山東墨龍石油機械股份有限公司



山东墨龙

环境、社会及管治报告

Shandong Molong

Environmental, Social And Governance Report

2023

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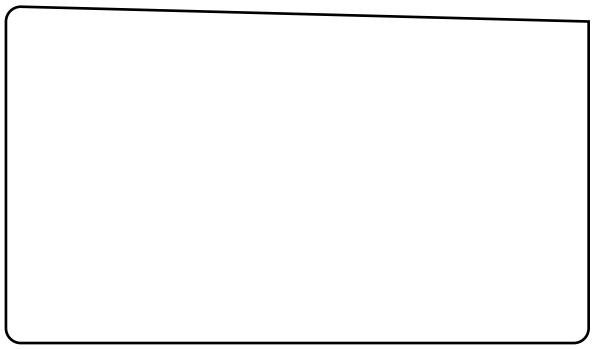


23

41

60

49

About the Report

Report Description

its subsidiary companies (hereinafter referred to as the "Group") briefy introduces the principle and the concept of the sustainable development followed by the Group within the fscal year ending on December 31, 2023 and elaborates the

Basis of Formulation

Guideline of Environmental, Social And Governance Reports

Guideline, and the report follows the article of "Explanation without Observation" specifed in the *Guideline* elaborate corresponding infuence of the Group's various business and operational activities on the environment and society. Please refer to the o f cial website (www. molonggroup.com) of the Company and the Company's 2023 annual

Time and Range of Report

subsidiaries with the right of operational control owned by the Company during the period from January 1, 2023 to December 31, 2023 (hereinafter referred to as the "Year" or the "Report Period".

Shouguang Baolong Petroleum Equipment Co., Ltd. (hereinafter referred to as "Shouguang Baolong")
Shouguang Maolong New Material Technology Development Co., Ltd. (hereinafter referred to as "Shouguang Maolong")
Weihai Baolong Special Petroleum Material Co., Ltd. (hereinafter referred to as "Weihai Baolong")

Report Language

Precious Opinion

You may consult and download the electronic version of the Report on the o f cial website of Shandong Molong Petroleum

Address: Floor 8-10, Building 19, Enterprise Headquarters, Shengcheng Street, Shouguang City, Shandong Province
Postal Code: 262700
Tel.: 0536-5100890

President's Speech

Distinguished peers and partners:

At first, I would like to show my most sincere greeting and cordial gratitude! I hereby express our most wonderful wishes

In the past 2023, facing the severe economic environment's challenge and uncertainty in the world, we were still

achievements, especially the significant progress in the field of technical research and development. These achievements

has never been overwhelmed by long-lasting difficulties.

quality and efficient energy equipment. In terms of management, we guaranteed and strictly went through the procedure

the list of the list of demonstrative enterprises and competitive enterprises of national intellectual property rights in 2023 and became the first demonstrative enterprise of national intellectual property rights in Shouguang City, which will further

The dragon roars to welcome the auspicious snow, showing a propitious omen of the year. 2024 is a crucial year for us.

market's needs together and realize mutual benefit and a win-win result. At the same time, we will also strengthen the

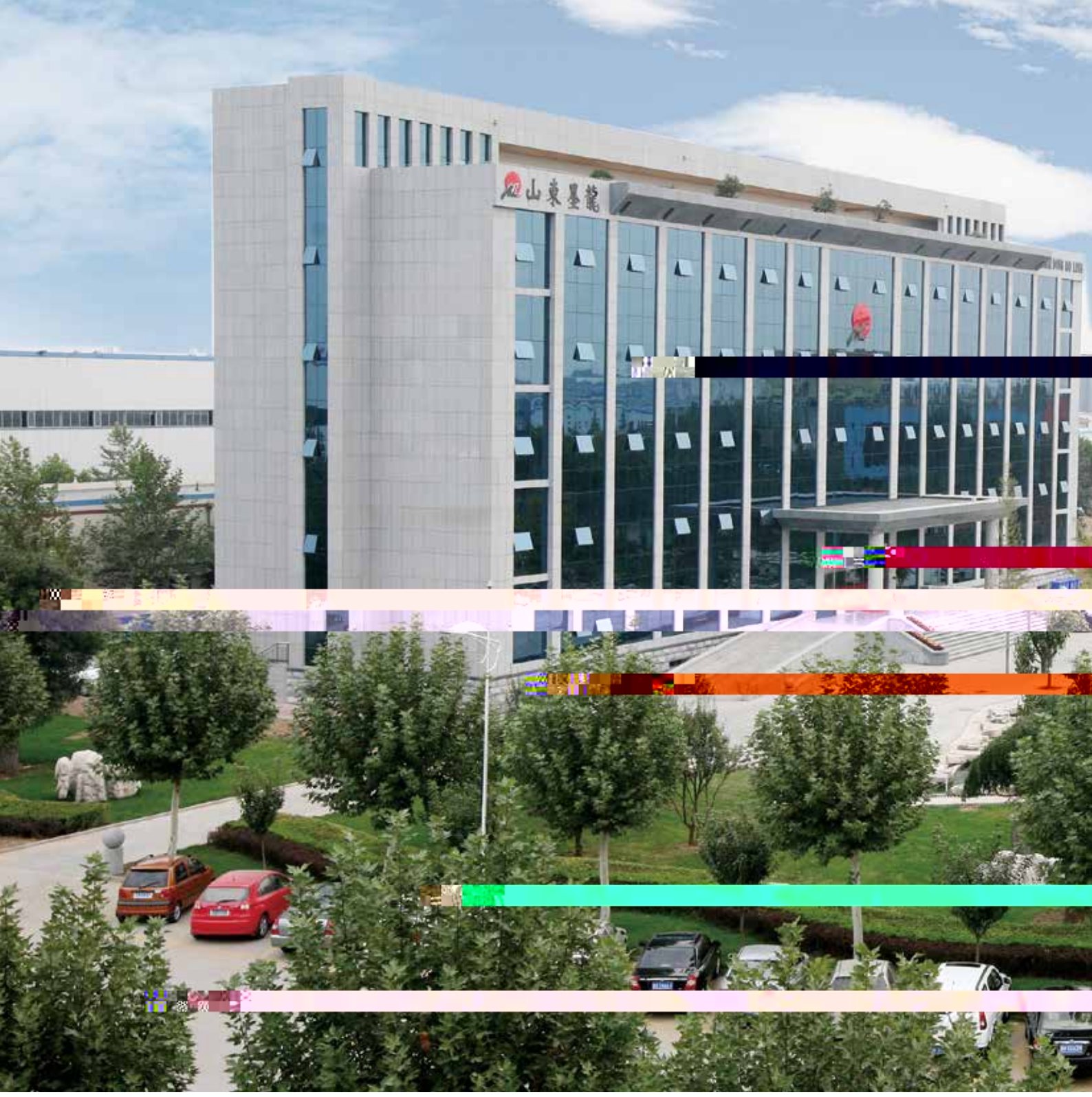
We believe that through the effort and struggle of all staffs of Molong, Shandong Molong will continuously develop and

economic benefits. At last, I would like to appreciate your trust and encouragement for the Shandong Molong Group again! In the new year, we intend to continue the cooperation with you to jointly create a wonderful future! We wish you happiness, health and success in the new year!



