



# 2020 Genertec

## Corporate Social Responsibility Report



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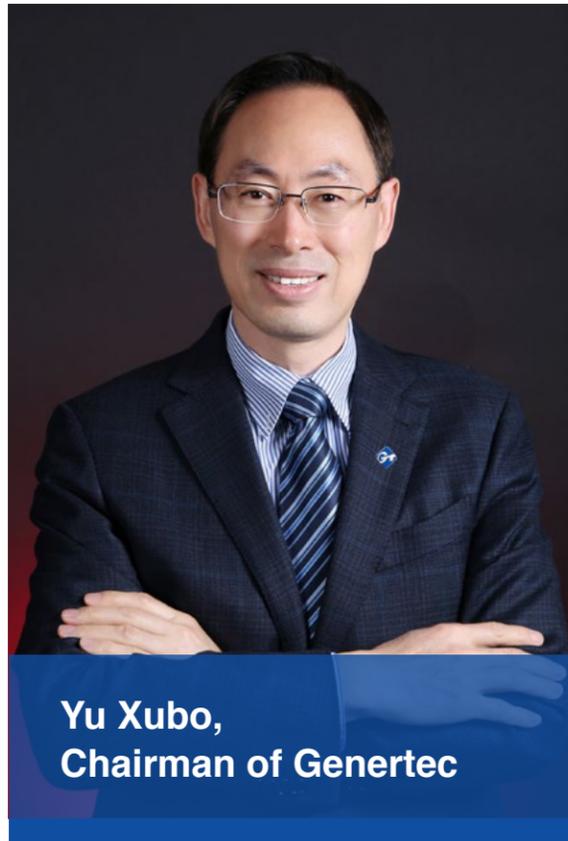
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## Message from the Chairman



Yu Xubo,  
Chairman of Genertec

The year of 2020 marked an extraordinary year. Facing the complicated external environment and arduous tasks of reform and development, especially the severe impact of COVID-19 pandemic, under the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Genertec resolutely implemented the spirit of the important instructions of General Secretary Xi Jinping and the decisions and arrangements of the CPC Central Committee and the State Council, fully carried out the new development philosophy of innovation, coordination, green, open, and sharing, made overall plans to promote epidemic prevention and control and business development, worked hard to tide over many difficulties, and strove to promote high-quality development. Genertec fully realized the performance targets set by SASAC with the scale and efficiency indicators both growing against the downtrend and hitting a record high, and delivered qualified results in the fight against the COVID-19 pandemic. Genertec won A-level in the performance evaluation of central SOEs for the 12th consecutive years (2009-2020), and made the list 430th in the Fortune Global 500 in 2021, up 47 places from the previous year.

In this year of turbulent world economy, as a SOE, Genertec played a strategic supporting role to unswervingly serve the Manufacturing Powerhouse. We prioritized the development of high-end CNC

machine as our primary business, integrated all resources to optimize the industrial distribution, actively advanced reforms and restructuring of the technological innovation system in the machine tool field to promote the transformation and upgrading of the industry. To push on high-quality development of China's machine tool industry and demonstrate the spirit of mission-bearing of central SOEs in realizing technological self-reliance and self-improvement in the industry, Genertec established Genertec Machine Tool Engineering Research Institute Co Ltd and took the lead in launching "China Technology Innovation Strategic Alliance for Advanced Machine Tool". In 2020, the revised "S-shaped test pieces" five-axis machine testing method, of which Genertec was the leading developer, became an international standard, realizing China's first breakthrough in international standard-setting in the field of machine tools. Genertec's subsidiaries in machine tool industry had made great efforts to achieve breakthroughs in core technology to provide key equipment and solutions for difficulties in processing key functional components and special material parts for China's civil aviation field and large structural components for high-speed railways.

In this year of raging global pandemic, we gave full play to the advantages of our main business and fully support the national fight against the pandemic, vigorously forged a big health industry ecology, and unswervingly served the Healthy China initiative. Without making any conditions and concessions, we resolutely obeyed the commands of the CPC Central Committee, gave full play to our advantages and mobilized all forces to fully support the epidemic prevention and control work throughout China, especially in Wuhan, Hubei Province. During the pandemic, Genertec dispatched 166 medical staff to assist Hubei's fight against the COVID-19. 34 affiliated hospitals of Genertec were designated to participate in medical treatment and rescue. Genertec was actively engaged in the tasks of medical supplies, production of important anti-epidemic materials and medicines, construction of medical facilities, and overseas anti-epidemic cooperation, making contributions to the national and global epidemic prevention and control and fully demonstrating the backbone role played by SOEs for the nation. We continued to advance the restructuring reform of medical institution-stripping of SOEs, took advantage of SOEs' running medical institutions to explore innovative development models for the pharmaceutical and healthcare industry, and continuously improved the quality of pharmaceutical and health products and services. Being a rising power in the national health industry, Genertec endeavored to build a whole-service chain of big health industry ecology with medical services as a pillar, which would pharmaceutical and healthcare supply chain, health management, elderly care, rehabilitation care, financial services, etc. In 2020, Genertec completed the medical institution-stripping reform and cooperation with 17 central and local SOEs including State Grid, AVIC, CASIC, etc., and consolidated more than 170 medical institutions with a total of 32,000 beds, and annual number of outpatients and emergency treatments exceeding 16 million in 21 provinces, autonomous regions and municipalities across China. Therefore, Genertec had become a central SOE medical group with leading number of beds, complete network SOE coverage, and full industrial chain.

In this year of severe and complex international economic and trade environment, we gave full play to our advantages in international

operation, continued to expand our overseas business, and unswervingly participated in the construction of "the Belt and Road Initiative". Adhering to the principles of "consultation, contribution and shared benefits", Genertec persisted in high-quality "bring in" and "going global", jointly promoted international capacity cooperation, deeply participated in "the Belt and Road Initiative" with business partners, and played an active role in creating China's advantages in international cooperation and competition. In 2020, Genertec made great efforts to overcome the persistent impact of the COVID-19 overseas, achieved new progress in international engineering business and capacity cooperation projects in Bangladesh, Myanmar, Hungary, Kazakhstan, Uzbekistan, and became the largest investor for photovoltaic power station construction and service in Central and Eastern Europe and the largest overseas investor in energy construction in Bangladesh. Genertec was listed in the ENR's Top 250 International Contractors for the 10th consecutive years, and ranked the 67th in 2021, setting a new record high.

Facing the new round of scientific and technological revolution and in-depth advancement of industrial transformation in the world, we focused on implementing the "Innovation-driven Development" strategy by overcoming the difficulties and seizing the opportunities. We concentrated on improving the ability to serve the national strategy, promoting the high-quality development of our pillar business and breakthroughs of core technologies, increasing investment in technological innovation, solidly advancing digital transformation, and achieved a number of innovative fruits with great influence in the fields of high-end machine tool equipment, new materials, medicine, etc., making significant contributions to the self-reliance and self-improvement of high-level science and technology development. In 2020, Genertec totally invested 1.357 billion yuan in R&D, a year-on-year increase of 32.26%. In 2020, Genertec won 4 national science and technology awards and 38 provincial and ministerial science and technology awards, formulated and revised 103 standards, and issued 4 international standards, and was granted 358 newly authorized patents (including 102 invention patents). Genertec has been vigorously accelerating industrialization of major science and technology achievements and construction of major scientific research facilities. "The Lyocell Industrialization Project with an annual output of 60,000 tons" started up successfully in the first try, filling the domestic technological gap and making China the second country in the world to own green fiber industrialization technology. To facilitate high-quality development of the new energy automobile industry, Genertec successfully launched and began to operate the National Safety Early-warning Platform for New Energy Vehicles, and helped with the construction of a national hydrogen quality supervision and inspection center.

Facing the global trend of ecological civilization development, we practiced green development philosophy to achieve the "Carbon Peak and Neutrality" goals. We fully integrated green development philosophy into corporate operation, continued to intensify efforts to conserve energy and reduce emissions in all business areas, and actively promoted the green development of our main business. To be a practitioner of environmental governance, a builder of ecological civilization, and a guardian of our beautiful earth, Genertec improved the supply capacity of green technologies, green products and green services, while focusing on key areas

such as green fibers, new energy vehicles and green buildings. In 2020, Genertec started the first phase of 10,000 *mu* ecological public welfare forests in Wuchuan County, Inner Mongolia. In conjunction with local poverty alleviation work, Genertec mobilized employees to participate in volunteer activities, consolidating more consensus on green development, and promoting green and sustainable development.

In the final year of building a moderately prosperous society in all respects, we were determined to win the battle against poverty, and fulfill our original mission to benefit more people with the fruits of development. We took targeted poverty alleviation as the focus of our social responsibility. Highlighting the characteristics of Genertec, we explored innovative, pragmatic and sustainable poverty alleviation models. Since the start of the new round of poverty alleviation program in 2012, Genertec had invested a total of 93.9 million yuan in assistance funds and introduced assistance fund of 1.76 million yuan. Wuchuan County and Shangdu County in Inner Mongolia, the targeted poverty alleviation counterparts of Genertec, had both been lifted out of poverty. We encourage our subsidiaries and employees to actively organize and participate in voluntary activities, and played a pillar role in education support, flood fighting and disaster relief, medical rescue, and major event services by combining our business with local reality. In 2020, Genertec was awarded "Good" for the third time in the assessment of targeted poverty alleviation work of central SOEs by the Poverty Alleviation Office of The State Council. In 2021 Genertec won the title of "Advanced Group in the National Poverty Alleviation Program".

Let's work side by side in the new era and set sail for a new journey! The year of 2021 marks the 100th anniversary of the founding of the Communist Party of China, the beginning of the "14th Five-Year Plan" period, and the beginning of the new journey of building a modern socialist country in an all-round way. Genertec will adhere to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and thoroughly implement the decisions and plans of the CPC Central Committee and the State Council. Bearing our country's most fundamental interests in mind, we will enhance the "Four Consciousness", strengthen the "Four Confidences" and maintain the "Two Upholdings". Having a keen grasp of the new development stage, Genertec will accurately and comprehensively implement the new development philosophy, actively integrate into and serve the new development pattern, and strive for high-quality development. With "Integrity, Inclusiveness, Innovation, Entrepreneurship, Excellence, and Mutual Benefits" as our values, we will fulfill our mission of "Creating a Better Life with Good Technology and Quality Service", and be committed to forging a world-class enterprise with global competitiveness to bolster the sustainable development of our economy, society and environment, so as to make new and greater contributions to building a modern socialist country in an all-round way and realizing the "Second Centenary" goal, and building a community with a shared future for mankind!

Finally, on behalf of Genertec's board of directors and all employees, I would like to extend my sincerest gratitude to all friends from all walks of life who have been caring about, supporting and helping the development of Genertec. In the future, we look forward to working with you hand in hand to embark on a promising new journey!

# About Us

## Company Profile

Established in 1998, China General Technology (Group) Holding Co Ltd, commonly known as Genertec, is a centrally administered State-owned enterprise, which is directed by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC). It was approved by the government as a pilot enterprise of State-owned capital investment in December 2018. Supported by more than 87,000 employees, Genertec ran 488 domestic units by the end of July 2021, including 27 industrial sub-groups and secondary level companies, and 91 business branches in overseas markets. It owns 4 listed companies-Shenyang Machine Tool Co Ltd, China Automotive Engineering Research Institute Co Ltd, Genertec Universal Medical Group Co Ltd, and China Meheco Group Co Ltd.

Over the years, Genertec has been focusing on three pillar businesses-advanced manufacturing and technical services, medical and healthcare, trade and engineering services as it mobilizes a strong push for innovation-driven high-quality business development under the optimal organizational structure. Genertec gained 195.8 billion yuan of sales revenue and 7.8 billion yuan of profits in 2020. It had won A-level in the performance evaluation of central SOEs for 12 consecutive years (2009-2020), and made the Fortune Global 500 list seven times since 2014.

In the field of advanced manufacturing and technical services, Genertec has taken an active role in serving the national strategy for upgrading the country's manufacturing sector and positioned the development of high-end CNC machine tools as its core business. Since the founding of the People's Republic of China, the Group has produced dozens of national firsts in the field of machine tools, and 20 workers have been honored as role model of the nation, a testament to the Group's dedication and commitment as exemplified by Ma Hengchang Team. At present, Genertec owns one machine tool research institute and six machine tool production and manufacturing companies, and has established China Industry Technology Innovation Strategic Alliance For Advanced Machine Tool. In addition to holding the largest variety of products and the broadest service areas in the domestic market, the Group has the strongest technical capabilities across China, providing the most high-end core equipment and solutions for key industries and areas. It has been vigorously promoting the industrialization of new solvent-based cellulose fiber, making China the second country in the world to master the technology in the industrialization of green cellulose fiber. Its production now reaches the biggest amount in China and takes the second place in the global market. Genertec's strong inspection and supervision capabilities allow it to successfully launch an early warning platform for the safety of national-standard new energy vehicles, establish a vehicle standard innovation center (Chongqing) in the national standard innovation base, and facilitate the building of a national hydrogen quality supervision and inspection center.

In the field of medical and healthcare industry, the Group has strongly championed the Healthy China initiative by leveraging the strength in its wide-range broad-span, complete-scenario medical resource system to build a robust presence across the healthcare ecosystem that relies on medical service and covers a complete service chain, including pharmaceutical supply chain, health management, health elderly care, rehabilitation care, financial service and other fields. Currently, Genertec has more than 170 medical institutions with a total of 32,000 beds, its annual number of outpatients and emergency treatments exceeds 16 million in 21 provinces, autonomous regions and municipalities across China. Genertec, as a central SOE, has developed itself into a medical group with leading number of beds, complete network coverage and comprehensive industrial chain.

In the field of trade and engineering services, Genertec is the main channel and a major force for the imports of advanced technology and key equipment in China. Its introduction of 156 advanced technologies and full equipment in the early years of the People's Republic of China laid a solid foundation for the country to develop manufacturing business. Over the past 70 years, it has imported and introduced more than \$340 billion of state-of-the-art technologies and complete sets of equipment for various industries, making a significant contribution to the nation's progress toward industrialization and the localization of major technical equipment. Genertec's vigorous participation in the tangible growth of the "the Belt and Road Initiative" has also driven and promoted Chinese standards, technologies and equipment to many parts of the world. It was ranked 67th on ENR's list of the Top 250 International Contractors 2021. The Group has won a total of 87 national-level awards in the construction industry, including the China Construction Engineering Luban Prize and the National Quality Engineering Awards, in recognition of its rich history and track record of performance in participation of significantly important construction projects across China. As a comprehensive service provider for the supply chain of mobile communication terminal products, Genertec is also a leader in the field of terminal product distribution of mobile communication for many years.

Moving forward, Genertec will continuously pursue its mission of "Creating a Better Life with Good Technology and Quality Service", while living its values of "Integrity, Inclusiveness, Innovation, Entrepreneurship, Excellence, and Mutual Benefits". Genertec is committed to becoming a world-class enterprise that is highly competitive on the global stage.

### Business Performance in 2020

Total assets

**225.7** billion yuan

Operating revenue

**195.8** billion yuan

Total profits

**7.8** billion yuan

Fortune Global 500 ranking

No. **430**

### Corporate Philosophy

Mission

Creating a Better Life with Good Technology and Quality Service

Vision

To Become a World-class Enterprise with Global Competitiveness

Values

Integrity, Inclusiveness, Innovation, Entrepreneurship, Excellence, and Mutual Benefits

## Corporate Governance

### Compliance Management

In 2020, Genertec strictly complied with the requirements of the *"Company Law"* and other laws, regulations and normative documents. Under the framework of the company's articles of incorporation, Genertec improved the board of regulation system and formulated rules of procedure to ensure scientific decision-making and standardized operation. With the goal of "sound governance, operational compliance, standardized management, and law-abiding and integrity", Genertec continuously improved the governance system and mechanisms, and enhanced governance and compliance management capabilities at all levels to achieve sustainable, healthy and stable development.

