东方雨虹
ORIENTAL YUHONG

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BOUT THIS REPORT

2009 2019

A real reflection to Oriental Yuhong's actions of implementing economic, environmental, and social responsibilities in 2019, this report is the twelfth corporate social responsibility report (CSR report) since Oriental Yuhong established CSR report release system in 2009. The following are explanations to the CSR report.

Report Subject

Take Beijing Oriental Yuhong Waterproof Technology Co., Ltd. as the subject, including its subsidiary companies and branches, business division and production bases and other branch units.

Abbreviations Used

“ ” “ ” “ ”

The word "Oriental Yuhong" or "the company" herein refers to "Beijing Oriental Yuhong Waterproof Technology Co., Ltd".

Reporting Period

2019 1 1 12 31

The reporting period is from January 1 to December 31, 2019. In consideration of continuity and comparison of disclosure, a part of information is extended back or forth on the basis of time.

Reporting Cycle

This report is published annually.

Report Compilation Principles

Objectivity, standardization, sincerity, and transparency.

2019

Sources Of Data

Related information and data herein are from Beijing Oriental Yuhong Waterproof Technology Co., Ltd. and its wholly-owned subsidiaries or holding companies.

Report Improvement

GRI G4

NGO

Take the "Sustainability development Reporting Guidelines"(G4) of the Global Reporting Initiative (GRI) and national series standards on social responsibilities.

In the process of compilation of the report, stakeholders such as partners, employees, NGOs and others were invited to participate, and roles of the reports in stakeholders' communication and the corporate social responsibility performance monitoring are brought into play.

Compilation Basis

GRI G4 GB/T 36001-2015

GB/T36000-2015 GB/T36002-2015

Compiled with reference to the "Sustainability development Reporting Guidelines "(G4), "Social Responsibility Reporting Guidelines" (GB/T 36001-2015), "Social Responsibility Guidelines" (GB/T 36000-2015), and" Social Responsibility Performance Indicator Classification System" (GB/T36002-2015) of the Global Reporting Initiative (GRI).

Language

The report is presented in Chinese and English.

Access To The Report

PDF http://www.yuhong.com.

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The report is published only in electronic version. You can visit the company's website http://www.yuhong.com.cn for an online PDF version, or scan the right side QR Code to obtain the electronic edition. (Contact telephone: 010-59526420, Email: xiejj@yuhong.com.cn).

1 OMPANY OVERVIEW

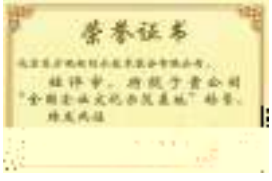
1995

CE EC1 FM

EPA “ ” “ ” “

”

Founded in 1995, Oriental Yuhong has been dedicated to providing high-quality and improved system solutions for the construction of thousands of important infrastructure projects, industrial buildings, civil and commercial buildings. It has grown into a high quality provider in the building material industry. Oriental Yuhong always pursues high-quality and stable development. It focuses on waterproofing services, and extends its business to upstream and downstream sectors as well as relevant industry chains. The company has formed strong building material service capabilities integrating building waterproofing, civil building materials, non-woven fabric, building coat, building repair, energy-saving and thermal insulation, special mortar, building powder etc. Oriental Yuhong has passed many domestic and international certification including EU CE certification, Germany EC1 certification, USA FM certification, and “Energy Star” of Environmental Protection Agency (EPA). And it has won many honors such as “China Quality Award”, “China Quality Benchmark” and “National Technology Innovation Demonstration Enterprise”.



2019

Oriental Yuhong pursuits of sustainable development continuously. It promotes the scale development with science and technology advancement, product excellence, service satisfaction, and safety & environmental protection. It has been authorized to build state key lab of special-purpose waterproof material, and has established national-certified corporate R&D center, academician work station, and post-doctoral work station, etc. Its R&D system is

2008

200

2000

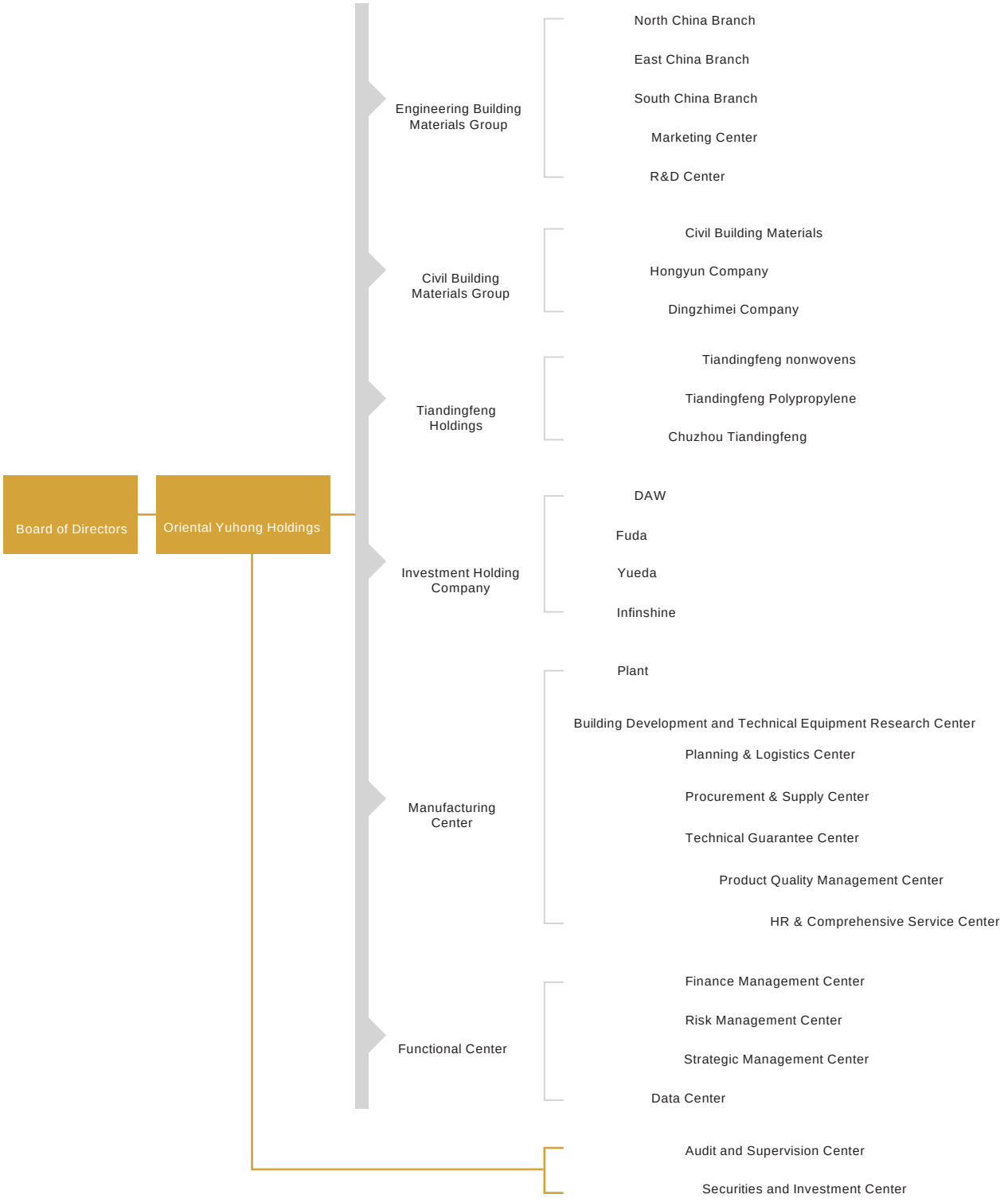
As an outstanding building materials service provider, Oriental Yuhong is responsible for solving all waterproofing problems for human beings. As a professional provider of waterproofing system solutions, Oriental Yuhong has successfully applied various of waterproofing systems to buildings, highways, urban roads and bridges, metros, urban railways, high-speed railways, airports, and water conservancy facilities. Outstanding examples are China's representative buildings, e.g. China's Great Hall and 2008 Beijing Olympics including the Bird's Nest and the Water Cube, as well as important national infrastructure construction projects such as Beijing-Shanghai high-speed railway, and Beijing Metro. Oriental Yuhong has established long-term and stable strategic cooperation relation with more than 200 real estate developers and large enterprises including Vanke, Hengda, Sunac, etc. Oriental Yuhong has sold its products into millions of families through nearly 2,000 large-scale home decoration companies and building material markets, such as Yezhifeng, Kuoda, Yuanzhou and Jinzhao.

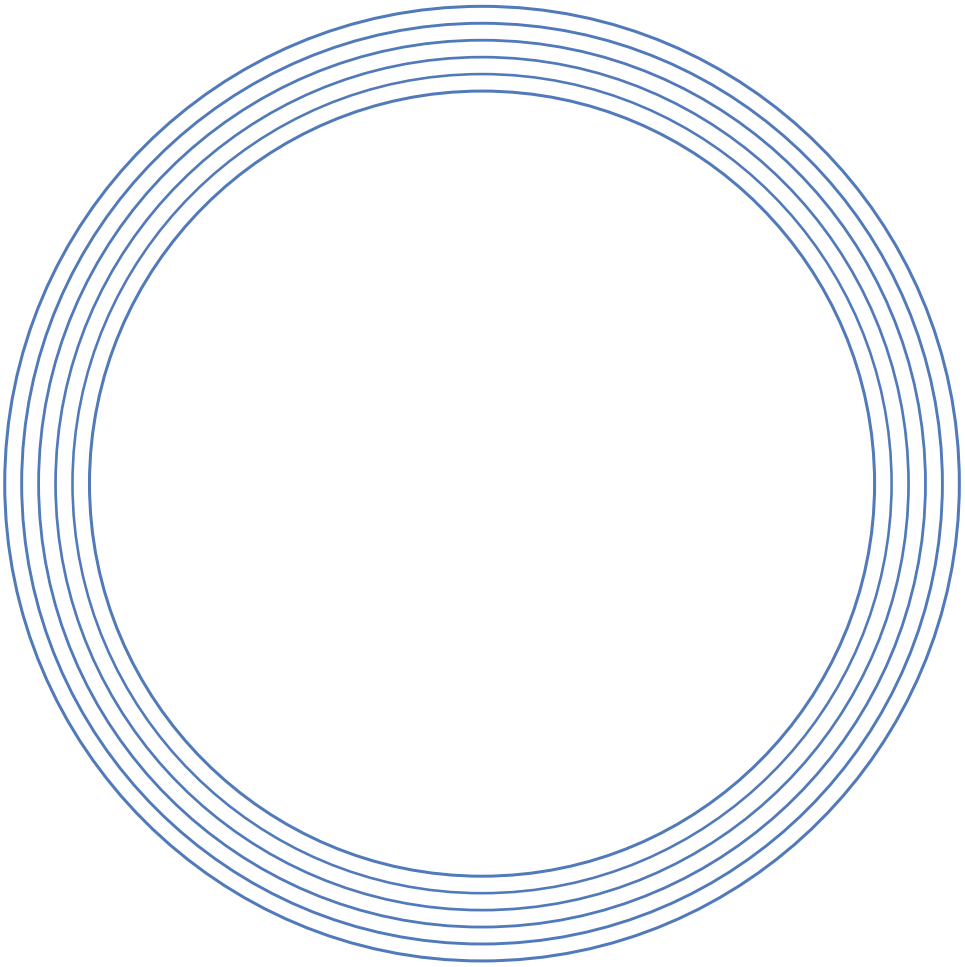
“ ”

100

Oriental Yuhong is always making efforts to realize the dream of a "globalized Oriental Yuhong", making contribution to building a harmonious habitat for people, and fulfilling the corporate vision of "building a durable and safe environment for human being and the society". With the implementation of Oriental Yuhong's international strategy, the products of company are exported to more than 100 countries and regions such as Germany, Brazil, Australia, the United States, Canada, Russia, Japan, Singapore, South Korea, Central Africa and South Africa.

1 ORPORATE STRUCTURE





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Social Responsibility Management Mechanism

To fulfill social responsibility is the inner factor of Oriental Yuhong. Through whole system and multi-dimensional responsibility management concept, and starting from research and development, production, sales, construction and other aspects, Oriental Yuhong strives to provide much better products and services by more environmental friendly, more energy efficient, safer and more effective means, and implants the concept of responsibility into its daily production operation.

<table>
<tr><td rowspan="5">Social Responsibility Management System</td><td colspan="8">Responsibility concept</td></tr>
<tr><td colspan="4">Clarify social responsibility</td><td colspan="4">Communication and participation of stakeholders</td></tr>
<tr><td colspan="8">Responsibility practices</td></tr>
<tr><td colspan="8">Corporate governance</td></tr>
<tr><td>Sustainable development</td><td>Human rights</td><td>Labor practices</td><td>Resources and environment</td><td>Fair operation</td><td>Customers</td><td>Community participation</td><td>Public welfare</td></tr>
</table>

Oriental Yuhong established a social responsibility work team, whose chief is Oriental Yuhong General Manager and whose members are General Managers of Oriental Yuhong subsidiaries and divisions, directors of different centers and factories. Members work in concert to push forward the social responsibility fulfillment of their units.

Stakeholders Communication And Participation

Stakeholder	Requirements and Expectations	Mode Of Communication	Response
Government			

Stakeholders Communication Examples

Stakeholders

2019 128 4
4 13 , 15 11

141

In 2019, Oriental Yuhong made a total of 128 public notices throughout the year, of which, 4 were made on a regular basis in order to ensure investors' timely supervision and transparent operation of the company. In the whole year

Customers

2019 1885 22570

Society

2019 5 28
2018 WTA
WTA

On May 28, 2019, at the 17th China International Roofing & Waterproofing Expo, Oriental Yuhong held the launching ceremony for 2018 Corporate Social Responsibility Report & the Cooperation with Shenzhen WTA Year-end Finals in Shanghai World Expo Exhibition & Convention Center. Oriental Yuhong has insisted on issuing corporate social responsibility report, actively fulfilled quality commitment, received the supervision of government, industry association and social media. On the important occasion of releasing the annual corporate social responsibility report OヨiiemT

Employees

2019
759 4300 12176

Suppliers

2020 1 10 2019 “ . ”
150 “ AAA ” 10
“ AA ” 22 “ A ” 33 5 “ ” 4
“ ”

On January 10, 2020, Oriental Yuhong Supplier Conference was held in Wuhu. The theme of the conference is“ Cooperate Efforts Together for Win-win Success ” . More than 150 supplier representatives were invited to attend the meeting. Their service scope covers raw materials, services, equipment, infrastructure and so on. At the meeting, 10 suppliers were awarded AAA grade, 22 AA grade, and 33 others A grade. In addition, five suppliers including Exxon won the“ Technology Innovation Award ” , and four suppliers including Wanhua won the “ Excellent Quality Award ” .