President of Shandong Molong Group

Date: March 2024



Company Profile

Shandong Molong

equipment used in the fields of urban pipe networks, wind power castings, etc., and the Company is a qualified supplier of four major petroleum corporations of China.



Company Prospect

In 2024, the Company will focus on the vision of “building a national manufacturer and service provider of frst-class energy equipment, and providing satisfactory products

our main operations. The whole eforts will adhere to the general tone of striving for

Enterprise Development Course

1986

1994

became the frst

April 15, 2004

become the frst H-share

code: 002490, H-share
code: 00568).

October 21, 2010

Technology Development

2013

1986

2001

frst enterprise that

February 7, 2007

frst time among 134

2012

May 2018

scientifc achievement of

March 2021

Development Holding

Bureau of State-owned

January 2023

of Opening Development

50 Enterprises of Tax

"Top-100 Private

Development", etc.

November 2023

in 2023 and became
the frst demonstrative

October 2014

September 2020

Development Holding

to the Bureau of State-

March 19, 2021

February 2023

Contract of Technology
Implementation Permission

Honor of 2023

In 2023, facing the complicated and severe external environment, the Company's staf s at all levels worked together to overcome the adverse inf uences, such as the market environment, etc., made all e f orts to ensure the ordered operation

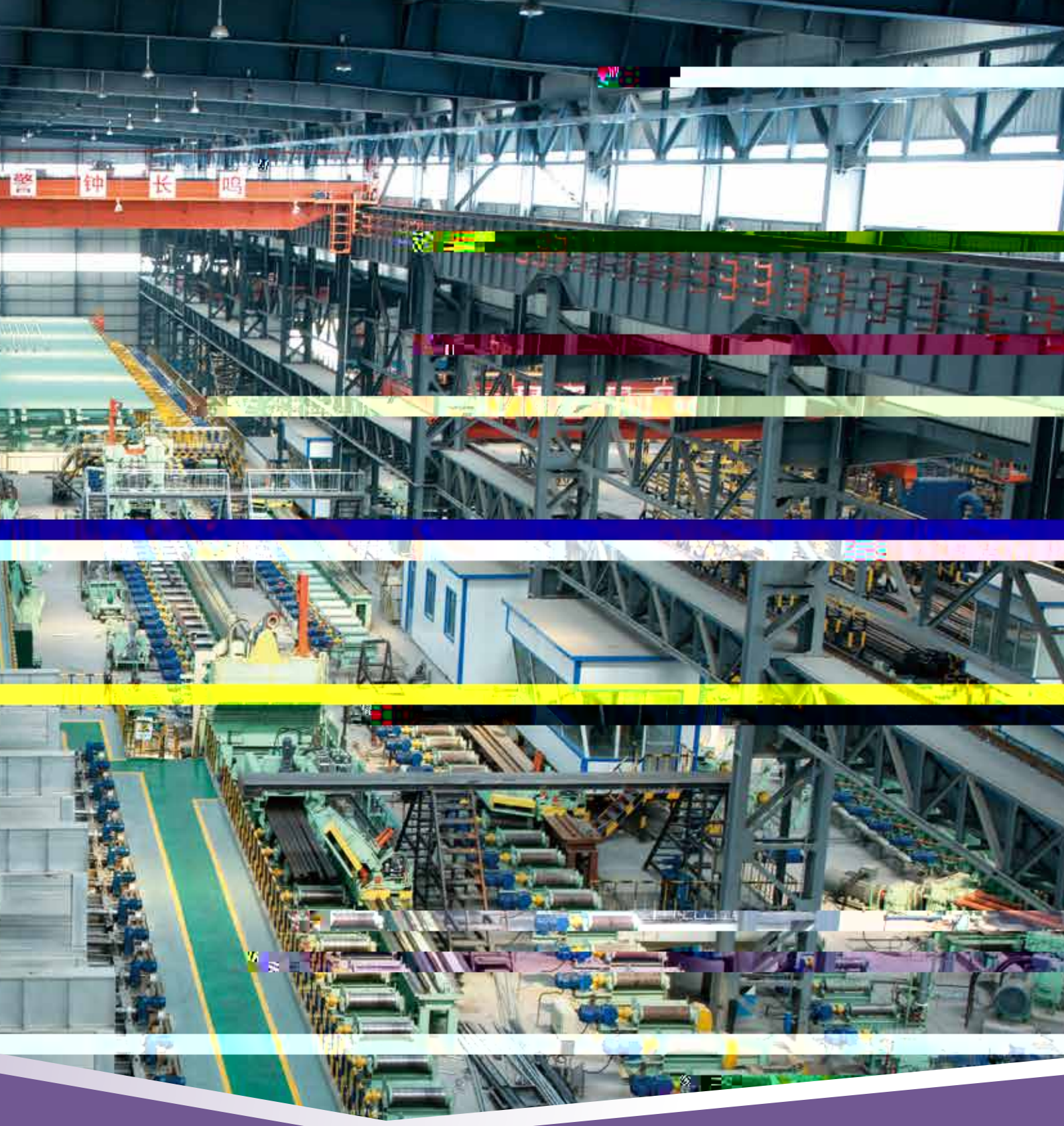
honorary titles, including the "Pacesetting Enterprise of Opening Development of Shouguang", "Top-50 Enterprises of Tax Payment of Shouguang", "Top-100 Private Enterprises of Weifang", etc., becoming the f rst demonstrative enterprise of

Award Photo	Honor Title	Awarder
	Development of	
	Top-50 Enterprise	
	Top-100 Private	Bureau of Commerce of Weifang, Bureau of

