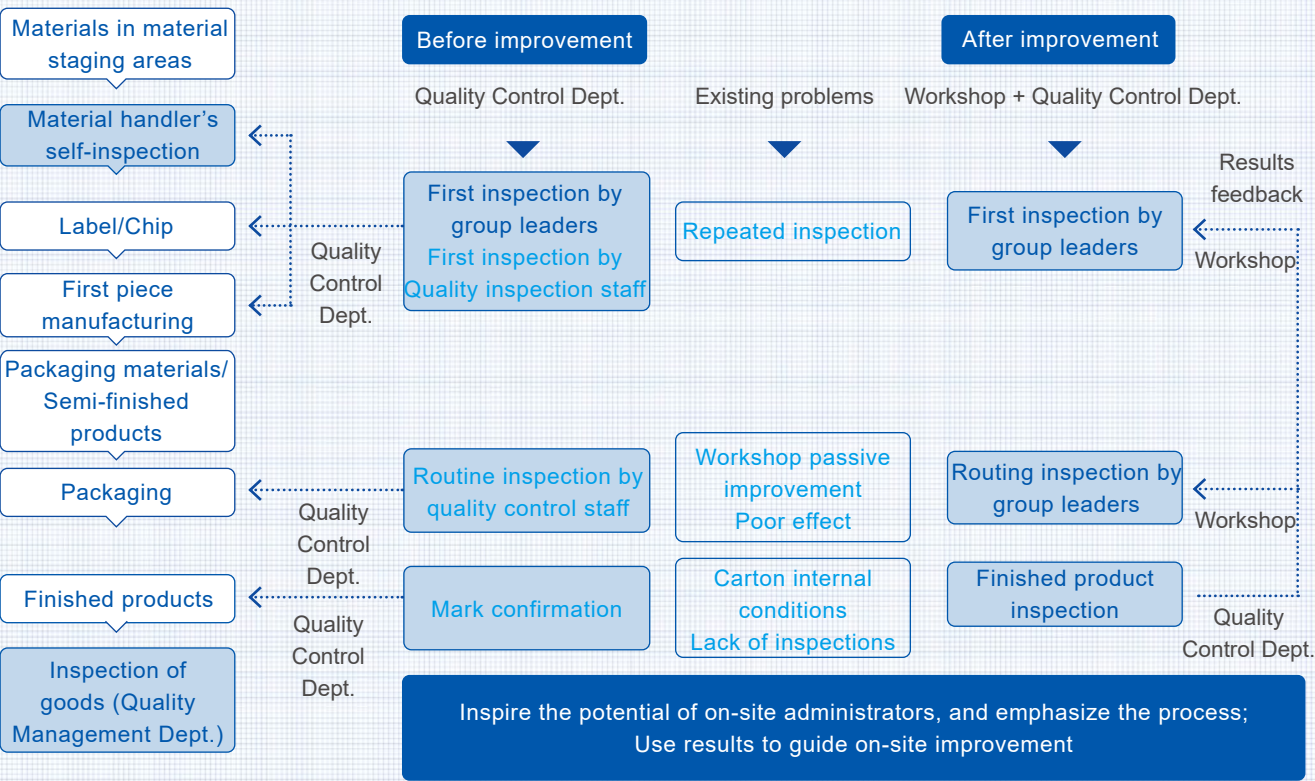
Departments and subsidiaries such as the Consumables Business Unit, Pantum Electronics, Ninestar Information Technology, and Apexmic, all gained the ISO 9001 quality management system certification. Pantum Smart Manufacturing was officially established on Nov. 30, 2021, and its predecessor (Lexmark Printer Business Unit of Ninestar Information Technology) also gained the ISO 9001 certification. In addition, Apexmic and Pantum Electronics gained the EU's CE certification, and the Consumables Business Unit gained the STMC certification.



Management structure

Each subsidiary and relevant departments of Ninestar builds a sound quality management structure according to its business nature, fully clarifies the management responsibilities of each department, and establishes a quality management indicator system, thus continuously solidifying the management foundation and improving quality management. For example, the Consumables Business Unit continues to improve the mechanism and structure of packaging inspection, and includes the quality control of packaging materials into the work scope of the quality control department, workshops and other departments.

Quality Management System of Consumables Business Unit (Packaging and Inspecting)





## Quality Risk Management

By referring to the systematic method guidelines of ISO 9001, we formulated internal systems such as *Quality Risk Assessment Process*, which defines risk assessment details and assessment personnel from the dimensions of new products, changes, exceptions, etc., and introduced product life cycle management (PLM), Enterprise Management Solution (SAP), Warehouse Management System (WMS), Office Automation (OA) systems and other IT tools to promote informatization of the quality system and enable the daily risk prevention and control of key processes.

In addition, Pantum Electronics, the Consumables Business Unit and other departments/subsidiaries conducted regular reviews on system processes and quality inspection data, and established the on-site joint review system for quality abnormality, so as to effectively communicate abnormal information, fully verify projects, and follow up and implement countermeasures, as well as other work. In 2021, we conducted a total of 10 internal quality audits at the company level and 7 third-party quality audits.

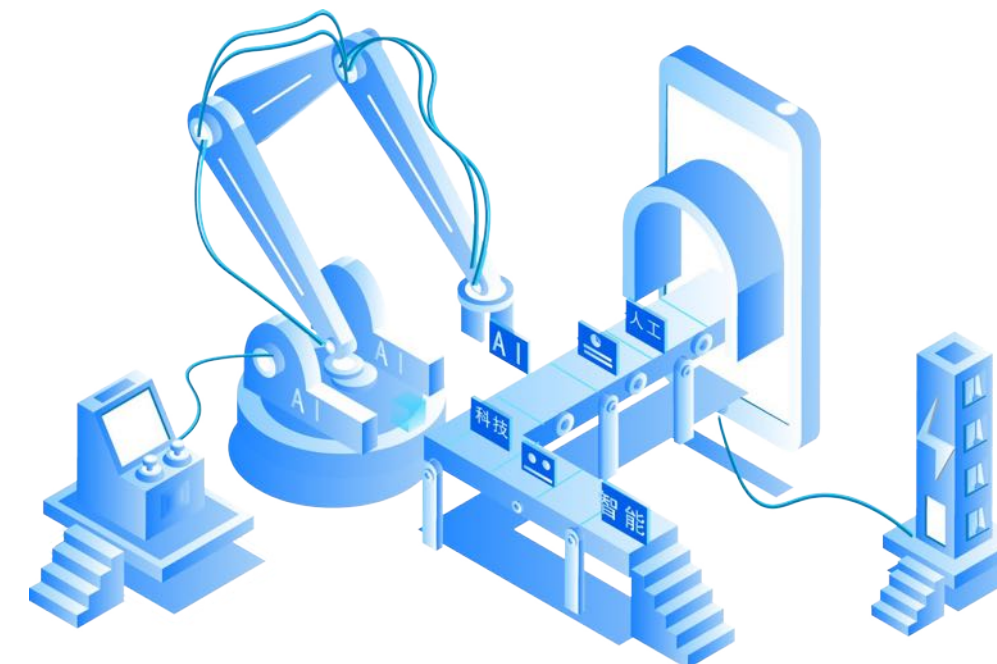
In order to provide high-quality products, Ninestar implements total quality management and standardized management and control, actively strengthens the foundation for product quality, and continuously drives the improvement of product quality and customer satisfaction.



In 2021, we conducted a total of  
**10**  
internal quality audits at the company level



**7**  
third-party quality audits



### Product design

At the design stage, we fully consider product safety, strictly control the introduction of product safety requirements, arrange solution formulation reviews and test evaluation etc., and set up the "evaluation-improvement" closed-loop mechanism to ensure product quality and safety.

### Source management

We formulated a series of internal systems and inspection standards to guarantee the quality of raw materials and semi-finished products. We also set up regulations such as *Regulations on the Management of Standard Parts of Raw Materials* and *Raw Material Inspection and Tracking Management Process*, so as to control the brands of key raw materials, inspect incoming materials, randomly inspect key raw materials each month, and maintain effective tracking and strict management of the inspection, use, and warehouse exit of raw materials, as well as changes in the supplier's materials and processes. We also prepared documents such as *Inspection Standards for Semi-finished Products of Chips*, so as to control the quality of semi-finished products and purchased products to ensure the stability of incoming material quality.



### Process management

We comply with the strict process quality control standards such as *Production Process Control Procedures* and *Process Inspection Management Regulations*, and conduct standardized management on personnel, equipment and processes related to production procedures and product quality. This is to ensure that we conduct standard control on all processes such as product assembly, testing and packaging, so as to minimize product quality risks caused by production equipment failures or improper personnel operations. For the outsourcing production model, we formulated standard documents such as *Product Mass Production Quality Control Procedures*, so as to strictly monitor the quality of the outsourced manufacturing process to ensure the quality of contracted products.

### Inspection on finished products

We formulated quality standards such as *Product Quality Inspection Standards* and *Product Inspection Specifications*, aiming to standardize the shipment inspection process for products, conduct a series of tests and inspections (such as safety compliance) on finished products, and promptly discover and correct hidden hazards in product quality. All these measures are performed to prevent shipment of non-conforming products and ensure product quality in the market. In 2021, the qualification rates of product inspection of relevant departments and subsidiaries of Ninestar were higher than 99%.

### Product recall

Ninestar formulated emergency plans for major product quality issues and product recall policies, defining recall conditions and response procedures, and stipulating the responsibilities of all parties during a product recall, so as to minimize customer losses.

In 2021, there were no major product quality problems or product recalls in Ninestar.



## Quality Improvement Initiatives

Ninestar refines production process management and enables lean product quality control by applying advanced technologies or facilities and equipment. In addition, we strengthen the awareness of refined quality and further improve the product quality management level by increasing quality and safety trainings.

### Lean process

We continuously strengthen technological innovation, promote automation and intelligent application of production equipment, and improve product consistency by adopting standardized and streamlined processing procedures. In addition, we continuously optimize the quality control process and continuously improve product quality.

### Case Study Laser Scanning Unit (LSU) Component Quality Improvement Campaign

In order to meet or even surpass customer expectations for the target launch defect rate of laser scanning unit components, Lexmark Printer Business Unit of Ninestar Information Technology (predecessor of Pantum Smart Manufacturing) launched a quality improvement campaign. According to PDCA Principles (namely four stages of “Plan”, “Do”, “Check” and “Action”), we conducted a detailed analysis on non-conforming products, and found that the most common problem was the abnormal noise.

After on-site inspection and staff visits, we found that the root cause was that the noise in the LSU workshop prevented the operator from properly identifying the abnormal noise. To solve this problem, we installed a loudspeaker device on the industrial packaging printer to amplify the volume for testing and verification of LSU, so that the operator can identify the abnormal sound.

Finally, the abnormal noise of products was greatly reduced, and the customer’s launch defect rate was below 400PPM, better than the customer’s target value of 800PPM.



A loudspeaker is installed on the industrial packaging printer to facilitate the operator’s detection of the abnormal sound.

### Training empowerment

All related departments and subsidiaries of Ninestar actively conduct quality-related trainings that cover product reliability, process inspection, and quality control tools. In addition, the subsidiaries and relevant departments took the initiative to carry out diversified quality improvement activities according to its own situation. For example, the Consumables Business Unit set up the General Manager Quality Awards at the company level to encourage all employees to participate in quality improvement, and set up quality grade certification for managers to improve the quality management capabilities of managers. In 2021, Ninestar conducted a total of 32 trainings on product quality, covering 756 person-times.

### Case Study Training on Introduction of Seven Techniques on Quality Control (QC)

In July 2021, Lexmark Printer Business Unit of Ninestar Information Technology (predecessor of Pantum Smart Manufacturing) organized training to introduce seven QC techniques. This training was mainly intended for key departments and employees such as the quality management department and engineers, aiming to improve their ability and efficiency in using quality diagnostic analysis methods such as control charts, cause-and-effect diagrams, histograms, array diagrams, checklists, hierarchy methods, and scatter diagrams.



Pantum Smart Manufacturing’s training on introduction of seven techniques on quality control (QC)

## Innovation Driven

Ninestar adheres to the vision “to become the eminent high-tech service provider in the printer industry, to build a globally renowned trusted brand”, upholds the concept of “innovate boldly, keep exploring new possibilities, and seek development through innovation”, increases investment in innovation, and is committed to creating more value for the society with the power of science and technology. In 2021, Ninestar’s R&D personnel accounted for 20% of all employees, with about CNY1.451 billion invested in the R&D and product technologies covering laser printers and supporting consumables, integrated circuit chips, printer core components, general consumables, etc.



In 2021, Ninestar’s R&D investment accounted for

**6.37%**

of the total operating revenue

## Product Innovation

Ninestar is a world-leading provider of printing and imaging products and services, as well as an industry-leading company for designing integrated circuit chips. Ninestar attaches great importance to product innovation, research and development, and formulates and implements a series of systems and guidelines related to product innovation, such as *Project Change Management Regulations* and *Product Design and Development Control Degree* for printer products, etc. The Company continues to improve the innovation mechanism, actively promotes the development and application of innovative imaging technologies in the printing industry, and strives to provide diversified and refined products, so as to fully meet user requirements.

### Printers and consumables

Starting as a producer of general printer consumables, Ninestar successfully developed the chips for general consumables, occupying the first position in the global general printing consumables industry for the past ten years. Since the establishment, we have continuously promoted technological innovation, and have mastered the key technologies of laser printers and the SoC chip technology of black and white printers based on the domestic architectures. In addition, we have completed the R&D and production of components, consumables and complete machines of laser printers.

In recent years, Pantum Electronics has successively established the Guangdong Provincial Modern Office Printing Equipment Engineering Technology Research Center and the Guangdong Provincial Enterprise Technology Center. In addition, the company successively established multiple laboratories in the fields of mechanics, electronics, safety regulations, and so on, thus providing a perfect technological platform for R&D and innovation.



### Case Study Pantum Electronics launched an all-around mobile network configuration solution for printers

In 2021, Pantum Electronics launched an all-round mobile network configuration solution for printers, which solves the pain point that network configuration of traditional printers is only available through computers. This solution enables end users to use mobile applications and applets for network configuration. In addition, the speed and success rate of network configuration and the efficiency of document processing are all at the outstanding level in the industry, which greatly improves the experience and efficiency of mobile office users.



Network configuration interface for a mobile phone

### Case Study Geehy Semiconductor launched the APM32F407 chip that supports IDEA

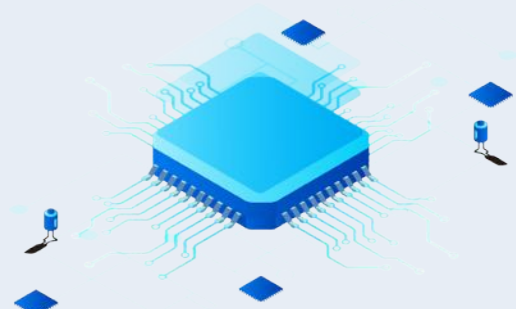
Geehy Semiconductor launched the APM32F407 series of MCU chips. To meet the requirements of relevant agencies to promote the application and implementation of International Data Encryption Algorithm (IDEA) and strengthen the security and controllability of the industry, the company designed the IP address that supports the IDEA (SM2, SM3, SM4), which conforms to the cryptographic algorithm standards and application specifications recognized and published by the State Cryptography Administration, and is applied to various fields such as new energy, industrial control and medical equipment.

## Chips

Apexmic makes continuous efforts in fields such as sustainable energy and resource conservation, for the purpose of continuously promoting technological innovation of core products, optimizing production processes, improving energy efficiency, and actively responding to the national carbon peaking and carbon neutrality strategic goals.

### BMS new energy battery management chips

Apexmic launched BMS battery management system chips, which effectively detect and control the usage of new energy batteries, accurately check current overload in real time, prevent overcharge and overdischarge, and prolong battery life. The chips not only improve the product's safety performance, but also promote the popularization of new energy batteries. As a core product of Apexmic, the chips are estimated to be launched for mass production in 2022.



In the future, Ninestar will make efforts in the fields of sensors and battery management of new energy vehicles, continue to promote product R&D and innovation, and respond to the strategic goals of green development and high-quality development.

### Unismart rewritable chips

Apexmic launched the Unismart chip with the rewritable function, which enables the infinite reset of the normal chip with no damage to the hardware, and effectively improves the utilization rate of the chip. Compared with using a new chip, resetting a chip saves 0.24 to 1.46 liters of water. Unismart is regarded as an epoch-making milestone in the recycled consumables industry.

The Unismart chip is the company's core product and has obtained the patents in China, the United States, Japan, South Korea and Europe. As of the end of 2021, a total of 2,100 Unismart models of reset consumables has been launched, which are applied to 8 brands of laser/inkjet printers, with accumulated reset chips totaling about 40 million, reducing carbon emissions by 400 thousand tons.



Unismart (2nd generation) wireless reset module and wireless test head

## Protection of Intellectual Property Rights

Technological innovation is the driving force for enterprise development, and protection of intellectual property rights guarantees innovative development more effectively. Ninestar strictly abides by the relevant laws and regulations such as the *Trademark Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*. While actively protecting independent intellectual property rights, it fully respects the intellectual property rights of other parties.

### Protection of our own intellectual property rights

The Legal Department of Ninestar is responsible for coordinating the top-down management of intellectual property protection, and explicitly assigning protection responsibilities to all subsidiaries for the matters related to intellectual property management and protection. The department optimizes and consolidates protection of our own intellectual property rights by formulating management standards, refining management processes, and implementing management training.

#### Laying a solid management foundation

Ninestar formulated rules such as the *Patent Risk Management System*, *Trademark Management System* and *Patent Technology Innovation Incentive Measures* to clarify the management guidelines, norms and requirements for intellectual property protection.