Communities

“ ”

Oriental Yuhong Shunyi Park R&D Center joined hands with Yangzhen Trade Union, BGE, Oriental Yuhong Building Renovation, and Yuhong Waterproof to give a public welfare lecture to the Yangzhen Yangzhou Xinyuan Community. At this public welfare lecture, they mainly discussed the topics such as “ how to classify and dispose of garbage ” and “ household waterproof skills ” . During the period, Oriental Yuhong R&D personnel and experts from other hosting companies provided detailed professional knowledge popularization and explanation for community residents. Experts made interaction with everyone on the site.

Industry

/

In recent years, Oriental Yuhong participated in or presided over the revision of dozens of national standards or industry standards, which successfully promoted the improvement of industry quality. The standards include “Technical requirements for environmental building materials and decoration materials”, “Technical specification for roofing

Mass Organizations

1 26 2019 “ ”

2019

The following are part of the social organizations participated in by Oriental Yuhong:

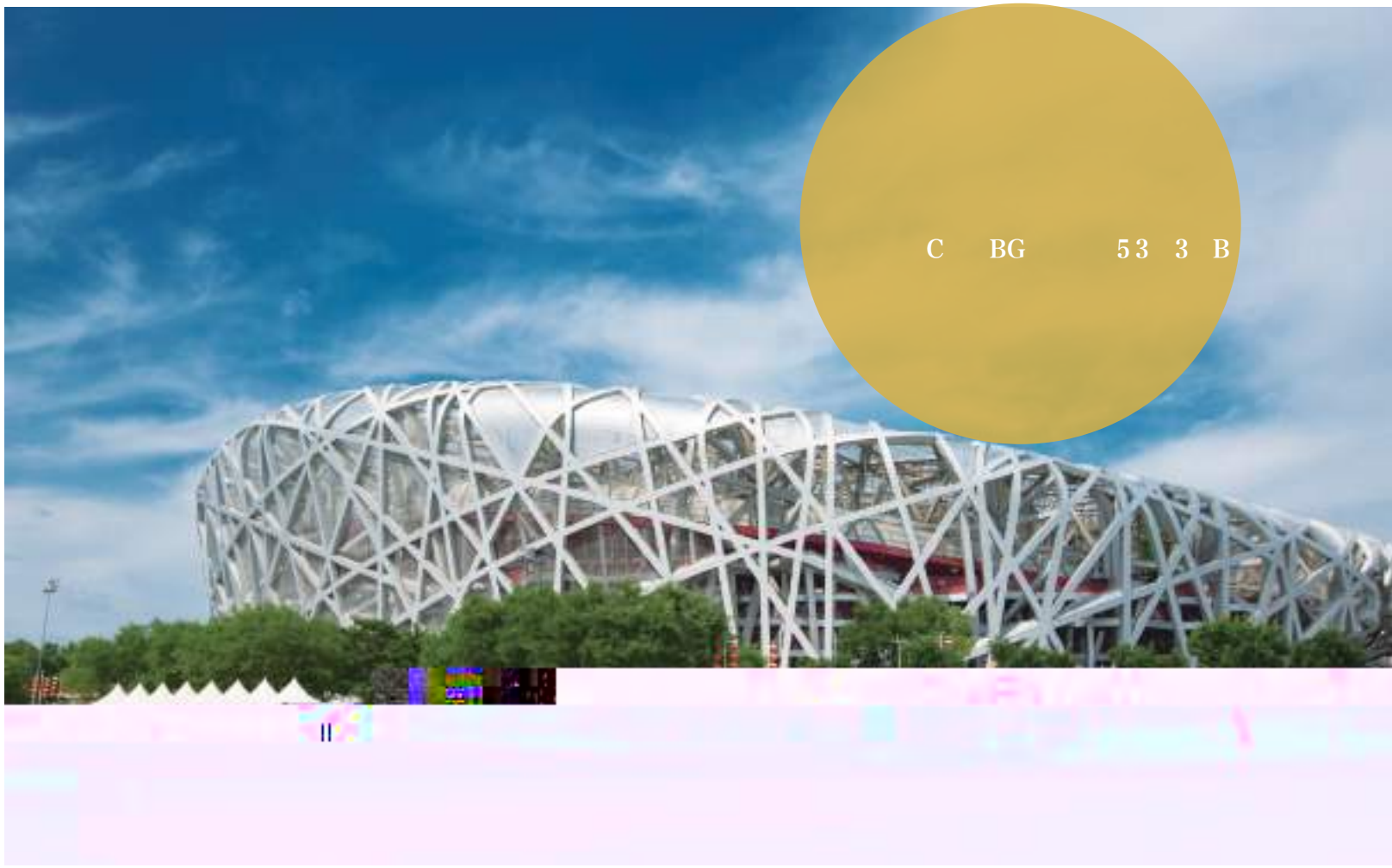
Substantive Issue Identification

G4

2019

Through long-term effective communication with stakeholders, with reference to the relevant requirements of the "Sustainable Development Report Guide"(G4), Oriental Yuhong identifies the topics for discussion from numerous stakeholders, thereby confirming the substantive issues of the social responsibility of the 2019 Corporate Social Responsibility Report of Oriental Yuhong.

Identify Issues From Numerous Stakeholders	Material topics
Self-media platform interaction of Oriental Yuhong	Corporate governance
Customer feedback	Energy conservation and emission reduction
Social media channels	Company operation management
Investor ' s inquiry and communication	/
Community participation	Employee relations/personnel training
Relevant government department supervision	Fair and reasonable compensation system
Industry association working conference	Energy consumption
Research of industrial developmental trend	Shareholder's dividend
Staff rationalization proposal	Labor protection
Shareholders inspection and online communication	Supply chain management
	Labor rights
	Legal tax
	After-sales tracking and services
	Supplier ' s policy support
	Promote industry development


C BG 53 3 B

Corporate Governance

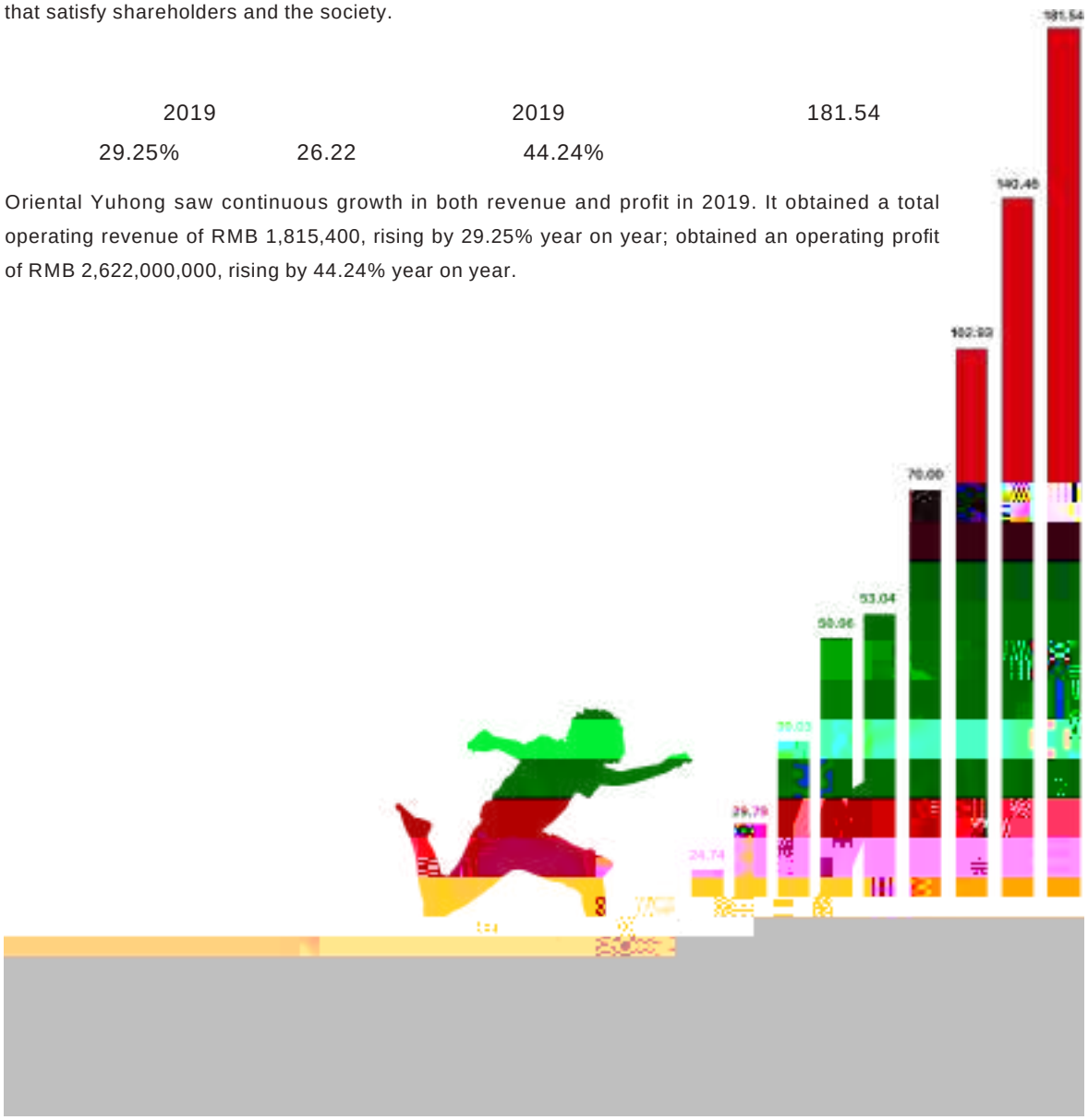
(I)Operation Indicators

The whole staff of Oriental Yuhong unites together and goes all out to improve the internal strength, enhances marketing capability, gets more benefit from lean management and market. Oriental Yuhong has thus achieved outstanding results that satisfy shareholders and the society.

2019 2019 181.54

29.25% 26.22 44.24%

Oriental Yuhong saw continuous growth in both revenue and profit in 2019. It obtained a total operating revenue of RMB 1,815,400, rising by 29.25% year on year; obtained an operating profit of RMB 2,622,000,000, rising by 44.24% year on year.



2019 “ ”

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In order to improve the operational efficiency of the organization, during the reporting period, the company implemented organizational management measures such as large department system, shared service system, flat management, and process optimization. It has continuously optimized the organizational structure, optimized the processes, and reduced inter-department barriers.

The employee training has been carried out in accordance with the result-oriented principle, and all levels of multi-channel training are combined to enhance employee competence. Oriental Yuhong has continued to implement a standardized construction service system in an all-round way, improved professional service capabilities through professional training and management, cultivated and strengthened an industrial construction team with global competitiveness. By strengthening the research and development of products, applied technologies, construction equipment and production technologies, etc., the company has further enhanced the international technology research and development strength and innovation capabilities.

企业文化

Company tenet: Create value for nation, society, customers, employees and shareholders.

Company mission: To create sustainable and safe environment for human society.

Company vision: To be the most valuable global enterprise in the construction materials industry.

Company values: Genuineness, excellence, elegance.

Company belief: Development keeps us company and one favorable turn deserves another.

Company spirit: Where there is a will, there is a way; strive for excellence, keep moving forward.

Guiding ideology: Return for nation, service to people.

(II) Management Mechanism

On the basis of strict compliance with the original system regulations, Oriental Yuhong further improves its corporate governance structure, complies with the social ethics, business ethics, constantly perfects the system of board of directors and board of supervisors, and improves the company's scientific management level.

Oriental Yuhong establishes general shareholders meeting, board of directors, board of supervisors, independent directors, and secretary of the board of directors system, with clear functions and powers, operation in coordination for effective checks and balances, and the board of directors consists of four special committees, namely, strategy committee, audit committee, compensation and evaluation committee, and nomination committee. Shareholders of the company exercise their powers in accordance with the "Articles of Association", "Rules of Procedure of the General Shareholders' Meeting" based on the "Company Law", "Security Law" and other laws and regulations. We have improved enterprise system in accordance with laws and regulations.

Improve institutional systems

"Company Law of the People's Republic of China"

"Contract Law of the People's Republic of China"

"Accounting Law of the People's Republic of China"

"Administrative License Law of the People's Republic of China"

"Trademark Law of the People's Republic of China"

"Construction Enterprise Qualification Management Regulations"

On the premise of ensuring investors' return on investment, we have properly handled the relationship between investors, decision makers, managers and interest-related parties, so as to actively motivate the enthusiasm of different parties, strengthen the risk-resisting capability of Oriental Yutong, and achieve sustainable development of Oriental Yuhong.

We have fulfilled the basic principles of Oriental Yuhong, protected the interests of investors, ensured timely, accurately, genuinely, and completely disclosure of important issues related with the company according to laws and regulations. And we have ensured the outside knows the finance, operation, and management of Oriental Yuhong in time.

We have continuously optimized the system documents of Oriental Yuhong. According to the alteration of relevant laws, the systems related with our standard operations were sorted, and some articles were improved. In addition, according to the requirements of laws and regulations, the examination and approval procedures of the Board of Directors and the shareholder conference were carried out.

(III) Corporate reputation

Corporate reputation

“ ”

32%

Oriental Yuhong always insists on the principle of “pay taxes in accordance with laws”. It has strengthened financial management and seen rapid increase in sales revenue and paid taxes. The annual growth rate of taxes is as high as 32%.