In 2020, Genertec promoted and implemented the first responsible person measure for the rule of law at all levels, and established a long-term mechanism for modernization of the governance system and governance capabilities. The Group also pushed forward the secondary-tier subsidiaries to fully implement the chief counsel system and gave full play to the role of legal audit and control. To prevent the potential risks caused by pandemic of COVID-19, the Group conducted risk assessment and investigation on legal compliance. To ensure international operations and virus prevention and control compliant with laws, The Group systematically sorted legal risks related to overseas business, strengthened the investigation and response capability to legal risks in engineering construction, foreign trade investment, labor and employment, information disclosure of overseas listed companies, etc.

### Risk Management and Internal Control Management

To implement the CPC Central Committee's strategic deployment of preventing and resolving major risks, and in accordance with the requirements of *"Implementation Opinions on Strengthening the Construction and Supervision of the Internal Control System of Central Enterprises"*, Genertec strengthened the construction and supervision of the internal control system and risk prevention, improved internal control and overall risk management, and pushed forward in-depth implementation of related work.

In 2020, Genertec promoted the implementation of the *"Comprehensive Risk Management Improvement Plan"*. Starting from risk management governance, risk management strategy and implementation, risk management procedures and processes, risk management supervision and evaluation, risk management mechanism construction, and information support for risk management, we carried out comprehensive risk management improvement work, systematically sorted out our internal control system, and optimized the risk management and internal control system to be "horizontally to the edge, vertically to the bottom, leaving no blind angles and put them into practice". Simultaneously, the Group also strengthened audit supervision and management, established and improved the supervision system that was risk-oriented with internal control system as the main line, and audit system as an important means of supervision, striving to create an all-round supervision ecosystem with strict matrix and grid management and control to effectively prevent and resolve major risks.

### Anti-Corruption

Focusing on the "Two Upholdings" and elaborating the "Four Implementations", Genertec continued to deepen political supervision, improved the systems and mechanisms of "dare not, cannot, and do not want to commit corruption", strictly enforced the principal responsibility and supervision responsibility for comprehensively and strictly governing the Party, resolutely enhanced the Party conduct and clean government construction and anti-corruption work, and strengthened the construction of clean culture, therefore, promoting the continuous improvement of the political ecology of the Group under the new situation.

In 2020, the Group continued to deepen the implementation of the central inspection rectification measures, carried out political inspections over the Party committees of 10 secondary tier subsidiaries, and further improved the supervision network which coordinates disciplinary personnel of different levels for effective inspections. Additionally, Genertec persistently consolidated the achievements in implementing the Party's eight-point frugality code, continued to correct prominent problems of formalism and bureaucracy, deepened the rectification of the problem of making the headquarters more institutionalized, launched a special rectification campaign to address "overseas corruption, transfer of interests, rent-seeking, and embezzlement", and investigated and handled cases of official crimes. 432 problem clues were handled in the Group throughout the year.

# Topic 1



## Consolidating the Achievements of the "13th Five-Year Plan" and Forging Ahead into a New Era

During the "13th Five-Year Plan" period, in the face of the complicated international situation and the arduous tasks of reform, Genertec, with a focus on its main responsibilities and business, continuously raised its political stance, steadily advanced structural upgrades, and strove for high-quality development and improved capacity to serve national strategies. In the past five years, Genertec made many significant progresses and important achievements in its reform and development with "quantity" growth and "quality" improvement, which successfully concluded the "13th Five-Year Plan" and laid a solid foundation for high-quality development of the "14th Five-Year Plan".

### Integrity and Innovation in the "13th Five-Year Plan"



During the "13th Five-Year Plan" period, with clearer definitions of its main responsibilities and business, Genertec continued to push forward resource integration. It successively completed the reorganization of Dalian Machine Tool Co Ltd and Shenyang Machine Tool, and cooperated with State Grid, AVIC, CASIC and other central enterprises in medical institution-stripping reform. The Group made major breakthroughs and became the leading SOE in the business distribution of machine tool equipment and medical services. Its capacity to innovate in science and technology continued to grow, bringing a number of important achievements in terms of machine tools, new materials, and medicines.

During the "13th Five-Year Plan" period, after Genertec was designated as a pilot enterprise of State-owned capital investment, we made steady progress in delegating power to the lower level management, with governance system continuously optimized, management and control capacity steadily promoted, governance capacity significantly improved, and development vitality constantly enhanced.

During the "13th Five-Year Plan" period, keeping in mind the original aspirations and mission of SOEs, Genertec actively assumed corporate social responsibilities, and continued to play a backbone role in responding to the pandemic and fighting poverty. In the period, the Group paid over 33 billion yuan in taxes and fees, donated 147 million yuan, and invested 83.4 million yuan in poverty alleviation. Wuchuan County and Shangdu County in Inner Mongolia, Genertec's targeted poverty alleviation counties, all got rid of poverty as scheduled.

Genertec business performance during the "13th Five-Year Plan"

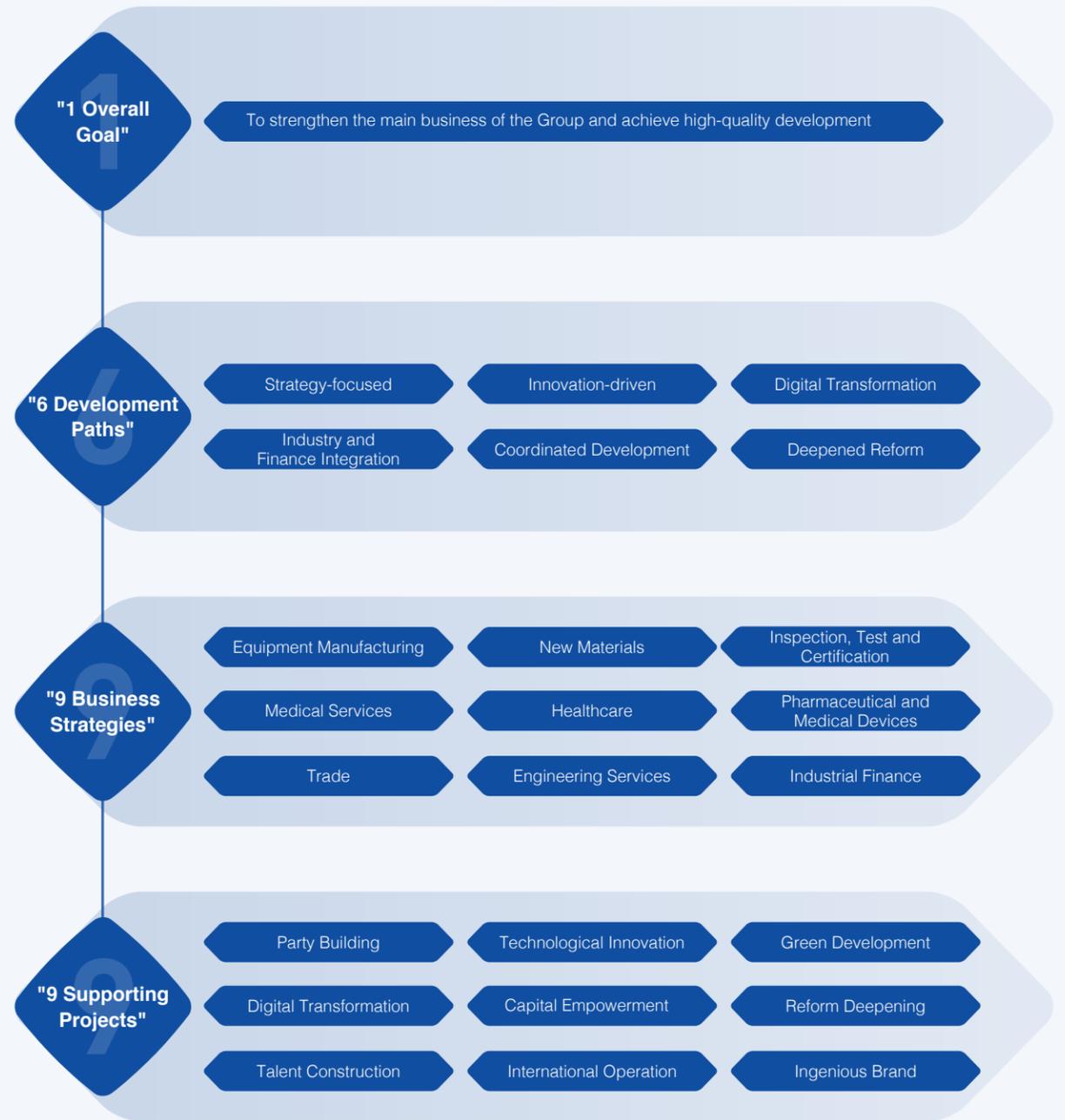


## Working Hard for the "14th Five-Year Plan"



In the "14th Five-Year Plan" period, taking high-quality development as the theme and deepening supply-side structural reform as the guide line, Genertec will implement the state-owned investment company's pilot work, optimize the distribution structure, strengthen innovation-driven development, and improve quality and efficiency, with a focus on its three pillar business: advanced manufacturing and technical services, medical and healthcare, trade and engineering services. We will comprehensively deepen reforms, serve national strategies, people's better life and overall development of employees, and speed up the building of a world-class enterprise that is highly competitive on the global stage.

Genertec "1699" Strategic System



## Topic 2



# Fighting Against the COVID-19 Pandemic and Tiding over the Difficulties Together

After the outbreak of COVID-19, Genertec strictly implemented the spirit of General Secretary Xi Jinping's important instructions as well as the decision and deployment of the CPC Central Committee and the State Council. Genertec's emergency response mechanism was activated immediately and a leading group and special working team established. Genertec set up 1-billion-yuan special guarantee fund and donated more than 48 million yuan and medicines and medical supplies to fully support the fight against the pandemic. At the same time, leveraging on the advantages of the its main business, Genertec acted upon orders, and took the initiative in supporting medical services and guaranteeing urgently needed medical supplies. The Group exerted all strength to contribute to winning the war against the pandemic, demonstrating the duty-bearing spirit of a "national team" of SOEs.

### Providing Medical Support

1

Genertec always put people's life safety and health in the first place. Genertec's affiliated hospitals and medical staff at all levels were fully committed to pandemic prevention and control. Genertec Universal Medical, Genertec Medical, Genertec Gouzhong Healthcare, Genertec AMHT sent a total of 166 medical professionals to aid Hubei, and 34 hospitals were designated as special institutions for fighting against virus. They played an important role in patient treatment and suspected case isolation, and made great contributions to combating the pandemic.



A Genertec Medical Team set off for rescue work in Wuhan.

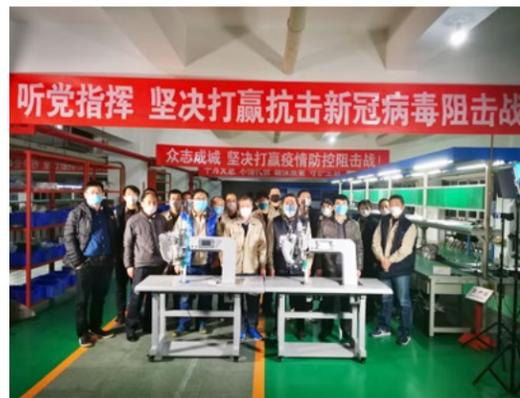


Zhang Weining, a doctor of ICU of XD Group Hospital, under Genertec Universal Medical, performed rescue missions at the Ninth People's Hospital of Wuhan.

### Speeding up the Production of Medical Supplies

2

At the beginning of the COVID-19 outbreak, China was in extreme shortage of medical protective materials. Adhering to the working principle of "staying urgent, safeguarding people's lives at all costs, and ensuring quality of products and services", Genertec leveraged its technological advantages to promote the production organization, industrial chain integration and production equipment development of important medical supplies. Genertec CTA and its 7 affiliated units were listed as the first batch of key guarantee enterprises for the prevention and control of the COVID-19. They had been working at full capacity to develop key equipment such as face-mask production machine and medical clothing plodder, and ensure production of medical disposable protective fabrics and resource supply for the industrial chain of protective and isolation clothing, to solve the problem of shortage of medical protection materials, and make positive contributions to the prevention and control of the epidemic.

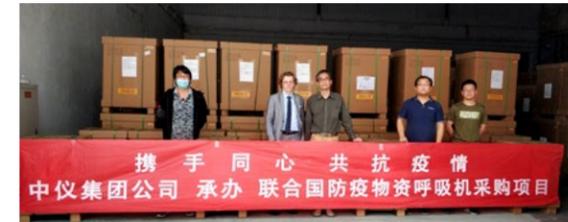


Genertec CTA successfully developed medical clothing plodder in 9 days.

### Ensuring Supply of Anti-epidemic Materials

3

Through global procurement and with full support from its subsidiaries, Genertec played a role as a main channel for national medical material procurement and reserves. To alleviate the urgent need for drugs and medical materials, Genertec went all out to ensure the supply of medical materials by establishing an overseas medical material procurement center, coordinating all relevant units and overseas institutions and leveraging their respective channel advantages to conduct nearly 100 emergency procurement deals. With its terminal network and commercial distribution system, Genertec did its best in storage, dispatch, transportation and distribution of medical materials to ensure the materials' timely arrivals to the places in need.



Genertec CNIC provided 1,000 respirators to the United Nations Development Program (UNDP), which were exported to 41 UN member states/regions.



Genertec Meheco took only 20 hours to transport 100 non-invasive respirator purchased from Shanghai to the front line of Wuhan.

### Resuming Work at a Steady and Orderly Pace

4

In the face of a severe and complex epidemic situation, Genertec's subsidiaries in the medical sector responded quickly, and subsidiaries in other fields strictly implemented the CPC Central Committee's "stability on the six fronts" and "security in the six areas" arrangement. Giving full play to the role of SOEs as the cornerstone and stabilizer of national economy and focusing on pandemic prevention on the one hand, and production and operation on the other, the Group promoted the resumption of work in different regions and levels, and made all efforts to stabilize its productions, operation, supply chains and industrial chains. In mid-February 2020, the rate of work resumption in Genertec's 400 subsidiaries exceeded 90%, and by the end of March, full resumption of production was basically realized.

### Enhancing Overseas Cooperation to Fight Against the Pandemic

5

As the pandemic situation continues to improve in China, and the overseas pandemic situation was getting worse, Genertec fully participated in international cooperation, and contributed to the global war against the virus by performing the national task of supplying materials to 96 countries and regions, and providing assistance to 35 countries and international organizations. Genertec Chinalight exported more than one million anti-epidemic masks and more than one hundred respirators and other important medical materials and equipment to countries such as Germany, Brazil and other countries. Genertec CMC cooperated with governments of Kazakhstan, and Bangladesh to provide assistance such as material transfers and donations.



Genertec CMC donated personal protective equipment (PPE) to Bangladesh to fight COVID-19.

### Extensively Promoting the Spirit of Fighting the Epidemic

6

In the fight against the COVID-19, all subsidiaries and employees of Genertec acted upon orders, bravely shouldered heavy responsibilities, and demonstrated their outstanding courage and abilities of fighting and winning tough battles. In September 2020, at the National Commendation Conference for Fighting COVID-19, Genertec Meheco was awarded the title of "Advanced Group for Fighting Against the COVID-19 Pandemic". Zhang Weining of XD Group Hospital under Genertec Universal Medical, Zhuang Xiaoxiong of Genertec CTA, Gong Liying of Shenyang Aerospace Hospital and Liu Falin of Hubei Aerospace Hospital under Genertec AMHT Group were awarded "Advanced Individual for Fighting Against the COVID-19 Pandemic".



More than 100 youth task forces of Genertec charged forward, highlighting Genertec's youth responsibility-bearing spirit in the fight against the epidemic.

# Topic 3



## Eliminating Poverty to Win Decisive Victory in Building a Moderately Prosperous Society in All Respects

Since the 18th National Congress of CPC, proceeding from the overall goal of building a moderately prosperous society in all respects, the CPC Central Committee has placed poverty alleviation and development in a prominent position in state governance and launched an all-out campaign against poverty. In accordance with the decisions and deployments of the CPC Central Committee and the State Council on poverty alleviation, Genertec regarded poverty alleviation as a major political task and the top livelihood project. It adhered to the targeted poverty alleviation principle and carried out poverty alleviation work by integrating advantageous resources of the impoverished areas into various assistance modes such as industrial development, pro-consumption campaigns, educational support, creation of jobs, livelihood improvement and youth development, making due contributions to the goal of building a moderately prosperous society in all respects.