#### Standardizing the management process

Ninestar and the main business departments of its subsidiaries formulated the work plans for patent application, patent maintenance and other related work plans for the management and protection of intellectual property rights according to their own management responsibilities; comprehensively evaluated and check for risks in intellectual property rights according to rules such as the *Patent Risk Management System*; established well-rounded processes for patent mining, application, and indemnification, and utilized the patent management system to implement electronic approval and filing and built strong patent protection and defense for their proprietary technologies.

#### Improving management awareness

We regularly arrange trainings on management of intellectual property risks, special application, patent indemnification, etc. to raise awareness of intellectual property management.



As of December 2021, Ninestar holds **4,885** independent patents, including **3,378** invention patents, **1,123** utility model patents, **384** design patents; **122** software copyrights and integrated circuit layout designs.



In 2021, Ninestar added **224** new patents, including **59** invention patents, **144** utility model patents, and **21** design patents. Meanwhile, another **1,423** patent applications are under reviews.

As of December 2021, Ninestar holds

**4,885**

independent patents

## Respecting the intellectual property of others

Ninestar fully respects the intellectual property rights of other parties, strictly utilizes the partners' intellectual property rights within the scope of authorization, and embeds the intellectual property work in the whole process of product development to avoid the risk of infringement.



## Customer Rights

### Information Security and Privacy Protection

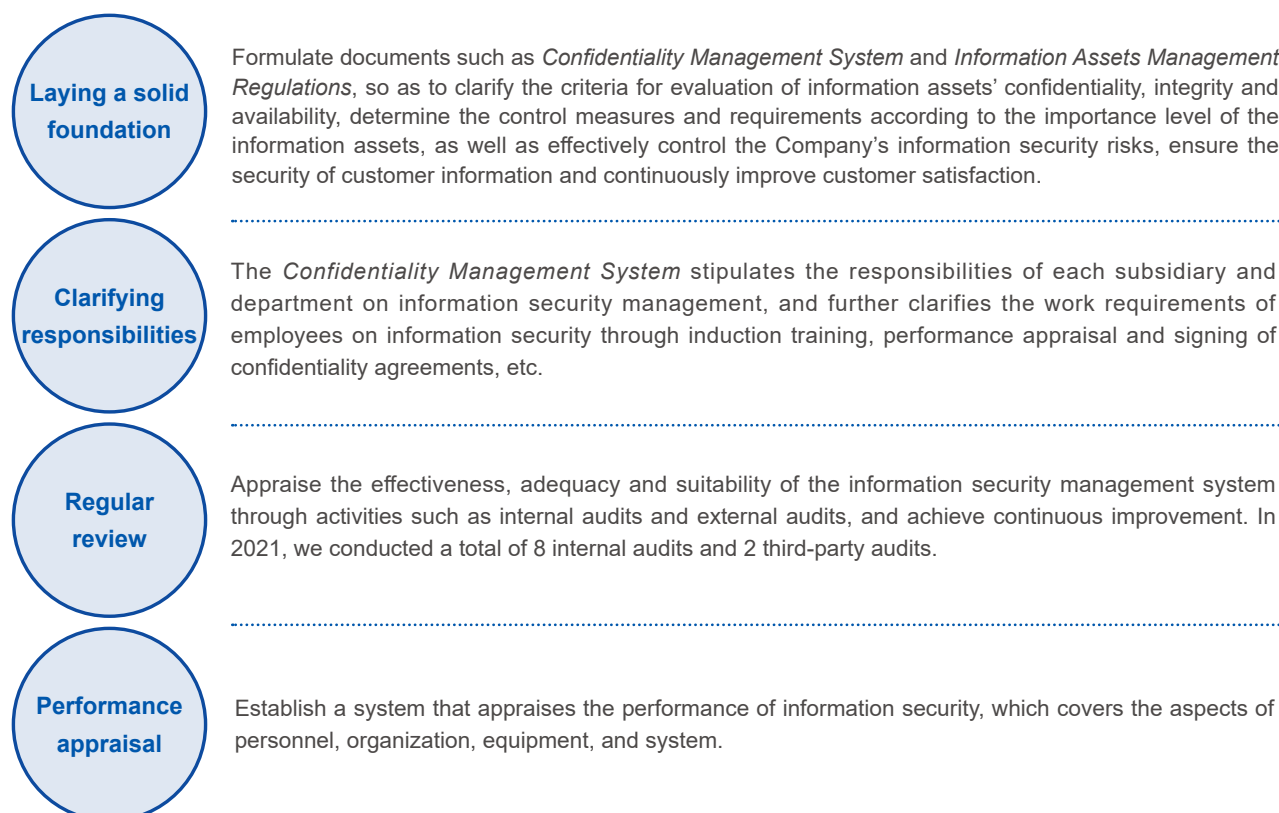
#### Information security

Ninestar established a complete information security management system in accordance with the *Data Security Law of the People's Republic of China*, the *Network Security Law of the People's Republic of China* and other regulations, as well as in strict accordance with the *Confidentiality Management System*, *Information System Security Management Regulations* and other system specifications.



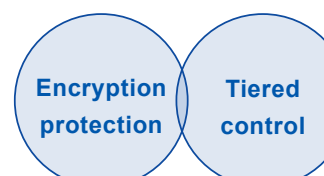
Pantum Electronics gained ISO 27001 Information Security Management Certification

#### Management level



#### Technical level

Manage the core departments (such as the R&D department) by introducing a document encryption system, so as to prevent unauthorized access to various information systems and related content;



Divide the security zones for the information and data of different business segments, including hierarchical management of business systems and partition control of functional areas. In 2021, Ninestar completed the division of security zones for the headquarters and Apexmic.

Privacy protection

We attach great importance to customer privacy protection, fully comply with the *Personal Information Protection Law of the People's Republic of China*, and formulated internal management systems such as *Regulations on After-sales System Password Management* and *Operation Guidelines for Personal Information Protection* to standardize privacy protection.

Permission protection

We manage customer information through the SAP system and the after-sales system, which are only available to some departments (such as the after-sales department) and their staff, with the permissions set according to the principle of minimization. To obtain permission, you need to be reviewed and approved by the head of the department.

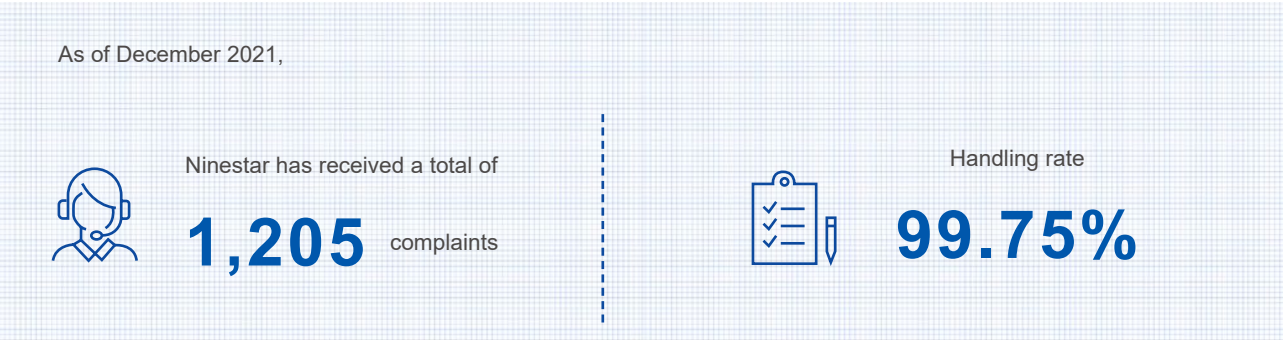
Process management

We continue to strengthen process management in different procedures, such as customer data collection, storage and use, and prohibit the disclosure of customer privacy in any form without the consent of customers.

Complaint Handling

Ninestar actively listens to and responds to customer feedback, and formulated the *Customer Complaint Handling Procedure* and *Customer Complaint Assessment System* to standardize the customer complaint handling procedure. We set up various complaint channels. Staff from relevant departments and subsidiaries can receive customer complaints through complaint hotlines, mobile applications etc. We build special teams (such as call centers and customer complaint handling teams) to handle customer complaints. In addition, after receiving a complaint, according to the category of complaint information, the customer service representative responds quickly, records customer feedback and needs, timely connects with corresponding departments and their staff, and assists in solving customer problems. For some complaints that cannot be resolved remotely, we will arrange for a special person to provide on-site service.

Ninestar Complaint Handling Procedure



Case Study Complaint handling for end users in Shenzhen hospitals

In order to resolve the end-user complaints from two hospitals in Shenzhen, the Consumables Business Unit arranged for personnel to carry out on-site investigations, and it was found that the problem was caused because the end users couldn't identify the color set toner cartridge when using the toner cartridge, resulting in improper operation.

To prevent such problems from recurring, we arranged customer-oriented trainings to introduce the characteristics of different products, and produced training materials and sent them to various sellers to help customers better understand the characteristics of toner cartridge products and avoid similar problems.

Satisfaction Improvement

Ninestar is committed to improving customer satisfaction in every operation process. We formulated the standards for measuring customer satisfaction, continuously improve the customer complaint handling mechanism, and treat every customer with sincerity. We take the initiative to establish and unblock customer feedback channels. In 2021, Pantum Electronics conducted after-sales service satisfaction surveys on 511 service stations across the country. An average of 4,140 pieces of feedback were collected by the Consumables Business Unit every month through the after-sales service hotline and network channels.



Department/Subsidiary	Customer satisfaction level
Apexmic	Domestic customers: 92.81% Overseas customers: 91.22%
Ninestar Information Technology	8.57 (10-point system)
Consumables Business Unit	Toner cartridge service: 95% Ink cartridge service: 98%
Pantum Electronics	95%





# Green Development & Environment Protection

## Material issues

- Green products
- Water resource management
- Waste management
- Respond to Climate Change
- Energy management

## Indicators addressed in this chapter

### Response to SDGs



### Response to GRI indicators

GRI 301  
GRI 302  
GRI 303  
GRI 306  
GRI 307

As an industry-leading company, we attach great importance to climate change and ecological harmony, and abide by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*. We actively promote green operation, practice energy conservation and emission reduction, focus on the application of clean technologies, and strive to produce eco-friendly products, so that "green" becomes the background color of high-quality development.



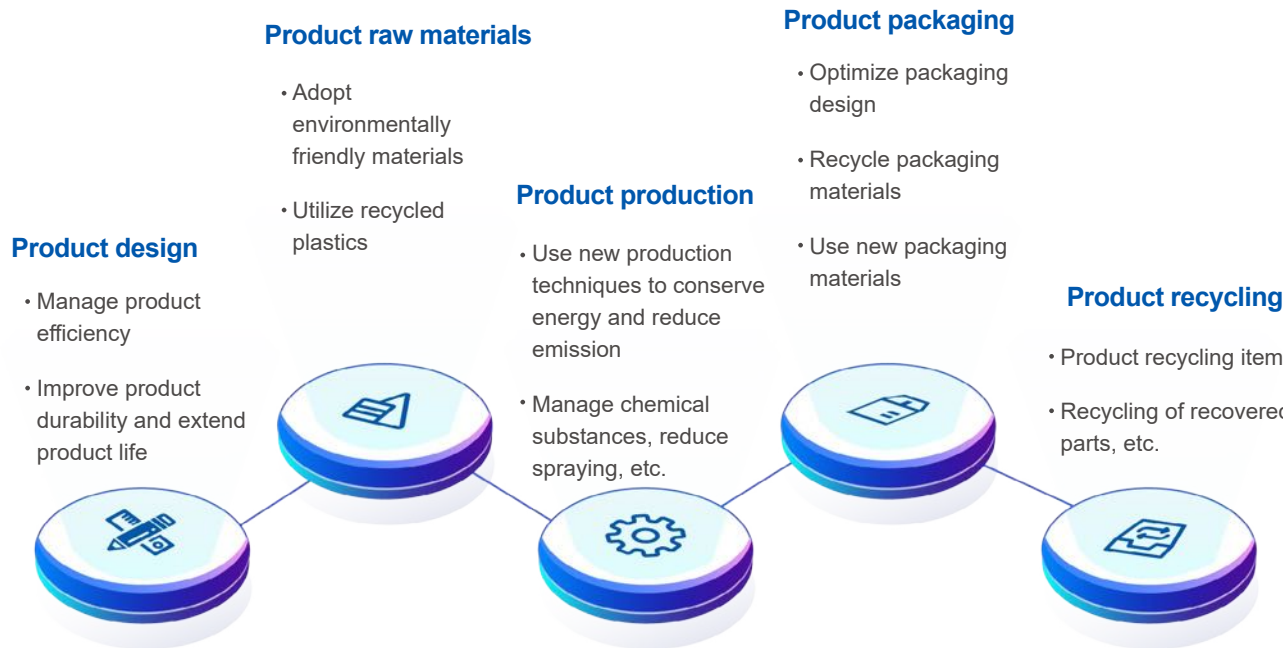


Green Products

Ninestar practically integrates the development concept of green and environmental protection into its business and products. We attach great importance to the environmental friendliness of products, and spare no efforts to provide high-quality green and low-carbon printing experience for business, household and industrial users. Based on more than two decades of technological accumulation and strong R&D strength in the printing and imaging industry, we continuously upgrade sustainable printing solutions, from green design, effective use to responsible recycling, striving to meet the actual requirements of users and society with the sustainability design throughout the whole life cycle.

Full-Lifecycle Product Management

Ninestar is committed to designing sustainable product and solution portfolios, minimizing the environmental impact within the product life cycle. Specifically, Ninestar pays close attention to technological innovations in product energy efficiency, gives priority to environmentally friendly materials, and avoids using harmful chemicals to ensure human health and safety.



Product Design

Improving Product Energy Efficiency

While fulfilling its environmental responsibilities, Ninestar strives to achieve the goal of low carbon and energy conservation, and continuously reduces energy consumption for product operation. Ninestar products meet the energy efficiency and performance requirements of different markets. Pantum branded printer series have obtained the China Energy Conservation Certification from the China Quality Certification Center (CQC), reaching the China Energy Efficiency Level Standard Level 2 or even Level 1 and the ENERGY STAR® 3.0 standard.

Through our continuous R&D and exploration, we remain committed to further improving the energy efficiency of our products. We analyze user scenarios and launch products with energy-saving and environmental protection functions, such as one-key sleeping, ink saving, double-sided printing and recycled paper printing, so as to meet different needs of users and achieve energy saving, resource saving and green printing.



**Case Study** Measures adopted by Pantum printers to improve product energy efficiency

With the following measures adopted, the overall energy consumption of the printer is reduced by about 70%, and the energy consumption level is upgraded from the previous Energy Star Level 2 to Level 3:

**Optimize heating module designs to reduce the energy consumption of the heating module:**

1. Lower the temperature of the heating module: develop the low-melting toner, with the melting point of the toner reduced from 140°C to 110°C;
2. Upgrade the heating scheme: upgrade from the halogen lamp to ceramic plate heating, as ceramic plate heating is faster and more efficient;
3. Develop new parts: develop parts with higher heat transfer efficiency;
4. Optimize the structure design: optimize the structure design of the fixing roller, increase the contact area between the paper and the fixing roller, improve the heating efficiency of the toner, and reduce the energy consumption of the fixing unit.

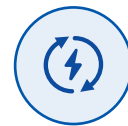
**Optimize the low design of the control board to reduce the power consumption in the sleep state:**

1. The SoC chip turns off the use of the power supply of the IP module in non-sleep mode;
2. The main frequency of the SoC chip CPU runs at a reduced frequency;
3. DDR enters the self-refresh state;
4. The network PHY chip enters the Energy Efficient Ethernet mode.



## Case Study Lexmark facilitates energy conservation and consumption reduction via product and service portfolios

Based on sustainable product design, Lexmark provides services, solutions and procedures that promote efficient use and reduce the environmental impact of printing and imaging activities.



Hardware devices have energy-saving modes, with advanced energy-saving and toner-saving features that reduce energy consumption; Internet of Things (IoT) sensors can be used to diagnose and remotely solve service problems during 70% of the time, reducing the number of on-site maintenance visits, thus saving energy, costs and fuel consumption.



“Cloud Printing Management (CPM)” replaces the local printing infrastructure with cloud solutions; “Paper Saving Solutions” and “Industry Capture Solutions” enable digital processing of paper documents, so as to eliminate copying and unnecessary document delivery, saving energy and paper usage.

## Improving Product Durability

Ninestar reduces waste by extending the product life cycle. We use high-quality raw materials and constantly improve the products, so as to maximize product life and enable users to update equipment and consumables less frequently, thus reducing the raw materials and energies required for production and marketing of new products.



## Case Study G&G launches high-capacity toner cartridges to extend product life

G&G optimizes and upgrades the capacity, operation, health and environmental friendliness, and other aspects of toner cartridges, and launched a large-capacity toner cartridge - Easy-to-Refill-Toner Cartridge, with one toner cartridge recycled for 5 printing cycles<sup>1</sup>, which is equivalent to five ordinary toner cartridges. The main features of the product are as follows:

### Great capacity

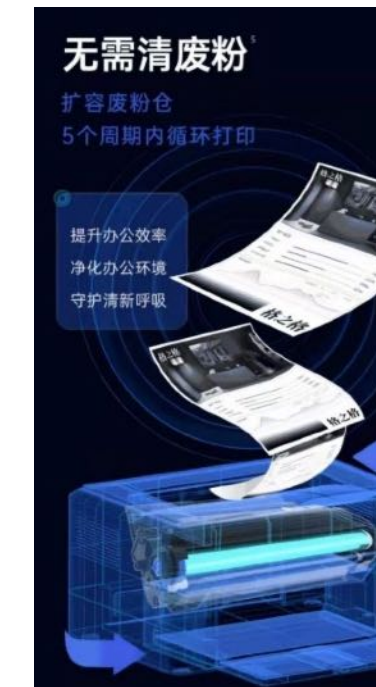
The product makes full use of the residual space inside the printer to expand the toner container. The capacity of the enlarged toner container is 2-3 times that of the original toner container, and a longer service life is provided as well. In addition, the waste toner container is transformed to expand the capacity. Even if it reaches 5 times the service life of the original product, there will be no problems such as waste toner bursting and toner leakage;

### High strength

The product applies the high-strength wear-resistant material - premium OPC, which effectively avoids problems such as slippage and breakage of the driving gear. It is durable and allows you to print 12,000 pages continuously without damage;

### Greater durability

We cooperate with suppliers to develop a type of toner with a high transfer rate, which features a lower melting temperature and better fixing performance, thus effectively avoiding flying toner and residual toner caused by non-melting toner, and reducing unnecessary waste, so that the toner is efficiently used for printing, with the printing toner consumption per page reduced by 15% compared with ordinary products, and the toner cartridge can be used to print more pages.