Paying taxes according to laws is a sacred duty and a glorious obligation. It is the most important reputation brand of an enterprise, and the first creed of the corporate survival and development. The company regards tax returns as an important basis for daily assessment. All matters related to tax must be reviewed and checked by the tax commissioner, financial supervisor, and the person in charge of finance, in order to ensure accurate use of tax policies, and standardize tax-related behaviors. Tax officers must ensure accounting compliance, get full understanding of tax laws, make accurate calculation of taxes, and make truthful tax declaration.

In order to ensure tax payment according to laws, Oriental Yuhong carried out tax knowledge training regularly. It has organized financial department to carry out learning and discussion, continuously improved continuously improved the professional quality of financial management personnel to ensure their professional skills can closely follow the pace

(IV) Social Recognition

2019

By virtue of excellent products and services, Oriental Yuhong has won the recognition of real estate trade unions and industry associations. Some honors won by Oriental Yuhong in 2019 are as follows:

Authority	Honor
The State of Council	Second Prize of National Science and Technology Progress Award
China National Building Waterproof Association	Golden Award of Jinyu Award Silver Award of Jinyu Award
China Building Materials Enterprise Management Association,	2019 20 2019 Top 20 Chinese building materials enterprises
China Building Materials Industry Planning Institute	2019 100 Woniushan won the honor “ China ’ s Top 100 rapidly - growing building materials enterprises ”
China National Institute of Standardization	“ ” Corporate standard “ leader ” certificate
China Energy Conservation Association	
China Warehousing and Distribution Association	China Green Warehousing and Distribution Technology Innovation Award
China Real Estate Association, Excellent Procurement Platform	“ ” Benchmark enterprise, annual “ architecture black technology ” .

China Real Estate Association China Real Estate Evaluation Center Shanghai E-House Real Estate Research Institute	Top 5 profitable listed companies
China Real Estate Association	500 Top supplier and service provider brand of Top 500 development enterprises
China Real Estate Evaluation Center	First preferred waterproofing material brand (Oriental Yuhong)
Shanghai E-House Real Estate Research Institute	First preferred insulation material brand (Woniushan)
China Real Estate Research Association	First preferred high-end water-based paint brand (Caparol)
China Real Estate Association	No. 4 preferred tile adhesive brand (Huasha)
China Real Estate Evaluation Center	No. 1 double-package service provider of diatom mud construction materials (Luodi)
	First preferred special product (Oriental Yuhong Building Renovation, Caparol)
Building Waterproof Branch of China Construction Industry Association	2019 Listed into “White Papers of High-quality Engineering Waterproof Materials and Technologies (2019 Edition)”

2019

2019

In 2019 Oriental Yuhong established long-term and stable strategic cooperation relationship with Vanke Real Estate Country Garden and Evergrande Group. Some honors won by Oriental Yuhong in 2019 with outstanding professional services are as follows:

Evergrande Group	Annual excellent supplier
Powerlong Real Estate	“ ” “ ” “ Strategic Cooperation Award ” , “ Excellent Quality Award ”
Vanke Group	A A level supplier
Country Garden	Annual excellent supplier award
Zhengrong Real Estate	Best partner award
Greentown China	A A level supplier
Sunac China	Excellent supplier
China Shipping Real Estate	A Annual A-level centralized supplier
R&F Group	Excellent partner supplier
CCRE Real Estate	Annual best service award
Xuhui Group	Excellent strategic supplier
Shimao Group	Special contribution award of strategic supplier
Galaxy Real Estate	Excellent supplier
China Merchants Real Estate	Best engineering cooperator award
China Merchants Shekou	A Excellent supplier of strategic cooperation Annual A-level supplier
Times China	A Annual A-level supplier

(V) Strict Quality Control

2012

“ ” “ ” “ ”

As an excellent building materials system service provider, Oriental Yuhong has always regarded quality as the foundation of the company. It has established a product quality supervision and management center, and set up a strict product quality control process. In the perspective of quality management, Oriental Yuhong has introduced an excellent performance model since 2012, and established a unique Oriental Yuhong “ excellent performance sports car model ’ , with legal and compliant management as the basic criterion, and “ process management ” as the core, it has adhered to the “ quality first ” principle, in order to create a good product fame with high - quality products and system services.

CNAS

CMA

“ ”

Oriental Yuhong strictly carries out quality control requirements for the production process. It takes high - quality automatic production equipment as the basic guarantee, sets key process control point, and allocates management responsibility to individuals, carries out standardized job operation, so as to reduce artificial influence as much as possible. It has established a comprehensive quality monitoring system in the operation process, and by means of on - post self - inspection, special inspection, patrol inspection and random inspection over key process, it has tried its best to ensure quality stability in the production process. In order to guarantee the objectivity and fairness of product quality management, Oriental Yuhong has established perfect monitoring and management mechanism. It owns a testing company that has passed CNAS and CMA certification, and has established a product quality monitoring and management team independent from R&D department and production department, so as to separate R&D department, production department and testing department, and ensure the whole quality management system to have self - repair and correction functions. All - round quality control is ensured from the incoming delivery of raw materials, the production process, and the outbound delivery of products, so as to prevent major fluctuation of product quality.

2019

“ ”

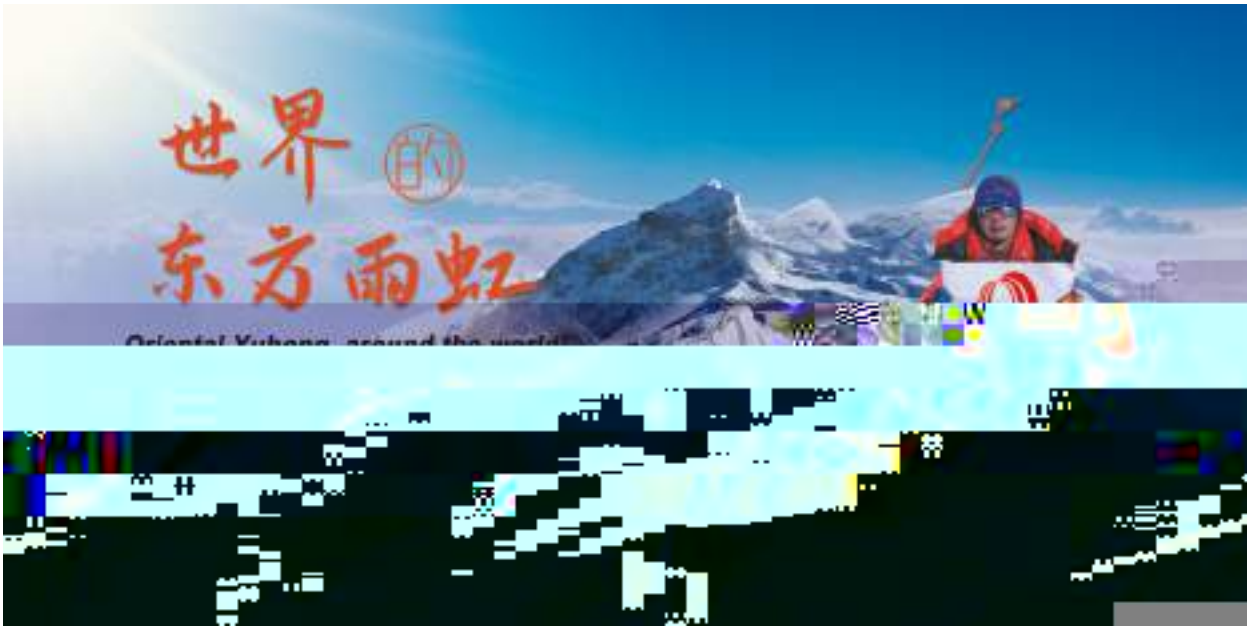
2019 8 28 “
40 ”
“ 40
”

2019 12 28
2019“ ”
2019
2019 “
” “ ”

(VI) International Business Operation

2019

In 2019 Oriental Yuhong continued to view overseas market as an important part of international strategy. According to the differentiated layout of overseas market, Oriental Yuhong made different external and internal development strategies. Oriental Yuhong established overseas R&D platform and made more and more international exchange and cooperation. So far its news has been reported by overseas mainstream media such as Bloomberg, Associated Press and Reuters. Following the implementation of many international measures, Oriental Yuhong has expanded its influence in the international market.



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With the implementation of Oriental Yuhong's international strategy, the products of company are exported to more than 100 countries and regions such as Germany, Brazil, Australia, the United States, Canada, Russia, Japan, Singapore, South Korea, Central Africa and South Africa.

Example :

2019

The following are some of the major international projects undertaken by Oriental Yuhong in 2019

Name of Project	Product System	Project Influence
Karachi nuclear power plant, Pakistan	TPO, TPO, rock wool board	“ ” “ ” “ ” The Pakistan Karachi nuclear power plant construction project is a cooperative project between China and Pakistan. It is an important achievement of China ’ s implementation of the “ China - Pakistan Economic Corridor ” and the “ Belt and Road ” initiative, also an iconic project of China ’ s nuclear power “ going out ” strategy.
c Phase II Parking Apron of Ethiopian Polaroid Airport	YS202	Polaroid International Airport is located in Addis Ababa, the capital of Ethiopia. It is the main aviation hub of Ethiopian Airlines, with routes all over the country and the African continent, also extending to Asia, Europe and North America.
- Hong Kong - Zhuhai - Macao Bridge Macao Port - overseas parking garage project	SAM920 ARC SAM920 non - cured ARC root - puncture resistance	The results of the annual best and outstanding engineering projects selected by “ USA Engineering News Record ” were announced. The project of Hong Kong - Zhuhai - Macao Bridge Macao Port Management Zone was rated as an outstanding airport and port project.
Laos TV station renovation project	BPS202 Primary treatment agent	“ ” “ ” This is another foreign aid project in order to implement China ’ s “ Belt and Road ” initiative and the “ going out ” strategy of radio, film and television culture, in order to enhance China ’ s international publicity capacity.

Affordable housing in New Zealand	SBS BPS202 SAM920 SBS BPS202 base treatment agent	“ ” “ ” This is another foreign aid project in order to implement China ’ s “ Belt and Road ” initiative and the “ going out ” strategy of radio, film and television culture, in order to enhance China ’ s international publicity capacity.
Affordable housing in New Zealand	SBS BPS202 SAM920 SBS BPS202 base treatment agent	34000 1950 The New Zealand government announced that it will build 34,000 affordable houses on the public land Auckland, which is the largest affordable housing construction plan in New Zealand since the 1950s.
Nepal Pokhara Airport Project	Polypropylene filament geotextile	1400 40 “ ” The runway of the old Pokhara Airport is only 1400 meters long. The new airport is the dream of the Nepalese government and people for more than 40 years. This project is known as the “ National Honor Project ” .
Aid project for the maintenance of National Theatre of Myanmar	SBS APP	80 1991 20 The project was built in the late 1980 ’ s, and was put into operation since 1991. With a history of more than 20 years, the theater has undertaken the China - Myanmar friendship performances and cultural exchanges for many times, and won public praise. It has played a significant role for the consolidation of friendship between two countries.
East coast railway of Malaysia	EVA	590 East coast railway is one of the largest economic and trade cooperation projects between China and Malaysia. Phase I railway is 590km long. It has two - line electrified railway.

Win-win Cooperation

In line with the concept of equality and win-win cooperation, Oriental Yuhong carried out high-end cooperation with partners, maintained stable and efficient supply chain, continually promoted the concept of corporate social responsibility to supplier partners, actively expanded the development space of the company, its partners and the industry to jointly cope with challenges of the various types of environments and society. With brand responsibility as its philosophy, Oriental Yuhong provided customers with the whole-process, multidimensional, and deep communication quality services.

Oriental Yuhong's major raw material suppliers are excellent domestic and foreign enterprises such as CNPC, Sinopec, Celanese, BASF, Wacker, Basel, LANXESS, Yantai Wanhua, Li Changrong, etc. After years of cooperation, the company went into close strategic relationship with the abovementioned companies, and it is one of the largest clients of those enterprises.

Centralized purchasing is a major purchasing mode of Oriental Yuhong. With globalization, informatization, sunshine procurement and sustainable development as management concepts, Oriental Yuhong made win-win development with its upstr]， r ɹ` γ Ås ` ȳ ˙ C

Oriental Yuhong has introduced unannounced inspection system into the process management, controlled the quality from the perspective of technology research and development, process control, warehousing and logistics. It has also carried out multi-dimensional cooperation and exchanges in technology, best practices, environmental protection, etc. In addition, Oriental Yuhong adopts a supportive attitude towards small and medium-sized suppliers. With its clear brand positioning and forward-looking procurement strategy, it has assisted partners in solving financing and corporate operation problems, provided comprehensive technical support, and achieved win-win development.

In view of the demand by a wide range of end-consumers for high-quality waterproof products, Oriental Yuhong makes itself accessible to the ordinary homes through thousands of stores of the large-scale domestic outfit companies and building materials markets, such as Yenova, Kuoda, Easyhome, Goldmantis etc.

1 Example 1:

Procurement Supply Center continuously improves internal service quality, and is dedicated to the informatization, high efficiency and professionalism of supply chain management. Targeting the minimum total cost of ownership, Oriental Yuhong continuously improves the supply chain management capability of Procurement Dept. of local plants. It optimized various management indicators and performance evaluation plans, and made result-oriented improvement of management efficiency of supply chain. From the perspective of procurement management model, supplier performance, and strategic supplier construction, etc., Oriental Yuhong has established a high-efficiency supply chain, made joint development to promote the continuous update of industry technologies, continuous improvement of multi-dimensional supply chain, so as to win the respect of the industry peers and customers. They have grown into partners with common values and achieved win-win success.

2 Example 2:

2019 4 18

On April 18, 2019, Oriental Yuhong Waterproof Technology Co., Ltd. and Wacker Chemie AG announced the establishment of a joint laboratory and held the unveiling ceremony. The both companies will carry out in-depth cooperation in basic research and applications of waterproofing coat, in order to promote the research and development of high-performance and environment-friendly waterproofing products and provide customers with more low-odor, solvent-free, environmentally friendly, and high-performance waterproofing products.