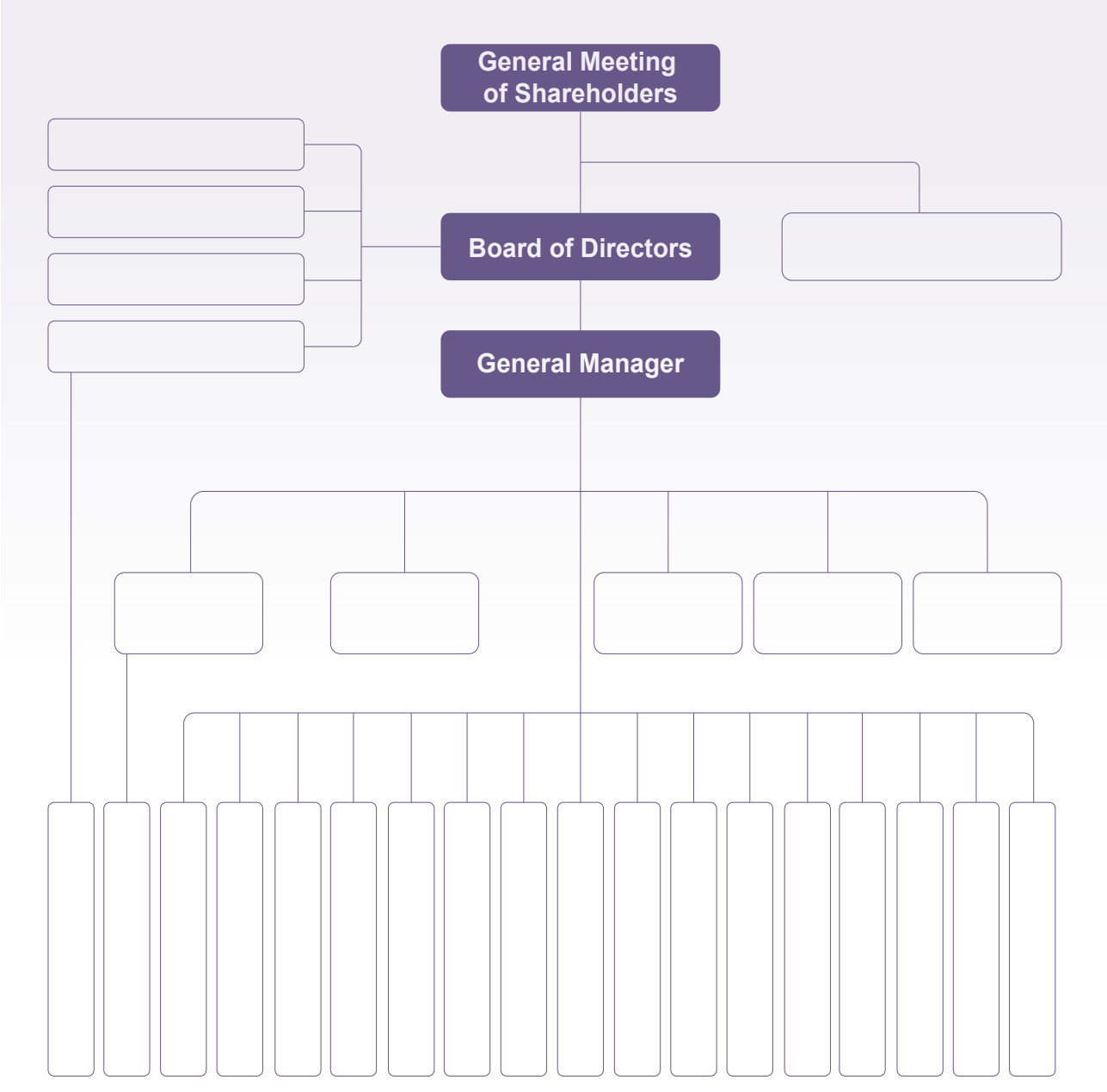
Award Photo	Honor Title	Awarder
	Demonstrative Enterprise	
	2022 Top-10 Enterprises	High-tech District, Weifang Party of China and O f ce of
		



Steady and Normative Operation


警 钟 长 鸣

Company Governance



Three-board Governance

Three-board Operation

			During the Report Period,
	Articles of Association, Rules of General Meeting Procedures		4
			4 26
General Meeting of Shareholders	*Rules of General Meeting Procedures Company Law, Rules of General Meeting Procedures of Listed Companies, Articles of Association*		4
			12
Board of Directors	Directors should be selected by the		1
	Rules of Procedures of the Board of Directors	board of directors consists of 9	1 11
		3 independent directors and 1	
Board of Supervisors	consists of 3 supervisors, including 2	During the Report Period, the	6 4
	meeting and 1 supervisor acting		1 1
		Rules of Procedure of Board of Supervisors	
			16

Information Disclosure

During the Report Period,

Listing Rules of Shenzhen Stock Exchange, Guideline of Self-discipline Supervision of Listed Companies of Shenzhen Stock Exchange other related regulations, formulated the System of Information Disclosure Management,

151

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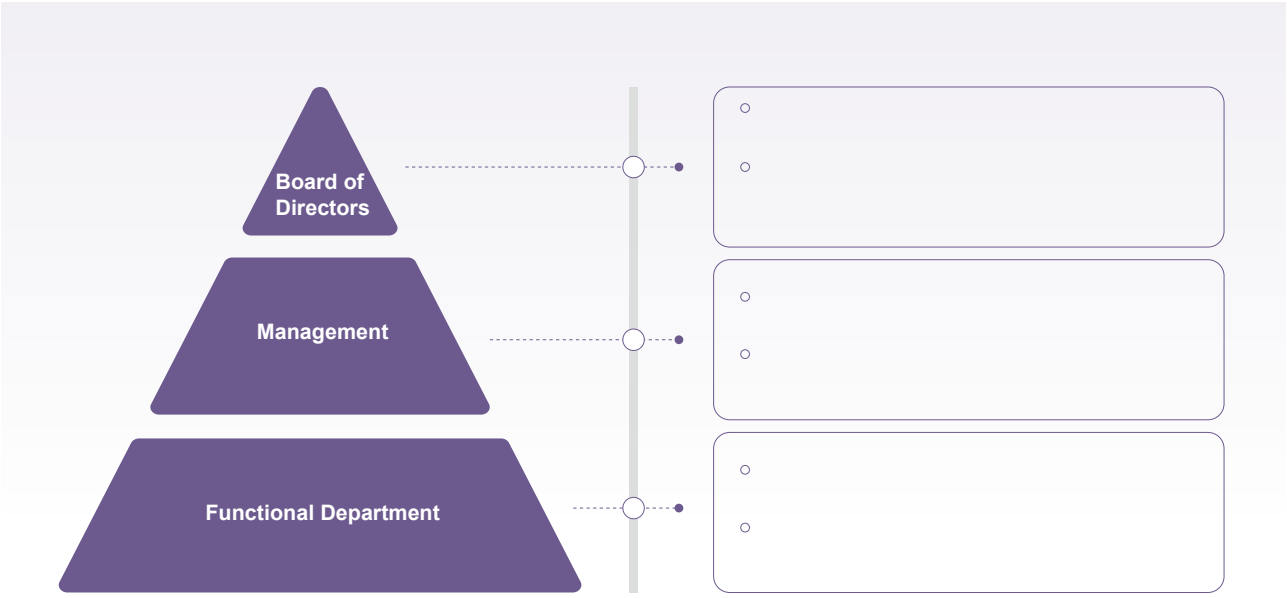
ESG Management

