

Lopal Technology Global Compact 2020 Annual Progress Report

Since Lopal Technology Co., Ltd. (formerly known as Lopal Petrochemical) formally joined the United Nations "Global Compact" in October 2008, it has strictly followed and actively implemented the four aspects, ten principles of the Global Compact on human rights, labor standards, environment and anti-corruption. The company have formulated a complete system in terms of labor standards, environmental protection and anti-corruption. Entering a new stage of historical development, under the corporate guiding ideology of "Lopal dream", the company continues to promote the implementation of the Global Compact with the vision of "Growing into the seventh automotive green chemical international group in the world through R&D and brand drive", Continuously promote the sustainable development of the enterprise, economy, environment and society.

Since joining the Global Compact, the company has always regarded fulfilling corporate social responsibility as an important task. In the past years, the company has actively fulfilled its responsibilities and obligations. Under the background of the Covid-19 epidemic, Lopal has joined hands with all sectors of the society to actively carry out social welfare actions, fulfilling the company's commitments to the society, and has achieved remarkable results. .

In January 2020, Lopal donated 100,000 yuan to Jiangsu Provincial People's Hospital (the First Affiliated Hospital of Nanjing Medical University) to contribute to the frontline force of Covid-2019 epidemic prevention and control; From February to March 2020, Lopal donated chlorine dioxide disinfection gel products to many hospitals in Xiangyang, Hubei, Nanjing, Changzhou, and Yangzhou, Shanghai, Shandong, Anhui, Hebei, Henan, Jilin, Fujian, Guizhou, Xinjiang, etc. as well as their negative pressure ambulance of the emergency center to provide safer and more reliable health protection for the white-clothed angels who are fighting on the front line; In February 2020, Lopal Lubricants, united a well-known Internet logistics platform, China Storage Intelligent Transportation, donated a total of 1 million yuan of "Four Seasons" series of lubricant products to vehicles transporting relief supplies for the disaster-stricken areas in Hubei; Subsidiary Kelas, in conjunction with Anhui Expressway Petrochemical, Hubei CNOOC, and Jiangsu Expressway Petroleum, provided AdBlue for vehicles at some gas stations to support the anti-epidemic material transportation vehicles in Hubei, providing strong logistics support for disaster relief vehicles; In May 2020, Lopal Lubricant New Materials (Tianjin) Co., Ltd. won the title of "2019 Advanced Enterprise in Science and Technology Innovation" in Tianjin Port Free Trade Zone

with its leading scientific and technological innovation achievements; In July 2020, Lopal Lubricants won the honor of "Top Ten Chinese Lubricants Brands in 2019". In October 2020, Lopal Technology successfully passed the "Jiangsu Boutique" certification review and successfully ranked among the high-quality manufacturing brands in Jiangsu Province. As one of the leading companies 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 this industry. Moreover, we will continue to firmly support the development of the United Nations Global Compact. We also hope that our support can inspire more domestic enterprises and contribute more to emphasizing corporate social responsibility and promoting sustainable social development. In the past year, Lopal Technology has mainly carried out the following tasks in fulfilling the "Global Compact":

1. Human rights Principle 1: The business community should support and respect internationally recognized human rights Principle 2: Make sure not to go with the human rights abusers Since joining the United Nations Global Compact, Lopal has always supported the United Nations' Universal Declaration of Human Rights as part of its commitment to social responsibility. Our commitment means that we will formulate lofty goals and action guidelines through continuous efforts,, and implement the concern for human rights into the actual actions of the company.

Lopal's future prospects in respect of human rights principles

Lopal will continue to abide by the principles of human rights in the Global Compact, promote the awareness of safeguarding human rights among all employees, and take practical actions to protect the human rights of all employees.

2. Principles of Labor Standards

Principle 3: The business community should support and respect internationally recognized human rights

Principle 4: Eliminate all forms of forced and compulsory labor

Principle 5: Effectively abolish child labor

Principle 6: Eliminate discrimination in employment and occupation

1. In 2020, the company will implement a large-scale stock option incentive plan for employees, and issue a total of 6 million stock options to 146 employees including company directors, senior managers, middle managers and core technical (business) backbone personnel;

2. In 2020, Lopal University was officially inaugurated and established, and a number of university scholars and industry experts were hired as Lopal training lecturers to comprehensively

improve employees' knowledge and job skills, and cooperate with multiple professional training institutions to vigorously carry out training for all employees. Various training activities;

3. In 2020, Lopal Business School will implement the Excellent Leaders Program, organize several growth employees to form excellent talent training classes for targeted training each year, and the chairman will personally teach them to provide effective help for their career development and career promotion ;

4. In 2020, the company will continue to increase rewards for outstanding employees.

Lopal Technology's future outlook on compliance with labor principles

Lopal Technology has always placed the promotion of employee benefits at the same important position as the development of the company. In the future, it will continue to abide by the core conventions of the International Labor Organization on labor standards and other international treaties, strictly implement the principles of the Global Compact on labor standards, integrate domestic and the company's own situation, continue to improve the working environment and welfare of employees. At the same time, we will continue to innovate the employment system to improve employee satisfaction and happiness.