3 Example 3:

2019 11 7

On November 7, 2019, Oriental Yuhong and Celanese signed a comprehensive strategic cooperation agreement. Both parties will carry out in-depth cooperation in the aspect of product research and development, the development in emerging market, safety, environmental protection and sustainable development. Both parties were devoted to reaching a cooperation agreement, in order to push the sustainable development of waterproofing and emulsion industry with chemical solutions better than other competitors.

(II) Customer Responsibility Management

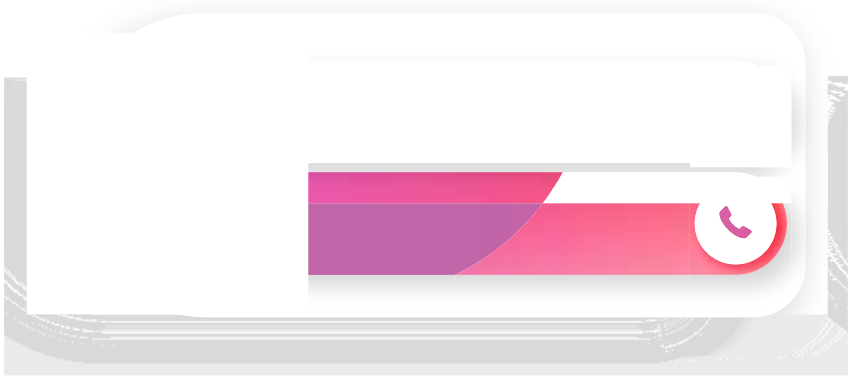
1

Meet customer needs wholeheartedly, and realize overall coverage of marketing network

“ ”

Oriental Yuhong has established production & logistics R&D bases in North China, East China, Northeast China, Central China, South China, Northwest China and Southwest China, etc. The capacity layout is reasonable and covers a wide range, so as to ensure the company's products can cover national market with low cost of warehousing and logistics. While meeting customers' diversified product demand and national supply requirement, Oriental Yuhong has owned incomparable competitive advantages. Production bases of Oriental Tangshan Phase II, Deyang in Sichuan, Jiande in Hangzhou, Yueyang in Hunan province have been put into operation. They optimized the capacity layout of Oriental Yuhong, and further ensured the stable implementation of "Penetrate into the Whole National Market" strategy. The foundation of Oriental Yuhong providing high-quality products to customers continuously and conveniently was solidified.

2019



(III) Consumer Rights Protection

“ ”

Chinese building waterproofing market is rather complex and there are many fake and poor-quality products. To protect customers' rights and interests, Oriental Yuhong provided customers with two product authenticity inquiry ways: telephone inquiry and online inquiry. It also set up "Brand Rights Protection Department" and announced tip-off telephone. After getting tip-off information, Oriental Yuhong will make analysis and arrange special persons to make investigation and collect evidences. Then it will help law enforcement agency to crack down on fake products, so as to protect customers' lawful rights and interests.

Example :

2019 137 16
7 3 20
100 10

In 2019, a total of 137 company rights protection cases were handled, including 16 criminal cases handled by public security organs. A total of 7 coil counterfeiting dens and 3 coat counterfeiting dens were investigated for traceability. Public security organs took compulsory measures over 20 criminal suspects for counterfeiting. In the circulation sector, more than 100 merchants or construction sites, and over 10 warehouses were investigated by market supervision administration for the manufacturing and sale of fake products. In order to ensure the company interests will not be damaged, Oriental Yuhong has tried its best to protect terminal customers ’ interest, and avoided the occurrence of many problems such as water leakage and maintenance for fake products. It has provided product authenticity verification services for consumers free of charge for nearly 1,000 times.

In the sector of market circulation, once infringement cases are found, Oriental Yuhong will report to the local market supervision and administration bureau for administrative investigation and punishment. If the case value is large and the criminal filing standard is met, it will directly report to the public security department of economic investigation. With the assistance of legal enforcement, Oriental Yuhong traced back to the source of case. In any building materials market or any construction site, we will ensure Oriental Yuhong-branded waterproofing materials sold or used there are genuine products, so as to assure the public customers.

(IV) Let Waterproof Industry Operate Under The Sun

“ ”

As president of the board of China Building Waterproof Association, Oriental Yuhong contributed much to the development of the industry and promoted the standardization of the industry. The concentration degree of domestic building materials industry is low, and the market competition is not standardized. "Large industry and small enterprises" are still the industry development features. There are many waterproofing manufacturers in China. Except a few enterprises with high level, most enterprise feature small scale, low technology level and unimproved production techniques. There are many fake products and non-standard products in the market, and the industry has outstanding problems including outdated and excess capacity, disorderly industrial competition, and environmental problems. With powerful self-discipline spirit, Oriental Yuhong compares itself to the most excellent international peers, it has always insisted on the disclosure of responsibility fulfillment information and adhered to high-quality operation.

A3 B41 2 B31 5 1 D B

“ ”

In accordance with company conditions and industry conditions, Oriental Yuhong took "making scientific and technological innovation; serving the country by industry development" as corporate guidance. It built up an improved scientific & technological innovation system, and carried out the concept of independent innovation concept in construction and engineering practices. On the foundation of domestic and overseas advanced innovation results, it led the industry development tendency, pushed forward industry development and improved its own and the industry's sustainable development.

Innovation Mechanism Leads Development

“ ” “ ”

“ 863 ”

By virtue of technology innovation strategy, Oriental Yuhong has established a scientific research platform integrating product research and development, production technique, application technology, engineering technology, testing and inspection, overseas R&D, and strategic reserves. It has formed a system R&D "aircraft carrier group" covering system design, material R&D, construction and skill services, and it has undertaken national projects such as national "863" plan, state key product and state torch plan, etc.

Scientific Research Platform

CNAS CMA
CNAS and CMA certification standardized laboratory

High Polymer Material R&D Center

4 7 1 25

10

22 221 7

4 3 4 2 2

In the aspect of personnel allocation, Oriental Yuhong Technology Center has employed 4 academicians from Chinese Academy of Engineering, 7 international famous scientists, 1 expert enjoying the State Council allowance, and 25 experts honored “Technology Leaders”. More than 10 guest professors from the USA, Canada, HK, domestic colleges and research institutes have carried out technology communication and given instructions in the laboratory of Oriental Yuhong. Oriental Yuhong R&D team includes 22 doctors, 221 persons with master’s degree. All full-time R&D personnel have master or higher level degree. Oriental Yuhong has introduced 7 research experts returning from overseas study, 4 foreign experts and 3 academicians, 4 young talents won the support of Beijing New Technology Star Project, 2 won the honor “Excellent Young Talents in Shunyi District”, and 2 others became candidates of “Beijing Millions of Talents Project”.

“ ” “ ” “ ” “ ”

In the aspect of mechanical guarantee, Oriental Yuhong made "Oriental Yuhong Management Measures for Innovative Project", "Incentives for Scientific Results Evaluation" and "Incentives for Reasonable Suggestions". Oriental Yuhong has encouraged technical talents to participate in external talent cultivation programs including “New Technological Star”, “Talent Leader”, “Model Worker” and “Strategic Reserve Talents”. The company makes monthly summary of innovation project. Every year it carries out skill competitions of manufacturing workers and construction workers. It encourages workers to become elite on their positions.

The company has founded cross-functional team, set up employee opinion box, adopted reasonable suggestions, and encouraged employees for innovation. At the same time, advocated multidimensional and multidisciplinary innovation without limits.

Example :

2019 3 27 “ ”
2018 2019
2018 3 4
3 1 2 56 PCT 3
55 SCI 35 / 11

On March 27, 2019, the State Key Laboratory of Special Functional Waterproof Materials held the fourth meeting of the first Academic Committee in Beijing with the theme of “ Resolute Innovation and Courage to Advance ” . At the meeting, Duan Wenfeng, director of the State Key Laboratory of Special Functional Waterproof Materials, reported on the work achievements in 2018 and the key work plan in 2019. In 2018, the State Key Laboratory of Special Functional Waterproof Materials had undertaken 3 national-level projects and 4 provincial-level and ministry-level projects. It has won 3 provincial and ministry-level science and technology awards. 1 achievement has been certified to reach the international advanced level, 2 achievements have reached the international leading level, 56 patent applications have been submitted (including application for three PCT patents), 55 papers have been published (including 35 SCI papers). The laboratory also participated in 11 national/industry standards. In recent three years, the scientific and technology results have been transformed into the benefits of almost RMB 1 billion in total.

Innovation Platform Gathering Strength

Oriental Yuhong built up internal and external R&D platforms, strengthened cooperation with enterprises and colleges, and carried out multi-layer cooperation of production, academy, and research.

“ ”
“ ”

Adhering to the concept of "Technology First, Innovation Foremost", over the past many years, the company has established cooperative relations with a large batch of scientific research institutions and world famous chemical engineering enterprises, such as Lehigh University of the United States, Beijing University of Chemical Technology, Institute of Chemistry, Chinese Academy of Sciences, the Dow Chemical Company, BASF etc. The company has

established "Emulsion Polymerization Experiment Center" with Lehigh University of the United States, and has achieved dozens of technological results through joint research and development with Beijing University of Chemical Technology, Qingdao University of Science and Technology, such as high weather-proof pure polyurea elastic coasting, spray type high concentration self-hardening rubber asphalt paint etc.; and has also jointly developed and used talents with a number of higher learning institutions, such as Beijing University of Chemical Technology, Tianjin University, and Hubei University of Technology etc., by means of scholarship, and promoted sound cooperative relations with higher learning institutions.

In accordance with strategic development plan, product quality, construction and service requirements, Oriental Yuhong has continuously identified corresponding laws and regulations and different regulatory system, in order to meet the requirements of different related parties and bring resource advantage for sustainable company development of the company.

Example:

2020 1 10

2019 “ ”

On January 10, 2020, the Central Committee of the Communist Party of China and the State Council held the National Science and Technology Award Conference in the Great Hall of the People in Beijing. The project “Complete Technology and Engineering Application of High-performance Multi-material and Multi-layer Polymer Coil for Underground Space Waterproof Protection” won the second award of “National Science and Technology Progress Award” in 2019. Beijing Oriental Yuhong Waterproof Technology Co., Ltd. was the first completion unit of the project, with Beijing University of Chemical Technology, Yueyang Oriental Yuhong Waterproof Technology Co., Ltd. and Beijing Oriental Yuhong Waterproof Engineering Co., Ltd. as the major completion units.

3 2 1 863
31 150

Important innovation projects: Oriental Yuhong corporate technology center completed 3 National Torch Plan projects, 2 national key new product technologies, 1 national 863 plan project, 31 core technologies, and 150 independently innovative products.

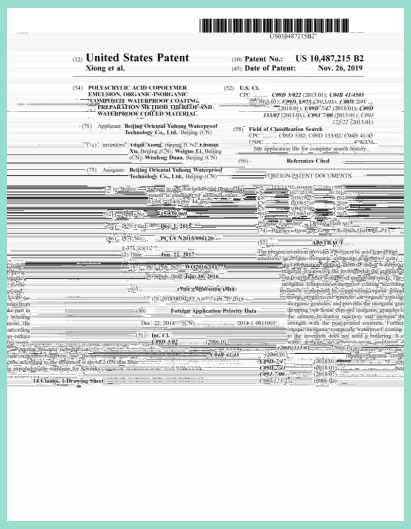
2019 12 31 815 255 481
79 2

Patents: As of December 31, 2019, the whole group has owned 815 valid patents (including 255 invention patents, 481 utility model patents and 79 design patents), including 2 valid foreign patents.

/ / 44

Industry standard: In recent years, entrusted by industry associations, Oriental Yuhong presided over or participated in the compilation of 44 national industry standards.

2019 HDPE (United States Patent and Trademark Office)



Innovation Application Examples

(I) Application Technology Research And Promotion

1000

Situated in Shunyi, Beijing, Oriental Yuhong Application Technology Center occupies an area of 1,000m2. It has Application Technology and Basic Subject Comprehensive R&D Department, Component System R&D and Promotion Department, Technological Support Service Department, and Comprehensive Management Department.

2019

In view of the performance of different products, the company conducted pertinent technological innovation. The following are the main experimental topic projects that are currently developing and have completed in 2019 in the aspects of main products and construction systems by the company:

2019

Completed experiment programs

- Research on key basic subject: general standards for waterproof membranes
- PCG-100
  PCG-100 Modified resin waterproof and anti-corrosion system
- PCG-200
  PCG-200 Modified resin waterproof and anti-corrosion system
- PCG-300 -
  PCG-300 Modified resin waterproof and anti-corrosion system -special for industrial wastewater treatment
- -
  R&D and promotion of component system: Safable underground engineering waterproofing and protection system
- -
  R&D and promotion of component system: COMESIM indoor waterproofing and protection system
- -
  R&D and promotion of component system: EDEE industrial fabricated roofing system
- Decoration & waterproof integrated back-coating mortar system
- Mortar system for concrete repair

Projects of Experimental Topics under Current Development

- Study on Aging Mechanism and Durability of Waterproof Materials
- Study on the compatibility of various waterproof materials
- Simulation and principle analysis of waterproof damage of underground and roof nodes
- Research on reliability of lapping of waterproof materials of different parts
- Evaluation method of hot melt coil application performance
- SBS
  SBS modified asphalt coil material constant speed quantitative hot melt testing machine
- Thickness gauge for waterproof coating (concrete base)
- Waterproof coat fixed thickness scraper
- Waterproof coat additional layer laying device
- Waterproof coat anti-hydrostatic pressure tester
- Base analog deformation meter

Example :

2019 “ Hotterman ”

ZANDRA

100%

In 2019, in order to build Beijing Daxing International Airport into an environment-friendly and intelligent airport, Oriental Yuhong used Hotterman intelligent-melting waterproofing roll paver ZANDRA in the construction. It integrates control, walking, trajectory correction, coil and ground heating, compaction and paving. Through intelligent control, coil material is not baked too much and not lacking. The compacting process is followed. The elastic pressing plate is adapted to any base layer, and achieves a 100% full stick effect.