ESG Regulation Structure

completion of the ESG regulation structure. It is conducive to the Company's quick identifcation of the potential risks coming from the environment, society and governance, as well as prompt and effective measures to be taken to ensure

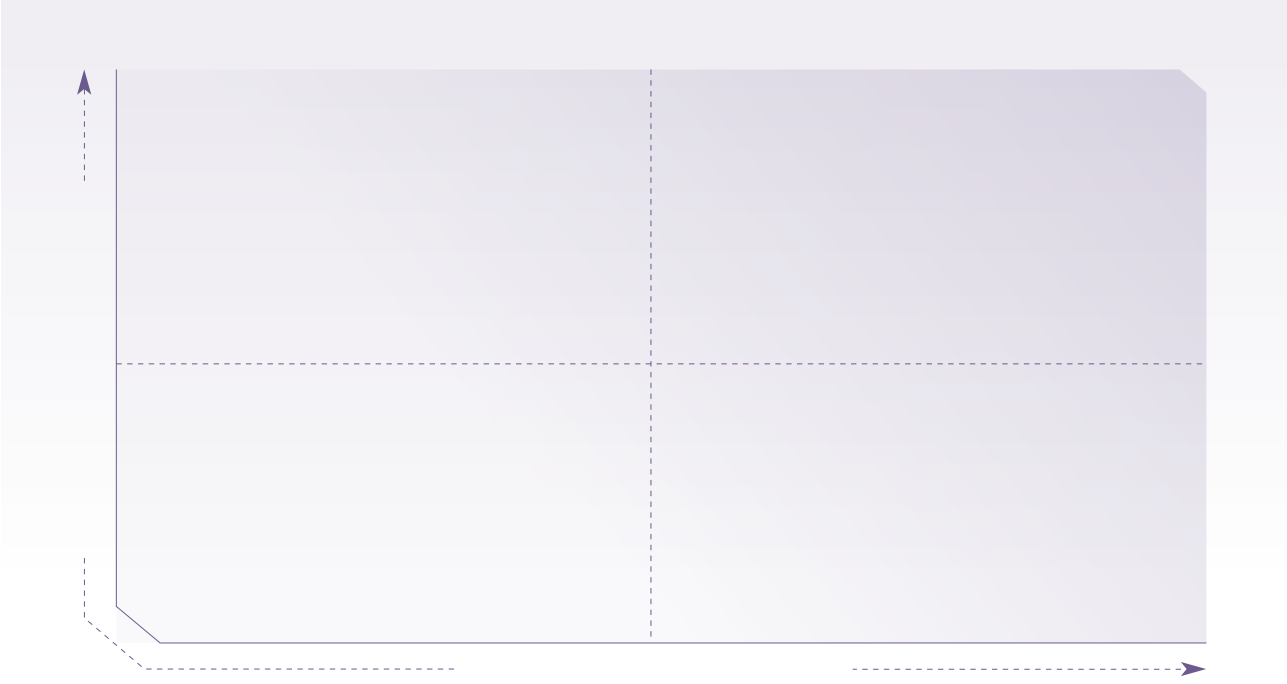


Communication with Stakeholder

Stakeholder	Expectation and Requirement	Communication Mode
Shareholder/Investor	Effective risk management	
Government/Regulatory Authority		
Supplier and Dealer	Honesty and mutual benefit	Effective risk management
Employee		Conferences of staff representatives
Customer and Consumer	Integrity, equality and mutual benefit	Sales office
The Masses in Community		

Recognition of Substantial Topic

During the Report Period, the Company, through the communication with exterior stakeholders, conducted the



Compliance-related Risk Control

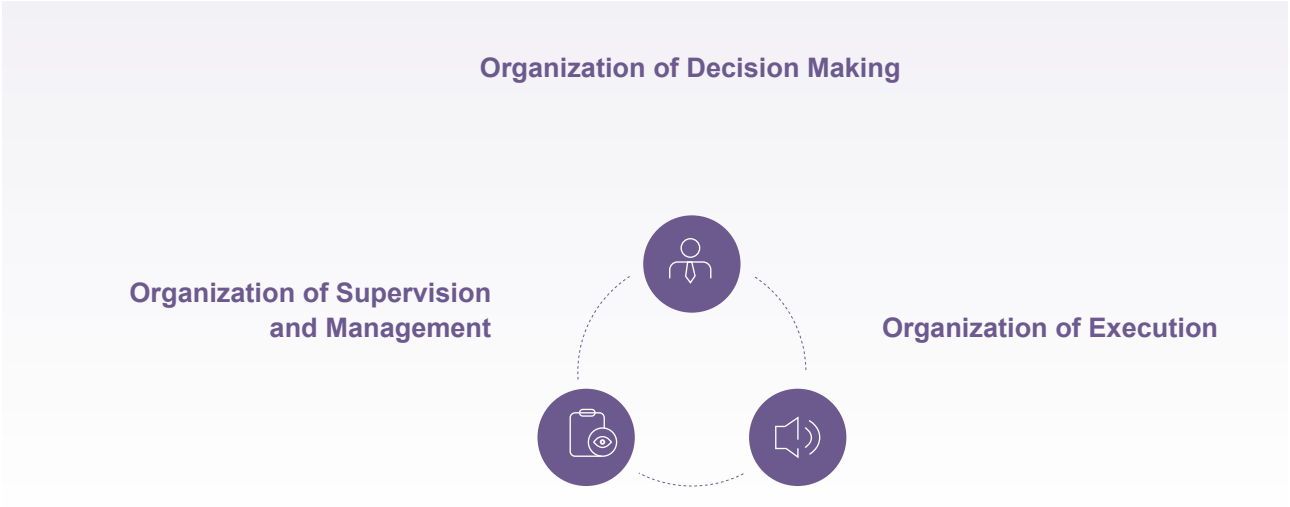
The Company established and completed a strict, normative, comprehensive and effective internal control system taking risk management as the orientation and compliance management as the main focus, developed the all-round, all-staf,

Internal Control Compliance

Manual of Enterprise Internal Management

implementation, evaluation and verifcation of internal control, ensured that the Company can enhance the management

and timely rectifed the defects in accordance with the requirements of defect management.