G&G Easy-to-Refill Toner Cartridges' Chinese-version Posters

<sup>1</sup> It means that you can add toner 4 times in addition to the product's inherent printing cycle, thus totaling 5 printing cycles.

## Case Study Lexmark is committed to producing long-life devices and components

Lexmark helps customers reduce waste by designing long-lasting Lexmark equipment and consumables:

### Printer products

Our devices are elaborately designed to last 7 years or longer, and are durable, reliable and expandable. All Lexmark devices feature industrial metal frames that are stronger than plastics-made devices, and are very durable even in the harshest environments. In addition, these devices have additional memories and multi-core processing power to support firmware security and upgrade of new functions.

### Consumables products

Unison toner has unique low-friction properties, which increase toner mobility and facilitate the transfer of the toner to the page, thereby reducing internal wear on components and protecting the printing system. Unison printing system adopts the design of separate toner and imaging units, along with a high-capacity fuser, which maximizes the component life, saves resources and reduces waste.

## Product Raw Materials

Ninestar adheres to the philosophy of environmental protection, follows high-standard green product specifications both at home and abroad, and ensures that the products comply with the latest relevant laws and regulations and customer requirements in the sales area. We conduct supervision and certification assessment in the process of project development and introduction of materials, and strictly limit the use of materials that are prone to pollute the environment in our products, with the aim of manufacturing high-quality environment-friendly products.

Ninestar's branded products have obtained various green product certifications at home and abroad or meet green standards, such as China Environmental Labeling Certification (Ten Rings), Energy Star Certification, and the European Union's *Directive on Restricting the Use of Certain Hazardous Substances in Electrical and Electronic Equipment* (RoHS) and *Regulations on Registration, Evaluation, Authorization and Restriction of Chemicals* (REACH).

We gradually improve the environmental protection requirements of products. In the process of product design and production, we seek safer and greener raw materials through technological development and process improvement. We are phasing out related materials in accordance with RoHS and REACH requirements. For printer products, we strictly control the use of halogen materials, such as brominated flame retardants (BFRs) and polyvinyl chloride, in accordance with the regulatory requirements of the "Stockholm Convention" pertaining to the restriction of the use of persistent organic pollutants (POPs) and related hazardous substances.

### Environmental certification labels or green standards for Ninestar products



### Key Performance in the Year

By the end of 2021, among the Ninestar products on sale:

5,808

product models have obtained China Environmental Label Certification

37,343

product models comply with the RoHS directive

35,755

product models comply with REACH regulations

## Case Study G&G Plus+ series contributes to health in China

With the slogan of "creating a new era of healthy printing", G&G China is always advocating the principle of healthy printing. G&G plus+ series products are the first feature products launched by G&G China with "health" as the core feature. The products are produced on special standard production lines and adopt stricter standards, as well as more comprehensive testing. The raw materials of the products all comply with the EU RoHS directive certification, with chemical substances such as lead, mercury, cadmium, and hexavalent chromium strictly controlled. This is to ensure that the products will not emit heavy metals in extreme environments such as high temperature, high humidity, low temperature and drying. To control flying toner, we use a digital micro-manufacturing system and air tightness detection and vacuuming system to ensure the tightness of the products, and minimize the ozone and dust released by the consumables during the printing process.



G&G commercial Plus version

## Product Production

On the basis of designing green product functions, Ninestar is committed to reducing the impact of product production on the environment, and actively explores energy conservation, emission reduction and green production. In order to reduce the emission of waste gas and resource consumption, we adopted a number of energy conservation and emission reduction measures during the Reporting Period, including improving daily management, using solar energy and upgrading advanced sewage treatment processes, etc. For relevant measures, please refer to the "Green Operation" section of this report.

### Case Study Apexmic upgrades processing technology to achieve energy saving and efficiency improvement

Apexmic carried out process transformation, optimizing and upgrading the original 180nm process technology to 90nm, 55nm, 40nm and other more advanced processes, increasing the wafer size from 8 to 12 inches, reducing the area of a single chip, and increasing the number of chips produced in one production and processing cycle, thus achieving energy saving and consumption reduction in the production process.

The technology is applied to the Company's system-on-chip (SoC) products, including the two core product series HP962 and HP289 launched in 2021. By the end of 2021, the sales quantity of the series reached nearly 4 million pieces, with the sales volume of nearly CNY170 million, accounting for 11.87% of Apexmic's 2021 operating income.





Product Packaging

Consumption of packaging materials is a factor that greatly impacts the product life cycle. By adopting green packaging and reducing the use of packaging materials, we further reduce the impact of products on the environment. While ensuring product quality and safety, we continue to explore packaging reduction, weight reduction, plastics reduction, degradability, and recyclability, so as to promote resource conservation, recycling, and efficient use, and reduce product carbon footprint.

Improving the anti-collision and shock-proof performance of products so as to use less cushioning materials

In order to guarantee product performance, we try our best to reduce the damage caused by collision and vibration during product logistics and transportation. We improve the anti-collision and shock-proof performance of products by increasing their own cushioning strength. At the design stage, we add a cushioning structure to the internal functional structure of products, and use raw materials with high buffer strength. For example, we use relatively strong and stable sheet metal materials for printer products, which improves product quality and moderately reduces the overuse of cushioning packaging materials.

Developing high-volume packages, with compact packaging to optimize performance of packaging materials

For customers with bulk purchasing requirements, we developed high-volume packages of products to replace multiple individually packaged products, reducing the amount of packaging materials used per unit of product. For some consumables products, we unified the packaging of cartridges from the original six or nine-pcs packaging to ten-pcs packaging, which reduces the amount of cartons used by 20% to 40% compared with the previous mode of packaging; for some chip products, we changed the single-strip packaging to the whole-board packaging to make the packaging more compact.

Using degradable materials and recycled materials to promote plastic-free recycling

We actively respond to the trend of “plastic reduction” to reduce the use of plastic packages as much as possible, and promote the use of degradable and recyclable eco-friendly materials. For some products that are suitable for using paper packaging materials, we replaced the products sold to some customers with all-paper packaging materials after consultation and agreement with customers to achieve the goal of no plastics. For products that do require the use of plastic packaging materials, we try to use raw materials that are easy to recycle. For example, some blister packaging materials are made of recyclable PET and other recycled materials.

Laser-engraving product information to reduce the use of product label packaging materials

For some products, we use laser burning to mark the production date and product label on the product packaging. The laser printing technology used to print information replaces carbon ribbon printing, thus avoiding contamination of ink printing. This also reduces the need for additional paper or plastic product labels, thereby reducing the amount of packaging materials used.

Case Study SmartMate Zero-Plastic Packaging

As a high-end printing consumables brand under Ninestar, SmartMate has fully used zero-plastic packaging, and is committed to providing customers with excellent printing experience, while being more eco-friendly. Specifically, 100% of paper packaging materials such as cartons and paper bags are made of recycled materials, and are completely recyclable and biodegradable.



Cardboard Inlay & Cardboard Box

- 100% made from recycled paper
- 100% recyclable & biodegradable
- Light weight & easy to handle

Biodegradable Paper Bag

- Humidity proof
- Strong quality, excellent protection
- 100% recyclable & biodegradable

Use of packaging materials



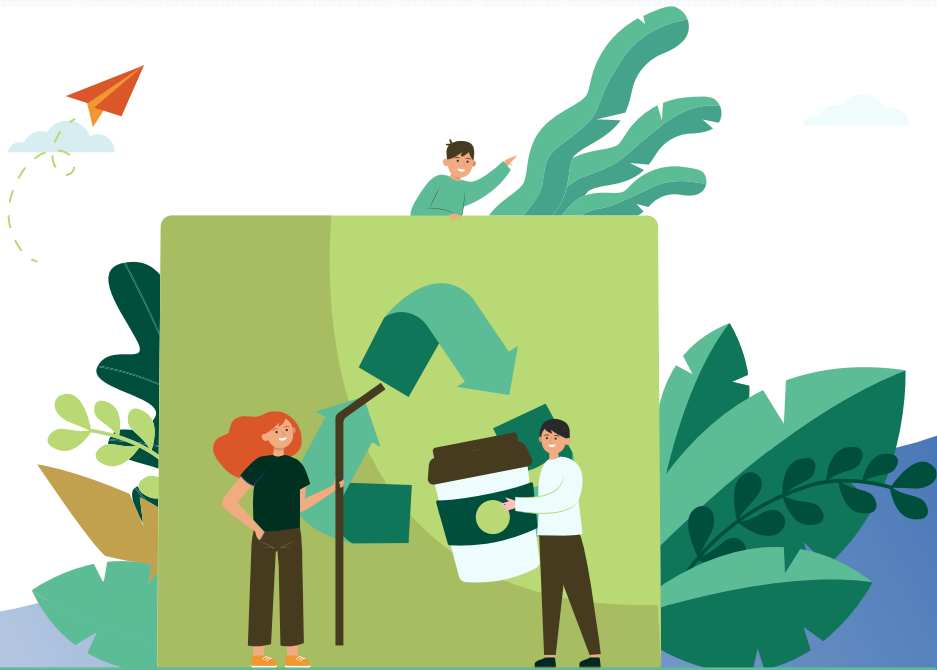
Total amount of packaging materials used in Ninestar finished products

7,551.7 tons



Total amount of Ninestar sustainable packaging materials used

7,255.2 tons



Product Recycling

Ninestar attaches great importance to the efficient use and recycling of resources. We recycle electronic waste through the product recycling system on a global basis, and strive to upgrade, transform and reuse the recycled materials, so as to reduce the negative impact of electronic waste on the environment as much as possible. In the process of recycling and utilization, we follow the *Basel Ban Amendment of the Basel Convention* to strictly manage the cross-border transfer of electronic wastes; we follow the relevant laws and regulations of the place of business operation, and gradually establish and improve the regulations and systems for managing recycling of electronic wastes, such as *Recycled Product Management Practices* and *OC08000 System*.

Scope of Product Recycling

We collect and recycle toner and ink cartridges of various brands (including those not made by the Company).



Recycling Location

We perform recycling in multiple operating locations around the world, covering more than 30 countries and regions such as China, the Netherlands, Japan, the United States, and Germany. We recycle electronic wastes as much as possible, reducing potential impacts of electronic components on the environment, even though the Extended Producer Responsibility is not a mandatory regulatory requirement for some operation locations.

Case Study Lexmark's global laser product recycling programs

To reduce environmental pollution, Lexmark set up global recycling programs for laser products: the Lexmark Laser Consumables Recycling Program (LCCP) and the Lexmark Laser Printer Recycling Program (LECP). At the end of a product's life cycle, Lexmark re-acquires components and parts for reusing or recycling through its customer recycling program, offering free collection services to more than 60 countries/regions around the world, which represents more than 90% of Lexmark's global market.



Coverage of Lexmark's global laser product recycling programs

Recycling Channels

In order to improve recycling efficiency and motivate users to participate in recycling, we recycle products through multiple channels. The main collection channels include but are not limited to:



Recycling at designated locations

In some operating locations, we cooperate with recyclers or dealers to set up recycling bins in stores or designated recycling points. Users can put the used products into the recycling bins, which will be recycled by the recyclers, or handed over by the dealers to a processing agency with relevant qualifications.



Recycling by mail

We accept the end-of-life products sent by mail, and for some products, we place recycling bags in product packages to encourage users to send back discarded products. Taking ink cartridges as an example, when users run out of ink cartridges, they can put the waste ink cartridges in a recycling bag, and directly send them back to our company.



Pick-up program

We work with agents and recyclers to carry out door-to-door recycling of end-of-life products.



## Recycling Cost

We actively assist in green environmental protection, hoping to convey the concept of health and environmental protection to users, and promote and encourage users' participation in the recycling of discarded products. During the recycling process, we do not charge users any fees. In order to stimulate consumers' green consumption awareness and cultivate green consumption habits, in the recycling process, when recycling electronic wastes, we provide consumers with credit against a new purchase or cash rewards.

### Case Study Multiple brands under Ninestar launch electronic wastes recycling plans

From 2020 to 2021, G&G launched a "recycling plan" in Europe, the United States, and China respectively, and recycled certain models of expired or empty consumables. The U.S. and European consumers can send back the waste products to the local recycling center in recycling bags.



G&G product recycling bag

In March 2021, G&G China launched the "G&G Quick Recycling Program" in China, for the purpose of paid recycling of the specific models of expired or empty consumables. Consumers can use the "G&G Cycle Plan" WeChat applet to place an order by themselves. After the online evaluation by the applet, SF Express staff will pick up the product for free, and return the empty product shell to the G&G factory, so that waste consumables are re-used efficiently in an environmentally friendly way.



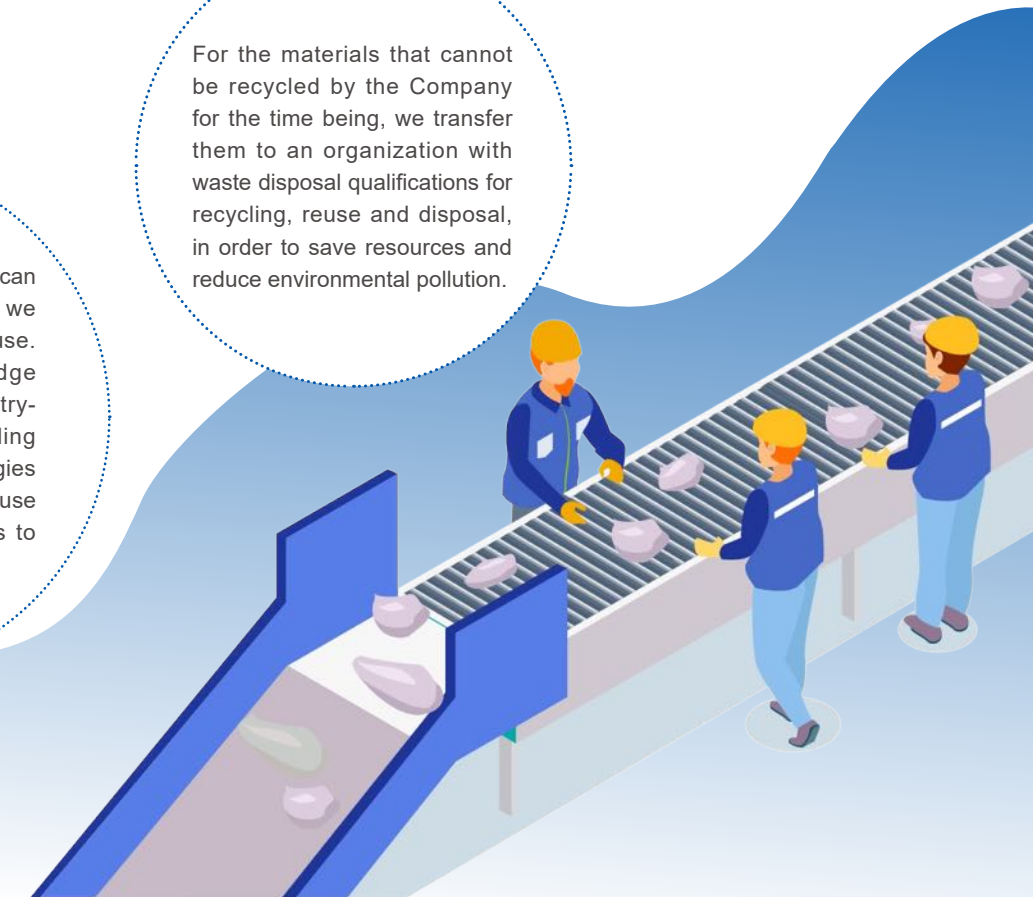
G&G China's "Quick Recycling Program" campaign poster

## Method of Reuse

We clean, dismantle and utilize electronic wastes, as well as track and record the process of recycling, processing and disposal, so as to ensure that the entire process is carried out in facilities that comply with local laws and regulations.

For some of the materials that can be recycled by the Company, we process them for secondary use. The Company's toner cartridge recycling center boasts industry-leading toner cartridge recycling and remanufacturing technologies and processes, enabling the reuse of waste toner cartridge parts to make recycled toner cartridges.

For the materials that cannot be recycled by the Company for the time being, we transfer them to an organization with waste disposal qualifications for recycling, reuse and disposal, in order to save resources and reduce environmental pollution.



### Key Performance in the Year

In 2021, the Consumables Business Unit's Toner Cartridge Recycling Center recycled and remanufactured more than **5** million regenerated toner cartridges, enabling the reuse and recycling of resources, thereby eliminating the manufacturing of more than **30** million new parts, avoiding unnecessary wastes of raw materials, and reducing the harm of environmental pollution.



## Industry Cooperation

Keeping an eye on the circular economy, we cooperate with the industry and peers, continuously explore the future green development direction of the integrated circuit chip industry for printing and imaging products, and make a joint effort to achieve the sustainable development goals of the industry.