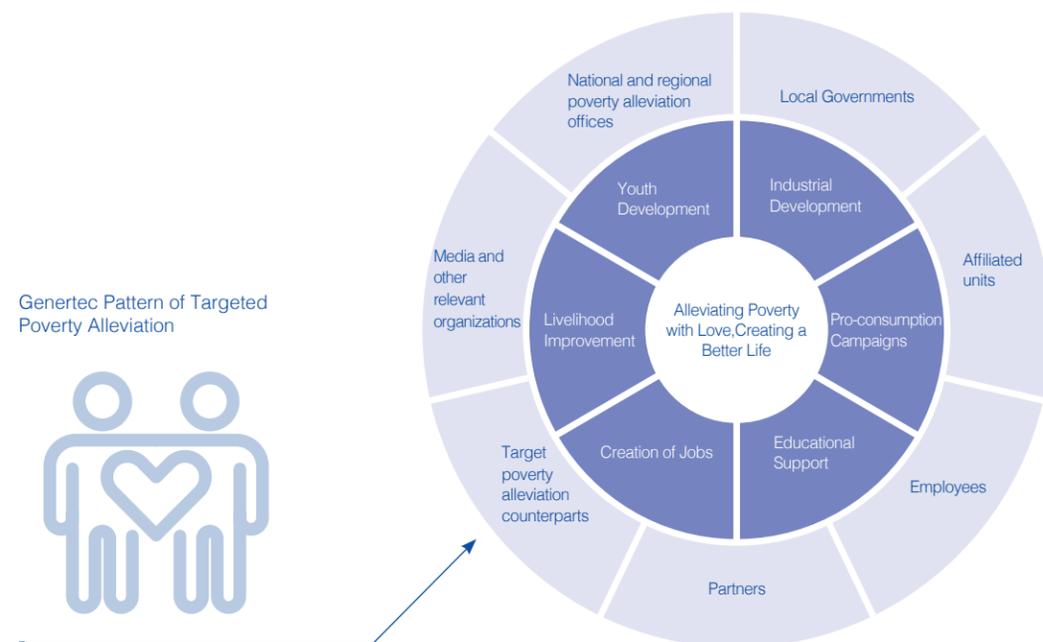
After the start of the new round of the national poverty alleviation program in 2012, Genertec undertook the targeted poverty alleviation tasks in Wuchuan County and Shangdu County, Inner Mongolia. By the end of 2020, Genertec had invested a total of 93.9 million yuan in poverty alleviation, and introduced 1.76 million yuan in poverty alleviation funds, dispatched 8 cadres to the targeted counties, and conducted 58 poverty alleviation projects. Wuchuan county and Shangdu County was lifted out of poverty in 2019 and 2020 respectively. In 2017, 2019 and 2020, Genertec was awarded "Good" for three times in the assessment of targeted poverty alleviation work by the State Council Leading Group Office of Poverty Alleviation and Development. In 2021, Genertec won the title of "Advanced Group in the National Poverty Alleviation Program".



Yu Xubo (left), Chairman of Genertec, visited households in poverty in Wuchuan County, encouraging them to build confidence in poverty alleviation and overcome difficulties.



Lu Yimin (third from right), President of Genertec, inspected poverty alleviation work in poor households.



## Industrial Development: Boosting Momentum for Development of the Targeted Poverty Alleviation Areas



Since the start of the poverty reduction work in Wuchuan County and Shangdu County, Inner Mongolia, Genertec had been supporting the development of local industries such as planting, breeding and processing, and the building of local brands. By actively introducing investment, Genertec enhanced the "blood-making" ability for poverty alleviation and created a sustainable long-term support mechanism. As of the end of 2020, a total of 24.55 million yuan had been invested in poverty alleviation funds for industrial development, introduced and localized 4 enterprises for the targeted counties, carried out 32 industrial poverty alleviation projects and invested 50 million yuan in the SOE fund for poverty-stricken areas.



### Wuchuan County

Genertec helped the industrial development of traditional Chinese medicine in Wuchuan County and revitalized its reputation of "Hometown of Zhengbeiqi". In 2020, Genertec invested 7 million yuan to support the development of the local Chinese and Mongolian herbal medicine industry, totally planting 7,800 mu of Chinese herbal medicine plant through three modes, namely, order-based planting, cooperative planting, and independent planting.

Genertec provided Wuchuan County with a number of planning consultation services such as "The Rural Revitalization Plan of Wuchuan County", "The Plan of Mongolian and Chinese Herbal Medicine Planting Industrial Park and Mongolian and Chinese Herbal Industry of Wuchuan County", etc.

Genertec cooperated with experts from the Institute of Microbiology of Chinese Academy of Sciences to assist the development of edible fungus industry in Wuchuan County. In 2020, Genertec invested 400,000 yuan in the research and development of new edible fungi.

Genertec made full use of local Red Resources, and established the "Genertec Party Education Base" in the Red Education Center of the Daqingshan Anti-Japanese Guerrilla Base.



### Shangdu County

Genertec jointly established a call center project with Datang Convergence, resulting in a total investment of 11.15 million yuan and 1,084 staff recruitment.

Genertec introduced assistance funds to help establishing the Hetian Planting and Breeding Cooperative in Shangdu County, and created the "Hetianyuan" brand of free-range chickens and eggs.



Taking advantage of its pharmaceutical industry, Genertec helped Wuchuan County to develop the Chinese herabl medicine planting industry, formed an industrial chain of planting and processing, and promoted local poverty alleviation through industrial development.

## Pro-consumption Campaigns: Expanding Sales Channels and Sources of Income for Impoverished Residents



Genertec proactively assisted the sales of agricultural and sideline products in target poverty-relief areas, and expanded purchase and internal consumption through direct purchase and ordering activities within the Group. At the same time, the Group made use of its intranet platform and e-commerce platforms, such as "Dayou.com" and the "Suijinhui" app, to shape an online-offline integrated sales model and open up diversified channels of sales for poverty alleviation, thus helping farmers to increase their income. By the end of 2020, Genertec had purchased agricultural products worth 22.2943 million yuan from the poverty-stricken areas, and completed sales orders worth over 5.0383 million yuan.



In August 2020, Genertec and SASAC's News Center jointly promoted local agricultural products on a streaming platform in Wuchuan County, bringing over 35,000 orders through the linkage of various platforms, with a total sales amount of 6.96 million yuan.

## Educational Support: Ensuring Children's Healthy Growth



Genertec had stepped up its efforts in poverty alleviation through educational support, and made up for the weakness of basic educational in the targeted areas. Genertec Education Development Fund was launched to support students from impoverished families and outstanding grassroots teachers. Diverse activities were carried out to steadily promote students' aspiration and intelligence. Genertec actively helped the two counties to train cadres and technical personnel at the grassroots level, and cultivated a team of poverty alleviation workers who understand poverty alleviation, know how to help and work hard. As of the end of 2020, 32.88 million yuan had been invested in the construction of educational infrastructure, including construction of 3 schools, and assistance for 6,422 students in need.



The Genertec Primary School built by Genertec in Shangdu County, Inner Mongolia.



Genertec Vocational School is jointly run by Genertec and the Vocational Education Center of Wuchuan County.

## Creation of Jobs: Improving People's Working Skills and Momentum



Genertec took skills training and labor export as powerful tools to stimulate people's endogenous motivation to get rid of poverty. Genertec had been boosting employability and entrepreneurship of the poor labor force through recruiting migrant workers in poverty counties, carrying out professional skills training and trans-regional labor cooperation, and building poverty alleviation workshops. By the end of 2020, Genertec had trained 2,793 technicians.



In Shangdu County, a "Genertec Poverty Alleviation Workshop" was set up to guide registered poor people to find jobs locally and nearby.

## Livelihood Improvement: Demonstrating our Determination to Address People's Concern



Deeply focusing on the overall goal of "Two no worries and Three guarantees", Genertec responded to the call for central SOEs to help 10,000 designated poverty-stricken villages and 100 counties in poor old revolutionary base areas out of poverty by solving people's pain points and enhancing people's sense of fulfillment and happiness with medical care, housing, and infrastructure construction as cores. By the end of 2020, Genertec had invested 10 million yuan in medical service assistance, 19.9 million yuan in housing security, and 6.27 million yuan in the infrastructure construction in poor old revolutionary bases areas.



Genertec Universal Medical took its advantage of medical technology to carry out medical assistance to "send technology, love and warmth" to Shangdu County in Inner Mongolia.

## Youth Development: Showing True Love to Poverty-stricken Students by Making Efforts to Realize their Dreams



In 2020, the Volunteer Service Team of Genertec launched a series of special dream-realizing activities, such as "Mini-dream Support" "Book House with Love" "Western Plan", which polished its youth volunteer service brand of "Youth Poverty Alleviation Action". Since the launch of the project, the Group's volunteer teams had gone to poverty alleviation counties for over 20 times, and more than 20 second-level volunteer teams had also visited schools in Shangdu County for investigations and paired assistance activities. Genertec had totally carried out over 60 volunteering activities, with more than 5,000 volunteers involved, benefiting over 10,000 people.

Getting rid of poverty is not the final stop, but the starting point for a new life and a new endeavor. Genertec will continue to raise its political stance, keep its original mission in mind, effectively consolidate poverty reduction achievements with rural revitalization, and take concrete actions to ensure poverty alleviation in assisted areas on a more solid footing, people's incomes more secure, and the results of poverty alleviation more sustainable.



Realizing children's dreams with book donation activities.

# Taking Technology First to Serve National Strategies



Leading Technological Progress

Boosting Industry Development

Initiating Machine Tool Innovation Strategic Alliance



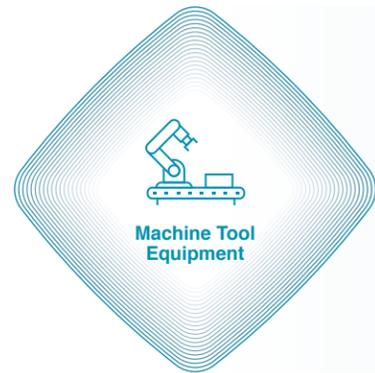
Genertec was born of technology, and its future development must be prospered by technology. It is necessary for Genertec to accelerate high-quality development of the machine tool industry while giving better play to the role of the new system of concentrating nationwide effort and resources on key national undertakings. Genertec should play a leading role in the industry to truly promote its healthy development in respects of industrial chain, supply chain, and value chain, and establish a system of "Genertec + SOEs + Entire Social Resources" for sustainable development of the industry.

— Yu Xubo, Chairman of Genertec



# Leading Technological Progress

Science and technology have a profound impact on the future and destiny of China and the lives and well-being of the people. Genertec adheres to serving national development strategies and strengthening the strategic guidance and goal-orientation. By carrying out joint research with R&D forces of our strategic partners to reinforce our technological innovation capability, we gathered elite forces to boost breakthroughs in key technologies in the fields of machine tool equipment, new textile materials, inspection and testing, and improved our technical service capability to bolster high-quality development.



Machine Tool Equipment

Genertec has basically built a complete industrial structure and a complete industrial chain in heavy-duty CNC machine tools, precision & ultra-precision machine tools, CNC systems and key functional components.

To proactively serve the need of machine tools for national strategies, Genertec restructured its machine tool technology innovation available system and strengthened strategic partnerships by deepening reform and integrating all resources. In 2020, Genertec won a batch of high-end machine tool contracts with total value of 2.38 billion yuan, a growth of 12 % year-on-year.

In the internationally recognized green fiber field, Genertec possesses independent core key technologies with a production capacity of 90,000 tons of new solvent-processed cellulose fiber, and ranks first in China and second in the world in Lyocell production.



New Textile Material

On the basis of three national R&D and testing institutions in automobile, textile and machine tool industries, namely, Genertec CAERI, CTTC under Genertec CTA, and the China National Machine Tool Quality Supervision and Testing Center of Genertec Machine Tool Research Institute, GTIC was established as the main platform for building an inspection and certification group which integrates scientific research, inspection, testing, measurement, certification, consulting, and equipment R&D and manufacturing.



Inspections and Testing

Genertec successfully launched and put into operation a safety early warning platform for new energy vehicles, started to build a national hydrogen quality supervision and inspection center, and established a vehicle standard innovation center (Chongqing) in the national standard innovation base. Genertec CAERI was granted as a "Leader of Excellent Evaluation Agency" for enterprise standards.

Genertec achieved full coverage of inspection capabilities of major epidemic prevention products such as masks and protective clothing.

The construction of "CNC Machine Tool Testing Cloud" achieved periodical results.

## Case Top-level design and systematic implementation to promote high-quality development of machine tool industry

In 2020, on the basis of investigation and research on machine tool manufacturers, Genertec issued the *Opinions on Promoting High-quality Development of Machine Tool Industry*, formulated the *Outline of Development Plan for Machine Tool Industry*, a systematic plan providing overall ideas, development goals and important measures for development of the industry. In order to promote the independent and self-controllable development of the industrial chain, Genertec Machine Tool Research Institute and China Industry Technology Innovation Strategic Alliance for Advanced Machine Tool were established under the initiative of Genertec, which will help to revitalize the machine tool industry and promote high-quality development of the industry through integration of high-quality resources.



In September 2020, Genertec Machine Tool Engineering Research Institute Co Ltd was formally established.

## Case The high-speed five-axis machining center for high-speed rail industry rolled off the assembly line

In April 2020, the first home-made high-speed five-axis machining center for ultra-long-travel high-speed rail developed by Genertec Shenyang Machine Tool successfully rolled off the assembly line. The machine is used for complex curved surface processing of large-scale high-speed rail structural parts, marking the first time that domestic high-end CNC equipment was used for the production of core components in the high-speed rail industry, and marking the realization of independent manufacturing of the core host of high-end equipment in China's high-speed railway industry. The core equipment of equipment manufacturing in the high-speed railway industry is now in firm grasp of our own hands.



## Case The packaged technology of Lyocell fiber production developed by Genertec CTA started a trend of green fiber

Lyocell fiber, the new solvent method cellulose fiber, is known as "green fiber". With renewable cellulose as its raw material, it can be naturally degraded after waste. The amine oxide solvent in the production process can be recycled and reused by 99.5%. It is widely used in clothing, home textiles, sanitary textiles and other fields. The industrialized packaged technology for Lyocell fiber independently developed by Genertec CTA marks the transformation of China from a big textile country to a textile power.

In 2020, after the Lyocell fiber industrialization project with a 30,000 tons annual output realized full capacity production, the production line of a project with a 60,000 tons annual yield was started successfully in the first try, meaning that Genertec CTA had achieved a production capacity of 90,000 tons of new solvent lyocell fiber. At the same time, Genertec CTACELL was actively boosting the branding of green fiber GRECELL products, and contributing to the society more high-tech green products.

**Case** Genertec CAERI built the National Hydrogen Quality Supervision and Inspection Center to boost the R&D and testing of hydrogen energy products

In September 2020, China's First national hydrogen power quality supervision and inspection center (referred to as the "National Hydrogen Energy Center") was officially launched by Genertec CAERI. Focusing on hydrogen energy applications, it aimed to forge a comprehensive hydrogen energy power service platform which would integrate testing and certification, evaluation research, standard systems, technical services, application promotion, industrial incubation, and equipment development, and fill the blank for national hydrogen testing institutions in China, while providing strong support for development and testing of hydrogen energy products, and boosting the healthy and orderly development of the hydrogen energy industry.



## Boosting Industry Development

Relying on the core competitiveness of technology and resource advantages, Genertec has been actively participating in the national and industrial standard-setting to provide technical support for the industry. At the same time, to actively promoting the formation of consensus and joint development, Genertec has also participated in and hosted various domestic and international conferences, forums, and exhibitions. In 2020, Genertec became a member of the board of directors of the China Association for Quality.