On the basis of the structure of internal control management, the Company formulated reasonable and effective internal control measures to ensure the effective operation of the internal control system.

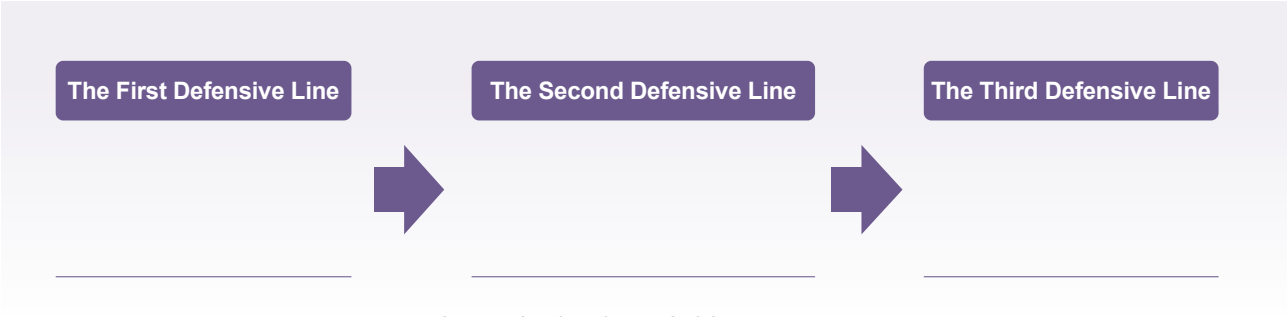
Company Internal Control Measures

At the same time, to guarantee the Company's rule-binding and efficient operation and erect the enterprise culture of

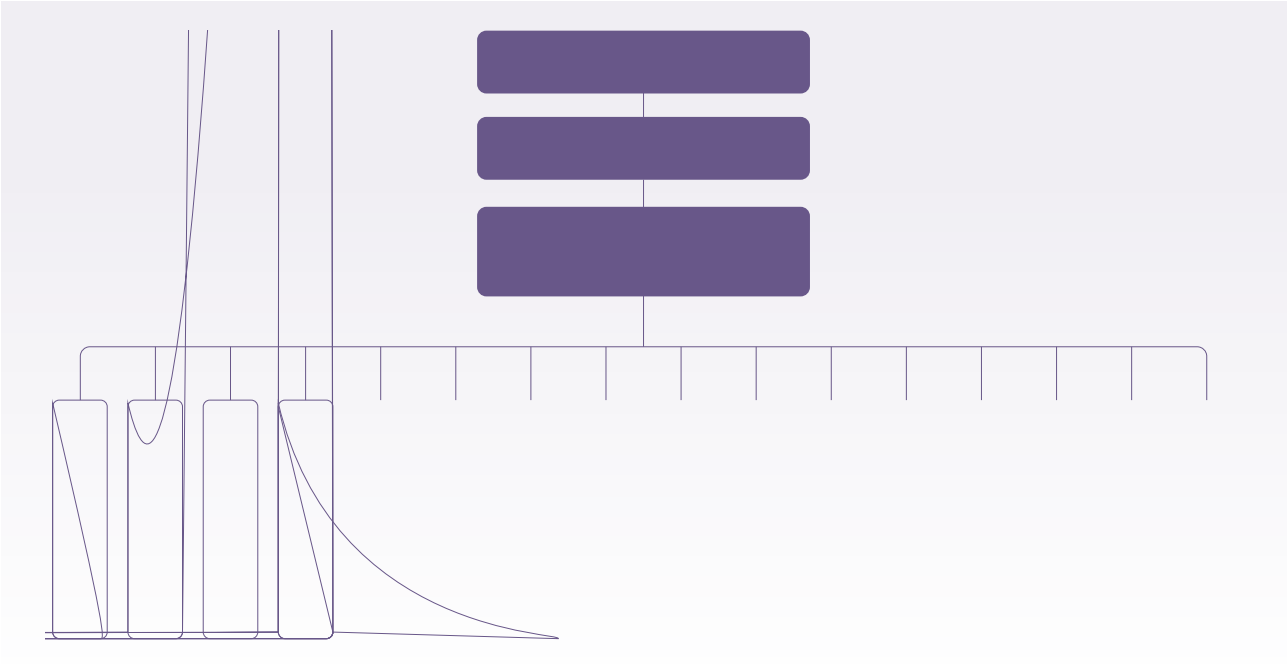
Risk Management

The Company attached importance to risk management, established a normative and effective system of risk control,

Company Law, Accounting Law
System of Risk Management



"Three Defensive Lines" of Risk Management



During the Report Period,

1

45

2



Investor Management

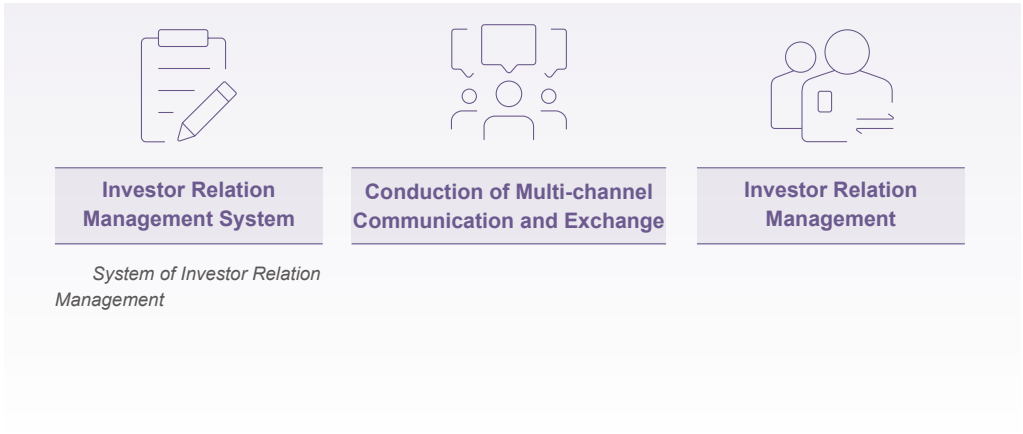
Company Law, Securities Law, Guideline of Investor Relation Management of Listed Companies

System of Investor Relation Management

work of investor relationship management. It built up diversifed channels of investor interaction and communication of information and efectively enhanced the Company's level of normative operation



to the Company's operation status and material a f airs.