### Case Study

#### Lexmark actively participates in industry associations, supporting the circular economy

As one of the founding members of the European Remanufacturing Council (CER), Lexmark has always been supporting the circular economy and product remanufacturing, promoting knowledge sharing and legal improvement, and advocating that product remanufacturing should become part of the product life cycle. In addition, Lexmark is a member of the Ellen MacArthur Foundation, working with other companies to rethink and redesign our products within the framework of the circular economy.

## Partner Review

When we establish cooperation with recyclers, garbage disposal agencies and other organizations, we will review the qualifications of our partners, requiring them to have relevant business licenses in the place of operation, as well as complete facilities and equipment for the disposal of waste electrical and electronic products.

### Case Study

#### Lexmark strictly manages partners

Lexmark has strict requirements on its partners. All recyclers that it cooperates with have obtained ISO 14001 environmental management system certification. In addition, all partners have been evaluated and verified by an independent third party, and all meet the requirements of *Responsible Recycling*<sup>2</sup> ("R2") or have obtained the e-Stewards<sup>3</sup> certification, and go through regular third-party independent audits to ensure that the recycling process meets the high-level environmental protection requirements.

<sup>2</sup> The R2 specification is managed by Sustainable Electronics Recycling International (SERI), and regulates the operation of responsible recycling of electronic products around the world. Electronic product recyclers can obtain this standard certification after certification by a third-party organization.

<sup>3</sup> The e-Stewards standard is the highest global standard for responsible electronics recycling and reuse, which was proposed by the Basil Action Network (BAN). The e-Stewards Certification is an accredited third-party audited certification program for electronics recyclers, renewers, and asset managers, requiring them to adhere to strict environmental and social responsibility practices when recycling electronic materials.

## Green Operation

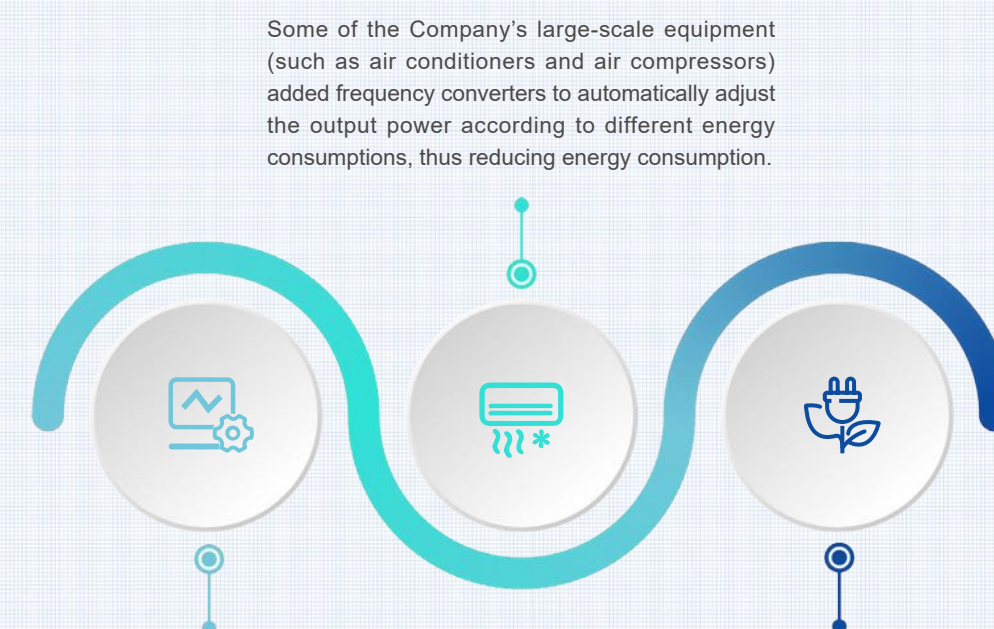
Ninestar always adheres to the concept of green development, and is committed to implementing the green concept in all aspects of production and operation. We continuously promote energy conservation and consumption reduction in production and low-carbon energy transformation, striving to improve the resource utilization rate and reducing pollutant emissions, as well as advocating and implementing green office, and implementing the concept of environmental protection practically.

Ninestar strictly abides by laws and regulations such as the *Environmental Protection Law of the People's Republic of China*, the *Energy Conservation Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes*, and comprehensively strengthens and implements environmental protection compliance management. We continue to establish and improve the Company's internal environmental management system. For example, Pantum Electronics and Ninestar Information Technology have obtained ISO 14001 environmental management system certification. We continue to refine the internal processes and measures of environmental management, and each business segment has formulated regulations on internal environmental management according to its business nature, such as the *Pollution Prevention Regulations*, *Internal Waste Management Document*, *Waste Classification and Disposal Guidelines*, *Office Water and Electricity Management Regulations*, *Hazardous Substance Control Regulations*, *Equipment Scrapping Process*, etc.



## Energy Management

Ninestar actively responds to the call for energy conservation, strictly abides by the *Energy Conservation Law of the People's Republic of China*, the *Cleaner Production Promotion Law of the People's Republic of China*, the *Administrative Measures for Industrial Energy Conservation* and other laws and regulations, and actively promotes energy conservation and emission reduction technologies. The Company uses electric energy as the main energy. In the process of production and operation, the Company formulated the following series of measures to save energy and reduce consumption, and achieved some effects.



Some of the Company's large-scale equipment (such as air conditioners and air compressors) added frequency converters to automatically adjust the output power according to different energy consumptions, thus reducing energy consumption.

Some of the Company's production lines and equipment are equipped with the intelligent energy management system, capable of adjusting the overall equipment power according to the equipment usage and order load, thus improving energy utilization to save energy.

The Company implements energy-saving measures: for example, reducing the number and time of some air conditioners used in workshops according to scheduling arrangements, changing the workshop lighting from double lamps to single lamps, and turning off the lighting power and air conditioners during breaks.



Case Study Adopting energy-saving air conditioners

Apexmic adopts Haier's magnetic levitation central air-conditioning host system, with the energy consumption ratio reaching 6.8, saving more than 50% energy compared with traditional screw air compressors.

Pantum Electronics introduced and installed magnetic levitation air conditioners. According to calculation based on the same cooling area, these air conditioners save the electricity consumption by 40% to 60% each month compared with the air conditioners using ordinary water-cooled cabinets. The electricity consumption in 2021 was reduced by 420,000 kWh.



Pantum Electronics' magnetic levitation air conditioner

Case Study Water and Electricity Saving Project

In 2021, Ninestar Information Technology implemented a water and electricity saving project. Under the condition of ensuring normal production, each department re-evaluated the demand, adjusted the consumption according to the actual situation, regularly conducted follow-up checks, and corrected the unreasonable calculation method, thus reducing water and electricity consumption per product unit by 21.4%.

Case Study Photovoltaic Power Generation

The Company makes full use of the roof area of factory buildings and installs photovoltaic power generation equipment. The effective power generating capacity in 2021 reached more than 2 million kWh, thus reducing the quantity of purchased electricity.



Photovoltaic power generation equipment on the roof of factory buildings

Energy Use and Greenhouse Gas Emissions

Indicator	Unit	Data of 2021
Purchased electricity usage	10,000 kWh	2,412.0
Photovoltaic power generating capacity (self-use)	10,000 kWh	233.7
Gasoline usage	Liter	95,699.9
Diesel usage	Liter	500.0
Total overall energy consumption	tce	3,789.5
Direct energy consumption	tce	105.8
Indirect energy consumption	tce	3,683.7
Overall energy consumption intensity	tce/CNY10,000 operating income	0.00166
Total GHG emissions	CO <sub>2</sub> e	16,275.4
Scope 1 Total GHG emissions	CO <sub>2</sub> e	218.8
Scope 2 Total GHG emissions	CO <sub>2</sub> e	16,056.6
GHG emission intensity	CO <sub>2</sub> e/CNY10,000 operating income	0.00714

Pollutant Emission Management

Ninestar lays emphasis on management of emissions, strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* and other laws and regulations, and fully implements various environmental protection measures in accordance with the requirements of the environmental protection authorities and the approval content of the environmental impact report, so as to ensure that environmental protection facilities are operating normally and stably. In addition, the Company formulated the *Pollution Prevention and Control Regulations* to control the pollution of water and gas caused by the Company's activities, regularly hire professional testing companies to test them, and standardize the treatment and discharge process of waste water and waste gas, with the aim to ensure that pollutants are discharged according to related laws and regulations.

Waste water

Domestic sewage and industrial wastewater are discharged according to requirements. The Company's wastewater discharge sources include cleaning wastewater, office and domestic wastewater, and accommodation wastewater. We built sewage treatment stations on the corporate campus, so that industrial wastewater and domestic sewage are treated and discharged up to the standard.

Waste gas

We strictly manage atmospheric pollution. The Company's waste gas emission sources include powder filling dust, kitchen oil fume and etc. Dust-containing waste gas, benzene- and toluene-containing waste gas are collected in a centralized manner, and are discharged at high altitude after purification treatment; kitchen oil fume can be discharged up to the standard after being treated by the purification treatment device.



Pollutant emissions<sup>4</sup>

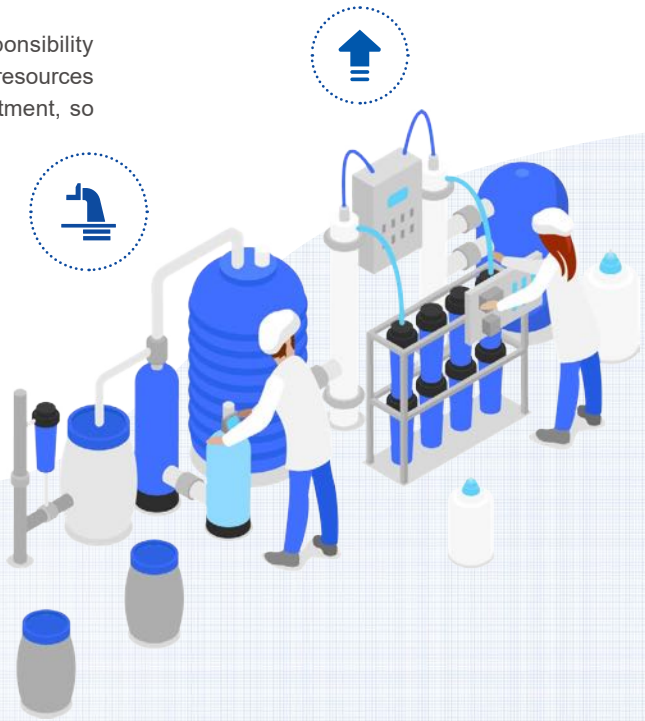
Indicator	Unit	Data of 2021
Chemical oxygen demand (COD)	Ton	1.431
Suspended solids	Ton	0.477
Petroleum products	Ton	0.005
Animal and vegetable oils	Ton	0.021
Anilines	Ton	0.049
Five-day biochemical oxygen demand (BOD <sub>5</sub> )	Ton	0.487
Particulates	Ton	0.568
Total VOCs	Ton	0.552

Case Study

The Consumables Business Unit carries out technological transformation to reduce waste water pollution

The Consumables Business Unit actively takes responsibility for environmental protection, and continuously inputs resources for upgrading and transformation of wastewater treatment, so as to improve the level of wastewater treatment:

- Transforming the process to make the wastewater reach the first-class discharge standard, which is higher than the compliance level;
- Exploring and improving the industrial wastewater decolorization process to ensure the stable decolorization effect, reduce industrial sludge generation, improve the COD removal rate, and reduce operating costs.



<sup>4</sup> The scope of data statistics involves Consumables Business Unit, Ninestar Information Technology, Pantum Smart Manufacturing, Pantum Electronics, Apexmic, Zhuhai TOPJET Technology Co., Ltd. and Zhuhai Kingway Technology Co., Ltd.

Water Resource Management

Water resource usage

Ninestar actively responds to the call for water conservation, strictly abides by the Water Law of the People's Republic of China and other laws and regulations, and is committed to the efficient use of water resources, as well as implementing the concepts of water resource consumption management and water conservation into the daily work.



Fresh water consumption  
**196,343.0** tons

Case Study

Water Saving and Emission Reduction at Consumables Business Unit's Ink Cartridge Product Center

In the production process, the ink cartridge product center of the Consumables Business Unit uses water-saving and emission-reduction processes. The specific measures are as follows:

- Use semi-automated cleaning equipment to precisely control the water volume;
- Classified cleaning, with secondary cleaning water recycled and reused, reducing the amount of sewage and reducing the pressure of sewage purification;
- Invest in the establishment of sewage multi-stage purification treatment stations to purify sewage and reduce environmental pollution.



Water saving and emission reduction process at the Consumables Business Unit's ink cartridge product center



Waste Management

The Company strictly abides by the *Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes* and other laws and regulations, and formulated the *Guidelines for Waste Classification and Treatment* by referring to documents such as the *National Hazardous Waste List (2021 Edition)*, the *Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes*, and the *Measures for Prevention and Control of Environmental Pollution by Waste Hazardous Chemicals*, so as to actively identify wastes and formulate corresponding management measures to ensure compliance with environmental protection requirements. The Company attaches great importance to recycling of resources and actively implements waste reduction management.

For hazardous wastes

For hazardous wastes such as waste packaging barrels, waste paint, toner dust, waste ink, waste ink ribbons, etc., the Company classifies and properly arranges these hazardous wastes in accordance with relevant regulations, and signs contracts with qualified hazardous waste disposal companies to dispose of them.

For general wastes

General wastes mainly include recyclable waste such as paper, and non-recyclable waste such as household waste and kitchen waste. For recyclable waste, such as the original sponge of the headed ink cartridge, we recycle and use it to reduce waste pollution on the environment. For non-recyclable waste, the Company properly disposes of general waste in accordance with the regulations of the place of operation.

Waste disposal

Indicator	Unit	Data of 2021
Total hazardous waste disposal	Ton	139.2
Total general waste disposal	Ton	2,295.1
Office waste	Ton	591.7
Production waste (non-recyclable)	Ton	1,703.4

Case Study Lexmark International sets a waste reduction target

Lexmark International minimizes the amount of waste generated during the operations, continuously promotes source reduction, and recycles and reuses the waste in an environmentally friendly way. Lexmark International has set a long-term waste reduction goal to reduce the amount of generated waste by 50% by 2025 (compared with that in 2015).

Green Office

Ninestar actively follows the call for energy conservation and emission reduction, and advocates the concept of green office. The Company formulated the *Office Water and Electricity Management Regulations*, and uses environmentally friendly office consumables, in order to create a green and energy-saving office environment.

Green office initiatives

Paperless office

Promote the use of the Company’s self-built OA system to basically realize the paperless office process.  
If it is necessary to print paper documents, double-sided printing is adopted to reduce paper usage.

Energy-saving office

Replace all lamps with energy-saving lamps  
Reduce the number of air conditioners in the office, and require that the temperature of air conditioners should not be lower than 26 degrees  
Require employees to turn off the lights when they leave their workplace and equipment rooms  
Encourage online meetings and reduce business travels  
Encourage reductions in public vehicle usage

Respond to Climate Change

The risks brought by climate change mainly include physical risks and transition risks. Physical risks are caused by extreme weather or rising temperatures, while transition risks are caused by changes in markets, regulations, policies, etc. arising from climate change. Ninestar actively promotes green operation, develops green products, proactively responds to the risks and opportunities brought by climate change, and reduces the adverse impact of climate change on business and finance.

Identifying climate change risks

- ▷ **Policy and legal risks:** With the comprehensive implementation of the “14th Five-Year Plan”, China further promotes the national carbon peaking and carbon neutrality strategic goals, and puts forward higher-level requirements on energy conservation and emission reduction for enterprises.
- ▷ **Market risks:** With growing awareness of the importance of environmental protection, users become more and more concerned about the environmental impact of the total product life cycle, as well as the environmental performance of the Company and products. In addition, they are in favor of green and low-carbon products, such as products containing reprocessed plastic components, and products with better management at the end of the product life cycle.
- ▷ **Extreme weather risks:** We actively identify and determine the safety management risks caused by typhoon weather, rainstorm weather, etc.

Tackling climate change risks

- ▷ **Advocating green operation:** Produce green products, optimize product design and product performance, and improve resource recycling; advocate green production, actively promote technological innovation in daily production, save energy, reduce consumption, and reduce greenhouse gas emissions.
- ▷ **Resisting the risks brought by extreme weather:** Build an emergency management system, determine emergency management agencies and their responsibilities, and reserve emergency materials, rescue teams, etc., so as to reduce the impact of extreme weather on production and operation; regularly conduct emergency rescue drills, analyze problems, and improve emergency response plans.

# Help Employees Succeed and Make Joint Efforts for the Future

## Material issues

- Employees' rights and interests
- Employee health and safety
- Employee training and development

## Indicators addressed in this chapter

### Response to SDGs



### Response to GRI indicators

- GRI 401
- GRI 402
- GRI 403
- GRI 404
- GRI 405-1
- GRI 406
- GRI 407
- GRI 408
- GRI 409

Firmly believing that employees are the most precious fortune of an enterprise, Ninestar always puts people first, treats every employee with equality and inclusiveness, guarantees employees' rights and interests in accordance with laws, builds and improves the talent recruitment, talent motivation and salary and welfare systems, and tries its best to provide its employees with a safe and healthy work environment and to safeguard their physical and mental health.





# Guarantee of Employees' Rights and Interests

Employees are the cornerstone for the development of Ninestar. We adhere to a fair and impartial attitude to attract more excellent talents, and create a people-oriented work environment, a democratic communication and feedback mechanism and a competitive salary system for every employee, to fully respect and guarantee employees' rights and interests.