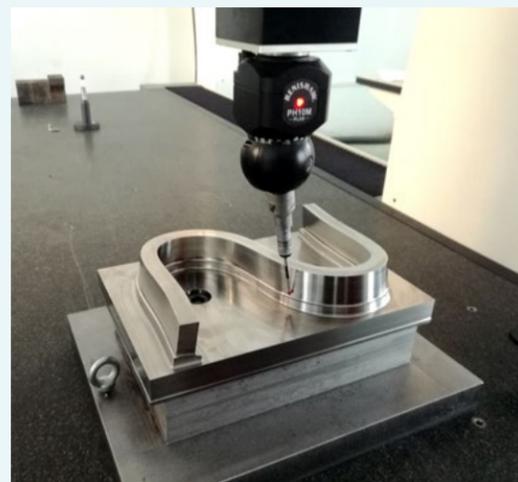
### Participating in Standard Setting

To bolster healthy and sustainable development of the industry, Genertec has been actively participating in the industry standard-setting with focus on the cutting edge of industry technology. In 2020, Genertec led the setting of 103 standards and issued 4 international standards.

**Case** Genertec's "S-shaped specimen" five-axis machine tool testing method made Chinese solution an international standard

In January 2020, the ISO10791-7:2020 "Test conditions for machining centres-Part 7: Accuracy of finished test pieces" revised by China, was approved and officially released by the International Organization for Standardization (ISO). This is the first international standard revised by China in the professional field of metal cutting machine tools.

As national backbone machine tool enterprises, Genertec Machine Tool Research Institute, Genertec Shenyang Machine Tool, and Beijing Precision Machinery & Engineering Research Co Ltd, under Genertec Machine Tool Research Institute, participated in the application and standard improvement of the "S-shaped specimen" five-axis machine tool testing method. Genertec Shenyang Machine Tool provided data and processing experience for the "S-shaped specimen" five-axis machine tool testing program, which is an important basis for proving and standardizing the international standard of "S-shaped specimen" five-axis machine tool testing method.



**Case** Genertec Machine Tool Research Institute innovatively contributed to the "National Standards for Key Technology Series of Open CNC System"

In October 2020, "GB/T18759.3-2009 Electrical Equipment of Machines-Open Numerical Control System-Part 3: Bus interface and Communication Protocol" and other 6 standards developed by the Testing Center of Genertec Machine Tool Research Institute, as the only representative program in the machinery industry, won the First Prize of the China Standard Innovation Contribution Award in 2020, the highest honor in the field of standardization in China.

The program developed a series of national standards for the key technologies of open CNC systems, leading the upgrading of domestic CNC systems from a closed mode to an open one. It is a successful model of standards in the mechanical field and is of great significance to the industry technology development.

**Case** Genertec CTA issued multiple standards to promote industry standardization

April 2020

The T/ZMDS30001-2020 "Reusable Medical Protective Clothing", jointly published by several organizations with Genertec CTA as the leader, provides guidance for rational use of reusable medical protective clothing.

July 2020

The T/CSTM00387-2020 "Reusable Daily Protective Masks" drafted by CTTC under Genertec CTA, was published, which provides technical support to the production, purchase, and supervision of reusable daily protective masks.

August 2020

The ISO2647:2020 "Wool-Determination of Percentage of Medullated Fibres by the Projection Microscope", drafted by CTTC under Genertec CTA was published. The setting of this international standard had positive impact on maintaining our globally advantageous and leading position in the wool industry and the international market.

October 2020

The ISO 5079:2020 "Textiles Fibers-Measurement of Single Fiber Breaking Strength and Elongation", drafted by CTTC under Genertec CTA was published, which solved the problem of inaccurate test results caused by lack of test parameters for new fibers such as aramid fiber in the old version of standard.

Led by CTTC under Genertec CTA, a number of organizations jointly released ISO 22992-2:2020 "Textiles -Measurement of Some Preservatives-Part 2: Measurement of Triclosan Residues Method (LC-MS/MS)", which unified the detection method of triclosan residues in textiles, filled a gap in international standards, and played a positive role on upgrading of China's textile industry of green production and facilitating export enterprises to overcome green trade barriers.

December 2020

Case Genertec CAERI launched the "low wind resistance vehicle" certification, filling a gap in the industry

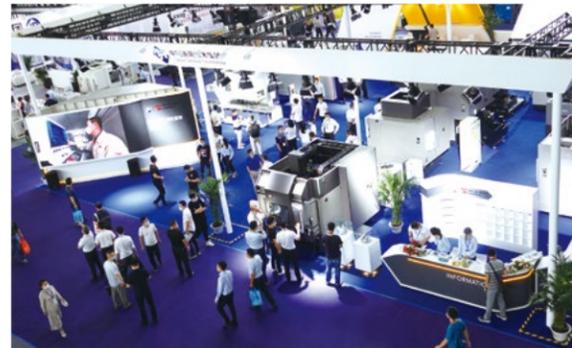
Low wind resistance vehicles can reduce fuel consumption and increase the cruising range of pure electric vehicles. In May 2020, Genertec CAERI QTCC launched the "low wind resistance vehicle" certification service. Based on internationally accepted test standards, the certification applies "aerodynamic resistance D" as the evaluation index to test vehicle aerodynamic resistance under specified test conditions, and formulates rating rules based on consideration of vehicle classification and comprehensive research on the vehicle aerodynamic resistance database, by which the test results can be fairly and authoritatively rated. While filling a gap in the industry, this certification service would promote automobile companies to upgrade their R&D and enhance product quality and provide consumers with a fair and authoritative basis purchasing choices.

Strengthening Communication

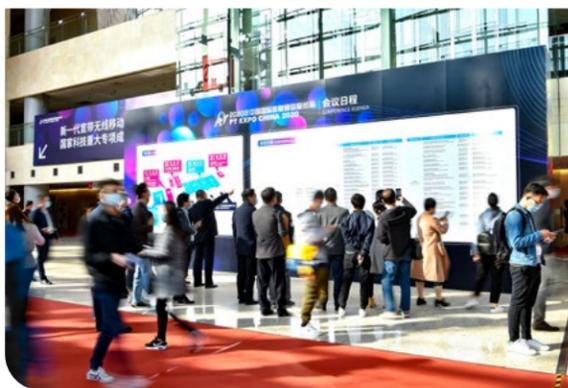
Genertec has been actively promoting communication and exchanges with enterprises in the industry. By participating in or hosting various forums and exhibitions in the industry, Genertec provides services and creates communication opportunities for enterprises in the industry chain, therefore, boosting industrial cooperation and industrial transformation and upgrading.



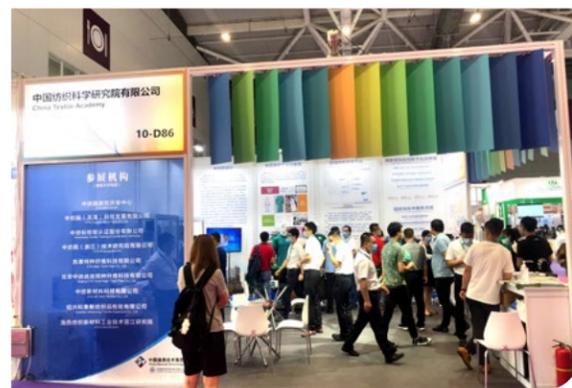
In October 2020, Lu Yimin, President of Genertec, attended the 3rd Digital China Summit and delivered a keynote speech "Rejuvenating China's Machine Tool Industry Under the Wave of Intelligence".



In September 2020, Genertec Shenyang Machine Tool participated in the 19th CIEME 2020, and launched their core products of 8 CNC machine tools.



In October 2020, Genertec PTAC hosted the PTXPO CHINA 2020.



In July 2020, Genertec CTA participated in 2020 YamExpo with 15 competitive products.

Initiating Machine Tool Innovation Strategic Alliance

Genertec conducted multi-dimensional cooperation with governments, industry enterprises, and scientific research institutions, and promoted technological progress by integration and sharing of resources, and gathering of industrial strength.

Case China Industry Technology Innovation Strategic Alliance For Advanced Machine Tool was established under the initiative of Genertec, further deepening integration of the industrial chain and innovation chain

Genertec initiated the launch of "China Industry Technology Innovation Strategic Alliance For Advanced Machine Tool Industry", members of which included major domestic machine tool companies, functional component companies, universities, scientific research institutions, and important users. By uniting the industrial strength, the alliance was to build a technological innovation chain around the industrial chain to address common problems in the industry, lead the intelligent, high-end, and composite development of CNC machine tools, and facilitate low-to-high end transformation of China's machine tool industry with high-quality development.



Case Genertec hosted an international welding competition to boost development of the machine tool industry

Genertec hosted the "ARC Genertec Cup" International Welding Competition. It was the largest international welding competition and the first-class vocational skill competition held in China, which demonstrated Genertec's excellent professional skills in equipment manufacturing, strong industrial strength and organization and coordination ability. Focusing on new welding processes, new technologies, and new unique skills, the competition innovated in international talent exchanges, enhanced international cooperation, built a platform for Chinese companies to implement the "going global" strategy, established a talent selection channel for the BRICS countries and countries along "the Belt and Road", improved talent training capacity, and boosted the machine tool industry to serve the "manufacturing powerhouse".



# Leading a Better Life and Making Healthcare Industry Beneficial to All



Creating a Big Health Industry Ecology

Innovating Medical Services

Expanding Exchanges and Cooperation

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Health is the common pursuit of the people and an important symbol of China's prosperity and national strength. On the existing basis, Genertec should play a role as a dynamic force in the public health cause, play a role as the vanguard to serve the "Healthy China" initiative, and play a more driving and leading role in improving supply quality of health products and services and meeting the people's pursuit of a better life.

— Yu Xubo, Chairman of Genertec

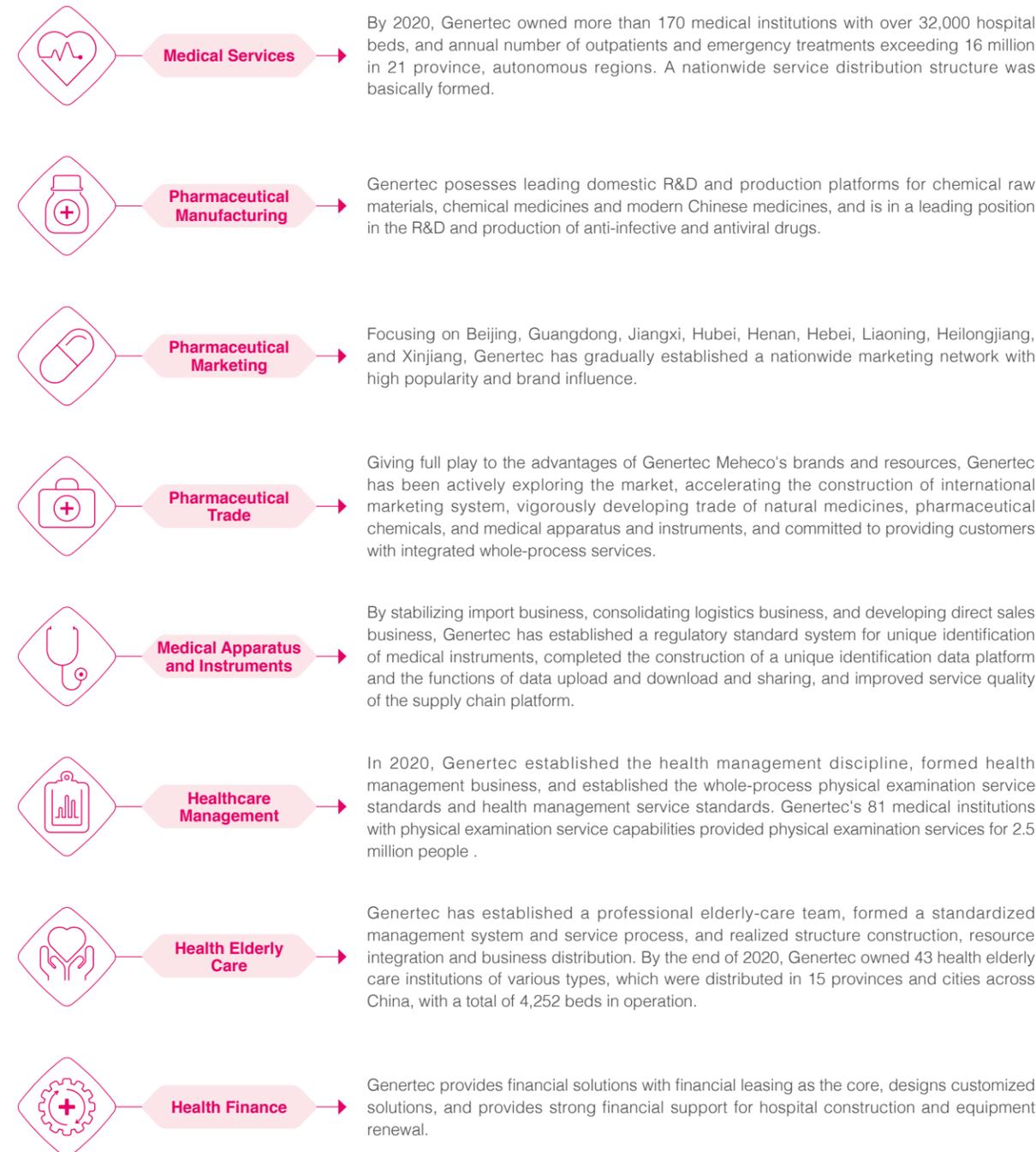
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## Creating a Big Health Industry Ecology

Genertec has been serving the "Healthy China" initiative by building a big health industry ecology with medical services as the core, and extending its business comprehensively in fields such as pharmaceutical manufacturing, pharmaceutical marketing, pharmaceutical trade, medical apparatus and instruments, health management, rehabilitation care, health elderly care, and health finance. Genertec has become a central medical group with leading number of hospital beds, complete network coverage, and an obvious characteristic of whole industry chain penetration.

### Genertec Big Health Industry Ecosystem



## Innovating Medical Services

Genertec has been striving to get through the last mile to provide health security for people at the grassroots level, enable high-quality medical services to benefit more people by integrating high-quality medical resources, improve basic medical service capabilities, and build the brand of "Genertec Clinic".

### Case "Genertec Clinic", enables high-quality medical resources to benefit more people

To firmly implement the national strategy of Healthy China and relying on strength of its own physical medical institutions and digital technology, Genertec built the chain clinic brand of "Genertec Clinic" covering collective examination, health education, health consultation, and health and fitness services, which is an important part of the Genertec's "Big Health" service system, and also an important starting point for Genertec to shoulder the responsibility of improving people's livelihood, while responding to the national policy guidance of "focusing on the grassroots and strengthening the grassroots services" to promote high-quality medical resources to be allocated for grassroots capacity improvement, solve the pain points of people's medical needs, and get through the last mile to provide health security for people at the grassroots level.

After the first "Genertec Clinic" settled in the Genertec Shenyang Machine Tool Park in May 2021, within two months, 18 clinics were opened in 9 provinces and municipalities across the country, which effectively met the people's medical needs, and was widely praised by the cadres and employees of the state ministries and commissions and SOEs. It was recognized by the general public as some important media such as People's Daily and The Paper reported them as clinics "in the doorway", and clinics "in workplace".

"Genertec Clinic" integrated the four functions of "inspection, management, diagnosis, and treatment" and took cloud clinics, physical clinics, and mobile clinics as the main service forms. By constantly enriching the service content, improving service quality and adjusting service mode, "Genertec Clinic" provided multi-level and diversified medical and health management services for grassroots people. Based on the principles of "unified brand, unified image, unified service, unified standard, and unified information platform", "Genertec Clinic" would practise an online-offline integrated, standardized, normalized, chain-oriented, digitized and intelligentized development mode.



### Case Genertec cooperated with China Railway State-owned Assets Management Co Ltd to provide medical services for more employees and people

In August 2020, Genertec-China Railway (Beijing) Hospital Management Company was established. Genertec Universal Medical cooperated with China Railway State-owned Assets Management Co Ltd to improve the hospital's diagnosis and treatment and service capabilities through standardized management and coordinated development, and provide professional, convenient and personalized medical services to employees of CREC and local people.