In order to build a mechanized construction platform, establish a mechanized construction image, and help partners build a bright engineering brand, Oriental Yuhong Intelligent Equipment Co., Ltd. provides a rich product line and supporting tools to ensure a high construction speed and reliable construction. A perfect life cycle management is ensured. Oriental Yuhong is an industry pioneer leading the transformation from manufacturer to system service provider. On the basis of helping enterprise keep the current business and framework with mechanical and intelligent transformation, enriches digital operation system and builds a sustainable and lively enterprise.

+

LIMS

CRM DMS

DMS SAP

“

”

Oriental Yuhong accepts all kinds of new methods and new patterns that dare to break the routines, committed to providing customers with the best quality products and services. Oriental Yuhong has earnestly implemented the principle that integrates "production process automation, commerce operation electronization, networked mode of management, and intelligent decision-making", continually attempted informationalized in-depth application based on actual situation, and directed production through informatization means, which has provided not only new thoughts to science and technology innovation and management, but also powerful guarantee in improving products research and development and energy-saving and security etc.

2012

“ ” “ ” “ ” “

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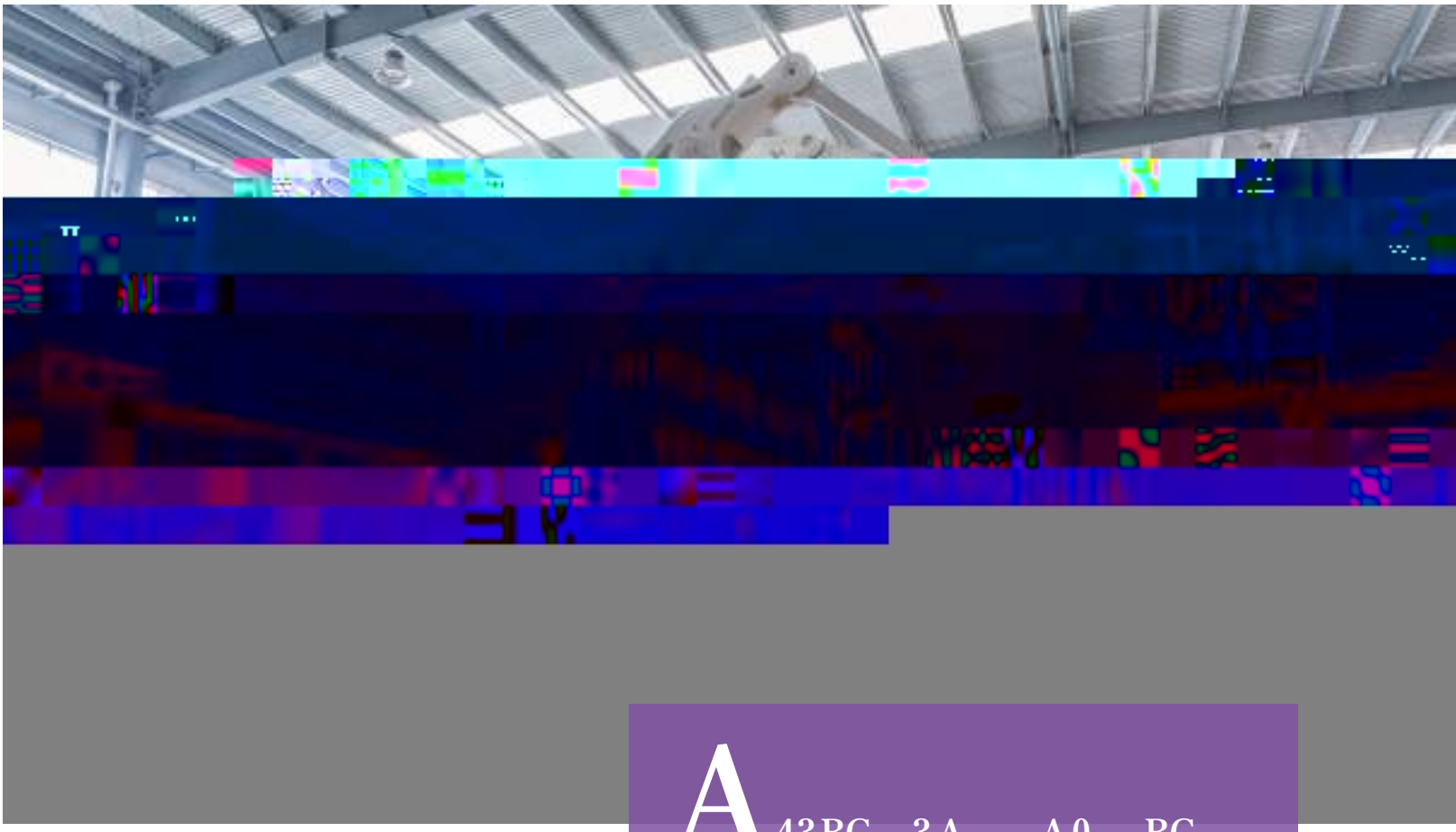
Oriental Yuhong has always insisted on winning benefits from management using scientific and systematic methods. Since 2012, Oriental Yuhong has introduced the excellent performance management model; estab na ㄱ iliel l'



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Safety is basic guarantee of company operation. Safety is never minor matter. The company abides by the working principle "safety and prevention first", carries out safety responsibility system, so as to avoid all safety accidents. Oriental Yuhong has set the safety management principle that the whole staff shall participate in safety management. It goes all out to improve safety management system, establish safety systems, organize safety education and training, improve safety awareness and crisis management skills, and ensure stable production and normal operation.

Safety Management System

In accordance with national safety monitoring & management laws and regulations, Oriental Yuhong strengthened safety system construction, and revised and improved some safety management systems, including "Safe Production Responsibility System", "Safety Education Management System", "Safety Inspection Management System", "Safe Production Reward & Punishment System", and "Dangerous Chemical Safety Management System", etc. It also elaborated the safety responsibility.

1 Example 1:

Detailed safety management system of Oriental Yuhong production base

Production Safety Responsibility System	Fire Operation Management System	Potential Safety Hazard Screening System
Education Safety Management System	Occupational Health Management System	Clean and Self-discipline Management System
Production Safety Inspection System	Accident Work Injury Report Processing Management System	Oriental Yuhong Factory Entrance-Exit Management System
Production Safety Award and Punishment System	Safety Utilization of Fire Protection Management System	Factory Security Linkage Management System
Labor Protection Supplies Management System	Safety Utilization of Electric Power Management System	Limited Operation Space Management System
Hazardous Chemical Materials Safety Management System	Fire Accident Emergency Management System	Production Operation Center Security Punishment Management Regulations
Equipment Safety Management System	Chemical Leakage Emergency Treatment Management System	Production Operation Center Accident Work Injury Treatment Management
Special Operation Safety Management System	Foreign Construction Safety Management System	Production Operation Center Employee Safety Credit Score Evaluation Management Regulations
Height Operation Safety Management System	Training, Interns Safety Management System	Employee Traffic Safety Management System
Smoking Bans Management System	Forklift Safety Management System	Helmet Wearing Policy
Management measures for the safety of in-plant cargo transportation	Management System of Changes	Management measures for static and anti-explosion safety

2 Example 2:

“

”

“ ”

Environmental safety responsibility system of production and operation center, in accordance with national laws and regulations, Oriental Yuhong has specified different positions' functions and responsibilities of environmental protection and work safety, in order to prevent environment and work safety accident. Persons on different positions shall undertake legal responsibility for any dereliction of duty or accident. Insisting on the principle "Production Management Must Include Safety Management, Business Management Must Include Safety Management, and In-charge Manager must be Responsible for Safety Management", Oriental Yuhong strictly carries out work safety responsibility system. According to the principle "Life-long Responsibility System", if any person has illegal action on the post and the bad effect arises after he/she leaves the post, and the action leads to criminal case, administrative punishment, environmental accident or safety accident, he/she will not be exempted from accountability and will be given the same punishment as on-post employee. Even if the responsible person resigns or retires, Oriental Yulong will reserve the right of calling the person to legal account.

3 Example 3:

Established a linked inspection mechanism between factories. Organized safety management professionals within Oriental Yuhong Group to conduct special inspections on fire fighting system, explosion-proof system, thermal oil system, and emergency management system to achieve mutual inspection, mutual assistance and joint improvement. Effectively improved the management of high-risk facilities in the factory, and nipped hidden hazards in the bud.

4 Example 4:

Built a safety management competition system between factories. Established and implemented a safety competition system based on process indicators and initiative indicators, integrated accident prevention into the daily work process, encouraged factories to actively improve safety management, and take hidden danger detection, risk prevention and containment as the starting point of competition. Increased the enthusiasm of all employees to participate in safety management, greatly stimulated the enthusiasm of various departments and departments of the factory to learn, catch up, and exceed. The actions have achieved excellent results.

1 Example 1:

Various manufacturing bases of Oriental Yuhong carried out safety month activities. Each production base designed its activity plan and requirements according to its own situations. Work safety month activity aims to give work safety training to safety officer and employees on key posts, let customers pay more attention to work safety and improve their crisis response capability. In order to ensure work safety, the whole staff must improve safety and environmental protection capability, insist on safety development and environmental protection, effectively prevent the occurrence of safety accident, and continuously improve work safety level.

2 Example 2:

2019

Fire safety is the key of factories ' safety management. In order to make up the shortcoming that fire security facilities are insufficient, different production bases make regular inspection over firefighting equipment. Many fire monitors were increased to asphalt tank area, and fire water belts were supplemented. In 2019, Oriental Yuhong put a number of factories and roll production lines into operation, and strictly ensured the availability of fire protection facilities, personnel training of fire protection knowledge, and passed fire safety qualification before the production.

3 Example 3:

In order to solve the risk of explosion possibly caused by organic particulate dust generated in the powdering process

4 Example 4:

2019

1

To solve the problem of slower closing speed of the thermal oil valve in emergencies during the emergency drills, in 2019 Oriental Yuhong Group made uniform arrangement of reducing the height of the main valve of the thermal oil in the roll workshop of each factory to 1 meter above the ground, thus effectively eliminating risks.

5 Example 5:

140

n order to improve the understanding of “ Management Regulations on the Safety Penalty of the Production and Operation Center ”, all departments of the Tangshan factory learned the “ Management Regulations on the Safety Penalty of the Production and Operation Center ” at the morning meeting, and shared safety cases every day. Material Logistics Dept. organized the examination of “ 140 Regulations on Safety Penalties ”. The factory also organized weekly examination of “ Regulations on the Management of Safety Penalties in Production and Operation Centers ”, to improve employees ’ sense of responsibility and safety.

1 Example 1:

Jiande factory cooperated with local police stations and affiliated villages and towns to implement hotel management system in personnel management, regulated all incoming and outgoing personnel, and managed the floating population such as personnel from outsourcing units. It actively did a good job in public security filing and data archiving to maintain public security stability in the local community.

2 Example 2:

2019 10 “
”

Kunming factory actively participated in social security management. In October 2019, it cooperated with local street offices and police stations to organize safety emergency drills and cracked down on “two robberies and one thief” activities. Those actions achieved good social impact and increased the social security responsibility of the Kunming factory.

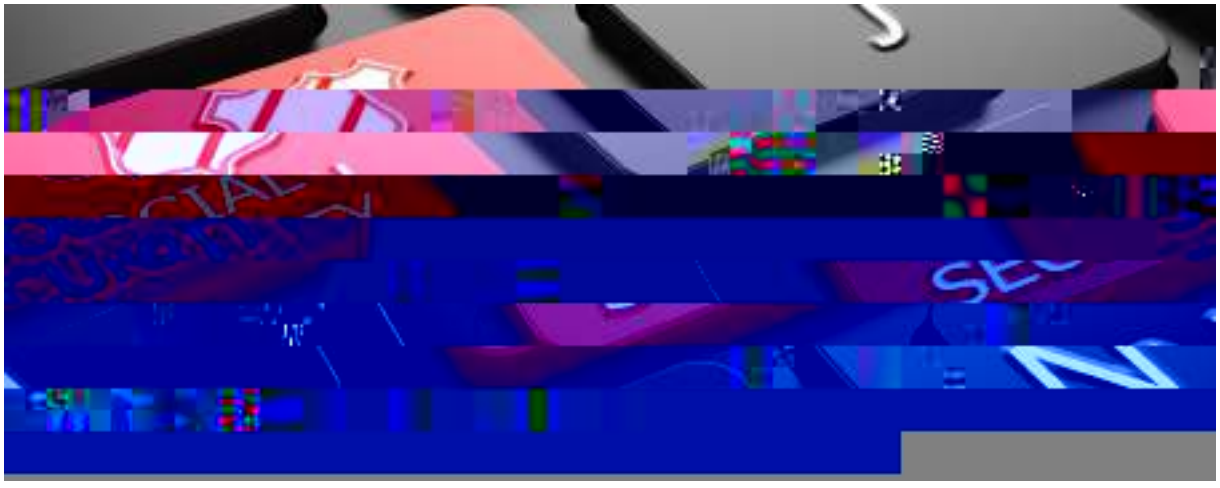
3 Example 3:

Wuhu factory actively cooperated with Sanshan District Emergency Management Bureau of Wuhu City in various safety supervision work, assisted the establishment of Sanshan District Work Safety Association of Wuhu City, and served as the chairman unit. The factory management also worked as the president and secretary general of the association. The factory made great contribution to the promotion of the overall community safety management work.

4 Example 4:

2019 11

In November 2019, Xuzhou factory undertook emergency drill for Xuzhou industrial and trade enterprises. A number of industrial and trade enterprise representatives watched the drill, which was highly praised by the emergency management authority and local factory representatives. The drill helped improve the emergency management process of the factory.



3A C 13A 2 3 D 3 B

To leave a green environment to our descendents, Oriental Yuhong tried its best to reduce environmental influence caused by its operation, production, and construction. With energy-saving and emission-cutting concept, technology and management system, the company continuously increased energy utility rate and efficiency, made circular use of resources, and built itself into an economical and eco-friendly enterprise.

