

## Lopal 2018 Progress Report On Fulfilling The Global Compact

Lopal Technology Co., Ltd. (formerly known as Lopal Petrochemical) has strictly followed and actively implemented the ten principles of the Global Compact concerning human rights, labor standards, environment and anti-corruption, and has formulated a complete system in the areas of labor standards, environmental protection, anti-corruption and other aspects. The company is committed to be the Top 500 Manufacturing Industry in China in the field of green chemistry and continue promoting the implementation of the Global Compact, the sustainable development of enterprises, economy, environment and society through researching and the brand-driving.

Since joining the Global Compact, Lopal carries out corporate social responsibility and always regarded it as an important task, implements own responsibilities and obligations, fulfills the company's commitment to society, achieved spectacular achievements in the past year.

In June 2018, Lopal was awarded the title of Tianjin Famous Brand Product

In November 2018, Lopal was awarded the title of “Top 10 Lub Top China Lubricant Industry” for the third consecutive year with its leading strength in marketing innovation and consumer recognition.

On November 26, 2018, the Nanjing Municipal Party Committee and the Municipal Government held a private economic development conference. At the meeting, Lopal was promoted by Nanjing Municipal Party Committee and Municipal Government as an outstanding private enterprise. It's another heavy government honor that our company received after the “Jiangsu Province Quality Award” and “Nanjing Quality Award”.

In December 2018, lopal won the title of “Excellent Enterprise of Two Integration”, it shows the power of role models in the field of intelligent manufacturing.

As one of the leading enterprises in China's lubricant industry, we have the responsibility to set an excellent example for the management and implementation of CSR (Corporate Social Responsibility) in the industry. To this purpose, we will continue to firmly support the development of the UN Global Compact. We also hope that our support can motivate more domestic enterprises and contribute more to the emphasis on corporate social responsibility and the promotion of social sustainable development.

Lopal has carried out the following works in fulfilling the “Global Compact” in the past year:

### 1, The principle of human rights

Principle 1: The internationally recognized human rights should be supported and respected by enterprises.

Principle 2: Don't go along with human rights abusers in their evil deeds.

Since joining the UN Global Compact, lopal has always regarded the supports of the UN Universal Declaration of Human Rights as part of our commitment to social responsibility. The commitment means that through continuous efforts, We will set lofty goals and code of conducts and put the concern for human rights into the actual actions of the company.

### **The future prospects of lopal on following human rights principles**

Lopal will continue following by the principles of human rights in the Global Compact, promoting awareness of human rights among all employees, and protecting the human rights of all employees with practical actions.

#### 2. The principle of labor standards

Principle 3: The internationally recognized human rights should be supported and respected by enterprises.

Principle 4: Eliminate all forms of forced labour.

Principle 5: Uphold the effective abolition of child labor.

Principle 6: Eliminate discrimination in employment and occupation

1. In 2018, Lopal re-elected the trade union, reorganized the trade union representatives and employee representatives to review the company's rules and regulations, and let the employees fully participate in the management of the enterprise.
2. In 2018, the company carried out various training activities for all employees. cooperated with Gordon Finance ,ZhongdeNuohao and other professional training institutions, invited many university scholars and professionals to training and comprehensively enhance the knowledge horizon and job skills of employees.

3. In 2018, Lopal Business School carried out the Excellent Leader Plan, and 20 growing employees are trained for an excellent talent training courses, and it provides effective help for their career development and career advancement

4. In 2018, the company continues to increase its incentives for outstanding employees.

### **The future prospects of lopal on following the principle of labor standards.**

After listed successfully, the employee benefits and corporate development enjoy a coordinate position, and the core ILO conventions on labour standards and other international treaties will be adhered to as always, the company carried out strictly the principles of the Global Compact on labor standards, and continue to improve the working environment and welfare of employees in light of domestic and corporate conditions. At the same time, the employment system will be innovated to improve employee satisfaction and happiness.

#### 3、 The principle environmental

Principle 7: A preventive approach to environmental challenges should be supported by enterprises

Principle 8: A more responsible approach on environment should be taken on proactive action.