**Case** Online clinics help to get through the "last mile" to provide medical service for people in remote mountainous areas

Sichuan Liangshan Prefecture was once a deeply impoverished area at the national level, and local people has been facing the difficulties of "seeing a doctor" for a long time. In 2012, Panzhihua Steel Hospital, a subsidiary of Genertec Universal Medical, launched a medical service-oriented poverty alleviation program in five counties of Huili, Huidong, Yanyuan, Yuexi, and Ganluo in Liangshan Prefecture. In 2020, Genertec established the Genertec Universal Medical Internet Health Platform in Panzhihua Steel Hospital to improve accessibility of medical and health services, introduce more high-quality medical resources to remote areas, allow village doctors to seamlessly connect to hospitals, and get through the last mile to provide health protection for people in remote mountainous areas, by setting up a "city-county-village" three-level medical insurance network for poor counties with high mountains and inconvenient transportation.

**Case** "Genertec Cloud Health" internet hospital was launched to enable quality medical care

In December 2020, Genertec Medical's "Genertec Cloud Health" intelligent hospital was officially launched, which would be put into use first in a number of hospitals affiliated to Genertec Medical. To improve service content and efficiency of the hospital, and strengthen the monitoring of treatment effect and medical quality, it would provide patients with internet-based online diagnoses and treatments, medical services, doctor-patient interaction, telemedicine, and disease management and treatments, by constructing a patient-centered, before-during-after diagnosis process with closed-loop management.



**Case** Genertec AMHT proactively advanced its business distribution in the elderly care industry and explored a service model by combining medical care, health care and elderly care services

Relying on resources of its hospitals and the online platforms, Genertec AMHT created an integrated intelligent elderly care service model with integration of medical care, health care and elderly care services, and integration of institutional elderly care, home care, and community care. The occupancy rate of Hunan AMHT Nursing Home reached 88%. It became a demonstration model of integrated elderly care, and created favorable conditions for expanding the integrated elderly care service model. As a result of expanding business of elderly service stations and community elderly care services, and promoting construction of an elderly care service network model with "integration of one hospital and a number of elderly care centers and elderly service stations", Genertec AMHT had obtained the operation authorization of the Beijing Yungang Elderly Service Station Project.



**Case** "Air 120" set up the lifeline of aviation rescue

Genertec Universal Medical took the initiative to participate in the construction of the national air medical emergency system to help hospitals improve their medical rescue capabilities in emergencies.

The Panxi region in the southwest of Sichuan Province, is characterized by steep terrain and complicated road conditions, which causes serious problems of time-consuming and laborious ground emergency medical aids and difficult transportation of critically ill patients. In December 2020, an "air-ground integration" pre-hospital emergency medical rescue mode formed by Genertec Universal Medical's landed in Panzhihua, opening a "green life-saving channel in the air" in southwestern Sichuan and northwestern Yunnan. Air ambulance could cover an area with a radius of about 200 kilometers, benefiting regions including Xichang, Huili, Huaping, and Lugu Lake. As of July 2021, the "Air 120" had served more than 80 patients with total flight time of 75 hours, which boosted the emergency rescue capabilities in Panxi and improved the health and well-being of the people in the surrounding areas.



## Expanding Exchanges and Cooperation

To join hands with more forces to build the Healthy China initiative, Genertec has been promoting cooperation and exchanges on industrialization, management, and technology and services in the health industry, and exploring industrial cooperation models to serve all-dimensional and full-cycle high-quality medical and health needs of SOE employees and the people, and continuously expanding accessibility of medical and health resources and services.

### Multi-cooperation

#### Enterprise-enterprise Cooperation

Cooperating with state-owned enterprises such as State Grid, CASIC and AVIC to advance the reform task of medical institution-stripping of SOEs; Signing a strategic cooperation agreement with Hualu Group to promote high-quality development of the aging business and the elderly care system.

#### University-enterprise Cooperation

Exploring university-enterprise cooperation models to accelerate transformation of science and technology achievements and introduction of talents, and promote the in-depth integration of industries, universities and research institutes.

#### Government-enterprise Cooperation

Promoting cooperation with the government in the medical and health field to serve more people with the SOEs' quality assurance, and contributing to the improvement of local medical services and development of the health industry.

**Case** Genertec boosted government-enterprise collaborations to jointly build a big health industry ecology and promote innovative development of traditional Chinese medicine

In January 2020, Genertec and the Hohhot Municipal Government signed a cooperation agreement on medical services and the industrial chain of Chinese herbal medicines. It was an important measure to implement the Healthy China initiative, consolidate the results of poverty alleviation, and innovate the development of Chinese herbal medicines, and was a practical action of the Group to create a better life with good technology and quality service.

**Case** Genertec signed a cooperation agreement with AVIC to deepen industrial cooperation

In November 2020, to jointly implement the Healthy China Initiative, Genertec and AVIC signed a cooperation agreement to form a medical and health industry group to comprehensively deepen the industrial cooperation between the two parties. The agreement involved 52 medical institutions, including 6 tertiary hospitals, 7 secondary hospitals, 35 primary medical institutions, with more than 9,000 beds and an annual outpatient volume of 4.45 million.



**Case** Genertec Universal Medical deepened cooperation with the University of Science and Technology of China through collaboration of medical care and education and integration of industry and research

In November 2020, Genertec Universal Medical and the Department of Life Sciences and Medicine of the USTC signed a memorandum of strategic cooperation. The two parties reached strategic cooperation on many aspects such as talents training, integrated development of medical education, industry and research, and sharing of resources in the healthcare industry. The cooperation between the two parties is not only an important practice for the implementation of the Healthy China Initiative, but also an exploration of cooperation between SOEs and universities.



**Case** Genertec AMHT worked with a number of universities and research institutes through university-enterprise cooperation and hospital-industry integration

Genertec AMHT has long-term close cooperation with universities, scientific research institutes, and enterprises, such as Peking University, Beijing Institute of Technology, and CASIC and CASC, to conduct major scientific researches in the field of aerospace medicine with focuses on forefront technology and national strategic needs. Entrusted by International Academy of Astronautics, National Natural Science Foundation of China, and China Manned Space Office, Genertec has undertaken a number of major scientific research projects in the field of space medicine. Genertec attended the "International Symposium on the Peaceful Use of Space Technology-Health (IPSPACE)" for years and delivered special reports. The establishment of a clinic-research-enterprise collaboration mechanism by Genertec facilitated the transformation and application of achievements of the aerospace medical research, and innovation of science and technology industry.

**Industry Communication**

Genertec's medical sector and its subsidiaries have been actively participating in various industry association forums, strengthening disciplinary exchanges, promoting the establishment of medical exchange platforms, improving medical management and service quality, and creating a better brand image.

**Case** Genertec Universal Medical built an communication platform to facilitate international cooperation against COVID-19

In April 2020, to establish a medical exchange platform and share China's experience for global epidemic prevention and control, and relying on its global resource advantages, Genertec Universal Medical organized an international online seminar, which invited anti-epidemic experts from authoritative institutions in China, such as the First Affiliated Hospital of Xi'an Jiaotong University, West China Hospital of Sichuan University, and Tongji Hospital of Tongji Medical College of Huazhong University of Science and Technology, and nearly 100 medical experts from the United States to have online anti-epidemic experience sharing and academic discussions.

**Case** Genertec Universal Medical launched a special seminar to collaboratively raise disciplinary standard

Orthopedics is one of the core disciplines that Genertec Universal Medical focuses on. In September 2020, to build a communication platform for its hospitals with focuses on current development status and objectives of orthopedics in the hospitals, Genertec Universal Medical hosted a seminar on the development of orthopedics in which in-depth exchanges and academic discussion with experts on management refinement, industrialization of orthopedics, and development of sub-specialties were conducted to help hospitals to find problems and solve difficulties effectively, and to raise the disciplinary standard of Universal Medical.

**Case** Genertec Gouzhong Healthcare introduced academicians and experts to improve the medical technology

On November 29, 2020, Beijing Electric Power Hospital under Genertec Gouzhong Healthcare, established "Dong Jiahong Academician Studio". Professor Dong Jiahong, is an internationally renowned expert in hepatological surgery and liver transplantation and an academican of the Chinese Academy of Engineering, who has long been committed to the research of modern hepatological surgery theory and technology. It was a major measure taken by the hospital to strengthen the construction of key disciplines and promote medical technology to a new level, marking the start of a new period of development for the hospital's general surgery discipline. In December, the Beijing Electric Power Hospital appointed Academician Zhao Jizong, an academican of the Chinese Academy of Sciences, Dean of the School of Neurosurgery of Capital Medical University, and Director of the National Neurological Diseases Clinical Medicine Research Center, as a special consultant, to start a new journey of "Brain-Heart Co-treatment" construction in the hospital.



# Pursuing International Cooperation for Mutual Benefits



Participating in "the Belt and Road"

Carrying out International Exchanges

Fulfilling Localized Responsibilities

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We must persist in introducing to China what's on the forefront and bringing China's own premium technologies to the rest of the world, resolutely serving the Belt and Road Initiative and building China into a trading power, vigorously innovating trade and engineering services, and forging China's new advantages in international cooperation and competition, through firm grasp of the major opportunities of the comprehensive green transformation of China's economic and social development, and active participation in the national strategy of carbon peaking and carbon neutrality.

— Yu Xubo, Chairman of Genertec

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# Participating in "the Belt and Road"

Adhering to the philosophy of consultation, contribution and shared benefits, and giving a full play to its own industrial advantages and resource integration capabilities, Genertec actively participated in the construction of the Belt and Road Initiative, and promoted the popularity of Chinese technology and Chinese standards, as well as the whole industrial chain of Chinese equipment in the global market, by expanding new energy business and developing international production capacity cooperation with the consensus of green development.

## The New Progress of the Group's International Engineering Business and Capacity Cooperation in 2020

Genertec was ranked 67th on ENR's list of the Top 250 International Contractors 2021, hitting a record high.

A number of key energy projects invested and constructed in Bangladesh, Myanmar, and Hungary successfully achieved grid-connected power generation and started commercial operation.

Genertec further developed new energy market distribution in Bangladesh, Italy, Malaysia, Bosnia and Herzegovina with a philosophy of integration of investment, construction and operation.

The Kazakhstan Allur automobile production capacity cooperation project assembled 40,000 vehicles of various types, with its sales profits increased significantly.

Genertec won the bid for a project of road renovation of the Nur-Sultan International Airport, a key national project in Kazakhstan.

### Case Ashuganj 400 MW Combined Cycle Power Plant (East) Project benefited 1.1 million Bangladeshi people

The 400 MW Combined Cycle Gas Turbine Power Station Project in the east of Ashuganj undertaken by Genertec CNTIC was a key project of Ashuganj Power Station (APSCL), a company under the Bangladesh Power Development Board (BPDB). The project adopted the world's most advanced and efficient gas turbine units and was one of the combined cycle gas turbine with the largest single-unit capacity under construction in Bangladesh.

During the construction period, 600 local people were employed for a period of three years. 150 local people would be permanently employed after completion. The project achieved single-cycle power generation in December 2020, and would achieve gas-steam combined cycle power generation six months later, with a net output of the power station of 420 MW and annual power generation of 3 billion kilowatt-hours or more. It would provide sufficient electricity for 210,000 households in Bangladesh, benefiting about 1.1 million people.

### Case Genertec invested, constructed and operated the world's largest LNG rapid power generation project

LNG is recognized as the cleanest fossil energy in the world. LNG Power generation has the characteristics of high efficiency, economy, low carbon emission. The 900 MW LNG rapid power generation project in Myanmar was jointly invested, constructed and operated by Genertec CNTIC and Hong Kong Power Group. The project is the world's largest LNG-powered rapid power generation project.

In July 2020, the Yangon Dagi 400 MW LNG Rapid Power Plant and the Sarem LNG Rapid Power Plant were successfully connected to the grid, with a total installed capacity of 887 MW, which could provide electricity to 20 million people in Yangon and its surrounding areas, effectively alleviating the summer power shortage in Myanmar.

### Case Genertec boosted Kazakhstan's automobile industry through capacity cooperation



The 51% equity project of Kazakhstan GC ALLUR JSC Group ("Allur Group") invested by Genertec CMC and Anhui Jianghuai Automobile was a key project of China-Kazakhstan capacity cooperation and the first cooperation project in the field of automobile industry implemented by Chinese companies in Central Asia. It would effectively improve the industrial chain upgrade of China's independent brand automobile manufacturing industry and at the same time boost the development of Kazakhstan's automobile industry. It was also an important project of the Bright Road economic development plan of Kazakhstan, which made new contributions to the economic and trade exchanges between China and Kazakhstan. In 2020, while striving to overcome the impact of COVID-19, Allur Group assembled a total of 40,000 vehicles of various types, which accounted for 51.7% of Kazakhstan's annual output, realizing operating income of more than 5 billion yuan with significant growth of sales profit and achieving a historic breakthrough in corporate development.

**Case** Genertec opened up cargo flights and made use of China-Europe Railway Express to boost China-EU trade exchanges

Genertec International Logistics Co Ltd, under Genertec CCOEC, is qualified as a transportation agent for sea transportation, land transportation, air transportation and non-vessel transportation. It is the largest foreign aid logistics service provider in China and a well-known overseas engineering logistics service provider in the industry. Since 2020, the company has actively responded to the Belt and Road Initiative, and has successfully opened up the Shijiazhuang-Yekaterinburg (Russia) international freight route and the Ulanbator-Minsk scheduled train, filling the capacity gap of transportation from northern China market to Europe, and strengthening cooperation and interconnection among countries along the Belt and Road.



**Case** Genertec facilitated Uzbekistan's improvement of its railway transport capacity

Uzbekistan is located at the crossroads of exchanges between Asia and Europe. It is one of the only two "dual landlocked countries" in the world. Rail transport is particularly important to this country and is the lifeblood of its national economic development. Genertec CNTIC and its partners planned to deliver 30 electric locomotives to the Uzbek National Railway Company in 2020-2022. In 2020, Genertec CNTIC supplied the country with the first batch of 4 electric locomotives with a total price of over 100 million yuan. This batch of electric locomotives were equipped with modern asynchronous traction motors, which were safe and environmentally friendly and complied with international standards. The delivery of the first batch of freight and passenger-cargo dual-purpose locomotives would realize heavy load transportation in mountains and difficult areas.



China Xinxing Construction & Development Co Ltd, a subsidiary of Genertec Xinxing, undertook the Kazakhstan national highway project.

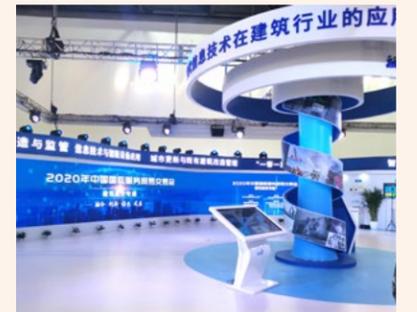
## Carrying out International Exchanges

Genertec has been actively exploring new models and new paths for international exchanges and cooperation, continuously expanding areas, contents, and scale of cooperation. Through deepening international cooperation and exchanges, it has enhanced mutual trust and understanding with governments and enterprises of different countries, fully demonstrated the Group's brand image, and accelerated integration into the new pattern of international development.

**Case** Genertec participated in CIFTIS

In September 2020, Genertec participated in China International Fair for Trade in Services (CIFTIS), the world's first comprehensive exhibition for trade in services. Many intelligent construction technology developed by Genertec were displayed at CIFTIS, and appeared in the Cloud Exhibition Hall.

Several cases from China Xinxing Construction & Development Co Ltd, a subsidiary of Genertec Xinxing, were successfully selected for exhibition at CIFTIS. Focusing on the cutting-edge trend of the industry, these cases demonstrated the fruits achieved by China Xinxing Construction & Development Co Ltd in such areas as Internet+, BIM and intelligent construction sites, promotion of green construction technology integration, green buildings and ultra-low energy buildings, and prefabricated buildings and industrialized construction.