System of Investor Relation Management

principle of high e f ciency

During the Report Period,

presentation of 2022

6

68

Case

Concern about Investors and Join Hands to Take Actions Together

The theme of the "Day of National Investor Protection and Publicity" on May 15, 2023 is

the assistance to investor protection deeply rooted in people's hearts. During the event, the

of risk prevention and identi f cation and improve the consciousness of rational investment.



Business Ethics Observance

Anti-Fraud

the members of the o f ce commission of managers and the audit department, which acts as the permanent organization

During the Report Period,

The Company didn't f nd any behavior of corruptions, briberies, etc. or fraud events in the routine audits.

work of the permanent anti-fraud organization and provided su f cient guarantees in terms of the budget, sta f allocation

the conferences of sta f representatives on a regular basis, convened an anti-fraud situation report meeting in each year,

Provisions of Informer Protection	Reporting Method
the stipulation of con f dentiality, depending on the spec i f c situation, shall be punished with the penalty of 1,000 yuan or termination of the labor contract.	Complaint and Report Tel.: 0536-5789086, 5789085 Floor 8-10, Building 19, Enterprise Headquarters, Postal Code: 262700

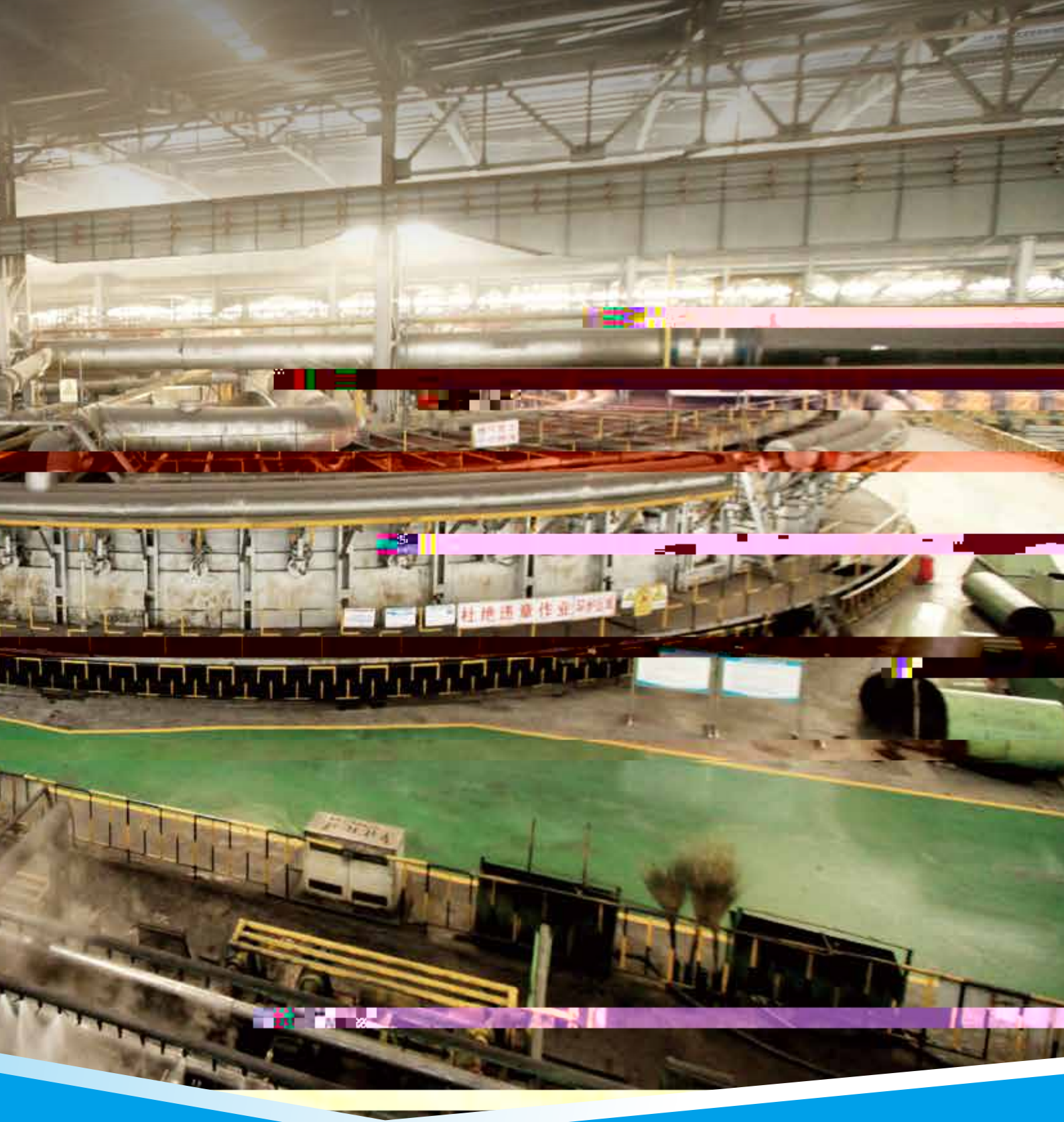
Anti-monopoly and Anti-unfair Competition

bribery, anti-corruption, anti-monopoly and anti-unfair competition. Before outward publicity, relevant departments of the

Advertising Law



Manufacturing Service Innovation



Case

The Company-CNAS national laboratory acquires continuous recognition

totally 2 products (metal and metalware, pipe products specially used for petroleum) and 25 inspection items. During the Report Period,



Passed the CNAS Certifcation





Quality Supervision and Feedback

System of Quality Accident Management *Procedure of Unqualifed Product Control, Management Measures of Unqualifed Product Review and Control*

identifcation, tracking and improvement of products with problems to ensure the Company's product quality and stability and improve customers' satisfaction and reliance. In 2023, the Company didn't encounter the case of product recall.