## Employment compliance

Ninestar strictly abides by the *Law of the People's Republic of China on Employment Contract* and the local laws and regulations, and fulfills the Business Social Compliance Initiative (BSCI) Code of Conduct. Based on the corporate strategy and development planning, we formulated the development strategy for talent channels in line with the company development, actively developed the new talent pool, and laid down a series of system documents and workforce diversity plans, such as the *Recruitment Management Process* and the *Recruitment Manual*, in order to establish the diversified recruitment process in compliance with rules, prevent child labor, forced labor and other violations of rules, and pursue employment diversity.

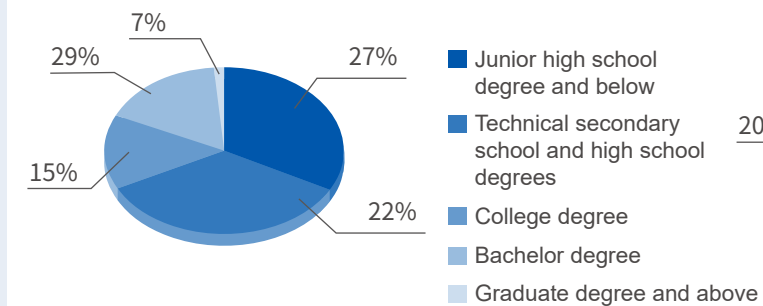
Meanwhile, we adhere to the fair, impartial, equal and inclusive employment policies, respect employees' characters, guarantee the legitimate rights and interests of employees to promote the harmonious and stable relationship between labor and capital, and conduct the training on workforce diversity policies, with our senior directors or higher-level management overseeing the promotion of diversity policies. In addition, we attach importance to the diversity of employees, insist on respecting and protecting human rights, guaranteeing employees' freedom of faith, and don't discriminate against any employee in terms of employment, salaries, training opportunities, promotion, dismissal or retirement on grounds of ethnicity, race, nationality, religious belief, gender, age or other factors. Furthermore, we resolutely prohibit any physical punishment, psychological or physical coercion, verbal humiliation and any other form of abuse of employees, and provide special labor protection for female employees in accordance with the relevant national provisions.

Ninestar is an inclusive and diversified enterprise, whose employees come from the Chinese Mainland, Hong Kong, Macao, Taiwan and overseas countries and regions. Besides, we are a big family consisting of 35 Chinese ethnic groups, with the full-time employees from ethnic minorities accounting for 15.96% of our total full-time employees, and our Bai, Tong, Hui, Miao, Tujia, Yao, Li and Zhuang employees add up to more than 100 people, among others.

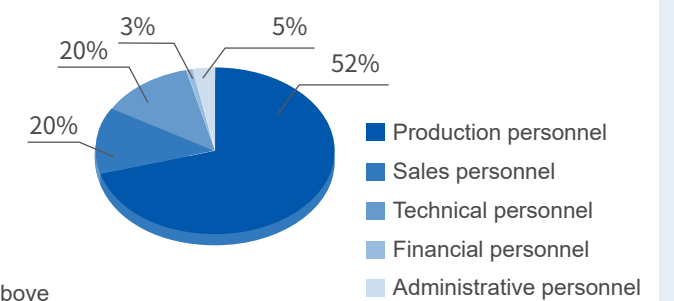


## Structure of diversified Ninestar employees

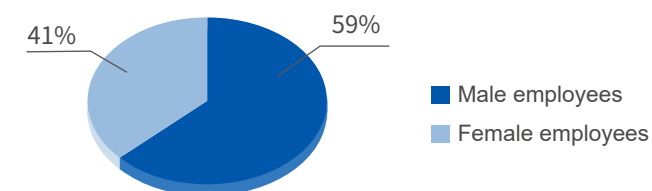
By educational background<sup>5</sup>



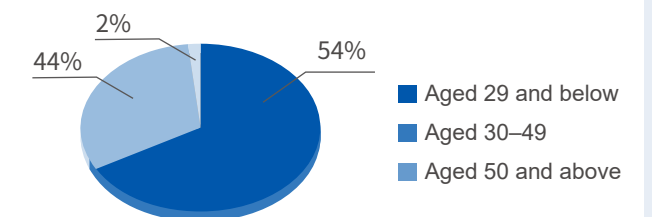
By profession<sup>5</sup>



By gender<sup>6</sup>



By age<sup>6</sup>



<sup>5</sup> The scope of disclosure is consistent with that in the 2021 annual report.

<sup>6</sup> The scope covers the regular employees in Ninestar Corporation (the parent company), Pantum Electronics, Pantum Smart Manufacturing, Apexmic and Ninestar Information Technology.



Ninestar agrees to comply with the labor rules stated by the Business Social Compliance Initiative (BSCI) Code of Conduct

BSCI principles

- **Freedom of association and right of collective bargaining:** Respect the workers' right to set up the labor union in a free and democratic manner and to participate in the collective bargaining
- **No discrimination:** Provide equal opportunities, and don't discriminate against any worker
- **Fair remuneration:** Respect the workers' right to get fair remuneration
- **Decent working hours:** Comply with the regulations on working hours
- **Occupational health and safety:** Ensure a healthy and safe labor environment, assess risks and take all necessary measures to eliminate and reduce risks
- **No employment of child labor:** Don't employ any worker under the legal working age
- **Protect junior workers:** Provide junior workers with special protection
- **No employment without guarantee:** Formulate labor contracts and employ workers in accordance with legal provisions
- **No forced labor:** No bondage, human trafficking or involuntary labor in any form.

2021 key performances



Female managers<sup>7</sup>

51



Minority employees

3,622

<sup>7</sup>The scope of statistics covers Ninestar Corporation (the parent company).

Democratic communication

Laying emphasis on listening to opinions from employees, Ninestar established the employee supervisor selection system in accordance with the provisions of the *Company Law of the People's Republic of China* and the Articles of Association, and listens to opinions from employees by means of the Work Improvement Feedback Form, the Employee Satisfaction Survey, the Congress of Workers and Staff, etc., in order to care about and pay attention to employees' reasonable demands, ensure that our corporate governance gives employees adequate rights, and achieve the democratic management of enterprises. Meanwhile, we release the department service satisfaction survey on a regular basis, and follow up on the improvement measures according to the survey result. The survey dimensions cover the satisfaction with accommodation, the campus and the canteen.



Salary and welfare

Salary and performance

In strict accordance with the *Labour Law of the People's Republic of China*, the *Law of the People's Republic of China on Employment Contract*, the *Social Insurance Law of the People's Republic of China* and other laws and regulations, Ninestar formulated and keeps improving the *Salary Management System*, the *Housing Benefits Management System* and other provisions, adheres to the principles of integration, marketization, motivation, fairness and dynamic, keeps to the philosophy of performance-based distribution and equal pay for equal work, and builds a sound salary system, providing all of our employees with the "fixed plus variable" salary system composed of five components namely sound salary, job subsidy, performance pay, other subsidies and benefits and annual bonus, to guarantee our employees' rights and interests.

Furthermore, we conduct the performance appraisals on a regular basis, taking the key performance indexes (KPIs), key target indexes (KTIs) and daily work goal attainment as the assessment bases, to conduct monthly, semi-annual and annual performance assessments of our employees; after the end of assessment, we communicate with employees about their performances and give feedback on the employee performances, advantages and shortcomings, and goal, direction and measures of the performance improvement. If any employee demurs in respect of his or her performance assessment result, he or she may appeal such result to the final appraiser or the Human Resources Department.





Benefits and pays

Ninestar provides its employees with multiple practically necessary benefits, resolutely provides basic benefits such as social insurance, provident funds, legal holidays, annual health examination, etc., and pays high-temperature subsidies, food subsidies and other subsidies in accordance with provisions.

Guarantee benefits

**In accordance with national or local provisions, we provide our employees with:**

social insurance, including the basic endowment insurance, medical insurance, unemployment insurance, work-related injury insurance, etc.

housing provident fund

paid leave

Protective benefits

**To protect employees' safety and health in working and production, we provide our employees with:**

work clothes, gloves

safety protection supplies

regular health examination

occupational health

examinations of special people

Our own benefits

**With a view to the people-oriented management, we provide our employees with:**

development training

team gatherings and dinners

theme competition

association activities

festival gifts

At the corporate level, we provide our employees with multiple festival benefits and daily benefits, striving to enhance employees' perception of affiliation and make our teams more cohesive. In 2021, we gave our employees gifts on the Mid-autumn Festival, the Dragon Boat Festival, the Women's Day, etc., and offered our employees fruits and herbal tea for relieving summer heat. Moreover, we provide all manufacturing system employees with the two-months benefits and the birthday benefits. In 2021, our employee turnover rate was 14%<sup>8</sup>.



<sup>8</sup> The scope of statistics covers the managerial staff of Ninestar Corporation (the parent company).

Employee Training and Development

Ninestar sticks to the philosophy of growing together with its employees, expands the career development channels and builds clear promotion channels for its employees to assist employees in their career development, so as to enable every employee to give full play to his or her ability in a suitable position, achieve the joint development of employees and the Company and build a stable relationship between labor and capital.

Training system

Ninestar attaches great importance to talent training. With a view to effectively improving our employees' professional proficiency and building a scientific mechanism for talent team building, we formulated five administrative measures for training, namely the *Training Management System*, the *Administrative Provisions on the Internal Lecturers*, the *Administrative Provisions on the Campus Recruitment of Fresh Graduates*, the *Administrative Provisions on the Pre-service Training of Employees*, and the *In-service Degree Education Management System*, standardizing the training operation process and lecturers' responsibilities and building a well-rounded employee training system.

In the meantime, we provide our employees with diversified choices by defining two training paths for professional talents and management talents respectively, which cover five professional talent training programs including the researcher and developer training camp and the lecturer training camp, to focus on the improvement of employees' professional proficiency and management ability. We also established the hierarchical training plan model, which adopts the Company's annual training plan as the outline and is aided by the training plans of business units, so as to make our training more effective and scientific.

Case Study "Navigation Engineering" Management Sequence Training Camp

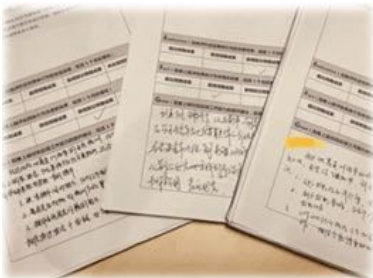
In 2021, Ninestar organized and carried out the "Navigation Engineering" Management Sequence Training Camp, aimed at increasing the management ability of reserve cadres and new cadres. The new cadres "went to the podium" to summarize the pain points and experience, and share their individual work experience through lectures, which were given within the Company to accumulate experience internally and benefit the internal employees of the Company.

This year, we provided 38 leadership lecture sessions, and more than 300 managers above the director level participated in the "Navigation Engineering".



Case Study HR Elite Training Camp

To effectively adapt to the Company’s rotation system, build a team of comprehensive human resources which “dares to meet the challenges and wins certainly”, and enhance the comprehensive working competence of human resources personnel, on September 26, 2021, we carried out the “Human Resource Elite Training Camp”, attracting 57 employees of the Group for entering for the training. The training courses were designed to cover the training design, performance management, recruitment skills, labor relations, enterprise culture, benchmarking sharing and other contents, and their overall satisfaction rate exceeded 90%.



In addition to the established courses, the training camp also designed a learning manual—Collection of Elites—for trainees, and we added the post-training practices, in which the trainees applied what they had learned with the help of their direct supervisors, under the supervision of the same, and valuable suggestions were given for the follow-up work.

2021 Training Plan of Human Resource Elite Training Camp of Ninestar

No.	Training stage	Training theme	Training name	Course content	Participant	Time	Check method	
1	Warm-up before the training	Early emergence of elites	Reading books	Select books from the Company's list of recommended books for reading, and output reading notes	Applicants from units		Credit	
2	Focus during the training	Basis of theories	Brief talk about the training program design	Sketch the key points of the company training program design, and explain the theoretical methods adopted by trainers for the program design	Trainees whose credits meet the standards after the selection stage before the training	October–December	Attendance record	
			Platform force	Review the development history of Ninestar, explore how to achieve success, and tell the advantageous dividend given to individuals by an enterprise			Learning journal	
			Pains of salary and performance	Sketch the contents, purposes and methods of management of salary and performance, and solutions to the relevant problems			Mind mapping	
		Speaking from experience	“Reading books” activity for the HRs: select books from the Company's list of recommended books for reading, and output reading notes				Note output	
			Benchmarking	Invite the HR lecturer from the industry benchmarking enterprise for sharing experience about enterprises and exchanging experience	Trainees whose credits meet the standards after the end of the last training stage		Attendance record	
			Skills of handling the relationship with employees	Introduce the methods of handling disputes with employees to effectively avoid conflicts, based on the past cases and articles of the Labor Law			Learning journal	
Analysis of recruitment skills	Explain the recruitment know-how to facilitate the implementation of the talent development strategy based on the past recruitment cases		Mind mapping					
“Reading books” activity for the HRs: select books from the Company's list of recommended books for reading, and output reading notes					Note output			
3	Practice after training	Elite growth	Course practice and conversion	Complete a post-raining practice report based on the practice result	Trainees who have fulfilled the learning tasks		Report card output	
		Elite gathering	Summary of learning journals	Prepare and compile the Collection of Elites, the HR learning journal unique to every trainee, by means of output of training results for the online study, action learning report, output of contents of reading notes, etc., during the HR Elite Training Camp			Collection of Elites	

2021 key performances<sup>9</sup>

Number of employees trained

7,800

Total hours of employee training

31,200 hours

Total investment in employee training

CNY 2.43 million

University-enterprise cooperation

We actively sign the cooperation agreements on industry-university-research collaboration with Zhaoqing Middle Vocational School of Technology and others to integrate advantageous resources of both sides and to cooperate with each other in depth in talent training, scientific and technological innovation, talent exchange, etc. In 2021, we provided practical training opportunities to 300 university and college students.



In 2021, we provided practical training opportunities to

300 students

Case Study United Talent Training Program started with Zhaoqing Middle Vocational School of Technology

Ninestar Information Technology has established the cooperation relationship with Zhaoqing Middle Vocational School of Technology since 2019 to start the United Talent Training Program, fully integrating both sides’ respective advantages in talents and resources and building a platform between the Company and students for two-way choices.

In 2021, we successively welcomed

4 batches of student interns.

168 interns

were trained under the united program during the Reporting Period.



<sup>9</sup>The scope of disclosure covers Ninestar Corporation (the parent company), Pantum Electronics, Pantum Smart Manufacturing and Ninestar Information Technology.



## Channels of promotion

In order to strengthen the talent team building and to promote employees' career development, Ninestar formulated the Position Management System, standardizing the job responsibilities for employees at each level and firmly guaranteeing the Company's talent team building. Besides, to ensure that employee promotions are supported by competency, on the basis of the provision of diversified training opportunities, we have a series of inspection and screening measures in place, combining "strict selection and strict promotion" with "resources support".

## Employee motivation

Ninestar formulated the *In-service Degree Education Management System* to encourage its employees to participate in professional certification training or further study for higher degrees. We give the corresponding rewards to the employees who get the degree certificate of in-service education, professional technical title appraisal certificate or professional qualification certificate. This motivation policy is applicable to all regular employees.

In 2021, Ninestar encouraged its employees to take the post-graduate entrance examination in engineering supervision of Central South University of Forestry and Technology. The tuition fees would be reimbursed in part as the reward if an employee got the relevant certificate of on-the-job postgraduate degree education. This truly motivated employees on active duty to acquire a higher degree. As at the end of the Reporting Period, we have motivated 95 people by giving the reward bonus of more than CNY720,000.

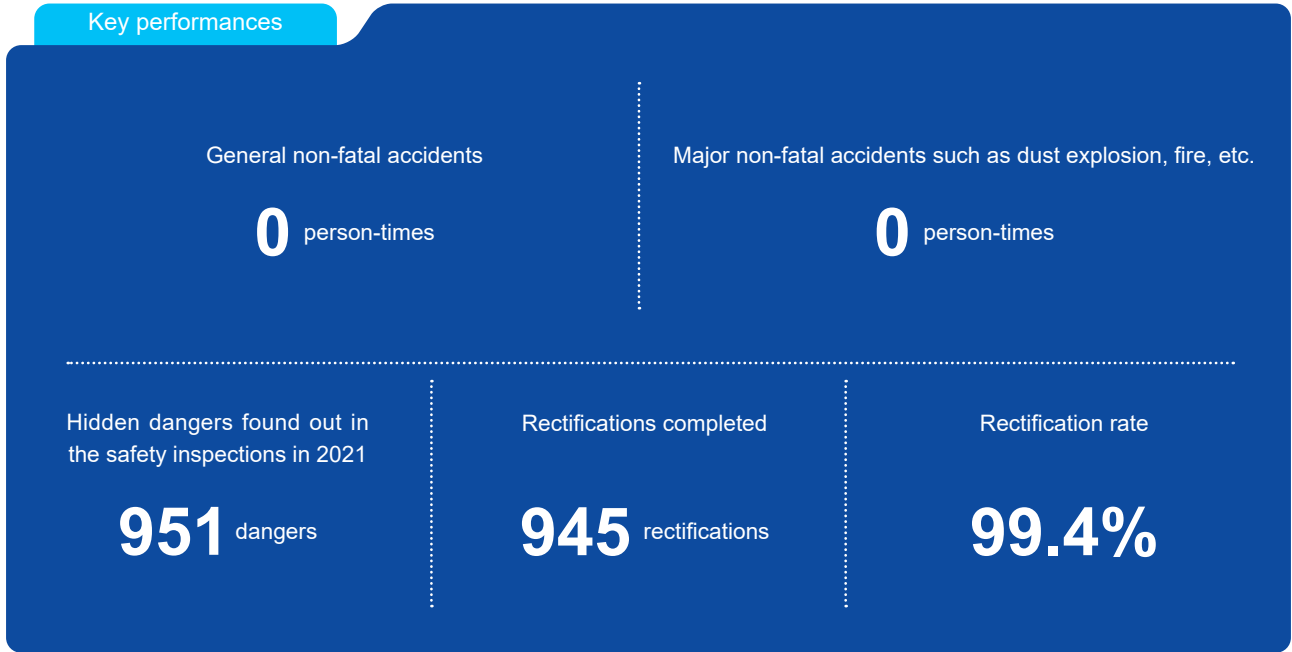
In addition, Ninestar implemented the Restricted Stock Incentive Plan, the Stock Option Incentive Plan, and the Partial Stock Option Reserve Incentive Plan in 2016, 2019 and 2020, respectively. The scope of motivated people covered the directors, senior management and core backbone staff of the Company.