Genertec CNTIC and China Technology Exchange Co Ltd signed a strategic cooperation agreement on the spot to jointly build an overseas advanced technology introduction platform, which aimed to actively promote industrial incubation and project implementation, and strive to achieve fruitful results in connecting international advanced technologies with Chinese industries. Genertec CNTIC also signed a strategic cooperation agreement with the China United Nations Procurement Promotion Association to expand bulk trade and international logistics and supply chain business under the Belt and Road initiative.

**Case** Genertec attended the 3rd China International Import Expo(CIIE)

In November 2020, Genertec participated in the 3rd CIIE. The Genertec trading Group, composed of 12 subsidiaries of Genertec, realized continuous growth of total transactions in the CIIE. In the centralized signing event, the Group reached procurement cooperation with more than ten well-known foreign companies in fields of medical and health, electric energy equipment, household appliances, and audio-visual equipment, with focus on medical and health and consumer electronics which were closely related to people's livelihood, and with products as large as CT, nuclear magnetics, and products as small as electric toothbrushes, air purifiers. It was to serve the people's needs for a better life through richer cooperation.



**Case** Genertec worked with the China-Africa Development Fund of China Development Bank to benefit African people

In November 2020, Genertec and China-Africa Development Fund of China Development Bank signed a strategic cooperation framework agreement. The two parties would work together to promote development of countries along the Belt and Road in Africa, benefit African people, and serve the personnel of Chinese-funded enterprises in Africa.



## Fulfilling Localized Responsibilities

In the process of international development, Genertec always adheres to the philosophy of cooperation and win-win development. While fulfilling economic responsibilities, it has also fulfilled corporate social responsibilities, including implementation of localized operations, continuous promotion of localized procurement, creation of local employment opportunities, active integration into the local society, and cooperation with the local society to develop harmoniously.

**Case** Genertec CNTIC promoted localized operations to serve the Myanmar market

Genertec CNTIC formulated a strategic plan of creating specialized sectors and implementing localized operations, and continued to optimize the management model of overseas organizations and improve the distribution structure of overseas organizations, which laid a better foundation for further promotion of localized management.

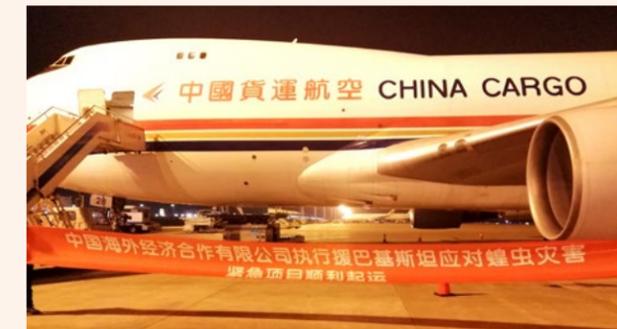
To better serve the local market and promote the implementation of the Belt and Road Initiative, Genertec CNTIC took the Myanmar LNG Distributed Power Generation Project as an opportunity to implement overseas investment and construction in a mode of "localized operation and professional development" in Myanmar.

**Case** Genertec CMC traveled thousands of miles for emergency repair of submarine cable

In November 2020, the submarine cable of the Demorara River connecting Kingston and Mandinghoupu substations, a key part of the Guyana Substation Project undertaken by Genertec CMC, was suddenly hooked by a ship anchor, and the power supply of the cable was interrupted instantly. The core area of Georgetown, the capital of the east coast, was suddenly plunged into a large-scale blackout.

Genertec CMC fully supported the repair of the submarine cable by contacting and dispatching a repair team composed of technicians from China while overcoming difficulties brought by the COVID-19 epidemic, and helped the Guyana government solve the power supply problem as soon as possible. After 12 days of hard work, Genertec CMC delivered brilliant Christmas lamplight to more than 200,000 residents in the capital region of Guyana, which greatly eased the local power shortage and improved the quality of power supply of Guyana's national grid. After the repair work, Guyana's Prime Minister Phillips sent Genertec CMC a special letter to express his gratitude.

**Case** Genertec CCOEC efficiently implemented emergency assistance to help Pakistan to cope with the locust plague



From February to April 2020, Genertec CCOEC overcame numerous difficulties in epidemic, transportation, and inspection, and efficiently implemented the emergency assistance project for a locust disaster in Pakistan, which helped Pakistan to effectively control the locust plague, and made contributions to the China-Pakistan friendship.

**Case** The legendary sacred tree that witnessed the changes of the century, once again witnessed the friendship between Genertec CNTIC and the local people

At the site of the 400MW LNG rapid power generation project in Myanmar, a Diptera tree with a crown diameter of more than 30 meters stands upright in the southwest corner of the plant. This is a towering giant tree with a hundred years of age. It is regarded as a sacred tree by the locals, and they often pray devoutly to the tree. After learning about the history of this tree and the customs and beliefs of the local people, Genertec CNTIC immediately adjusted the site layout and promised the local people to protect this "sacred tree". The project department also deliberately changed the outgoing lines from overhead cables to buried cables to avoid any damage to the giant tree. This sacred tree that had experienced a century of vicissitudes would continue to witness the friendship between Genertec and local community residents, as well as the friendship between China and Myanmar.



# Striving to be a World-class Enterprise Driven by Innovation



- Building an Innovation System
- Obtaining Innovation Achievements
- Promoting Digital Transformation



Genertec will implement the "Two Upholdings" with practical actions of accelerating to forge a world-class enterprise, stay committed to comprehensively deepening reform in the new journey, unswervingly complement weaknesses of technological innovation and digitalization, and make all efforts to conquer a number of key core technologies in its main business areas, so as to be a main pillar for the "manufacturing powerhouse", a dynamic force for the "Healthy China" Initiative, and a driving force for "the Belt and Road" construction.

— Yu Xubo, Chairman of Genertec



## Building an Innovation System

In 2020, Genertec continued to promote construction of a science and technology innovation system, by increasing scientific and technological investment, building a scientific and technological innovation platform, and cultivating innovation development momentum. In the whole year, the Group totally invested 1.357 billion in R&D, a year-on-year increase of 32.26%.

### Constructing innovation system

Genertec established the Science and Technology Department to strengthen the top-level design of scientific and technological innovation work, reviewed and approved the *Construction Plan of Genertec's Science and Technology Innovation System* to reshape its science and technology innovation system, studied and formulated guidelines for strengthening science and technology innovation work, and built a multi-level science and technology innovation system in line with its industrial development.

### Building science and technology innovation platforms

Genertec continued to build platforms for cooperation of industries, universities, and research institutions by coordinating science and technology personnel resources. Genertec formed 10 more provincial and ministerial-level scientific research platforms throughout the year. By the end of 2020, Genertec had a total of 50 national, provincial and ministerial R&D platforms.



Totally invested in R&D  
**1.357** billion yuan.

A year-on-year increase of  
**32.26%**.

Formed **10** more provincial and ministerial-level scientific research platforms throughout the year.

Had a total of **50** national, provincial and ministerial R&D platforms.

### The Framework of Genertec "1+3+1" Science and Technology Innovation System



## Obtaining Innovation Achievements

Genertec firmly grasped the "key" of innovation-driven development and vigorously pushed forward transformation of science and technology achievements. Scientific and industrial subsidiaries of Genertec promoted transformation and application of science and technology achievements through continuous improvement and upgrading of existing achievements. The supporting role of technology in the industry was continuously enhanced, and a large number of science and technology innovation achievements emerged. In 2020, subsidiaries of Genertec made application for 504 new patents (including 244 invention patents) and obtained 358 newly authorized patents (including 102 invention patents). A total of 150 new products were developed, an increase of 12.78% over 2019, and a number of influential and important innovations were achieved in high-end machine tool equipment, new materials, medicine and other fields. Genertec was granted 4 national science and technology awards and 38 provincial and ministerial science and technology awards.



### National and provincial science and technology awards of Genertec in 2020 (partial)

The "Key Technologies and Standard System of Monitoring and Evaluation for Complex CNC Equipment" of Genertec Machine Tool Research Institute won the second prize of National Science and Technology Progress Award.

The "S-shaped test pieces testing method and accuracy improvement technology for five-axis simultaneous CNC machine center" of Genertec Machine Tool Research Institute won the second prize of National Science and Technology Progress Award.

The "Key Technical Standards and Measuring Devices for Real-time Communication of Mechanical Equipment Control System" of Genertec Machine Tool Research Institute won the first prize of China Machinery Industry Science and Technology Award.

The "Key Technology and Equipment Development of Polyester Composite Elastic Fiber Industrialization" of Genertec CTA project won the first prize of Science and Technology Progress of China National Textile and Apparel Council.

Genertec Design under Genertec CMC, won the first prize of Advanced Group of China Technology Market Association Golden Bridge Awards.

The "Key Technologies and Construction of the National Supervision System of New Energy Vehicle Network Big Data System" of Genertec CAERI won the first prize of Beijing Municipal Science and Technology Progress Award.

The "Key Technologies and Equipment Research and Application for High-quality Automobile Chassis Development" of Genertec CAERI won the second prize of Chongqing Science and Technology Progress Award.

The "Key Technology and Application of Refined Construction of Large-Span Complex Structure" of Genertec Xinxing won the second prize of Liaoning Provincial Science and Technology Progress Award.

# Promoting Digital Transformation

Information technology has been integrated into all aspects of economic and social life, giving birth to many new industries, new business forms, and new modes. Genertec has been promoting application of digital technology and information technology in three levels of production, business and industry, and exploring new modes of industrial manufacturing and services to facilitate digital transformation.

## Building an Intelligent Enterprise

Genertec has been actively pushing forward innovation and development by application of digital technology and information technology, making use of digitalization to fully empower high-quality development of various business, and introducing advanced management and production philosophies to build an intelligent enterprise and promote high-quality development with intelligence.

### Genertec Builds an Intelligent Enterprise at "Three Levels"



#### Production enterprise level

by realizing digital workshops and intelligent production scheduling, each production enterprise became an efficient and controllable operation unit.



#### Business sector level

to fully open up the platform with coordination mechanism, all subsidiaries of Genertec, on the basis of professional division within an industrial group, functions of marketing, research and development, production organization, and resource allocation, were all centralized respectively to maximize the quality of operation and resource allocation efficiency.



#### Industrial ecology level

to fully integrate into Internet system at home and abroad, closer digital connections with upstream and downstream enterprises and scientific research units were established.



### Case Genertec independently developed "Intelligent Genertec" platform to accelerate digital transformation

In 2020, adhering to the principle of technology-led and innovation-driven development, Genertec further strengthened integration of the new generation information technology and enterprises, made an overall plan for digital development, and independently developed and released the "Intelligent Genertec" platform. The platform was based on advanced Genertec cloud technology and the mobility and intelligence-oriented philosophies, which integrated over 20 applications in respects of corporate management, business operation, and data management, and would be continuously enriched and updated. Taking "Intelligent Genertec" as a start, Genertec would empower reform with digital technology, accelerate digital transformation in an all-round way, and create a distinctive digital, networking, and intelligent enterprise.



### Case Genertec established a bidding and procurement system to help business transformation and upgrading

Following the development trend of "Internet + bidding", in September 2020, the "China General Tendering Network-China Salt Electronic Procurement System" established and operated by Genertec CGCI, was officially launched, which would vigorously promote the Genertec tendering net to achieve a new upgrade, help to open a digital era for bidding procurement, and accelerate digital transformation of centralized procurement business.

## Creating a New Mode of Industrial Manufacturing and Services

Striving for innovative development, Genertec has been actively promoting development and upgrade of intelligent products, intelligent equipment and intelligent applications. Many of its subsidiaries have made breakthroughs for major technical problems in their respective manufacturing fields, achieved certain results in many fields such as creating a full life cycle ecosystem of intelligent manufacturing, integrating of industrial intelligent systems and industrial Internet platforms, and providing intelligent manufacturing solutions for specific industries and digital value-added services in the machine tool industry, so as to forge a new mode of industrial manufacturing and services in the new era.



#### In the field of intelligent manufacturing

Genertec has been exploring the closer integration of new information technology with the machine tool industry, using the Internet of Things + 5G technology to improve design and operation, maintenance of high-end CNC machine tools, and achieving lean machine tool manufacturing by building intelligent factories.



#### In the field of intelligent transportation

Genertec established an internationally leading national-level intelligent vehicle and intelligent transportation test demonstration public service platform, built China's first 5G autonomous driving open road scene demonstration operation base, and promoted development of intelligent automobile networking and intelligent urban construction.



#### In the field of intelligent medical care

Genertec carried out "Internet + medical and health" services by making use of its hospital resources to build an Internet medical platform. In the future, this model would be extended to countries along the Belt and Road to better benefit local people.



# Following the Green Development Philosophy for the "Carbon Peak and Neutrality" Goals



Improving Environmental Management

Promoting Green Transformation

Advocating Low Carbon Philosophy



Adhering to a systematic philosophy of development, Genertec will strengthen forward-looking thinking, overall planning, strategic distribution, and holistic advancement, concentrate on solidifying the foundation, leveraging its strengths and tackle areas of weaknesses, and realize higher quality, fairer, more efficient, more sustainable and more secure development by continuously addressing development challenges, enhancing development momentum, and cultivating development advantages, with the new development philosophy of "innovation, coordination, green development, openness and sharing" applied throughout the whole process and in all areas of development.

— Yu Xubo, Chairman of Genertec



## Improving Environmental Management

To continuously improve the energy conservation and environmental protection system and consolidate the foundational management of energy conservation and environmental protection, Genertec formulated and issued the *Administrative Measures for the Supervision and Administration of Energy Conservation and Environment Protection*, reinforced screening and treatment of ecological pollution sources and risk points, supervised and rectified environmental problems found in audit, and urged its subsidiaries to establish a green, low-carbon and circular development mode to lay a solid foundation for green development. In 2020, a total of 35 subsidiaries of Genertec passed the environmental management system certification. Key enterprises of Genertec actively proceeded with energy conservation and environmental protection projects, and increased funding for energy conservation and environmental protection with a total investment of 241 million yuan, a year-on-year growth of 22%.

### Genertec's Environmental Protection Priorities in 2020

- Promoted implementation of the responsibility system for energy conservation and environmental protection and the subject responsibility of enterprises at all levels.
- Supervised and urged new investment and merger projects to execute the "three simultaneous" management system of environmental protection facilities.
- Conducted in-depth energy-saving and environmental protection supervision on companies such as Topfond Pharma Co Ltd under Genertec Meheco and Genertec QIER; carried out research on enterprises concerned with energy conservation and environmental protection such as Genertec HMCT, Genertec Dalian Machine Tool Co Ltd , Genertec Shenyang Machine Tool .
- Established a talent pool and designated 18 experts for energy conservation and environmental protection.



China Xinxing Construction & Development Co Ltd, a subsidiary of Genertec Xinxing undertook the construction of the Yanqing Comprehensive Transportation Service Center for the Beijing Winter Olympics.

## Promoting Green Transformation

Genertec has been adhering to green development and actively cultivating green industries. By integrating green development into philosophy all aspects of business operation and development, Genertec actively practises green operation, continuously advances energy conservation, emission reduction and carbon reduction, and endeavor to promote green transformation and upgrading.

### Cultivating Green Industries

Focusing on key areas such as green fibers, new energy vehicle power equipment, and green buildings, Genertec takes a green, low-carbon and circular road of development through cultivating a number of green industries that can embody the philosophy of green development in subdivided fields, and boosting construction of green products, green factories, green parks, and green supply chains.



#### Case

Genertec carried out environment protection projects to promote the transformation and upgrading of environmental protection

Beijing CTA-Tex Chemicals Company Limited under Genertec CTA, carried out research on the project of "preparation and application of organic-inorganicmicro-nano fluorine-free waterproof finishing agent". The product of the project was certified by the Swiss OEKO-TEX Agency for ECO PASSPORT for two consecutive years. At the same time, it was added to the ZDHC (Zero Discharge of Hazardous Chemical) recommendation list. The environmental performance of the project reached the highest international standards, and helped domestic textile printing and dyeing enterprises to realize transformation and upgrading of environmental protection while ensuring the waterproof effect.