Information Collection	
Quality Inspection	
Method Formulation	
Process Supervision	
Follow-up Inspection	It also tracks and verifes the treatment result of the liable department and flls the result of verifcation.
Feedback Result	

Quality Management Training

Case

The Company Conducted Quality Management Training

During the Report Period, the Company carried out quality management training of the production line of steel pipe



Safe Production Practice

The Company adheres to the strategy of safe production of "mechanization-based staf reduction, automation-based unmanned operation, artifcial inspection replaced by monitoring and alarming devices", actively introduced automatic systems, constructed smart and safe production lines, intensifed the management of occupational health and safety,

Production Safety Protection

Law on Production Safety

concept of safety management of "people orientation, life frst, minor accident reduction and fatal accident elimination", *Management System of Safe Production Accountability* *Management System of Safety Protection Equipment* *Management System of Safety-related Reward and Punishment*

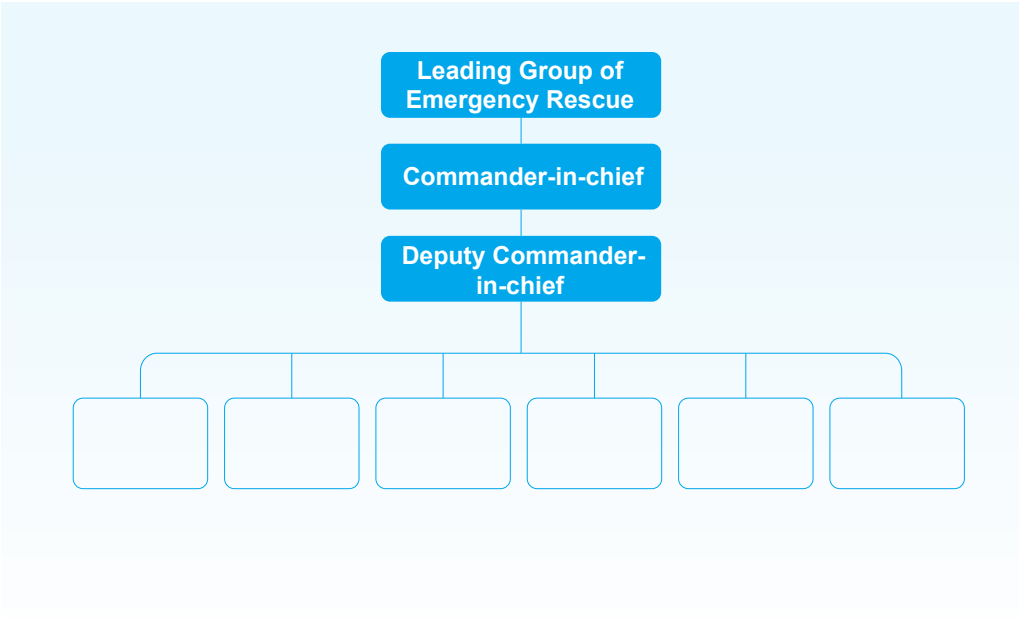
special stafs of safe production and encouraged employees to actively participate in the employment competition.

The Company adopted a prevention system covering two felds of safety risk graded regulation and potential hazard

efective control strategies and prevention measures. In addition, the Company also carried out regular inspections of

Safety Production Inspection	Month of Safety Production	Safety Production Training
	specially assigned stafs of safety afairs lead the team	certifcates of the personnels

Emergency Scheme of Safe Production





During the Report Period,

1,454,

with the rectifcation rate of

99.72%;

management stafs with

22

3

certifed safety engineers

9

full-time safety officer

10

144

40

100%

strengthen employees' awareness of safe production and effectively standardize employees' *Management System of Occupational Health, Control and Management of Occupational Health Classification and Grading, Training of Firefighting Safety Knowledge, Graded Risk Control and Governance and Training of Potential Accidental Hazard Troubleshooting, Knowledge Training of Emergency Rescue, Self-rescue and Mutual Rescue, Textbook of Forklift Safety Knowledge Training, Training Courseware of Electric Welder Operational Safety, Safety Education and Training of Aerial Operation, Safety Education and Training of Lifting Operation, Training of Electricity Usage Safety Knowledge*

During the Report Period,

100%



10,855

100%



Key & Highlight Performance

Disclosed Item	Unit	Data of 2021	Data of 2022	Data of 2023
		11,566,049	11,066,855	5,826,808
		34	32	14
		34	32	14
Number of Employees Sufering		34	32	14
Number of Lost Working Days	Day	1,081	655.5	562
		0	0	0
Deaths		0	0	0
		541,198	398,396	277,740
		20	20	20
Certifcation of Occupational Health		15	15	20
		2,549	2,501	1,941
		87,772	87,773	68,119
Sufering from Work-related Injuries		0	0	0
related Deaths		0	0	0
Occupational Diseases		1,778	1,661	1,108
Diseases		1,778	1,661	1,108
Number of Employees Sufering from Occupational Diseases		4	1	1

Customer Service

market competitiveness. The Company always adheres to the service concept of "integrity orientation, service first and user trust won by high-quality products". It formulated perfect institutions of customer service management and established an efficient system of

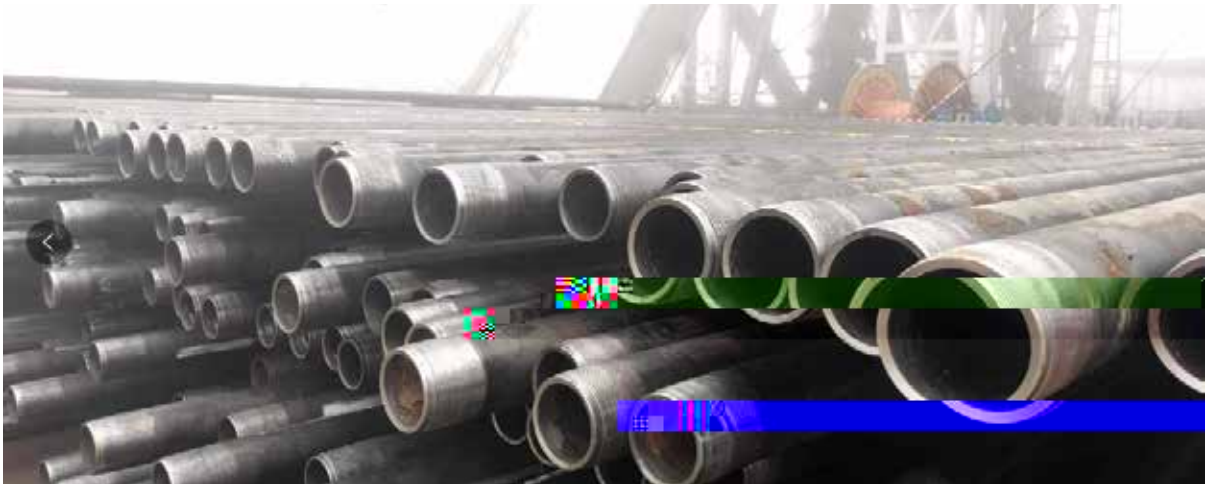
To improve the accessibility of customer services, the Company set special organizations of after-sales services in different

staffs were assigned to track existing problems until they are solved.