Environmental Management And Performance

2019 “ ”

In 2019, Oriental Yuhong continued to take “green production, low carbon and environmental protection” as its management direction, continued to promote the routine, systematic and standardized environmental management. The company continuously increased investment into environmental protection facilities, worked hard to improve the level of environmental management performances. On the basis of meeting environmental standard, Oriental Yuhong has constantly strived for perfection in order to maximize social benefits.

1 Example 1:

RTO 45

Shanghai factory increased investment in technological transformation to use the heat of boiler exhaust and RTO (regenerator incinerator) exhaust, in order to reduce steam consumption. The project saved about RMB 450,000 a year and reduced emissions at the same time.

2 Example 2:

RTO 270

Huizhou factory increased an RTO to fully burn the asphalt fume and then emit it. RMB 2.7 million was invested into the project.

3 Example 3:

(CNG)

In response to the environmental protection call, Kunming factory completely eliminated the industrial coal-fired boiler used in the production process and switched to natural gas boiler. Under the unfavorable conditions that the local natural gas pipelines were not connected, the company overcame difficulties regardless of costs, and invested in the construction of temporary gas stations. It supplied gas by vehicle transportation of compressed natural gas (CNG), which solved the pollution of coal-fired boiler emissions to the local atmospheric environment, and enhanced the confidence and trust of local residents in the company ’ s environmental protection efforts.

4 Example 4:

2019 60

Wuhu factory continued to make high-standard improvement of environmental protection facilities. In 2019, RMB 600,000 was invested into the transformation of fugitive emissions of the workshop batching system and the discharge port, thus reducing the fugitive emissions of exhaust. The transformation project also included boiler ' s low nitrogen transformation, in order to achieve low nitrogen combustion of boiler exhaust and reduce nitrogen oxide emissions.

5 Example 5:

2019

RTO RTO

In 2019 Puyang factory used a new thermal energy management system to obtain accurate data through meter measurement, thus optimizing production process and reducing energy consumption. Two RTO pipelines are connected in series, and only one RTO is turned on when the load is low, so as to reduce gas consumption.

6 Example 6:

2t/a

In response to national environmental protection call, Chuzhou Tiandingfeng eliminated the coal-water slurry boiler. It spent more than RMB 10 million on rebuilding two natural gas heat-conducting oil furnaces and a natural gas steam boiler. The emissions of sulfur dioxide and particulate matter were respectively reduced by about 2t/a.

7 Example 7:

25

2019 7 1

Tiandingfeng Non-woven Fabric Co., Ltd. actively cooperated with the local ecological environment bureau to eliminate a 25 ton coal-fired boiler. At the same time, in order to ensure normal production, on the basis of the original two natural gas boilers, it newly installed a condensing gas steam boiler in July 2019.

Project	Production Value Per Unit Consumption (tce/RMB 10,000)	Chemical Oxygen Demand (COD) Emission (Ton)
Jinshan District in Shanghai	0.0046 c	1.47
Yueyangno		

Green Production

(I) Energy Saving And Emission Cutting

5S

Major production bases of Oriental Yuhong continued to implement 5S management and lean production. They encouraged the whole staff to give reasonable energy conservation opinions and continuously improved the workplace management. Their workplace environment has been clean and orderly, and the production process has achieved energy conservation, safety and high efficiency.

1.

1. Choose reasonable pipeline insulation structure and high-quality insulation materials to reduce heat loss.

2.

2. Make reasonable arrangement of production process, production shifts, off-day adjustment and rotating shifts. Try to use low-cost electricity, avoid peak time of electricity consumption, so as to achieve an indirect power-saving effect, and increase the power consumption rate of enterprises.

3.

3. Maintain production balance and normal equipment maintenance, so that the equipment can be in the best working state. By this means, both direct energy consumption and indirect energy consumption can be reduced.

4.

4. The lighting control form of the workshop adopts a segmented system, which is opened according to the actual situation during production, so as to save electricity. Under the premise of ensuring highly efficient operation, reasonable illumination standard is adopted and suitable lighting appliances are used in different operation occasions. The lighting control switch is flexible and any lamp not needed can be turned off at any time.

5.

5. Give energy-saving knowledge education to employees, and organize relevant personnel to participate in energy-saving training. The personnel without energy-saving education and training shall not operate energy-consuming equipment.

6.

OEE

6. Optimization of production takt: According to the production progress of the product, make reasonable arrangements, centralized production, reduce the times of machine starting and shutdown and equipment no-load time. Promote lean production, make statistics of OEE data, and make continuous improvement.

7. 55KW 30KW

7.Energy-saving transformation of roll material and polyurethane circulating water pump: change the original 55KW self-priming pump to 30KW pipeline centrifugal pump plus self-made suction bucket.

8.

8. Economical operation of colloid mill: According to different grinding time of colloid mill, samples are taken to confirm the grinding effect, in order to determine the most economical operation time of colloid mill.

9.

9. Economic operation of the boiler: close the boiler internal circulation, control the outlet pressure, ensure a normal heat transfer oil pressure for the batching system and production line, reduce the boiler outlet temperature, optimize the secondary circulation pump to run the high-temperature system to give direct supply to the production line and the batching system.

10. 4 2 22KW 11KW 2

10. High-power motor is changed from fixed frequency to variable frequency in order to save energy. 4 feed pumps are changed from fixed frequency to variable frequency motor. 2 22KW motors of the cooling water tower are changed for

2019

Major Investment Into Energy Saving And Environmental Protection By Oriental Yuhong In 2019

Project	Measures	Investment (RMB10,000)	Results
Prevention	Prevention and test	152.78	Pollution prevention
Solid waste	Solid waste treatment	540	Zero emission
Air	Activated carbon, caustic soda flake	26.02	To meet local environmental standard
	/ Transformation of dust collector / boiler chimney	52.87	2017 Reaching The 2017 Latest Air Emission Standard Of Beijing
	Asphalt Gas Treatment	2395.98	2017 RTO Reaching The 2017 Latest Air Emission Standard Of Beijing, and adding RTO equipment
	Low nitrogen transformation of boiler	302.1	Reduce nitrogen oxide emissions
Water	Domestic and production sewage treatment	365.308	Outlet meets regulations
Power	Equipment thermal insulation and lightning	371.0677	Energy saving
Noise	Noise reduction equipment	37.7	Hugely reduce noise
Others	Vegetation	734.12	Meet “ Regulations On Urban Vegetation Construction ”
	Accident Emergency Pool	156.9	Reduce Environmental Risk
	Surrounding Environment Treatment	127.98	Improve Surrounding Ecological Environment

Green Construction

Oriental Yuhong strictly abides by the following building principles: reducing site disturbance, respecting local environment, paying attention to climate, saving energy, reducing environmental pollution, increasing environmental quality, carrying out scientific management, and ensuring construction quality, so as to reduce construction disturbance and influence to the surrounding environment to the minimum level.

(I) Yuhong Standard

Oriental Yuhong was the first enterprise that put forward the concept of standardized construction. By integrating standardized construction and scientific management and other concept, it has formed a whole chain of standardized services. Oriental Yuhong provides improved pre-post waterproof technician training, standardized construction process, clean and safe construction environment, strict and transparent construction management.

Oriental Yuhong ' s standardized construction benefits customers and affects the whole industry. The quality standards are continuously upgraded, and the leakage rate continues to decrease, which is highly recognized by customers.

(II) Waterproof Engineering Mechanization Construction

CO NOX

Hotter Man thermo-melting waterproofing roll paver independently developed by Oriental Yuhong adopts premixed combustion mode to improve the combustion efficiency and ensure CO and NOX-free emission. The paver has light weight and small volume In addition, Oriental Yuhong is equipped with multiple types of mechanical construction equipment, which effectively improve work efficiency and reduce energy consumption of artificial operation.

OWP e E VWZe WR Qe SR lOg VSCbWU RSdWQS

33

Completely with self-owned intellectual property, the device features simple structure, light weight and convenience. The total weight is 33kg. Under the device there are universal wheels easy to move. The digital temperature control system boasts accurate temperature control and high precision. The device features constant-temperature rotary heating. Material will not be overheated, will not be carbonized, and its performance will not be influenced.

FbS SH"

5 1 FbS SH" SZSQbWQe OfS TWUa QgS

40

It applies to the spray of PU, non-cured waterproof material, polymer modified cement-based waterproof material, and asphalt, etc. The sprayer can provide smooth and stable spraying width. Compared with manual spraying, the sprayer can improve the surface coating quality, and reduce crack, bubble and reworking. And the artificial cost saves 40% cost compared to manual roller.

3 Example 3:

f

10.6L/min

GRACO Xtreme sprayer is imported from the United States. The equipment has reliable quality. The pressure and spray ratio are stable and its service life is long. It applies to waterproof coat such as polyuria and polyurethane foam. The flow rate is high, the construction efficiency is high, and the max. flow is 10.6L/min. The equipment has complete functions, including warning, alarm, protection and monitoring measures for pressure deviation and overheating.

4 Example 4:

AV bPZQabWU OQVWS

It cleans the laitance on the surface of base, improves the adhesion between waterproof layer and concrete base. The cleaning efficiency is higher, the number of operators is low, and it's easy to achieve mechanization. No need to use compressed air, and large-sized compressed air station is not necessary. Moisture will not be created when cleaning the base. The self-carried de-dusting device ensures no dust. No compressed air is used, no large compressed air station is needed, and no moisture is generated when cleaning the base. Its own dust removal device will not generate dust.

In promoting mechanization construction, Oriental Yuhong pays attention to the integration of practice with training, organized many times construction competition and field training, and promoted companywide mechanization construction.

Green Life

2019

In 2019, Oriental Yuhong made management reformation, environmental protection and cost conservation, quality improvement and efficiency improvement, which are key weapons for a company to keep progress. Branch companies of Oriental Yuhong carried out various training and practice activities to create a positive atmosphere.

“ ”

The company carried on "Be A Noble and Polite Employee of Oriental Yuhong" activity, advocating company wide economizing and environmental protection, and through employees' self-discipline and self-motivation, improve the personal quality of employees of Oriental Yuhong, and maintain a sunny and progressive attitude of an collective atmosphere.

“ ”

The company carried out the activity of “ being a healthy and energetic Yuhong person ”, to advocate moderate exercise, healthy weight management, smoking cessation. Health ambassadors were set in various departments throughout the company. Through self-discipline of employees, the company promises to give certain rewards.

“ ”

Oriental Yuhong carried out "Be Oriental Yuhong persons eager to learn". It advocates the studious spirit in the range of the whole company, in order to improve employees' personal knowledge and quality. Employees who pursue advancement and make progress will be given certain award.

C 5 BA 2 0 1B13

“ ”

2019

Employees are the most precious resources and wealth of an enterprise. Oriental Yuhong treasures highly the value of its employees. Adhering to the enterprise tenet of "for the country, for the society, for customers, for employees, for the shareholders", in combination with the company's developmental stage, industry features, and talent structure characteristics, Oriental Yuhong exerted efforts to explore relevant effective approach, sparing no efforts to maintain the legitimate rights and interests of its employees. In 2019, the company continued to create internal and external border-less communication channels, highlighted protection for the rights and interests of vulnerable groups, and strengthened security, environmental protection, and occupational health management; at the same time, built a multi-dimensional and solid employees care system, implemented diversified staff incentive policies, straightened out all employee career development channels, continuously promoted their growth and development, continually improved employee satisfaction, made great efforts to guarantee the realization of rights and interests of the employees, rewarded employees and contributed to the society wholeheartedly.

ly into practice, it recruited 120 fresh
sorbs excellent talents from both home a
ward. The company adheres to its practice
l through emotional attachment, optimizes its
se development.

Vulnerable Groups

(I) Fair, Just And Nondiscriminatory Employment Policy

263 3.27%

The company complies with the international convention on labor and human rights, abides by the "Labor Law of the People's Republic of China", "Labor Contract Law of the People's Republic of China" and "the Trade Union Law of the People's Republic of China", advocates recruitment policy of equality and non-discrimination, prohibits any acts of discrimination in recruitment, compensation, benefits, and promotion, gives fair treatment of employees of different nationality, race, and cultural background, fully respects the habits and customs of employees of all nationalities, respects employee's rights to freedom of religious belief; focuses on promoting employment of women and minorities, and continually creates for employees a just, fair, harmonious, and humanistic working environment. At present, the company has 263 minority employees, accounting for 3.27%.

(II) Protection Of Women's Rights And Interests

2019 12 31 1760

21.90%

Women's rights are one of the important rights of the human rights. The company respects female employee career development, practices equal pay with equal post for both men and women employees, women employees enjoy completely equal political rights, and under equal conditions, promotion favors female employees. As of December 31, 2019, the total number of female employees reached 1,760, accounting for 21.90% of the whole staff. The ratio of female employees in key decision-making meetings such as trade union management meeting and employee representative conference reaches 30%. Female employees enjoy equal rights and positions.

“ ”

100% “ 3.8 ”

The company cares for women employees' physical and mental health, strictly abides by the relevant state provisions, fully guarantees female employees "3-period" holidays, strictly prohibits female employees from participating in the 4th grade heavy manual works, strictly prohibits female employees from cold water and low temperature operation during menstrual period. Considering the special needs of female employees, in connection with hospital suggestions, during the different stages of pregnancy of female employees, supplements them with additional antenatal care holidays, after birth holidays, the post return rate of female employees will reach 100%. During "March 8th" (International Women's Day) each year, the company prepares carefully personalized gift for every female employee, and they enjoy welfare holiday.

(III) Vulnerable Groups Protection

The company protects practically the legitimate rights and interests of the disabled and other vulnerable groups; the company also participates in recruitment fair specially prepared for the disabled every year, and provided for the disabled many posts of employment opportunities, such as sales representative, construction manager, and internal or office work.