The non-hazardous natural dyes developed by the "Natural Plant Dyeing" project of Genertec CTA, can avoid serious pollution problems of chemical dyes, and greatly reduce the toxicity of dyeing wastewater and alleviate the burden of sewage treatment.

## Practicing Green Operation

Genertec actively promoted green construction and clean production. All subsidiaries strictly controlled resources consumption from the sources. Focusing on processes, Genertec did a good job in dust emission, noise pollution prevention and control, and rational utilization of water resources. Starting from strict discharge, Genertec properly disposed of all types of household and production wastes to reduce the impact of production and business and in pursuit of maximizing comprehensive economic, social and environmental benefits activities on the environment.

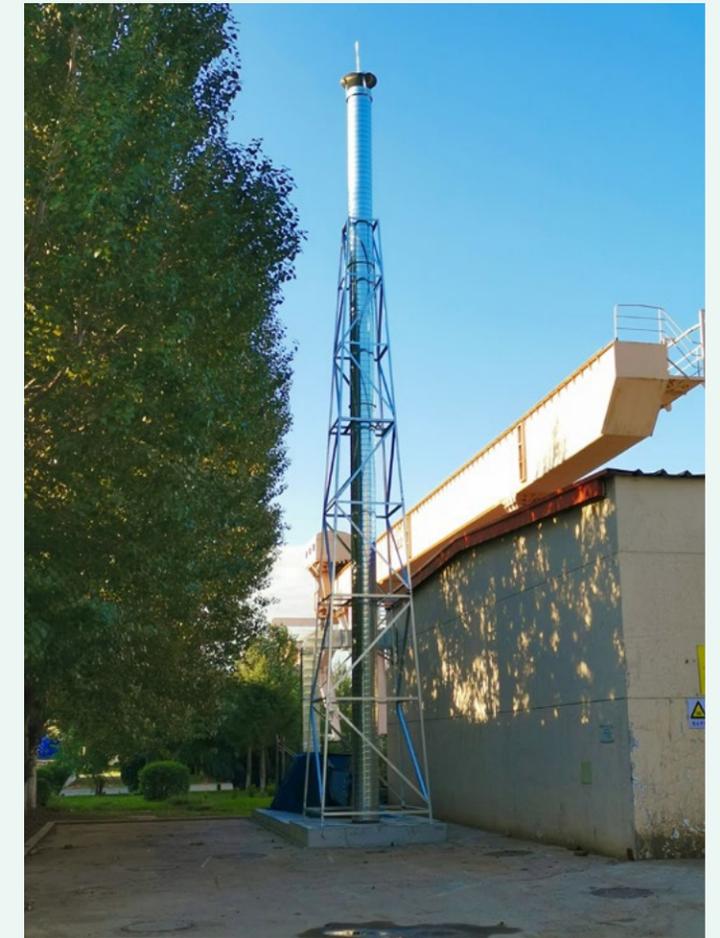
Subsidiaries	Practices of Green Operation
Genertec HMCT	The company strictly implemented the pollutant discharge system, cooperated with qualified third parties to achieve standard discharge of various pollutants, prevented secondary environmental pollution, and ensured rationalization and normalization of hazardous waste disposal in accordance with hazardous waste management measures and through procedures for hazardous waste transfer and disposal.
Genertec Xinxing	In the process of project construction, environmental protection technologies, such as full life cycle cloud big data management technology, fair-faced concrete comprehensive control technology, and new fabricated SMC integral bathroom technology, were broadly applied, therefore, the effect of energy saving, land saving, water saving, material saving and environmental protection was effectively improved, and the goals of energy saving, emission reduction, consumption reduction and environmental protection achieved.
Genertec Machine Tool Research Institute	All departments of the company signed the "Letter of Responsibility for Safety and Environmental Protection Objectives", which requires a year on year reduction of 3% of comprehensive energy consumption per 10,000 yuan of output value through refined management and equipment upgrades.
Genertec PTAC	Starting from raising the threshold of energy saving and environmental protection, the company vigorously promoted new technologies, new processes and new equipment, encouraged and supported technology transformation for energy-saving and environmental protection.
Genertec CNIC	The company realized 100% classified recycling rate of solid wastes by strengthening solid waste management and recycling cartridges, toner drums and other key consumables in form of old-for-new replacement.
Genertec Materials	GTAM strengthened energy and resource consumption management, continued to carry out technology innovation and the "Five small achievements" program, and reduced steam consumption to improve water utilization through spinneret cleaning and assembly system transformation. The company improved the utilization rate of pulp through transformation of the dust hood of the pulp cutter, and improved the quality of the product by adding a filter system for the evaporable water and oil bath.
Genertec QIER	Genertec QIER implemented scientific management measures such as strict management, reasonable adjustment, fine maintenance, and equipment transformation, and met environmental protection requirements while achieving economical and reasonable operation, by balancing the plant heating pipe network, optimizing the distribution of heat sources, and installing desulfurization equipment.
Genertec Shenyang Machine Tool	Cooperating with a new energy company, Genertec Shenyang Machine Tool developed 350,000 square meters of roof value in the CNC machine tool industrial park to construct and operate a solar photo-voltaic power generation system.



19 projects of China Xinxing Construction & Development Co Ltd and 2 projects of China Xinxing Construction Engineering Co Ltd obtained the Beijing Green and Safe Construction Site Certificate, of which 14 projects of China Xinxing Construction & Development Co Ltd obtained the Beijing Green and Safety Model Construction Site Certificate.

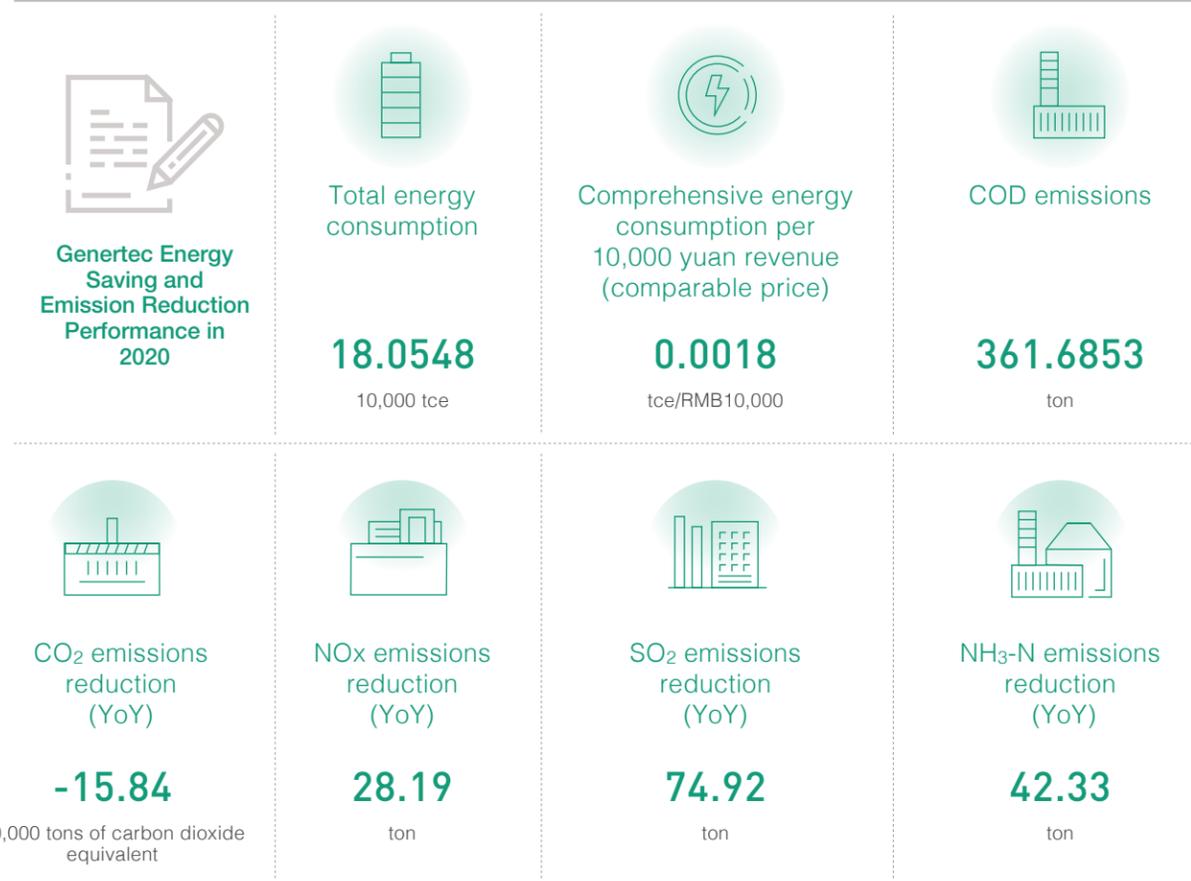
### Case Genertec Shenyang Machine Tool transformed and upgraded waste gas treatment facilities

In August 2020, Genertec Shenyang Machine Tool installed exhaust gas purification devices for paint spraying workshops and paint mixing workshops, and adopted an activated carbon negative pressure adsorption treatment system to achieve exhaust gas emission standards. At the same time, Genertec Shenyang Machine Tool also completed replacement of the old pipelines of the water jet spray booth, airtight maintenance of doors, cleaning of paint residue in the water spinning tank, laying of activated carbon filter cotton roof, replacement of activated carbon filter cotton, and upgrading of VOCs exhaust gas purification treatment. In September, the company upgraded the original temporary library for hazardous waste, set up temporary libraries for hazardous wastes involving VOCs emissions and non-VOCs emissions, and reinforced the original ground and added anti-seepage membranes. While installing a photo-oxygen catalytic exhaust gas recovery device in the VOCs emission library, a collection exhaust hood at each exhaust gas port was added. To meet the standard, the gas was collected under negative pressure and discharged through the exhaust pipe after treated.



## Energy Saving, Emission and Carbon Reducing

Genertec continually promoted its subsidiaries for energy conservation, emission reduction and carbon reduction, and pollutant treatment, to realize continuous optimization of monitoring indicators of energy conservation, emission reduction and carbon reduction.



Topfond Pharma Co Ltd under Genertec Meheco introduced advanced domestic technology and equipment, and successively built a high-standard wastewater treatment stations (automation control centers), an exhaust gas treatment system, and an automation energy dispatch center, so as to develop circular economy and gradually realize the goal of "energy-saving by power reduction, electricity-saving through fermentation, and energy recycling".



The Genertec CMC Madhumati heavy oil project in Bangladesh created a green plant area and monitored the production and domestic sewage in real time to ensure that the sewage met the discharge standard.

## Advocating Low Carbon Philosophy

Genertec carried out various publicity and promotion activities to strengthen employees' awareness of green and low-carbon development, encouraged employees to participate in green public welfare activities, advocated a simple, moderate, green and low-carbon way of work and life, and promoted a new trend of advocating green life.

### Green Office

Genertec persisted in integrating green development into daily operation. Starting from the bits and pieces, it established an environmentally friendly office model by bringing water saving, electricity saving and energy saving into office area management. Through in-depth publicity and training, we enhanced employees' awareness of energy conservation and environmental protection, and created a low carbon, environmental protection office environment.

### Environmental Public Welfare Activities

We consciously practices the idea of green environmental protection, organizes environmental public welfare activities, disseminated the idea of energy saving, carbon reduction and ecological protection, and joined hands with all parties to create an ecological civilization and build a green home.

We actively participated in the ecological construction program of "Afforesting Mountains, Protecting the Northern Area" in Wuchuan County, Inner Mongolia, and started the construction of 10,000 *mu* of Genertec's public welfare forest. In 2020, we invested 2 million yuan to start construction of the first phase of public welfare forests, and realized an afforestation area of 2,000 *mu*. While the afforestation project left green waters and mountains for the local area, we helped local people to increase their income by "cooperatives + poor households" model, and by registering and recruiting poor residents. We also actively mobilized our Party organizations, youth leagues and labor unions to promote ecological environmental protection and restoration of the northern slope of Daqing Mountain through participation in activities such as claiming public welfare forests and planting memorial forests.



In July 2020, leaders of Genertec planted trees at the ecological construction tree planting base of "Afforesting Mountains, Protecting the Northern Area" program in Wuchuan County, Inner Mongolia, and launched the construction project of 10,000 *mu* public welfare forests in Wuchuan County.

# Making Contributions to the Society and Composing a New Chapter of Happiness



Caring for Employees

Working Hard on Public Welfare and Charity



As a central SOE, Genertec will earnestly undertake its political, economic and social responsibilities, further strengthen cooperation with local governments, help fight poverty, and actively support local economic and social development. Based on better fulfillment of our work responsibilities, we will coordinate epidemic prevention and control with corporate development, increase market supply, ensure the normal life of the people, and make greater contributions to economic recovery.

— Yu Xubo, Chairman of Genertec

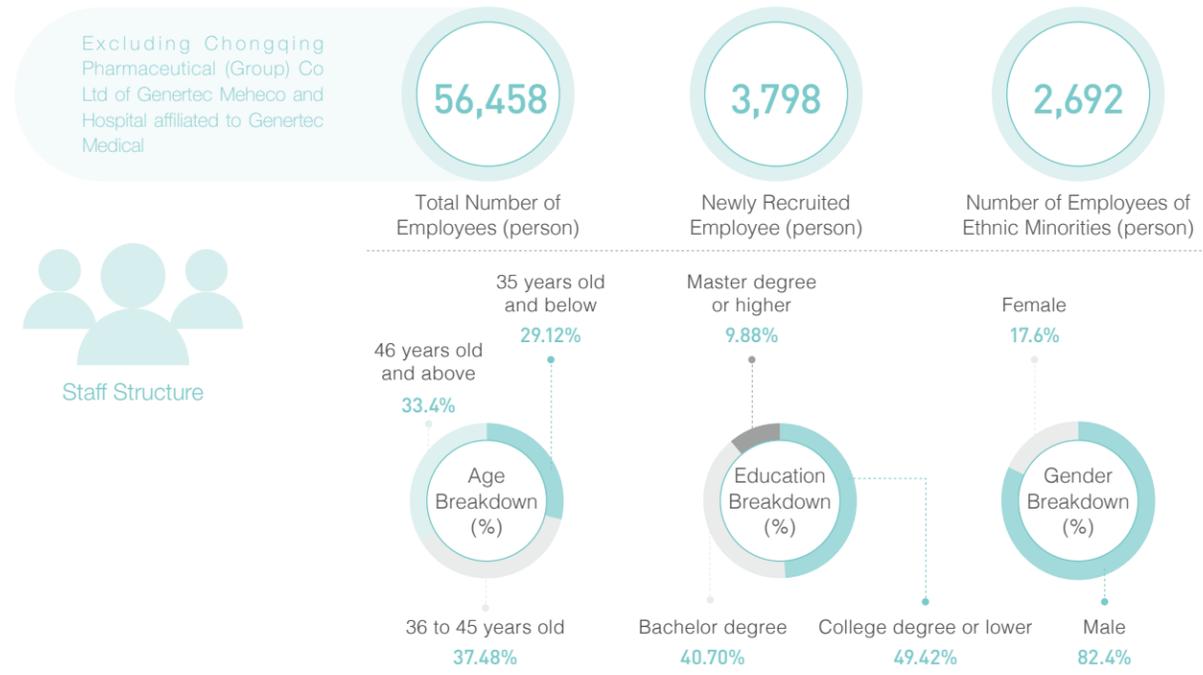


# Caring for Employees

Adhering to the people-oriented principle, we safeguarded basic rights and interests of employees, attached great importance to employees' development, cared for employees' growth, stimulated enthusiasm, creativity, and cohesion, therefore, promoted the common growth of employees and the company.

## Safeguarding Employee's Rights and Interests

Genertec adhered to the people-oriented principle, guaranteed the basic rights and interests of employees in terms of equal employment, compensation and welfare, and democratic management, and earnestly fulfilled the responsibility of respecting and caring for employees.