In 2021, we motivated 95 people by giving the reward bonus of more than

CNY **720,000**

## Occupational Health and Safety



## Safety management system




In strict accordance with the *Work Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases* and other laws and regulations, Ninestar established and improves the *Responsibility System for Work Safety*, the *System for Prevention and Control of Occupational Diseases*, the *Administrative Provisions on Emergency* and other safety management standards, is committed to building a work safety management system "putting safety first, focusing on the prevention and dealing with safety management comprehensively", and fully integrates three types of safety management activities, namely safety planning, management and implementation, and safety improvement, into its core business to ensure the standardization of safety management in the operation of the Company.

In 2021, the Consumables Business Unit obtained the Work Safety Standardization Level 2 Enterprise Certification. Ninestar Information Technology and Pantum Electronics obtained the ISO 45001 Occupational Health and Safety Management System Certification.



## Safety Management Measures

In order to ensure the safety of employees, prevent major risks, effectively prevent production accidents and constantly improve the occupational safety management for employees, the relevant departments and subsidiaries of Ninestar take diversified measures according to their respective business features.

-  In accordance with the *Responsibility System for Prevention and Control of Occupational Diseases*, the *Alert and Notification System for Occupational Hazards*, the *System for Management of Protective Equipment Against Occupational Diseases*, the *Publicity, Education and Training System for Prevention and Control of Occupational Diseases* and the *Occupational Health Monitoring and Archives Management System*, we standardize the marks of occupational hazards and the records of wearing and giving out labour protection equipment for departments, and inspect the management of occupational hazards.
-  A third-party safety service institution is engaged as the inspector of our potential safety hazards, special equipment, occupational health and dust removal system on a regular basis, and we carry out special rectifications carefully.
-  We were cooperative in the external review for ISO 45001 system certification by improving the occupational health management system and implementing the occupational health management.

Furthermore, the Consumables Business Unit established the *Archives and List of Occupational Hazards of the Consumables Business Unit*, invited professional testing organizations to the production place for detection and assessment of occupational hazards, and organized the occupational disease examinations for employees holding the posts exposed to occupational hazards. Pantum Electronics continuously built and improved the safety organization structure for all business units, improved the mechanism of appointment of persons chiefly in charge of safety and safety management personnel, signed the statement of safety responsibilities with employees at all levels, implemented the responsibility system for all staff, and also bought various types of insurance such as the work safety liability insurance, the forklift insurance, etc.



Work Safety Standardization Level 2 Enterprise Certification

ISO 45001 Occupational Health and Safety Management System Certification



Normalized prevention and control of the pandemic

Ninestar actively cooperates with community pandemic prevention personnel, practically implements the Company's normalized prevention and control of the pandemic, including taking body temperatures every day, checking health codes and trip codes, regularly carrying out sterilization and disinfection, etc., and provides its employees with supplies for the pandemic prevention, to ensure employees' safety and health. Meanwhile, we organize the nucleic acid testing for all employees, encourage our employees to be vaccinated and train our employees for safety and pandemic prevention on a regular basis, according to the requirements for the pandemic prevention.

During the Reporting Period,

The Company organized the first dose of vaccination for more than

6,000 person-times

The Company organized the second dose of vaccination for more than

4,800 person-times

The Company organized the third dose of vaccination for more than

4,200 person-times

The hours of the voluntary services provided by our pandemic prevention volunteers throughout the year added up to

4,170 hours

Accumulated nucleic acid testing in the park:

more than 32,000 person-times

Safety training

Ninestar strictly implements the national regulations on and standards for labor safety and hygiene, educates its employees on labor safety and hygiene, and strives to create a healthy and safe work environment to prevent accidents in the labor process to the utmost extent and to reduce occupational hazards.

In order to enhance employees' awareness of safety and strengthen staff's safe operation ability, we conduct the safety knowledge training, the drills of safety contingency plans and the safety publicity activities on a regular basis, including the level-3 onboarding safety training for new employees, the training for prevention of occupational hazards, the safety training for prevention of dust explosion, the safety training for special operations, etc., in accordance with the *Administrative Provisions on Work Safety Education and Training and Employment with Certificates* as well as other documents.

- Normalized training** We conduct the weekly training for work safety and monthly training for fire prevention and safety, to promote the normalization of training.
- Specialized training** We conduct the training for special operations, the training for volunteer firefighters, the department training for prevention of occupational hazards, level-3 onboarding safety training for new employees, etc.

2021 key performances

Total hours of training for work safety and occupational health

165,580 hours

Total number of employees trained during the Reporting Period:

19,585

Case Study "Implement safety responsibilities and promote the safe development" activity in the month of safe activities

On June 1, 2021, Ninestar kicked off an activity with the theme "implement safety responsibilities and promote the safe development" in the month of work safety. We held various work safety competitions, organized a two-month contest in which 12 departments participated, and rewarded the unit organizations and individuals with outstanding performances.



"Work Safety Month" activity





# Care for Employees

Adhering to the people-oriented operation philosophy, Ninestar is committed to providing an all-around guarantee for employees' work and life and creating a harmonious and stable work environment; We care about employees' difficulties and demands in work and life to practically enhance its employees' well-being and perception of affiliation. Besides, the Company continuously creates a happy workplace by organizing various forms of diversified recreational activities, enriching the sparetime life and spiritual life for employees and helping them balance their work and life.

## Help for employees

Ninestar insists on carrying out employee care activities, aimed at helping the Ninestar employees who have difficulties in their lives. In 2007, Ninestar set up the "Love" fund and formulated the *Ninestar Administrative Measures for "Love" Charitable Fund* to provide help to employees in difficulties. In 2021, we gave financial support to 8 employees in total with the total amount of CNY189,000.



In 2021, we gave financial support to 8 employees in total with the total amount of CNY

189,000



## Enrich employees' lives

Ninestar pays close attention to its employees' physical and mental health. We have sports and exercise facilities for badminton, basketball, table tennis, as well as dancing rooms/yoga rooms in our playrooms; we hold various activities on a regular basis and invite our employees and their family members for participation in such activities, enriching our employees' sparetime life and enhancing their perception of affiliation.

### Case Study "Childishness and Childhood Fun" parent-child campaign event for June 1

On May 29, Ninestar held the "Childishness and Childhood Fun" parent-child campaign event for June 1 to give sincere wishes to its employees' children. That campaign event attracted 150 families and more than 180 children.



### Case Study Fun Sports Meeting

In October 2021, Apexmic held a fun sports meeting for its employees, organizing fun contests such as chess, basketball games, etc., and about 100 people participated. This sports meeting increased understanding and affection among employees and further enhanced employees' perception of affiliation.





# Partnership for Flourishing

## Material issues

- Responsible supply chain management

## Indicators addressed in this chapter

Response to SDGs



Response to GRI indicators

GRI 102-9

GRI 102-10

GRI 204

GRI 308

GRI 414

Ninestar's high-quality development is not possible without its partners. On the basis of symbiosis, sharing, mutual benefit and win-win cooperation, we strive to build long-term partnerships based on mutual trust and mutual benefit with stakeholders in the industrial chain. We incorporate the ESG concept into all aspects of supply chain management, so that we can better share the achievements of sustainable development.





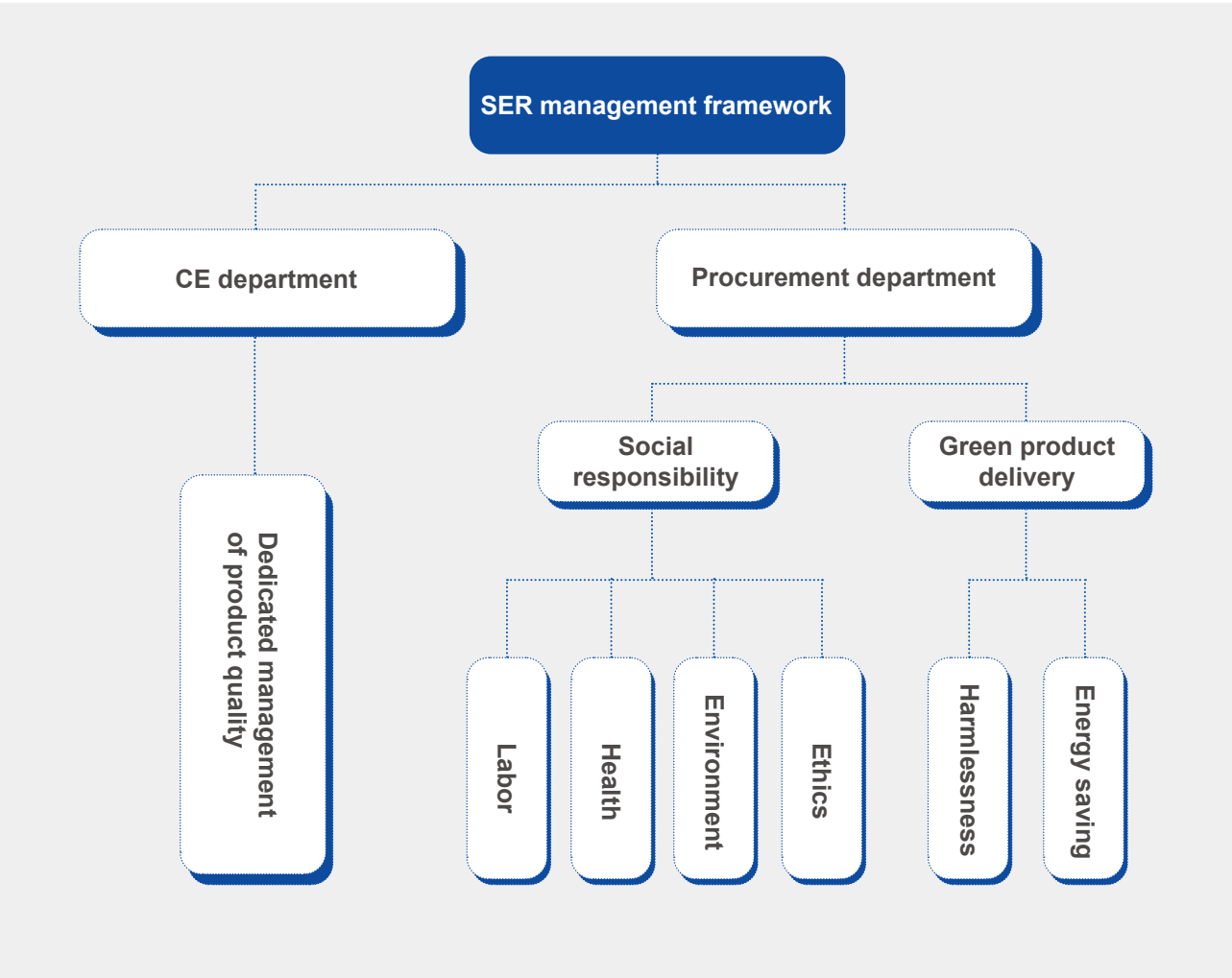
# Supplier Management

With a focus on the dynamic management of the supply chain, Ninestar, as the fourth largest laser printer manufacturer in the world, is committed to promoting the overall standardized management of the supply chain to create a sustainable supply chain. In strict compliance with the *Contract Law of the People's Republic of China*, *Code of Conduct - Responsible Business Alliance (RBA Code)* and other laws, regulations and international conventions, we formulated the *Supplier Management System*, the *Supplier Selection, Certification and Introduction Process* and other systems to effectively protect the rights and interests of suppliers and their employees.

## Supply chain management framework

With supply chain management as a major priority, Ninestar is working perseveringly to upgrade its supplier management system to better manage and supervise its suppliers.

The Consumables Business Unit has established a management system for the supply chain based on the functions of departments, in which the CE department is responsible for the special management and supervision of product quality; the Procurement department has set up two major management themes: social responsibility includes sub-topics such as labor, health, environment and ethics; green product delivery includes sub-topics such as harmlessness and energy saving. We are committed to improving the supply chain management framework from multiple aspects and implementing a responsible supply chain.



## Supplier management process

### Introduction

Ninestar strictly controls the introduction of suppliers and manages them from quality, environment, social impact and other aspects. We select suppliers with excellent performance on the basis of merit. In 2021, Ninestar introduced 62 new suppliers, none of whom has actual or potential significant negative environmental and social impacts.

We evaluate each supplier's scale, quality system, technical ability, supply and service ability, compliance with the law, trade security and other aspects in accordance with standardized documents such as the *Supplier Investigation and Evaluation Form*. The Consumables Business Unit, Pantum Electronics, and other subsidiaries/departments require all suppliers to obtain the ISO 9001 quality certification.



In 2021, Ninestar introduced **62** new suppliers.

### Audit

According to the requirements of systems such as the *Supplier System Management Review System* and the *Regulations on the Management of Supplier Performance Appraisal*, we audit suppliers in terms of delivery, quality, material RoHS environmental protection, operation safety (including labor management) and operational risks, and pay special attention to managing or replacing suppliers with potential risks through *Nonconformity Control Procedure*, *Supplier Quality Feedback Form*, *Supplier Periodic Evaluation Form*, AEO (Authorized Economic Operator) Business Partner Questionnaire and other procedures.

During the Reporting Period, the Company conducted 8 internal audits and 5 third-party external audits, with a total of 339 suppliers audited, covering all first-level suppliers and some second-level suppliers. Of the 339 suppliers, 24 did not comply with or violated the Code of Conduct during the Reporting Period and therefore failed to pass the audit, with an audit pass rate of 93 percent.



Ninestar headquarters organizes evaluations for IT suppliers every year, in which suppliers with poor evaluation results will be required to carry out rectification, and those who fail to meet the requirements even after the rectification will be eliminated.



Pantum Smart Manufacturing eliminates the lowest-rated suppliers based on the annual performance review, and it develops the *Supplier Audit Problem Improvement Action Sheet* to rectify violations of suppliers.



**Product compliance:** suppliers introduced are required to meet compliance requirements and sign a letter of guarantee. Once a year, law and regulation training for suppliers are conducted to improve suppliers' relevant awareness and ability.

**Human rights and occupational health compliance:** suppliers are required to sign BSCI-compliant agreements to promote supplier compliance.



Assessment	Content	Assessment dimensions and scope	Assessment result
We rate suppliers based on assessment results. For example, Pantum Smart Manufacturing classifies suppliers into five levels: A, B, C, D and E. We give preference to A-rated suppliers for procurement; if a supplier is rated E, cooperation will be suspended. The details of the annual assessment of Pantum Smart Manufacturing's suppliers are as follows.	Annual supplier assessment	<p><b>1.Assessment dimensions:</b></p> <p>1) Comprehensively assess each supplier's product quality, delivery, service and price to encourage them to continuously improve and upgrade</p> <p>2) Audit contents include: audit the suitability and effectiveness of systems for quality, environment and hazardous substance management</p> <p><b>2.Assessment scope:</b></p> <p>Suppliers on the list of suppliers approved by the Company</p> <p><b>3.Assessment standard/rating:</b></p> <p>A: Score ≥ 90 B: 90 &gt; score ≥ 80 C: 80 &gt; score ≥ 70 D: 70 &gt; score ≥ 60 E: Score &lt; 60</p>	<p><b>In 2021, 48 suppliers have been audited:</b></p> <p>A: 4% B: 77% C: 13% D: 6% E: 0%</p>

Incentive

According to the *Supplier Development and Management Process*, we offer rewards such as preferential payment, preferential orders and preferential inspection to the A-level suppliers of the previous year, and award the "Excellent Supplier" medal to the supplier that ranks first.

Training

We actively conduct supplier training on topics including labor employment, quality and safety, and business ethics. During the Reporting Period, we organized 47 supplier training sessions, covering 66 suppliers.

Ninestar's relevant departments and subsidiaries actively hold quality summary meetings for key suppliers or suppliers with delivery quality issues, and conduct monthly communication and training for the latter. Among them, Pantum Smart Manufacturing held 13 exchange meetings on supplier quality, delivery improvement and technical communication for key suppliers. These meetings helped suppliers streamline their material delivery process, fully utilize turnover packaging materials and optimize their storage space. Pantum Smart Manufacturing also organized 6 safety training sessions for infrastructure suppliers.



47 training sessions  
for suppliers

**Case Study**

**Pantum Smart Manufacturing conducted product quality training for suppliers**

To improve supply chain responsiveness and increase delivery flexibility, Pantum Smart Manufacturing conducted product quality training for supplier factories. It organized a number of training meetings involving procurement and suppliers, developed a Push-pull Replenishment (PRS) System plan, and reviewed the value stream maps (VSM) of both sides. By optimizing the entire process of operation, the company shortens delivery cycles, reduces inventories on both sides, and increases the overall responsiveness and flexibility of the supply chain.

Responsibility management

Ninestar continuously improves the management of suppliers' responsibility, and adopts different management mechanisms for new and performing suppliers to ensure the effective operation of each link of the supply chain.