Example:

Example Yuhong Care Foundation

2013 “ ” 2014 , 2015 ,

2015 , 13

21.4 2016 , 18

40 2017 ,

43 2018 , 50

2019 , 71 641495

74400

In 2013, Oriental Yuhong set up "Yuhong Care Foundation"; in 2014, its new measures of care foundation was promulgated, which had broadened its application conditions; in 2015, the care foundation online process was open, employees may apply on its own based on its actual conditions, and the channel for application is much more convenient. Oriental Yuhong Care Fund is mainly to help employees and their children who live hard for medical treatment, education, and natural disaster, express care and regards to excellent employees. In 2015 Oriental Yuhong Care Fund totally assisted 13 families and the subsidy reached RMB 214,000. In 2016, the company continued to help employees in hard life and the subsidy added up to RMB 400,000. In 2017, the fund put emphasis on the health of employees. Except annual physical inspection, the company gave RMB 430,000 subsidy to families who live hard for serious disease. In 2018, the company put emphasis on employees who live hard for disease and other reasons, and the subsidy was more than RMB 500,000. In 2019 the company paid special attention to the life problems of employees, such as serious illnesses and family difficulties. A total subsidy of up to RMB 710,000 was given to employees (including RMB 641,495 for employees in difficulties and RMB 74,400 for gifts and other expenses).

Basic Rights and Protection

(I) Basic Human Rights Protection (System, Channel)

Oriental Yuhong has established strict human resource management system, strictly prohibiting and resisting the recruitment of any form of child labor, strictly avoiding the occurrence of forced labor, as a result, the phenomenon of recruitment of child labor and forced labor has never occurred so far.

“ ”

2019

The company advocates "border-less communication" concept, and actively builds internal and external no-boundary communication channel. Employees may report all kinds of human rights issues or problems that they have encountered or may possibly occur across departments, cross-posts, cross-regional via office software, enterprise email, petition, report box and other kinds of online and offline channels. To the impeachment and petitions of employees, the company will investigate and deal with in time, and each investigation will reach its conclusion, and will never delay. In 2019, there is no, not even one, report of a case of violation of human rights or petition have occurred.

(II) Upholding Of Labor Rights And Interests

The company has set up Trade Union organization in accordance with relevant provisions. At the same time, the company has set up business committee to encourage employees to actively participate in enterprise innovation, business management, to listen to the voice of the operation front line, and respect the rights and interests of employees at the grass-roots level.

“ ”

The Trade Union has set up labor dispute mediation committee and labor dispute mediator team, adheres to its practices of deep engagement with employees, listens to their voices through various channels, answers carefully hot, difficult and focus issues of their concern. To the major issues or problems reflected by employees, the Trade Union adheres to the principle that "consulting must be replied, complaints must be dealt with, and processing or treatment must have a result".

Employees' labor relation, salary & benefit, labor protection, work time, holiday system and other events that are in close relation with employees' interests are discussed by employee representative conference strictly in accordance with related policies and regulations. The conference fully listened to opinions and adopted suggestions of the staff, then negotiated, announced, and specified them in collective contracts.

(III) Employee Satisfaction

Oriental Yuhong continuously introduces consulting agencies to make investigation on employees' satisfaction. In 2018, centering on key factors influencing employees' satisfaction, including fair opportunity, development space, cultural atmosphere, salary & benefit, Oriental Yuhong made the investigation on the satisfaction degree of different levels of employees via office system and Wechat APP. The investigation identified key factors influencing employees' satisfaction, specified detailed improvement measures, and practically increased employee satisfaction.

Employment And Recruitment

(I) Employment Guarantee

100%

Oriental Yuhong established and improved labor system and standardized employment management. 100% employees signed labor contracts. The company improved the system of posts to meet market demands and corporate development demands continuously. It also established competitive employment system and gradually optimized employment structure, to avoid overuse of part-time laborers and guarantee employees' benefit.

(II) Promote Local Employment

2019 8036

In 2019, the number of net increase of employees Oriental Yuhong was 8036, that is, created 8036 new jobs employment opportunities. The company insisted on localization recruitment policy, under equal conditions, priority was given to the hiring of local staff, which, relying on the rapid local business development of the company, strongly promoted the local employment rate. With its continuous strategic map expansion, the company had set up wholly owned subsidiaries in Beijing, Guangzhou, Shenzhen, Tianjin, Sichuan, Kunming, Nanjing, Shandong and Jiangsu respectively; established a production, R&D logistics bases in Beijing, Shanghai, Hunan, Liaoning, Guangdong, Jiangsu, Shandong, Yunnan, Hebei, Shanxi, Anhui, Zhejiang, Henan, Hubei, Jiangxi, Guangxi etc., which had greatly increased the local industrial aggregate economic volume, promoted the employment of local residents, and played a positive role in promoting the optimization of industrial structure and enriching industrial categories.

(III) Campus Recruitment

2019 80 40 10 120

In 2019, Oriental Yuhong carried out promotion and publicity activities in 80 colleges and universities across the country, organized a total of 40 large-scale campus talks, participated in 10 two-way selection meetings, and accepted 120 current year's graduates.

Remuneration And Incentives

The company boasts a perfect compensation incentive system. Based on its post value evaluation and according to the principle of remuneration level marketization, the company defines its salary according to post, once the post changes, the remuneration will adjust accordingly, gives priority to efficiency, renders remuneration according to performance, takes count of justice; and at the same time, conducts regular salary review and adjustment, gradually improves all forms of medium and long-term incentives, strives to provide employees with stable, attractive, and relatively more perfect compensation system, and enjoys together the achievement of enterprise development.

2019 10%

Even in the complicated economic situation in 2019, Oriental Yuhong still raised the salaries for the whole staff. Average salary growth was about 10%, and the salary increase inclined toward grassroots employees. Oriental Yuhong is devoted to cultivating technicians with leading technologies, and is devoted to creating first-class craftsmen.

2019 1752 2019

2019 2

1

The company implemented an equity incentive policy for middle and high-level, core business personnel and technicians. Equity incentives were given to them when those persons meet the granting conditions. In 2019, the company carried out the third-phase restricted stock equity incentives, and stock equity was given to 1752 persons in total. As of 2019, the company has implemented three phases of equity incentive plans in total, of which the first phase of the equity incentive plan has ended, and the second and third phases are still within the validity period. In 2019, the company carried out equity unlocking for two times and repurchase cancellation for one time, in order to reward the employees who really trust in the company and work hard.

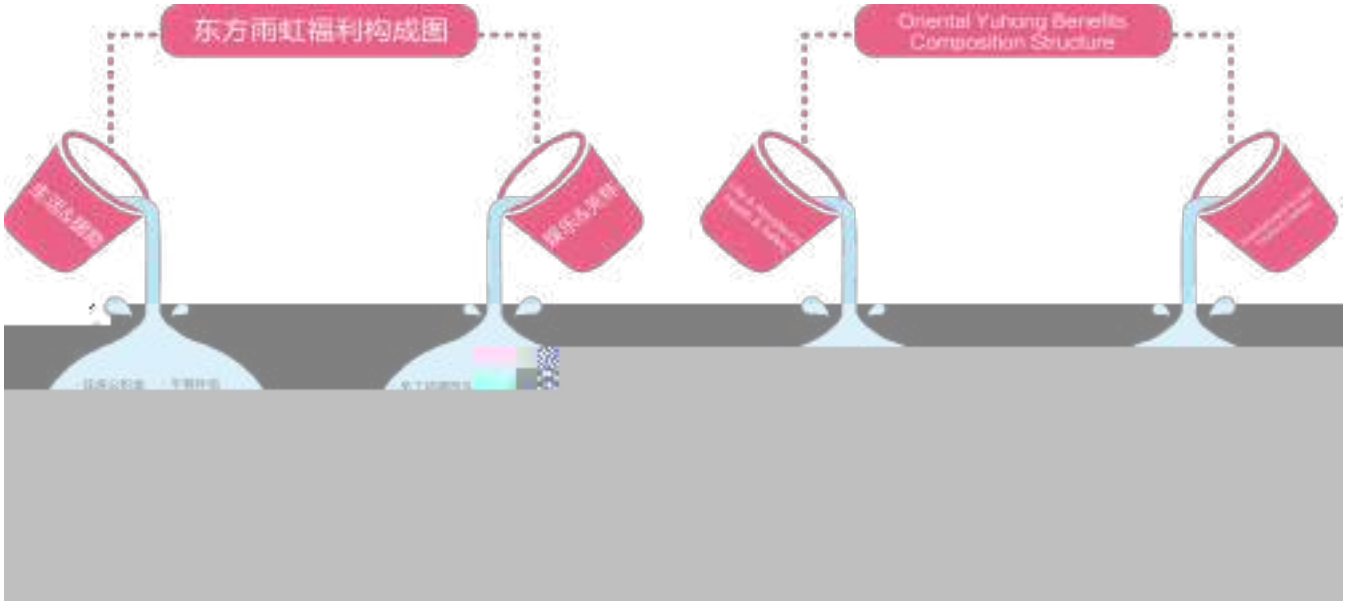
Furthermore, Oriental Yuhong has improved social insurance and housing provident fund systems. It paid insurances for employees' endowment, medical treatment, unemployment, employment injury, maternity and housing provident fund, with coverage for all the employees. Meanwhile, the company specially bought accident insurance for employees who went on business trip throughout the year. It also bought accident and commercial insurance for employees who went on business trip of training or group activity. Make employees work comfortably and feel free to go on business trip.

On the basis of the first appraisal of the annual appraisal, the company added an award “ The Person Moving Yuhong ”, according to which, advanced collectives and individuals with outstanding performance and fast growth in terms of engineering, technology, management, function, and sales etc., would be commended, and the awards were conferred especially to those front-line personnel fighting at the grass-roots level and ordinary sales personnel who had always set new records.

Welfare Benefits And Care

“ ”

Oriental Yuhong treats employees as family members, committed to building four welfare care systems, included life & assistance, health & safety, entertainment & care, tourist & holiday etc. For each significant day, Oriental Yuhong always tries to achieve "love, no miss". On staff birthday or wedding day, the company sends its birthday gift, new wedding gift money at the earliest time possible; during Mid-Autumn Festival, the Dragon-boat Festival, Spring Festival and other traditional festivals, the company holds all kinds of employee activities and distributes gifts; during the Spring Festival every year, the company also, with full gratitude, extends its sincere greetings and New Year's gift to the parents of employees. The company gives rewards to employees whose children are admitted to key universities.



Work And Life Balance

“ ”

2018 14

The company pays attention to balancing the work and life of employees, advocates "Happy Work, Healthy Life" concept, strives to create conditions to enrich employee's life outside of the eight working hours and to improve the well-being of their work. Strictly carries out employee paid-leave system, supports the free combination of a variety of holidays, and facilitates employee's free travel with leisure. In 2018, the corporation revised annual vacation management method for employees. It lengthened employees' annual vacation to 14 days, higher than the vacation length required by the state.

2019

In 2019, the company continued to hold cultural and art festivals and sports games, and carried out various kinds fellowship activities with strategic partners to promote employee cross-border exchange; set up Oriental Yuhong Senior Management Basketball League, while having physical exercise, strengthened communication between employees and the leadership, and improved its team cohesion and centripetal force.

Health and Safety

(I) Occupational Health And Safety Management System

Oriental Yuhong put employees' health and safety on top position, set an improved occupational health & safety management system boasting of systematic safe operation flow and operation specification. It established responsibility system for security guard, identified and checked dangerous source at workshop, laboratory and other sites at regular intervals; It also organized periodical physical examination on occupational disease for operators in related areas, set up file of employees' occupational health, and created work environment and labor conditions advantageous to employees' health.

2019 213

Oriental Yuhong periodically arranged physical examination for the whole staff every year. It designed various physical examination schemes in accordance with employees' differences in sex, age, job nature, medical history. In 2019, the company paid a total of more than RMB 2.13 million for the physical check-up of employees.

(II) Labor Protection

The company has established standardized labor protection system, equipped with perfect labor protection articles and safety construction tools, conduced regularly practical operation and theoretical training, helping them master the standard operation procedures, proper use of protective equipment and individual labor protection articles, thereby enhancing their self-protection skills.

In addition, the company also pays attention to creating safety culture atmosphere and building a safe occupational environment. At the production site, there has been set up with occupational health and safety warning marks; Oriental Yuhong carried out periodical inspections over harmful substances such as dust, noise and poison, and entrusted qualified occupational health service providers to make health inspection over the posts which may be harmful to occupational health. It upgraded and transformed labor protection facilities against dust, poison and noise, discarded outdated techniques and technologies, and improved work environments of construction sites.

Provide allowance or subsidy for heatstroke prevention in strict accordance with state regulations, distribute regularly heatstroke prevention drugs and drinks in the high temperature season; in severe cold, heavy fog weather, adjust the working hours and working content in time, and protect the safety and health of employees in the special environment.

Example:

2019

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In 2019 the COVID-19 occurred. The labor protection cannot be delayed by enterprises. Branch companies of Oriental Yuhong cooperated with and abided by the local government regulations and requirements. They made reasonable office system adjustment. The combination off-peak office + home office was taken to promote the production resumption. In order to ensure that employees are provided with a safe office environment, all-around cleaning and disinfection, the protection with protective appliances, strict inspection over the personnel entering the company, and frequent tips on epidemic prevention were carried out.

(III)Prevention And Control Of Occupational Disease

Oriental Yuhong carries out "Law of the People's Republic of China on Prevention and Control of Occupational Diseases", pays attention to monitoring and protection of occupational health and safety, as well as prevention of occupational disease. It continuously improved construction conditions, and actively prevents, controls and eliminates occupational disease risks. Oriental Yuhong made occupational pre-job, on-job, and job-leave health examinations for employees on the posts of harmful influences to occupational health. It included all the physical examination results into employee files. Furthermore, it made follow-up and re-examination on employees with occupational diseases, and organized patients needing hospitalization to be treated in professional hospitals, which removed employees' worries. Employees on special jobs enjoy health subsidy and recuperation system. Therefore the incidence rate of occupational disease dropped year by year.

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(IV) Mental Health

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Adhering to the key principle of “ post - ability ” , Oriental Yuhong has planned a learning and development route for every key talent in the enterprise from the perspective of career management, and designed personalized training courses for different employees, which opened up fast channels for the career development of employees.