Principle 9: Environmentally friendly technologies should be encouraged to develop and promote.

In 2018, the Chinese government has printed “three-year plan on defending the blue sky” and proposed the clear indicators on the development of the Green Environment Protection. The fine chemicals industry also has an indispensable social responsibility for the national development strategy of promoting environmental protection, energy conservation and emission reduction. Lopal has actively implemented the strategic steps of sustainable development, taking environmental protection, energy saving and emission reduction as the important direction of product research and development during the past year.

Achievements in environmental protection during the past year:

1. In 2018, the company carried out “automobile experts into lopal”, organized a special meeting with the theme of “defending the blue sky”, and invited the senior experts of the automotive industry, Li Jun, Chairman of the China Automotive Engineering Society and other experts, to provide advice and guidance, it lays the technical foundation for a series of environmentally friendly products in the future.
2. In 2018, the first AdBlue transport tanker was officially put into commercial use which researched by Kelas, the branch company of Lopal’s, opening a new milestone in the AdBlue industry and ensuring the smooth implementation of the China 6 in China.
3. In 2018, the company mainly focuses on energy conservation, environmental protection and emission reduction, and launched JINGWEI X 0W-20 energy-saving fully synthetic gasoline engine oil, diesel engine oil ZENGCHENG K10 with oil mileage of 100,000 kilometers, professional cleaning program to solve DPF blockage problems.
4. The AdBlue brand of Kelas, won “2018 Green Environmental Promotion Brand”.

### **The future prospects of lopal on environmental protection.**

Lopal will strictly follow the principles of the Global Compact on environmental protection, positively respond the decisions of the United Nations and the Chinese government on environmental protection, and contribute to the sustainable development of the global economy and society. In the future, Lopal will continue to increase investment to develop new environmental protection technologies and

environmentally friendly products, and make due contributions to China's environmental protection cause.

#### 4. Anti-corruption

Principle 10: All forms of corruption, including extortion and bribery, should be opposed by enterprise.

Integrity management has always been the business philosophy of lopal, Since the establishment of the company, we have strictly followed the relevant global standards for business integrity management, and continue to communicate Lopal's values and integrity principles to our employees, suppliers and customers.

#### **The efforts on the anti-corruption principle of lopal**

In 2018, the company improved the financial internal audit system, established the risk control department and perfected the management system of anti-corruption and for clean government , guaranteed the stable development of the company and promoted the smooth implementation of various tasks.

1. Established a special risk control department, which is directly under the control of the chairman of the board of directors, The department is responsible for investigating all kinds of violations of law and discipline within the company and eliminating various types of business risks.
2. Unscheduled special audits on various expenses, It runs through marketing, procurement, logistics, warehousing, infrastructure and other links.
3. All kinds of commercial bribery and other acts of accepting bribes should be resolutely punished, Depending on the seriousness of the circumstances, different types of corresponding measures should be taken, such as warning, fine, dismissal, dismissal and handover to law enforcement agencies as soon as detected.

#### **The future prospects of lopal on the action of anti-corruption**

The principles of the Global Compact on anti-corruption will be firmly implemented and followed by Lopal, the company will effectively prevent the occurrence of corruption of employees who invade the company's property and accept commercial bribery.

#### Concluding Remarks

Looking back on the past 2018, Lopal has made grate efforts and achieved remarkable achievements in fulfilling the ten principles of the Global Compact. As a member who has joined the UN Global Compact for ten years, Lopal will continue to fulfill the ten basic principles of the Global Compact in human rights, labor standards, the environment and anti-corruption, and regard social responsibility as an important development goal of the company, focus on the field of green chemical industry and

actively participate in the activities of the Global Compact of the United Nations around the world. driving more enterprises to participate in the ranks of fulfilling corporate social responsibility in the same time. While carrying out globalization development strategy, Lopal will actively carry out various public welfare activities and make their due contributions on the development of the society, the reduction of pollution emissions, the improvement of the environment, etc.

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