Human rights protection

Ninestar pays close attention to suppliers' human rights practices and abides by the Business Social Compliance Initiative (BSCI) Code of Conduct. Ninestar requires all audited key suppliers to sign the *EICC Social Responsibility Evaluation Form for Suppliers/Subcontractors* and the *RBA Declaration of Conformity*, and requires suppliers to directly audit their labor practices. It explicitly listed "no forced labor" and "no child labor" as mandatory requirements for the introduction of suppliers, and requires suppliers to comply with employment regulations, guarantee reasonable working hours, basic wages, minimum wages, overtime allowances, freedom of association, anti-discrimination, employee health and safety, and other basic rights, and assume social responsibilities such as the protection of labor human rights.

Procurement in the sunshine

Ninestar is committed to building a supply chain in the sunshine and creating a fair, open and just procurement environment in the sunshine for suppliers. The Company strictly complies with external and internal policies and procedures such as the *Law of the People's Republic of China on Import and Export Commodity Inspection (2021 Amendment)* and the *Regulations on the Control of Hazardous Substances* to ensure that the procurement procedures meet the environmental protection requirements. The Company has signed agreements such as the *Company's Statement on Anti-Commercial Bribery* or the *Agreement on Integrity and Self-Discipline* as part of its efforts to strengthen its internal integrity supervision mechanism and prevent corruption in the procurement process.

Responsibility audit

Ninestar has established a rigorous supply chain audit system for suppliers in cooperation. The suppliers are rated through the review of their management systems and performance appraisal, and incentivized or punished according to the rating, so as to ensure the suppliers' compliance with requirements of relevant laws and regulations as well as the terms and conditions of relevant agreements.



## Green procurement

In strict compliance with external policies, regulations and codes of conduct such as the *Law of the People's Republic of China on Import and Export Commodity Inspection (2021 Amendment)*, the *Measures for the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products*, *Implementation Arrangements for RoHS Conformity Assessment System of China*, and the *RBA (EICC) 6.0 Standard*, Ninestar has formulated internal policies and procedures such as *Specification for the Control of Hazardous Substances* and the *Declaration of Conformity of Suppliers with the Restriction of the Use of Hazardous Substances in Electrical and Electronic Products* to fulfill its management responsibilities of suppliers in terms of environmental protection and safety.

According to the *Regulations on the Control of Hazardous Substances*, Ninestar Information Technology has divided the responsibilities for the identification, evaluation and control of hazardous substances and standardized the inspection and control of hazardous substances, as well as the incoming material inspection control procedures, process control management procedures, warehousing and delivery inspection management procedures, and RoHS nonconforming product management procedures. According to the *Supplier EHS Management Requirements*, Ninestar Information Technology requires suppliers to provide qualification certificates such as *Declaration of Conformity for Hazardous Substances* and *Production and Sales License for Highly Polluting Industries and Special Dangerous Goods*; it also regularly supervises upstream EHS process control, risk assessment and supervision of rectification, and requires suppliers to prepare EHS management manuals and establish corrective and preventive mechanisms.

## Integrity procurement

We require suppliers with a contract value of more than CNY50,000 to sign the *Company's Anti-Commercial Bribery Statement* or the *Integrity and Self-Discipline Agreement*, which stipulates that employees shall not ask for or accept money, goods or gifts in any form from suppliers in any name and requires suppliers not to give gifts, goods, securities or other illegitimate benefits to any employees of Ninestar, whether directly, indirectly, or in disguised forms in private. In 2021, all relevant departments and subsidiaries of Ninestar signed the *Integrity and Self-Discipline Agreement* with all suppliers with a contract value of more than CNY50,000; the signing rate was 100%.

In addition, the Company is committed to improving and developing its corporate culture through supplier training to achieve the best practices and standards of responsible business conduct, including best practices and standards in the field of anti-corruption compliance. In 2021, Ninestar organized 6 training sessions on promoting business ethics or anti-corruption compliance operation for suppliers, with a total of 36 person-times.

### Case Study Supplier training on business ethics or anti-corruption

Pantum Smart Manufacturing is committed to building a supply chain in the sunshine and creating a fair, open and just procurement environment in the sunshine for suppliers.

In 2021, Pantum Smart Manufacturing held several training meetings for procurement-related personnel, in which all parties were required to enhance the awareness of integrity procurement, strengthen the internal integrity supervision mechanism, and standardize the supply chain procurement process; the participants also conducted in-depth analysis and discussion on potential issues in the procurement process.



## Conflict Minerals Management

Together with upstream and downstream partners, Ninestar is actively responding to the requirements of the international community, practicing corporate responsibility and promoting the sustainable development of the mineral supply chain. We continuously improve the control and audit of conflict minerals in the supply chain to form a management mechanism in line with our own operating conditions. Moreover, we instituted *Procurement Management Procedures*, *Supplier Development and Introduction Management Regulations* and other systems to standardize procurement behavior. Sticking to green, environmentally friendly, sustainable, fair and transparent procurement concepts and policies, we conduct procurement in a responsible manner.

Ninestar Information Technology has signed the *Letter of Commitment to Not Using Conflict Minerals* with all suppliers, which obligates the suppliers to commit that all deliveries and their packaging shall be free of conflict minerals, including rare metals such as cassiterite, wolframite, coltan and gold and their derivatives, especially the raw materials of gold, tantalum, tin and tungsten, from Congo and its neighboring countries, as well as from any area controlled by armed forces within those countries, and the mining, smelting, forming and other manufacturing processes of the metals may not take place in the above areas.

### Management policy



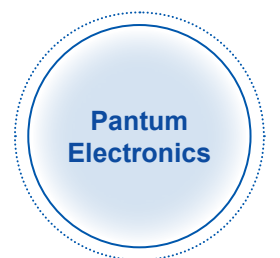
Sign the *Letter of Commitment to Not Using Conflict Minerals* with the suppliers, requiring them to commit that all deliveries and their packaging are free of conflict minerals;

Require suppliers to strengthen supply chain management and formulate relevant management systems and regulations to effectively identify and trace the source of raw materials as well as ensure the legitimacy of the source of raw materials;

Require suppliers to truthfully fill in and respond to surveys and provide other information on "conflict minerals";

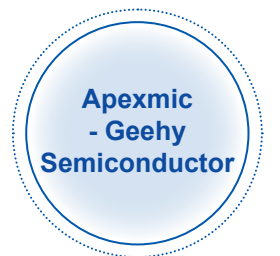
Conducted and passed the RBA (EICC) Responsible Business Alliance Code of Conduct Assessment and Environmental Label Certification, requiring compliant suppliers to provide an RBA Declaration of Conformity.

Require suppliers to sign a declaration that they do not use conflict minerals from 10 countries including Congo when they are introduced according to the *Supplier Development and Introduction Management Regulations*.



Assist the client in conducting conflict minerals investigations on suppliers in accordance with regulatory requirements on conflict minerals.

Require suppliers to sign "Export Control" related agreements in accordance with the *Supplier Development and Introduction Management Regulations*.





## Management practices

Ninestar is well aware that sourcing raw materials in areas of political and social conflict, such as the Republic of the Congo or its neighboring countries, may involve conflict minerals. Therefore, the Company actively practices responsible corporate procurement, and requires its major business segments to adopt different management policies based on their own development needs.

Apexmic and its subsidiary Geehy Semiconductor carried out traceability identification and evaluation of smelters and refineries responsible for products. In 2021, none of Apexmic's suppliers had smelters or refineries. Pantum Smart Manufacturing conducted a conflict minerals investigation on suppliers through the CMRT questionnaire, which indicated that none of the suppliers' raw materials were conflict minerals during the Reporting Period. Ninestar Information Technology and Consumables Business Unit conducted country-of-origin ROCI due diligence on suppliers with conflict minerals risks and required suppliers to provide a Responsible Minerals Sourcing Policy Statement.

## Promote Industry Development

As a leading provider of printing and imaging products and services, Ninestar pays high attention to cooperation and exchanges with industry, academia and research circles, and works actively with other partners to analyze and address development problems, helping drive the growth of the industry.

Ninestar's relevant departments and subsidiaries all actively participate in associations and social organizations of various industries. Apexmic is a member of China Semiconductor Industry Association and the executive vice president of Zhuhai Internet of Things Industry Association; the Consumables Business Unit has joined the National Technical Committee for Standardization in Copying Machines, Guangdong Hi-tech Enterprise Association, Guangdong Industry-University-Research Promotion Association and other associations; Pantum Electronics has joined the Airprint Organization, Wi-Fi Alliance, China National Information Technology Standardization Network, and the Printer Professional Committee of China Computer Industry Association and other associations.

## Industry-university-research cooperation

Following the cooperation concept of "long-term, win-win cooperation with academia", Pantum Electronics has introduced the coordinated cooperation mode between enterprises, disciplines and fields, forming an interdisciplinary alliance to tackle key problems, promote industry-university-research transformation and foster innovative talents. Pantum Electronics has established strategic partnerships with Zhejiang University, Dalian University of Technology, Wuhan University and other universities. In 2021, Pantum Electronics, together with Zhejiang University, independently carried out the project *Development of High-speed Monochrome Laser Scanning Unit Based on Self-Rotation Drive Chip*, which bridged the gap in China with the product performance coming up to the advanced world standard.

Apexmic and Zhejiang University jointly declared major projects on core electronic devices, high-end general chips, and basic software products, winning the first prize for scientific and technological progress of the Chinese Institute of Electronics and Zhuhai City's special prize for scientific and technological innovation; Apexmic and Zhengzhou University have established the Microelectronics Integrated Circuit Design and Research Base of Zhengzhou University to jointly study low-power Internet of Things and mid- and high-end industrial control System on Chip (SOC).

### Case Study

### In mutual trust and cooperation, Geehy Semiconductor and its industrial partners help drive industrial growth

On March 18, 2021, the China IC Leader Summit was held in Shanghai, where many IC industry leaders, authorities, technical experts and company representatives gathered together to explore ways of achieving technological breakthroughs and promoting industrial development of China's semiconductor industry under the theme of "Breakthrough and Rise".

At the summit, Geehy Semiconductor's representative gave a speech on the topic of "Accelerating the R&D and Industrialization of Domestic Key Core Chips", in which the representative deeply analyzed Geehy's technological innovation brought to the industry by leveraging its own technological and platform resource advantages under the current industry trends, and shared its views on the development of domestic industrial chips and the future development strategies of Geehy.



## Participate in the formulation of industry standards

The Company works hard to promote the research of industry standards and cooperates with eco-partners in the industry to contribute to the development of the industry. Focusing on the application of copying and printing technologies and related products, Pantum Electronics led and participated in the formulation of many national and industrial standards, such as *Digital multi-functional monochrome electrostatic copying (printing) devices*, *Method of measuring abrasion resistance of images on copied pages*, *Method of measuring gloss uniformity of images on color copied pages* and *Determination method of declared printing yield/copying yield for toner cartridge*.

In 2021, Pantum Electronics led or participated in the formulation of the following standards:

GB/T 40774-2021 Technical specification for eco-design product assessment—Office equipment

GB/T 10073-2021 Methods of evaluation for image quality of electrostatic copies

T/CCOE5-2021 Technical specification for office equipment - electrostatic photographic color cartridge

T/CCOE6-2021 Technical specification for office equipment - ink-jet cartridge of the printer





# Join Hands to Bring Harmony and Gather Love

## Material issues

- Public welfare and charity

## Indicators addressed in this chapter

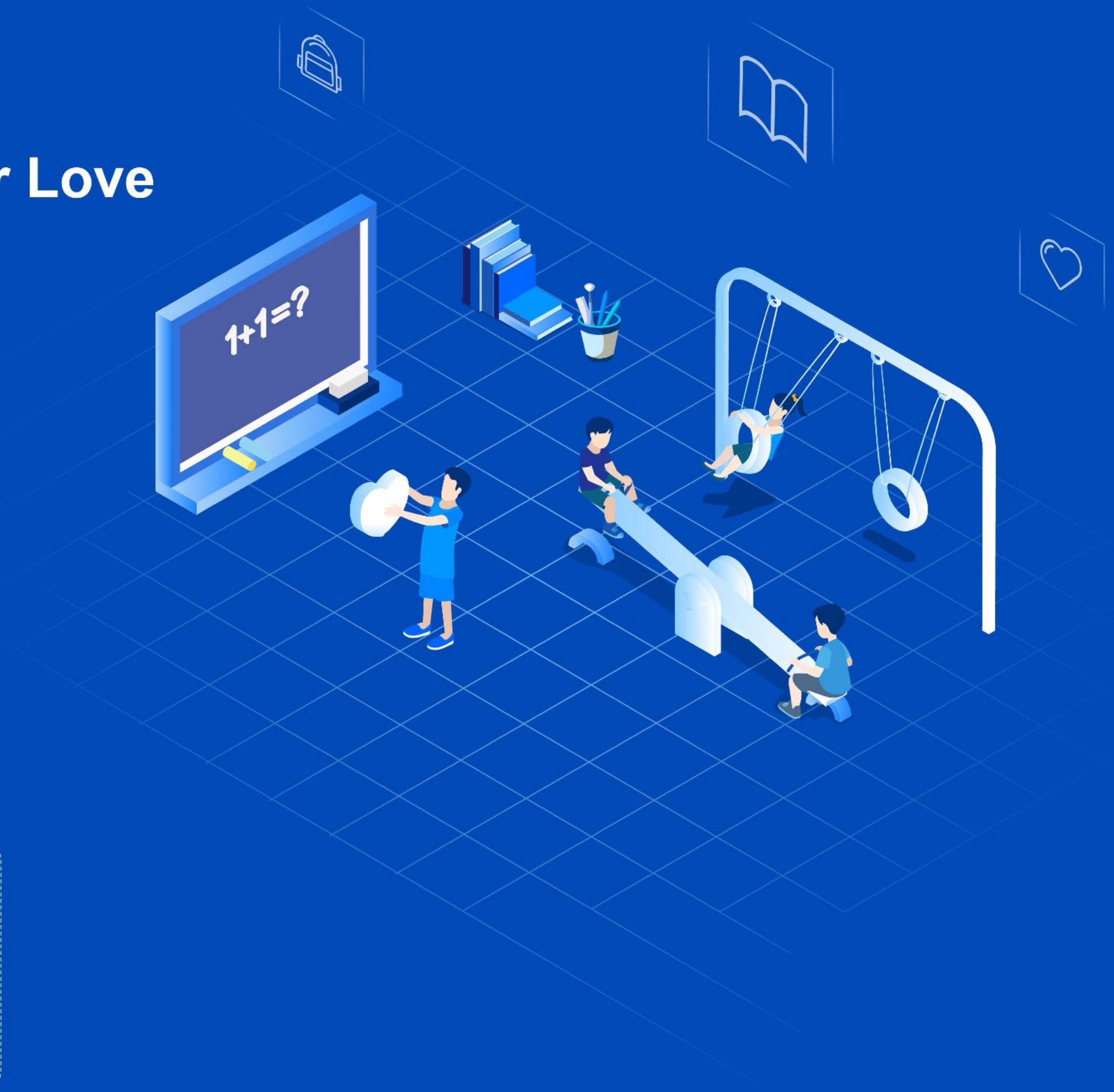
### Response to SDGs



### Response to GRI Indicators

GRI 413

While maintaining its own steady business operation and development, Ninestar is mindful of its social responsibilities to support the public welfare. We actively responded to the national strategies and formulated the *Ninestar social responsibility system*. Our efforts include supporting rural revitalization, caring for the education of children in mountainous areas, proactively understanding the needs of communities, encouraging employee participation in volunteer activities, and vigorously carrying out voluntary public benefit activities in communities.





## Social Assistance

As a socially responsible company, Ninestar is committed to “doing our part to give back to society.” In 2021, we invested a total of CNY78.8239 million in social assistance.



In 2021, we invested a total of

CNY **78.8239**

million in social assistance.

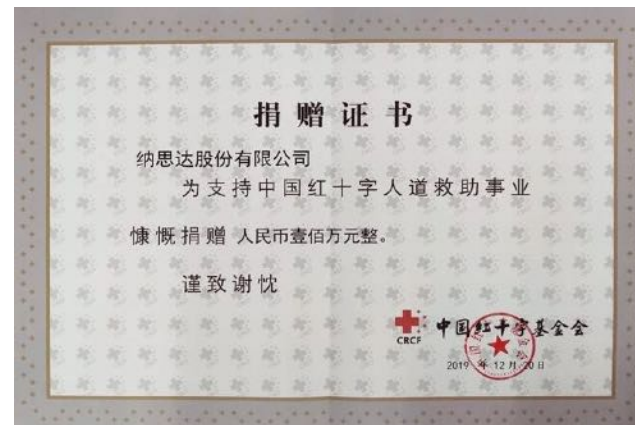
## Public welfare and charity

### Ninestar Angel Love Fund

In 2007, we established the “Ninestar Angel Love Fund”, our first foundation named after the enterprise, to assist underprivileged children suffering from leukemia. After three severe earthquakes occurred in Sichuan and Qinghai in 2008, 2010 and 2013, the foundation donated a total of CNY 2.2 million to the disaster areas.

In 2019, we expanded our foundation assistance to include student aid, critical illness relief, health interventions and environmental protection projects, and donated another CNY 1 million to support the Red Foundation in its work on student aid, critical illness relief, health interventions and environmental protection projects, among others.

In 2021, the Company participated in the “Guangdong Poverty Alleviation and Relief Day” and donated CNY 30,000 to Zhuhai Foundation for Poverty Alleviation, CNY 50,000 to Zhuhai Financial Treasury Payment Center and CNY 200,000 to the Red Cross Society of Xiangzhou District. By the end of 2021, the foundation has donated a total of CNY 4.121 million.



## Rural revitalization

In 2021, through rural revitalization, educational assistance and other programs, we focused on supporting paired-up areas, with a total investment of CNY769,000. By the end of 2021, the shareholders of the Company had donated CNY2.85 million to Zhuhai Guangmingxing Charity Foundation for projects such as assistance between the eastern and western regions and student assistance. The Company has invested a total of CNY6.4135 million in the collaboration and assistance between the eastern and western regions, and a total of CNY68.8564 million in the paired-up assistance.