(I) Training and Growth

2019 ELN

In order to ensure the orderly and effective progress of learning and development, the company has established a three-dimensional system integrating the training system management, training resource management, and training operation management. In 2019 the company strived to improve the credit system, developed high-quality learning and development projects, improved the use efficiency of the ELN network platform, strengthened the training to promote organizational reform and business innovation, and cultivate key talents for the company.

“ ”

Adhering to the concept of “removing the false and keeping the true”, Oriental Yuhong has made comprehensive improvement of training organization, operation process and management system. It further specified the strategic positioning, development strategy, resource construction goals and operation guidelines of training. O / ui fdՈ p˜ ganizat¾Ď6re

Oriental Yuhong Training System

Training plan	Target	Content
Six-level talent cultivation system	Grassroots, mid-level and high-level managers	Training for the improvement of general and professional capability of different levels of managers.
	Different levels of reserve managers	Training for the improvement of general and professional capability of different levels of selected and cultivated reserve talents
Professional Sequential Training	Whole staff	Training system is set for professionals, e.g. sales, engineering, manufacturing, R&D and marketing persons. It covers corporate culture training, professionals ' knowledge and skill training
General Ability Training	Whole staff	E-Learning G Corporate culture training and general work skill training are made by virtue of E-Learning, G live stream, and offline training.

Systematic guarantee: Oriental Yuhong established employee learning integral system and employee tutor mechanism, regularly encouraged employees to participate in occupational title and mid- and high-level occupational title certification. Preferential policy such as paid holiday and certification expense reimbursement will be given to employees who are preparing for the certification. When making promotion, priority will be given to the employees who study actively and are able to study, and award will be given to outstanding students.

G E-learning

Digital learning: employees can make expansion exercises, theoretical learning and practices by G live streaming, E-learning and offline case sharing and discussion.

Professional teachers: the company and waterproof expert association and colleges carry out strategic cooperation to regularly invite experts and scholars to give lectures. In addition, Oriental Yuhong established internal teacher cultivation and certification system to accumulate rich reserve of teachers.

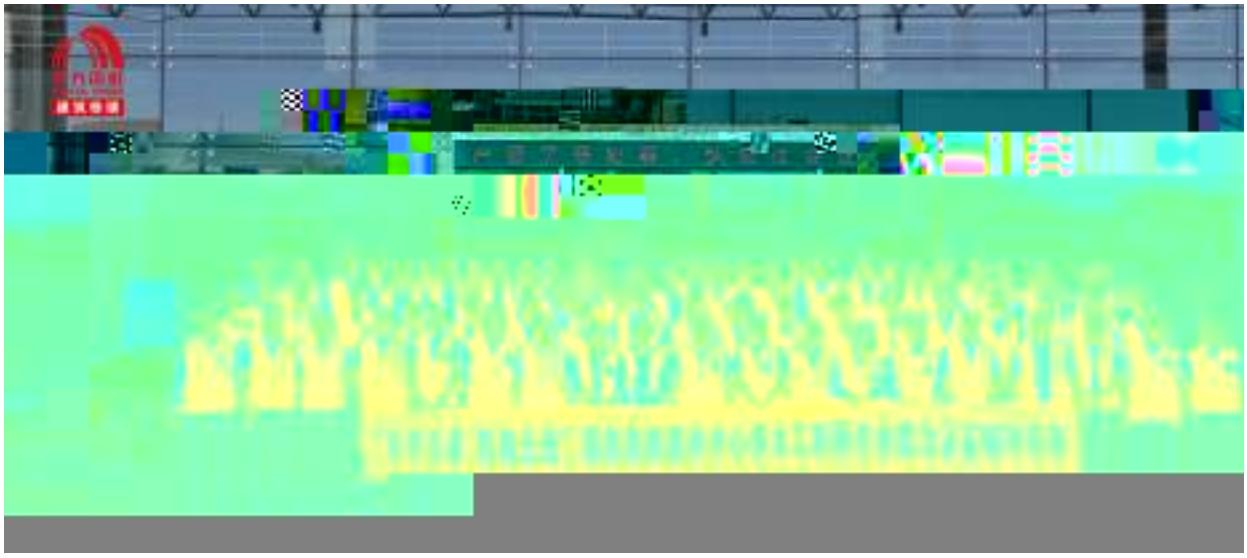
Tailor-made courses: the company gives training according to job levels, occupational titles and different professional positions.

Diversified Training For Different Persons

Training target	Training form	Training objective
Managers	Lectures by internal and external lecturer; practice after class	Corporate culture identity, improve leadership, expand horizons etc
Non-management	On-position training: internal sharing by teachers	Corporate cultural identity, improve professional skills
Partner	Lectures by internal and external lecturer	Corporate culture recognition, product knowledge, and construction process.

1 Example 1:

Oriental Yuhong Building Renovation held a training meeting for technical engineer professional competence certification. 70 technical engineers from service centers of Oriental Yuhong Building Renovation all around China keep regular study and discussion at the meeting. They shared knowledge resources on technology, experience, intelligent survey equipment, products, cost accounting and construction safety management, etc., made in-depth exploration from technology application to project cases, and from skills to applications.



2 Example 2:

“ ”

By advantage of the conveniences of the digital era, Oriental Yuhong actively carried out the shift and transformation of training methods, launched online live education courses, created a new three-pillar system training model combining system upgrade, digital transformation, and interactive communication. It shared knowledge resources, passed on business experience, in order to make success in the future with “ Innovation and Transformation ” .

2019

In 2019, the company introduced professional consulting agencies. Combined with the group ' s development strategy, it has established and perfected the qualification system, set up five groups and twenty - six sub - sequences for the qualification system, in order to guide employees to enjoy different professional development route covering vertical professional development, horizontal comprehensive development, professional route, and management route, etc.

Based on the assessment method combining qualification standard, occupational development planning, and competency model, Oriental Yuhong encouraged employees to make job rotation and promotion through normal development, internal competition, and special appointment.

360

Strengthen performance feedback and improvement, take quarterly employee performance interview and talent team cultivation as one of the important responsibilities of the department manager, and at the same time, introduce a series of assessment tools, in connection with the 360 - degree evaluation and other offline tools, carry out differential structural evaluation according to sequence and position, and promote employees' career development.

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The original career developmental path of the sequence of operation is promoted mainly through management sequence, now in addition to promotion through the "management channel", the personnel ḍ h ᵀ h ᵀ ɹ o d ḍ

2019 2110

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60% 2019 12

In 2019, Yuhong College trained 2,110 persons with waterproof skills nationwide. Development courses included: model technician certification, national waterproofing worker certification, project manager certification, and sales engineer certification. The training covered a total of 30 provinces, of which trainees from Henan, Hubei, Hunan, Anhui and Sichuan accounted for 60% of the total training. In December 2019, the college signed cooperation agreements with Guangzhou Urban Construction Vocational College, Sichuan Urban Vocational College, and Xuzhou Industrial Vocational College. They will jointly cultivate college technical talents.

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2020 1

“ ” “ ”

In January 2020, COVID-19 epidemic broke out. Oriental Yuhong fought hard on the construction sites of various epidemic prevention emergency projects across the country. Oriental Yuhong personnel fought day and night to race against time. After the completion of the construction of Wuhan Huoshenshan Hospital and Leishenshan Hospital, according to the needs of epidemic prevention and control, the anti-epidemic emergency projects like “Xiaotangshan Hospital” and “Square Cabin Hospital” started construction. As a service provider of building materials system, Oriental Yuhong has undertaken a large number of construction tasks of waterproofing projects. It dispatched teams urgent to support the construction of epidemic prevention and control projects in Jingmen, Xiaogan, Suzhou, Bengbu, Xi’an, Guiyang, Xianyang, Harbin, Fengcheng, Linyi, Jinzhong, Zhuhai, Shenzhen, Beijing, Hanzhong, Huizhou, Lvliang, Xinzhou and other places across the country.

1 Example1:

Oriental Yuhong contributed to the construction of Huoshenshan Hospital with outstanding anti-seepage and waterproof protection project

1 23

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50 1 27

3.39 2019

2 2 SAM—

921

On the afternoon of January 23, the Wuhan Urban Construction Bureau of Hubei Province urgently called Wuhan Construction Engineering, China Construction Third Engineering Bureau and other units to hold a special meeting to build the Huoshenshan Hospital in Wuhan, in order to intensively treat COVID-19 patients. On January 24, Oriental Yuhong, BGE, and Tiandingfeng actively undertook the construction of waterproof, anti-seepage and protection projects. They determined the technical solutions and made warehousing and logistics scheduling overnight. A team made up of more than 50 persons including chief technical engineers, project managers, and construction workers were in place. On January 27, Wuhan Construction Engineering Group sent a thank-you letter to Oriental Yuhong for the completion of the anti-seepage project of the Huoshenshan Hospital. Wuhan Huoshenshan Hospital with a construction area of 33,900 square meters was officially put into use on February 2, 2019. After completing the construction of Huoshenshan Hospital underground waterproof and anti-seepage project, Oriental Yuhong delivered 15,000 square meters of Oriental Yuhong SAM-921 high-extended self-adhesive asphalt waterproof membrane again to add waterproof protection to the roof joint.

2 Example 2 :

“ . ”

“ Yuhong World & Green Environment ” garbage classification activity

2019 “ . ”

“ Plogging+ ”

“ ”

In 2019 Oriental Yuhong and BGE and persons from various circles jointly kicked off the “ Yuhong World & Green Environment ” garbage classification activity, and carried out the “ Plogging + garbage classification ” activity with 30 cities at home and abroad as offline stations. They also cooperated with online sports platform to launch an online marathon. In the form of garbage public welfare lectures, waste picking and jogging, etc., it gathered the power of social public welfare and fulfilled the slogan “ Beautiful China - - I Am the Actor ” .

3 Example 3 :

2019 “ ”

Oriental Yuhong carried out the 10th “ Unpaid Blood Donation Week ” public welfare activity in 2019

2010 11

In 2019 Oriental Yuhong launched the 10th unpaid blood donation week activity to help others and save lives, which was initiated by the Beijing headquarters, and met with a quick response by Guangdong Oriental Yuhong, Yueyang Oriental Yuhong, Shenzhen Oriental Yuhong, Xianyang Oriental Yuhong, Jinzhou production base and other branches. From 2010, Oriental Yuhong determined that the first week of November each year is the company ’ s free blood donation week, and free blood donation has become an ongoing public welfare activity of Oriental Yuhong people.

4 Example 4 :

“ 2019 -

Oriental Yuhong won “ 2019 Asian Corporate Social Responsibility - Social Welfare Development Award ”

2019 5 “ 2019 ” “

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In May 2019, “ 2019 International Corporate Social Responsibility Forum ” sponsored by the Asian Enterprise Chamber of Commerce was grandly opened in Taiwan. Oriental Yuhong won the “ 2019 Asian Corporate Social Responsibility - Social Public Welfare Development Award ” for its “ Serve Citizens, Refuse Leakage ” public welfare project which provides free repair service for the “ Shanghai Children ’ s Rehabilitation Training Center ” .

Transmission Of Love

Oriental Yuhong took social responsibility as its own responsibility. The company paid back the society with education support, environmental protection, culture promotion, and social care. It implemented social responsibility with practical actions, promoted harmonious and steady development of enterprise and society, integrated social responsibility into corporate development, and combined corporate culture construction with social responsibility. It called different circles to devote themselves to public welfare and contribute to the creation of a healthy life environment.

1 Example1:

Oriental Yuhong donated cloth for school uniforms

2019 20

In 2019, Oriental Yuhong actively played an active role in the joint construction of local community. It invested in poverty alleviation projects, passed on love, and made great contribution to the society. In the year it donated RMB 200,000 to buy school uniform cloth for the primary school in Sharp Village, Kuoyi Township, Moyu County, Hetian District, Xinjiang. Thanks to the donation, local children can wear new school uniforms.

2 Example2:

Oriental Yuhong showed love and expressed appreciation to firefighters

2019 8 1

On August 1, 2019, Oriental Yuhong dispatch persons to extend their regards to local fire brigade. They brought cooling and refreshing gifts to firefighters. Firefighters always worked on the firefighting frontline and always put the people's life and security onto top position. Oriental Yuhong showed love and expressed appreciation to firefighters. The activity expressed the high respect of the people for firefighters and built up a good relationship between the army and the people.

3 Example 3 :

Oriental Yuhong has set up a scholarship and gives subsidy to outstanding students and poor students

2008 “ ”

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8 20 ”

From 2008, Oriental Yuhong has set "Oriental Yuhong Scholarship for Beijing University of Chemical Technology" in order to help poor students and excellent students to finish college, and to promote college-enterprise exchange and cooperation in technology and talents. Every year about 30 students got the scholarship. In August, Tiandingfeng donated RMB 200,000 to Linyi First Middle School. It was the eighth scholarship given to the school Since "Tiandingfeng Scholarship" was set.

Oriental Yuhong owes all its business success and progress to our time, to our country, to the generous and selfless support of our customers, and to the deep care and love of our society. Always having a thanksgiving heart and always caring about the people has been the basic features of the culture of Oriental Yuhong, and also the criteria that Oriental Yuhong always upholds and embraces in its pursuit of corporate social responsibility.

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—— Li Weiguo

Social Responsibility Report Feedback

Thank you for reading Oriental Yuhong Corporate Social Responsibility Report, the eleventh CSR report released by Oriental Yuhong. To improve CSR work and CSR report compilation, we sincerely hope we can get your opinions and suggestions. Please answer the question in the feedback sheet. We appreciate your support!

1. Overall evaluation of the report				
Very good	Good	Common	Bad	Very bad
2. Does the report completely and precisely reflect Oriental Yuhong Social Responsibility Report fulfillment?				
Very good	Good	Common	Bad	Very bad
3. Does the report give response to and disclose the issues concerned by stakeholders?				
Very good	Good	Common	Bad	Very bad
4. Is the information disclosed by the report clear, correct, and complete?				
Very good	Good	Common	Bad	Very bad
5. What do you think about the report ' s readability, i.e., logic, content design, language, and format design?				
Very good	Good	Common	Bad	Very bad
6. What information you need is still not included in the report?				
7. What suggestion will you give to our future Social Responsibility Report work and Social Responsibility Report ?				

Feedback approach

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