3. Environmental principle

Principle 7: The business community should support the use of preventive methods to meet environmental challenges

Principle 8: Take initiatives to promote more environmentally responsible practices

Principle 9: Encourage the development and promotion of environmentally friendly technologies

In 2020, the National Sixth Emission Standard was officially implemented. Automobile aftermarket companies have an incumbent social responsibility for the national development strategy goals of promoting environmental protection, energy saving, and emission reduction. In the past year, Lopal has actively implemented the strategic steps of sustainable development, taking environmental protection, energy saving and emission reduction as an important direction of product research and development. The achievements and effects of Lopal Technology in environmental protection in the past year:

1. In 2020, Lopal Technology will vigorously develop the strategic layout of lithium battery materials, and successively established Jiangsu Liyuan Battery Materials Co., Ltd. and Sichuan Liyuan New Materials Co., Ltd. to fully enter the field of new energy vehicle

battery materials.

2. In 2020, Lopal invested 100 million yuan to establish Jiangsu Platinum Hydrogen Energy Co., Ltd., focusing on the research and development of catalysts, the core technology in the fuel cell field, to help the rapid development of the clean energy industry;

3. In 2020, Lopal officially launched a joint laboratory for automotive fuel cell catalysts jointly established with Dalian Institute of Chemical Physics, Chinese Academy of Sciences, and signed a joint laboratory for hydrogen fuel cell stack materials with Anhui Tomorrow Hydrogen Energy Technology Co., Ltd. To further deepen the development and application of Lopal's new energy products;

4. In 2020, Lopal Technology's Lopal No. 1 high-level lubricants developed specifically for the National VI, Kelas Shengchang Pro car urea and DPF cleaning projects will enter the market and provide assistance for the implementation of National VI standards. ;

5. In 2020, Lopal Technology was invited to participate in the "Global Smart Mobility Conference and China (Nanjing) International New Energy and Intelligent Connected Automobile Exhibition" (GIMC 2020), the 12th International Automotive Transmission and Drive Technology Conference (TMC2020)) And other industry conferences to provide professional green chemical solutions for the development of energy conservation and environmental protection in the automotive aftermarket.

Lopal Technology's future prospects in environmental protection Lopal Technology will strictly abide by the principles of the Global Compact on environmental protection, actively respond to the various 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, actively develop new environmental protection technologies and products, and make due contributions to China's environmental protection cause.

4. Anti-corruption

Principle 10: The business community should strive to oppose all forms of corruption, including extortion and bribery Integrity management has always been the business philosophy that Lopal Technology has always followed from top to bottom. Since its establishment, Lopal Technology has strictly followed the relevant global standards on business integrity management, and has continued to inform our employees, suppliers and customers To convey Lopal's values and principles of integrity. Lopal Technology's efforts in anti-corruption principles In order to ensure

the healthy and stable development of the company and promote the smooth implementation of various tasks, in 2020, the company will continue to improve the financial internal audit system, organize the risk control department to implement internal audit activities, and further establish a sound anti-corruption management system. At the same time, the company strictly investigates and punishes all types of violations of regulations, disciplines and laws, and strengthens employee integrity education and publicity, thereby creating a good working environment and working atmosphere of integrity, self-discipline, and dedication.

1. Directly led by the chairman of the board of directors, organize the risk control department to implement internal audit activities, and be responsible for investigating various violations of discipline and law within the company, and eliminating various business risks;
2. Carry out special audits of various expenses from time to time, running through marketing, procurement, logistics, warehousing, infrastructure and other links;
3. Resolutely punish various commercial bribery and other bribery acts. Once discovered, depending on the severity of the circumstances, different types of corresponding measures such as warning, fine, dismissal, expulsion, and transfer to law enforcement agencies will be given.

The future outlook of Lopal Technology's anti-corruption actions
Lopal Technology will resolutely implement and follow the anti-corruption principles of the Global Compact, and effectively prevent all kinds of employee corruption such as embezzlement of company property and acceptance of commercial bribes.

Conclusion: Looking back on 2020, Lopal Technology has made many efforts in fulfilling the ten principles of the Global Compact and has achieved remarkable achievements. As a senior member who has joined the United Nations Global Compact for more than ten years, Lopal Technology will continue to thoroughly implement the ten basic principles of the "Global Compact" in terms of human rights, labor standards, environment and anti-corruption, and regard social responsibility as an important enterprise development Goals. In the future, Lopal will continue to focus on the green chemical industry based on the business philosophy of listed companies, actively participate in various activities carried out by the United Nations Global Compact around the world, at the same time drive more companies to participate in the performance of corporate social responsibility. Implementing Lopal's global development strategy, it actively carries out various public welfare activities to make its due contributions to the progress of society, the reduction of pollution emissions, and the improvement of the

environment.