In 2017, Ninestar joined hands with Alxa SEE public welfare organization to support its project “One Hundred Million Ammodendron Trees”. In addition, we partnered with Alxa SEE public welfare organization to offer paired-up assistance to people in Zili Village, Xingmin Town, Xishui County, Guizhou Province, as part of our efforts to promote rural revitalization and serve the cause of “green technology, extending life for the earth.” In 2021, we donated a total of CNY580,000.

## Educational assistance

In response to the district- and municipal-level policy for assistance between the eastern and western regions, Ninestar actively carried out the “educational assistance and poverty alleviation policy” between Zhuhai and Nujiang of the Lisu Autonomous Prefecture. In 2021, Pantum Electronics opened and assisted 15 school-enterprise cooperation classes in Nujiang of the Lisu Autonomous Prefecture of Yunnan Province, Zhaotong City of Yunnan Province, Leiyang City of Hunan Province and Yangjiang City, and offered scholarships of CNY60,000. During the Reporting Period, Ninestar invested a total of CNY490,000 in educational assistance and assisted 900 people.

### Case Study Spread love through donations to schools

On November 24, 2021, in line with its mission to “take responsibility for society” and its efforts to promote the development of education, Ninestar donated teaching goods and materials worth CNY28,340 to Guangchang Primary School with the school’s sports meeting just around the corner, helping make the event a complete success!



## Environmental public warfare

As early as 2007, Ninestar began to participate in a 10-year project in Alxa, the "One Hundred Million Ammodendron Trees." The project is committed to planting one hundred million ammodendron trees in Alxa region in 10 years to restore 2 million mu of vegetation, as a way to improve the local ecological environment and curb the desertification while enhancing the living standards of herdsmen through the derived economic value of ammodendron trees. Since March 2017, Ninestar has donated 29,000 ammodendron trees, covering an area of 580 mu.



Since March 2017, Ninestar has donated  
**29,000** ammodendron trees



## Community Inclusion

Ninestar aspires to bring love to the world with long-lasting kindness and charity. A core part of Ninestar's mission is to make a contribution to society. A basic part of Ninestar's corporate culture is to give back to society. By focusing on community development, taking community interests into consideration, actively keeping in touch with communities, thoroughly understanding the needs of communities, and encouraging employee participation in community volunteer activities, we seek to grow together with communities around us, with an average annual investment of CNY150,000. Through community volunteer activities, we instill the values of kindness and love into the hearts of all employees in Ninestar.

### Case Study Blood donation public benefit activities

In order to ensure adequate supply of blood, Ninestar teamed up with Zhuhai Blood Station to organize a two-day blood drive. Ninestar encouraged employees, by e-mail, WeChat official account, offline poster and many other means, to donate blood as an act of love. During the event, Ninestar employees donated a total of 37,200ml of blood, showing their love and support for the society. In June 2021, Ninestar won the "Zhuhai Voluntary Unpaid Blood Donation Promotion Award in 2020-2021", which was jointly awarded by Health Bureau of Zhuhai, Red Cross Society of Zhuhai Branch and Zhuhai Central Blood Station.



### Case Study Tree planting volunteer activities

On May 12, 2018, in order to advocate the spirit of volunteerism in the new era and help build an ecological civilization in Zhuhai, nearly 50 young Party-community service volunteers from Ninestar labor union took part in the voluntary service action of tree planting and green protection, with the theme of "Protecting Mother River", in Fu'an Village, Lianzhou Town, Doumen District. In this volunteer activity, while enjoying planting trees outdoors, the volunteers also put Lei Feng's spirit of selfless dedication into practice.



### Case Study Ninestar and the community jointly held an activity themed "Early Winter Hike Toward Wellness"

To enrich the sparetime cultural life of employees, practice the Company's corporate culture, enhance team cohesion and solidarity, and cultivate harmony, Ninestar has organized hiking events for seven years in a row since 2015, attracting a large number of employees to participate each year.

On the morning of December 25, 2021, in the Hengqin Huahai Corridor, Ninestar launched a 12-kilometer hiking activity with the theme of "Early Winter Hike Toward Wellness", in which 338 employees participated. In this activity, Ninestar employees not only improved their physical fitness, but also got to experience the power of nature and measure the beauty of the land they step on.





Appendix

Appendix I Key Performance Indicators of 2021 ESG Report

Environmental Indicator			
ESG Indicator Category		Unit	Data of 2021
Emissions	Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	218.8
	Indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	16,056.6
	Total GHG emissions	tCO <sub>2</sub> e	16,275.4
	GHG emission intensity	tCO <sub>2</sub> e/CNY10,000 revenue	0.00714
	Chemical oxygen demand (COD)	Ton	1.431
	Suspended solids	Ton	0.477
	Petroleum	Ton	0.005
	Animal and vegetable oil	Ton	0.021
	Anilines	Ton	0.049
	Five-day biochemical oxygen demand (BOD <sub>5</sub> )	Ton	0.487
	Particulate matter (PM)	Ton	0.568
	Total VOCs	Ton	0.552
Water Resources	Fresh water consumption	Ton	196,343.0
Materials	Total packaging materials used	Ton	7,551.7
	Total usage of sustainable packaging materials	Ton	7,255.2
Waste	Total hazardous waste disposal	Ton	139.2
	Total general waste disposal	Ton	2,295.1
	Office waste	Ton	591.7
	Production waste (unrecyclable)	Ton	1,703.4
Energy	Outsourced electricity usage	10,000 kWh	2,412.0
	Photovoltaic power generation (non-utility)	10,000 kWh	233.7
	Gasoline usage	L	95,699.9
	Diesel usage	L	500.0
	Total comprehensive energy consumption	Ton of standard coal	3,789.5
	Direct energy consumption	Ton of standard coal	105.8
	Indirect energy consumption	Ton of standard coal	3,683.7
	Comprehensive energy consumption intensity	tce/CNY10,000 revenue	0.00166

Social Indicator			
ESG Indicator Category		Unit	Data of 2021
Employment	Total number of employees	Person	21,787
Occupational Health and Safety	Number of employee deaths related to work in the past three years	Person	0
	Number of working days lost due to work-related injury during the year	Day	0
	Safety incidents	Case	1
	Training hours of production safety and occupational health	Hour	165,580
	Cumulative trainees of production safety and occupational health training during the year	Person-time	19,585
Training and Education	Number of trained employees	Person	7,800
	Total hours for training of employees	Hour	31,200
	Total investment in employee training	CNY10,000	243
Supplier Management	Total suppliers	Supplier	1,186
	Supplier training	Time	47
	Participation in supplier training	Supplier	66
	Suppliers' signing rate of integrity agreement (contract value with more than CNY50,000)	%	100%
Anti-corruption	Number of concluded corruption lawsuits brought against the issuers or employees	Case	0
Local Communities	Cumulative investment in social assistance	CNY10,000	7,882.39

Appendix II Content Index of Global Reporting Initiative (GRI) Standards

Indicator		Indicator Description	Section
Organizational profile	102-1	Name of organization	About this Report
	102-2	Activities, brands, products and services	About the Company
	102-3	Location of headquarters	About this Report
	102-4	Location of operations	About the Company
	102-5	Ownership and legal form	/
	102-6	Markets served	About the Company
	102-7	Scale of organization	Help Employees Succeed and Make Joint Efforts for the Future
	102-8	Information on employees and other workers	Help Employees Succeed and Make Joint Efforts for the Future
	102-9	Supply chain	Partnership for Flourishing
	102-10	Significant changes to the organization and its supply chain	Partnership for Flourishing
	102-11	Precautionary principles or approach	Not applicable
	102-12	External initiatives	Not applicable
	102-13	Membership of associations	Not applicable
Strategy	102-14	Statement from senior decision-maker	Chairman's Statement
	102-15	Key impacts, risks and opportunities	Responsible Governance and Stable Development
Ethics and Integrity	102-16	Values, principles, standards and norms of behavior	Responsible Governance and Stable Development
	102-17	Mechanisms for advice and concerns about ethics	Responsible Governance and Stable Development
Governance	102-18	Governance structure	Responsible Governance and Stable Development
	102-19	Delegating authority	Responsible Governance and Stable Development
	102-20	Executive-level responsibility for economic, environmental and social topics	Responsible Governance and Stable Development
	102-21	Consulting stakeholders on economic, environmental and social topics	Responsible Governance and Stable Development
	102-22	Composition of the highest governance body and its committees	Responsible Governance and Stable Development
	102-23	Chair of the highest governance body	/
	102-24	Nominating and selecting the highest governance body	/
	102-25	Conflict of interest	Not applicable

Indicator		Indicator Description	Section
Governance	102-26	Role of highest governance body in setting purpose, values and strategy	About the Company
	102-27	Collective knowledge of the highest governance body	/
	102-28	Evaluating the highest governance body's performance	/
	102-29	Identifying and managing economic, environmental and social impacts	Responsible Governance and Stable Development
	102-30	Effectiveness of risk management process	Responsible Governance and Stable Development
	102-31	Review of economic, environmental and social topics	Responsible Governance and Stable Development
	102-32	Highest governance body's role in sustainability reporting	Responsible Governance and Stable Development
	102-33	Communicating critical concerns	Responsible Governance and Stable Development
	102-34	Nature and total number of critical concerns	Responsible Governance and Stable Development
	102-35	Remuneration policies	/
	102-36	Process for determining remuneration	/
	102-37	Stakeholders' involvement in determining remuneration	/
	102-38	Annual total compensation ratio	/
	102-39	Percentage increase in annual total compensation ratio	/
Participation of Stakeholders	102-40	List of stakeholder groups	Responsible Governance and Stable Development
	102-41	Collective bargaining agreement	/
	102-42	Identifying and selecting stakeholders	Responsible Governance and Stable Development
	102-43	Approach to stakeholder engagement	Responsible Governance and Stable Development
	102-44	Key topics and concerns raised	Responsible Governance and Stable Development
Report Practice	102-45	Entities included in the consolidated financial statements	/
	102-46	Defining report content and topic boundaries	About this Report
	102-47	List of material topics	Responsible Governance and Stable Development
	102-48	Restatement of information	Not applicable
	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	About this Report
	102-51	Date of the most recent report	About this Report
	102-52	Reporting cycle	About this Report
	102-53	Contact information for questions regarding the report	About this Report



Indicator		Indicator Description	Section
Report Practice	102-54	Claims of reporting in accordance with the GRI standards	About this Report
	102-55	GRI content index	Appendix II
	102-56	External assurance	/
Management Method	103-1	Explanation of the material topic and its boundaries	Responsible Governance and Stable Development
	103-2	Management approach and its components	Responsible Governance and Stable Development
	103-3	Evaluation of the management approach	Responsible Governance and Stable Development
Economic Performance	201-1	Direct economic value generated and distributed	/
	201-2	Financial implications and other risks and opportunities due to climate change	/
	201-3	Defined benefit plan obligations and other retirement plans	/
	201-4	Financial assistance received from government	/
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	/
	202-2	Proportion of senior management hired from the local community	/
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	/
	203-2	Significant indirect economic impacts	/
Procurement Practice	204-1	Proportion of spending on local suppliers	Partnership for Flourishing
Anti-corruption	205-1	Operations assessed for risks related to corruption	Responsible Governance and Stable Development
	205-2	Communication and training about anti-corruption policies and procedures	Responsible Governance and Stable Development
	205-3	Confirmed incidents of corruption and actions taken	Responsible Governance and Stable Development
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and antimonopoly practices	Responsible Governance and Stable Development
Materials	301-1	Materials used by weight or volume	Green Development & Environment Protection Appendix I
	301-2	Recycled input materials used	Green Development & Environment Protection
	301-3	Reclaimed products and their packaging materials	Green Development & Environment Protection
Energy	302-1	Energy consumption within the organization	Green Development & Environment Protection Appendix I
	302-2	Energy consumption outside of the organization	Green Development & Environment Protection Appendix I
	302-3	Energy intensity	Green Development & Environment Protection Appendix I
	302-4	Reduction of energy consumption	Green Development & Environment Protection
	302-5	Reduction in energy requirements of products and services	Green Development & Environment Protection

Indicator		Indicator Description	Section
Water Resources	303-1	Interactions with water of the organization	Green Development & Environment Protection
	303-2	Management of water discharge-related impacts	Green Development & Environment Protection
	303-3	Water withdrawal	Green Development & Environment Protection
	303-4	Water discharge	Green Development & Environment Protection
	303-5	Water consumption	Green Development & Environment Protection Appendix I
Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable
	304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable
	304-3	Habitats protected or restored	Not applicable
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable
Emissions	305-1	Direct (Scope1) GHG emissions	Appendix I
	305-2	Energy indirect (Scope 2) GHG emissions	Appendix I
	305-3	Other indirect (Scope 3) GHG emissions	/
	305-4	GHG emissions intensity	Appendix I
	305-5	Reduction of GHG emissions	/
	305-6	Emission of ozone-depleting substances (ODS)	/
	305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ) and other significant air emissions	/
Waste	306-1	Waste generation and significant waste-related impacts	Green Development & Environment Protection
	306-2	Management of significant waste-related impacts	Green Development & Environment Protection
	306-3	Waste generated	Green Development & Environment Protection Appendix I
	306-4	Waste diverted from disposal	Green Development & Environment Protection
	306-5	Waste directed to disposal	Green Development & Environment Protection
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Green Development & Environment Protection
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Partnership for Flourishing
	308-2	Negative environmental impacts of supply chain and actions taken	Partnership for Flourishing

Indicator		Indicator Description	Section
Employment	401-1	New employee hires and employee turnover rate	Help Employees Succeed and Make Joint Efforts for the Future Appendix I
	401-2	Benefits provided for full-time employees (excluding temporary or part-time employees)	Help Employees Succeed and Make Joint Efforts for the Future
	401-3	Parental leave	Help Employees Succeed and Make Joint Efforts for the Future
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	Help Employees Succeed and Make Joint Efforts for the Future
Occupational Health and Safety	403-1	Occupational health and safety management system	Help Employees Succeed and Make Joint Efforts for the Future
	403-2	Hazard identification, risk assessment, and incident investigation	Help Employees Succeed and Make Joint Efforts for the Future
	403-3	Occupational health services	Help Employees Succeed and Make Joint Efforts for the Future
	403-4	Worker participation, consultation and communication on occupational health and safety	Help Employees Succeed and Make Joint Efforts for the Future
	403-5	Worker training on occupational health and safety	Help Employees Succeed and Make Joint Efforts for the Future Appendix I
	403-6	Promotion of worker health	Help Employees Succeed and Make Joint Efforts for the Future
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Help Employees Succeed and Make Joint Efforts for the Future
	403-8	Workers covered by an occupational health and safety management system	Help Employees Succeed and Make Joint Efforts for the Future
	403-9	Work-related injuries	Help Employees Succeed and Make Joint Efforts for the Future Appendix I
	403-10	Work-related ill health	Help Employees Succeed and Make Joint Efforts for the Future
Training and Education	404-1	Average hours of training per year per employee	Help Employees Succeed and Make Joint Efforts for the Future Appendix I
	404-2	Programs for upgrading employee skills and transition assistance programs	Help Employees Succeed and Make Joint Efforts for the Future
	404-3	Percentage of employees receiving regular performance and career development reviews	Help Employees Succeed and Make Joint Efforts for the Future
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Help Employees Succeed and Make Joint Efforts for the Future Appendix I
	405-2	Ratio of basic salary and remuneration of women to men	/
Anti-discrimination	406-1	Incidents of discrimination and corrective actions taken	Help Employees Succeed and Make Joint Efforts for the Future
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Help Employees Succeed and Make Joint Efforts for the Future
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	Help Employees Succeed and Make Joint Efforts for the Future

Indicator		Indicator Description	Section
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Help Employees Succeed and Make Joint Efforts for the Future
Security Practices	410-1	Security personnel trained in human rights policies or procedures	/
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Not applicable
Human Right Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	/
	412-2	Employee training on human right policies or procedures	/
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	/
Local Communities	413-1	Operations with local community engagement, impact assessment and development programs	Join Hands to Bring Harmony and Gather Love
	413-2	Operations with significant actual and potential negative impacts on local communities	Join Hands to Bring Harmony and Gather Love
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Partnership for Flourishing
	414-2	Negative social impacts in the supply chain and actions taken	Partnership for Flourishing
Public Policy	415-1	Political contributions	Not applicable
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Refined Quality with Ingenuity
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Refined Quality with Ingenuity
Marketing and Labeling	417-1	Requirements for product and service information and labeling	/
	417-2	Incidents of non-compliance concerning products and services information and labeling	/
	417-3	Incidents of non-compliance concerning marketing	/
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and loss of customer data	Refined Quality with Ingenuity
Socio-economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Not applicable



# Feedback Form

Valued readers,

Thank you for reading this Report. This is our Environmental, Social and Governance (ESG) Report 2021. We sincerely hope that you could evaluate this Report and provide valuable comments to help us make continuous improvement.

Should you have any comments or suggestions on the ESG Report of the Company, please feel free to email us by sec@ggimage.com

Feedback Form of 2021 ESG Report of Ninestar Corporation

Name

Company

Position

Tel

Email

Your comments on this Report: (please tick√ where appropriate)

	Very Good	Good	Average	Poor	Relatively poor
Do you think this Report has highlighted the important information about the Company in terms of environment, society and governance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the information and indicators disclosed in this Report are clear, accurate and complete?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you think the content arrangement and style design of the Report are convenient for reading?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Which part of the Report are you most interested in?

What information you think you need to know is not reflected in the Report?

Do you have any other suggestions for us to issue the environmental, social and governance report in the future?

## **Ninestar Corporation**

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