**Equal Employment**

We strictly abide by international conventions and domestic laws and regulations, respect and safeguards internationally recognized human rights, oppose any discrimination, and provide fair employment and promotion opportunities for all employees. Adhering to the principle of equal employment, and in strict accordance with the *Labor Law and Labor Contract Law*, we sign labor contracts, eradicate use of child labor, and prohibit forced labor.

**Compensation and Welfare**

We attach great importance to employee value contribution, continuously improve the compensation and welfare system and medium and long-term incentive system. In accordance with relevant national and local regulations, we pay five insurances and one housing fund promptly for employees, and strictly provide benefits such as health checkups and paid vacations to motivate employees.

**Democratic Management**

We improved democratic management systems such as the employee representative conference system and the factory affairs disclosure system to ensure the employees' rights to know, to participate, to vote, and to supervise. By carrying out such activities as "leaders' reception day", "democracy forum", and "voices of employees", and setting up telephone hotline, employees' mailbox, WeChat group and other communication methods, we established important channels for democratic participation, democratic management and democratic supervision to enhance cohesiveness of employees.

## Employees' Development

We attached great importance to the growth of employees, built a diversified training system, improved the construction of talent growth channels, and provided broad development platform and space for employees to smooth their career development path.

### Building a Diversified Training System

We built a diversified training system to enhance employees' abilities in all respects. An "origin + tracking + full process" employee training system was established to carry out targeted and diversified training courses based on employee managerial levels and job responsibilities with full coverage. We also encouraged employees to participate in various skill competitions to continually improve their working ability. In 2020, we carried out cadre education and training in an online-offline combined form, with an annual investment of 4.62 million yuan and a total training duration of 192,609 class hours.



Genertec held the "2020 Young Talents Training Course" to cultivate young backbone talents.

### Career Development

We established an ability-performance-knowledge based selection and promotion system and strictly supervised and implemented promotion, evaluation, and selection of employees. To standardize the promotion procedures, we constructed two career development channels of "management sequence" and "professional sequence", and introduced a point-earning promotion mechanism and a position review committee. We broadened career development channels for employees through procedures such as competition and recommendation. At the same time, we put more efforts into training of outstanding young cadres with focus on cultivating versatile talents and strengthening their team leadership.

### Employee Health and Safety

We always paid close attention to health and safety of employees. To protect health and safety of employees from all aspects, we continuously improved the health management system, enhanced production safety management, and strengthened production safety education.

### Strengthening Safety Production Control

To ensure production and operation safety, we set up a safety management organization, improved the safety responsibility system, institutional system, and prevention and control system, strengthened the hierarchical management and control of safety risks, and supervised implementation of potential risk investigation and rectification measures. In 2020, Genertec formulated and implemented the "Three-year Action Plan for Safety Production Rectifications" to further strengthen the prevention of safety production risks, and normalize the comprehensive investigation and control of all kinds of safety risks.



Genertec Universal Medical was conducting an emergency drills.

### Ensuring the Safety of Employees

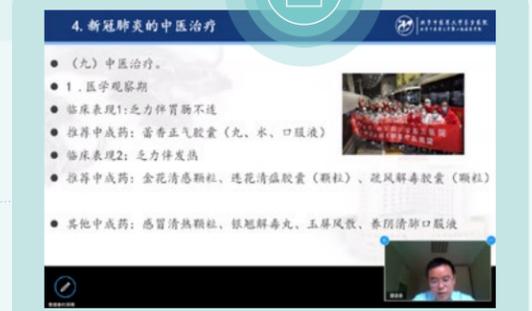
Since the outbreak of COVID-19, Genertec has closely tracked the health of employees, paid close attention to their movement tracks, conducted timely health checks, and prepared epidemic prevention materials for employees. Under the premise of better implementation of safety management and protection, we have promoted orderly resumption of work, normalized measures for epidemic prevention and control to ensure the safety of employees.



#### Case

Genertec launched overseas telemedicine clinics to protect the health of overseas employees

In May 2020, as the epidemic situation continued to spread overseas, we leveraged our advantages in the medical industry, implemented a remote diagnosis and treatment system, and built overseas telemedicine clinics to provide services for the life and health of overseas employees. At the launching ceremony of the telemedicine clinic, Genertec invited a number of medical experts to provide overseas employees with consultation and Q&A service on personal protection, mild case treatment, drug treatment, and other hot issues through the cloud video conference system.



### Caring for Employees

Genertec and its subsidiaries care about employees, pay considerate attention to employees in need, female employees, retired employees, and enhance employees' sense of identity and belonging.

#### Helping Employees in Need

We set up an "Assistance Plan Fund" for employees in need, and formulated the *Pilot Measures of Enrollment Support for Children of Employees in Need* to help employees solve their difficulties in life and children's education.

#### Caring for Female Employees

We continued to invest in the "Special Illness Mutual Assistance Program" for female employees in Beijing and applied for special and critical illness subsidies provided by the mutual assistance program for female employees.

#### Caring for Retired Employees

We regularly visited retired employees and sent them warm greetings.

#### Life-Work Balance

We organized various cultural and sports activities every year to create a relaxing, healthy and loving working atmosphere for employees, and relief their work pressure.



Genertec signed a supply cooperation agreement with COFCO to jointly create a healthy, safe, nutritious and green food supply system, and provide employees with nutritious and healthy products and high-quality services.



Genertec leaders visited CTAMP of Genertec CTA and greeted frontline cadres and employees.



Genertec Investment carried out team building activities.



The labor union and the Women Workers' Committee of Genertec CMC organized female employees to hike around the lake.



The 6th Table Tennis Competition of Genertec



The Harbin 242 Hospital under Genertec Medical carried out "Sending Warmth" activity to make donations for employees in illnesses.



Genertec headquarters organized an autumn walking activity for employees.

# Working Hard on Public Welfare and Charity

We always adhere to the values of "innovation and enterprising, harmony and win-win", actively devote ourselves to public welfare and charity, carried out social welfare activities, and give back to the society and contribute to the construction of a harmonious society with practical actions.

## Volunteer Service

To carry forward volunteerism, we set up a volunteer service team to carry out voluntary service projects, actively fulfill the original aspiration and mission, and dedicate ourselves to the society with heart and love.



Young volunteers of Genertec at various exhibitions



China Xinxing Construction Engineering Co Ltd under Genertec Xinxing carried out community volunteer services during the pandemic.

## Facilitating Community Development

We earnestly fulfilled our corporate social responsibility, and made contributions to education aid, flood fighting and disaster relief, medical rescue, and providing support and services for major events.

## Case Serving the society with love, Genertec Medical explored a new path to fulfill its responsibilities

Genertec Medical integrated fulfillment of social responsibilities into its corporate strategy by giving full play to its advantages in the medical and health field, and actively investing in fighting the pandemic, poverty alleviation, public welfare and charity, and health promotion to shape the company's brand image. To explore targeted health measures for poverty alleviation and improve medical security and health service capacity of targeted poverty-stricken counties, the company carried out activities such as "Doctoral Mission for Targeted Medical Poverty Alleviation" in Guizhou, and made preparations for a series of activities to care for alzheimer's disease patients in cooperation with China Population Welfare Foundation, United Nations Population Fund Representative Office in China and other organizations. The company's affiliated units actively carried out social welfare activities through medical technology pairing assistance, free clinics, health promotion, and created a social responsibility brand of "Genertec Medical-Walking with Love".



The Harbin 242 Hospital under Genertec Medical: a free clinic on the "Love Teeth Day"



The AVIC 363 Hospital under Genertec Medical: a book donation activity in Wanzi Village, Wanba Township, Jiulong County

## Case Day and night on duty to ensure safety of the designated area

From late June to July 2020, Wuhan suffered 7 rounds of heavy rainfall, and the water level in the river section below Jianli in the middle and lower reaches of the Yangtze River exceeded the alarm line. Facing severe flood control situation, PTAC Zhongnan, a subsidiary of Genertec PTAC in Wuhan, quickly formed a task force, and volunteered to be the first unit on duty to participate in the flood control work of the Yangtze River dike organized by the Wuhan Municipal Government. Members of the task force resolutely implemented the 24-hour flood control duty and leadership shift inspection system, patrolled the dike in three shifts a day, inspected the river dike every hour, and made timely inspection records and marked abnormal situations. Being the "guardians" of the dike, all members of the task force overcame difficulties, and stood their ground firmly at the front line of flood control to ensure safety of the designated area.

# CSR Management

Genertec has been actively promoting the integration of its social responsibility into development strategy, management and operation and corporate culture. While pursuing economic benefits, Genertec continually carried out its social responsibility work of integrity management, innovation-driven, green development, caring for employees, and giving back to the society. Joining hands with all stakeholders, Genertec has been striving to build a harmonious win-win situation, to maximize the comprehensive value of economy, society and environment, and achieve sustainable development.

## CSR Topics

In order to improve the substantive content of the report, and by analyzing national macro policies and social responsibility standards at home and abroad, Genertec dynamically identified and screened out substantive issues that the Group and stakeholders were concerned about, drew substantive matrix, and carried out targeted social responsibility work based on its development strategy and actual operation.



# Responsibility Communication

Genertec established diversified communication mechanisms and channels to better understand the needs and feedback of stakeholders, and effectively communicated the development and operation with all parties, so as to keep improving its CSR management.

Stakeholders	Expectations and Demands	Communication Channels and Methods	Responses
The Government	<ul style="list-style-type: none"> <li>Compliance of law</li> <li>Paying taxes according to law</li> <li>Serving national strategies</li> <li>Supporting local development</li> </ul>	<ul style="list-style-type: none"> <li>High-level meetings</li> <li>Communication meetings</li> <li>Briefings</li> <li>Attending conferences</li> <li>Accepting supervision, reviews and inspections</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening compliance management</li> <li>Paying taxes proactively</li> <li>Implementing national policies and accepting supervision and reviews</li> <li>Driving local development</li> </ul>
Shareholders	<ul style="list-style-type: none"> <li>Ensuring smooth communication</li> <li>Ensuring stable operations and sustainable development</li> <li>Improving corporate performance</li> </ul>	<ul style="list-style-type: none"> <li>Annual report and disclosure of non-financial information</li> <li>Annual general meetings and board meetings</li> <li>Work summary and performance reporting</li> </ul>	<ul style="list-style-type: none"> <li>Improving corporate governance</li> <li>Maintain business and profitability growth</li> <li>Timely and comprehensive information disclosure</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Providing quality products and services</li> <li>Technical support</li> </ul>	<ul style="list-style-type: none"> <li>Customer visits</li> <li>Frequent communication through E-mail and phone</li> <li>Customer satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Establishing an all-around quality management and control system</li> <li>Creating new service forms and content</li> <li>Participating in the national Quality Month campaign</li> </ul>
Partners	<ul style="list-style-type: none"> <li>Keeping promises</li> <li>Open procurement</li> <li>Win-win cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of bidding and tendering information</li> <li>Strategic and project cooperation</li> <li>High-level mutual visits</li> </ul>	<ul style="list-style-type: none"> <li>Fair and local procurement</li> <li>Supply chain management</li> </ul>
The Environment	<ul style="list-style-type: none"> <li>Energy conservation, emission reduction</li> <li>Resource conservation</li> <li>Response to climate change</li> <li>Ecological conservation</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of environmental information</li> </ul>	<ul style="list-style-type: none"> <li>Green office and energy conservation awareness week</li> <li>Public welfare activities for environmental protection</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Protecting employees' legitimate rights and interests</li> <li>Understanding operating conditions of Genertec</li> <li>Creating a healthy and safe work environment</li> <li>Fair promotion and development opportunities</li> <li>Fostering the senses of belonging and achievement</li> </ul>	<ul style="list-style-type: none"> <li>Internal mails and journals</li> <li>Employees Representative Conference</li> <li>Meetings of Criticism and Self-criticism</li> <li>Production Safety Month</li> <li>Employee care activities</li> </ul>	<ul style="list-style-type: none"> <li>Protecting employees' legitimate rights and interests</li> <li>Establishing diverse employee communication channels</li> <li>Organizing vocational training programs and providing smooth channels for promotion</li> <li>Setting up a comprehensive occupational health management system</li> <li>Organizing colorful employee activities</li> </ul>
Industry Organizations	<ul style="list-style-type: none"> <li>Promoting industry development</li> </ul>	<ul style="list-style-type: none"> <li>Participating in seminars and exhibitions</li> <li>Joining industry associations and standard organizations</li> </ul>	<ul style="list-style-type: none"> <li>Participating in discussions and formulation of standards</li> <li>Promoting industry exchanges and cooperation</li> </ul>
The Community	<ul style="list-style-type: none"> <li>Development of public services and facilities</li> <li>Communication and exchanges with communities</li> <li>Assisting the poor and the needy</li> <li>Improving employment</li> </ul>	<ul style="list-style-type: none"> <li>Community education and publicity</li> <li>Community communication meeting</li> </ul>	<ul style="list-style-type: none"> <li>Active participation in community development</li> <li>Volunteer and public welfare activities</li> <li>Local recruitment</li> </ul>
Media	<ul style="list-style-type: none"> <li>Understanding the long-term development strategy and plan of the Group</li> <li>Access to CSR information</li> </ul>	<ul style="list-style-type: none"> <li>Interviews</li> <li>Using social media to strengthen interaction with the general public</li> </ul>	<ul style="list-style-type: none"> <li>Accepting media interviews</li> <li>Information disclosure</li> </ul>

# ESG Construction

Genertec guides its listed companies to take the initiative to carry out business operations and ESG management in a more responsible manner, promote ESG practices, and focus on environmental protection, employee growth, public benefit, community development, rural revitalization, corporate governance, etc., and to maximize the comprehensive value of economy, society and environment. At the same time, Genertec also promotes its listed companies to carry out ESG information disclosure, strengthens communication with stakeholders, participates in the research of the SASAC "Research Report on ESG of Listed Companies of Central Enterprises", and jointly promotes the construction of China's ESG system.

# Outlook

Guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, Genertec will have a keen grasp of the new development stage, implement the development philosophy, and move faster to foster a new development pattern. By taking the promotion of high-quality development as the theme and deepening the supply-side structural reform as the main line, upholding and strengthening CPC's leadership, and persevering in the general principle of seeking progress while maintaining performance stable, Genertec will focus on its primary responsibilities and main business, optimize distribution structure, strengthen innovation-driven development, improve quality and efficiency, and deepen reforms in an all-round way, so as to accelerate the construction of a world-class enterprise with global competitiveness, comprehensively improve the ability to serve national strategies and people's better life, and make greater contributions to building a modern socialist country in all respects.

# Appendix

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## About this Report

This report is an annual report and is the fourth CSR report issued by China General Technology (Group) Holding Co., Ltd.

### Reporting Period

The report mainly covers information of the period between January 1, 2020 and December 31, 2020, and may include contents beyond the stated reporting period.

### References to Genertec

For better readability, "China General Technology (Group) Holding Co Ltd" is referred to as "Genertec", "the Group" or "we/us" in the report.

### Report Scope

The report covers information of Genertec and its subsidiaries, and Genertec guarantees the authenticity and accuracy of the reported information.

### Data Sources

Business data in the report come from the official documents and statistical reports of Genertec and its subsidiaries.

### Compilation Conformance

This report is prepared in accordance with *the Guidelines to the State-owned Enterprises Directly under the Central Government on Fulfill Corporate Social Responsibility* released by State-owned Assets Supervision and Administration Commission of the State Council (SASAC), *GB/T36001-2015, Guidance on Social Responsibility Reporting, GRI Sustainability Reporting Standards (GRI Standards)* issued by the GSSB, *ISO 26000: Guidance on Social Responsibility (2010)* issued by ISO, *Guidance on corporate Social Responsibility Reporting for Chinese enterprise(CASS-CSR4.0)* issued by Chinese Academy of Social Sciences and other related standards.

### Access to the Report

This report is available in both Chinese and English, including paper and electronic version. You can download the electronic version of the report from the official website of the Group.

Website: [www.gt.cn](http://www.gt.cn)  
[www.genertec.com.cn](http://www.genertec.com.cn)