Case

The Company's Service Staffs Travelled to Southwest Oil & Gasfeld Company to Support the Service of Well Entry

During the Report Period, the Company dispatched service staffs to go to Southwest Oil & Gasfeld Company to support the customer with the service of well entry of the casing pipe of 139.7*12.7ML125VMLC-2 and the casing pipe of 250.83×15.88ML110TSMLC-2, conduct well entry report after the service was over and fill in the sheet of on-site service





Well Entry Service in Southwest Oil & Gasfeld Company

Customer Right and Interest Guarantee

Confidential Agreement, Agreement on Honest and Integral Cooperation Agreement of Strategic Cooperation

foreign customers, establishing a stable, long-term and mutually beneficial cooperative relations with users. During the Report Period, the Company has served over 50 customers.

Confidential Agreement, Agreement on Honest and Integral Cooperation and Agreement of Strategic Cooperation

Customer Satisfaction

Procedure of Customer Satisfaction Measurement and Control, Management System of Information Feedback

ompany emphasized the importance of responsible marketing conducts, frmly

n't receive customers' complaints caused by responsible marketing.



Information Security Prevention

Network Security Law of the People's Republic of China, Management Measures of Graded Protection of Information Security

Information System Management System, Management System of Network Security Protection, Computer Management Rules, Computer Room Management System,

operations for computers, promptly treated computers with problems and vulnerabilities of the network security and effectively protect audit to regularly supervise and check the confidential situation of the staffs involved in secrets. During the Report Period, no event of

The Company Regularly Conducted Antivirus Operations to Maintain the Safety of the Network Environment


关于2023年12月份电脑杀毒的通知

发表时间：2023/12/11 8:20:00　来源：信息中心

已阅人员：

公司各部门：

为加强公司网络安全，信息中心组织一次12月份全公司范围内的电脑病毒查杀，要求、说明如下：

1、所有联入办公网络的办公电脑，在12月11日-14日期间，使用杀毒软件，进行【全盘查杀】电脑病毒一次；

2、本次全盘杀毒完毕后，由本人或统计员截屏扫描完成后的页面即【扫描结果】和一键处理后的页面，截屏要带【姓名+IP地址+日期】，由部门网络安全员汇总，并填写汇总表格，在12月14日下班前通过飞秋发送给信息中心管理员张德全；

3、杀毒软件要求其主程序与病毒库为最新版本，杀毒软件和病毒库不能升级或无法正常使用的，请[redacted]信息中心；杀毒尽量在中午或空闲时间进行，杀毒软件扫描完毕后，原则上执行【一键处理】；

4、公司领导办公室电脑杀毒任务，按2022年7月17日办公自动化邮件《关于公司领导办公室电脑杀毒的补充说明》执行，使用公网网络办公的社部业务单位电脑的杀毒由对口部门负责跟踪完成，如：监造人员使用的电脑杀毒由质管部负责；

5、对未按要求及时完成杀毒任务的电脑，根据《计算机管理规定》，每发现一台次对责任部门罚款100元并责令立即纠正，由部门落实到责任人；对于杀毒不及时且不能落实到人的共用电脑，考核部门负责人。

感谢各部门的大力支持！

信息中心　2023年12月11日

【已阅】　【关闭】

勤习拙成巧，治业祛情贪。

The Notice on the Organization of Computer Virus Elimination of the Information Department of the Company

Scientifc Innovation and Intellectual Property Right

The Company deeply understood that scientifc research and innovation are core powers to promote the sustainable development.

scientifc research management and stimulation, properly did the work of intellectual property right protection, continuously intensifed the investment in scientifc research and innovation, cultivated high-quality teams of research and development, promote the transformation and application of scientifc and technical achievements and strived to provide high-quality products for customers.

Research, Development and Innovation

Management Measures of New Product Development, Management Measures of Engineer Evaluation and Employment, System of New Product Development, Evaluation and Reward, Opinions on the Promotion of the Stimulation of New Products and New Markets, Stipulations on the Establishment of the Group of Technical Research, Development and Promotion
development and innovation of the teams of scientifc research and production.

National Level	
Shandong Province	
Weifang	

Scientifc Research Platform of Shandong Molong

S/N	Research and Development Projects and Progress
1	Special casing pipe of 139.7*9.17 80S ML-3SB, direct connection buckle casing pipe of 114.3*7.37 L80-13Cr ML-FJ, casing pipe conforming to standards other than API of 355*14.27 N80 BC, strong internal pressure resistance product of 101.6*7.8 P110 ML-FJ and thickened direct connection buckle casing pipe of 88.9*6.45 ML-EUFJ were designed and developed, and some products have
2	The newly designed plat number of 12Mn11 replaces 10MnV4S, and about 6000 tons of X52QS acid pipeline pipes with the specifcations of 168.3*10.97mm, 219.1*7.9mm, 323.9*8mm, etc. were of about 120 yuan/ton.
3	specifcations of 38, 44 and 57, and the design and development of the 32/44 eccentric-valve special development of the hydraulic feedback pump with the specification of 175/125 and the special dual-canned pump with the specifcation of 32 were fnished, and the products were put into production and delivery. The design and development of the special pump with the minor specifcation of 28 was fnished.
4	The development, technique improvement and batch delivery of the NRROIS75 anti-corrosion sucker rod and the sucker rod products of the series of 41 and 43 of medium-carbon alloy steel were fnished. technique, the production e f ciency of product was improved.

2023 Key Research and Development Project and Progress of Shandong Molong

During the Report Period, the Company carried out cooperation of the permit of technical

the application and promotion of the HIsmelt smelting reduction technology in the feld of short-

of traditional blast furnace ironmaking on the resources of coking coal, realizes simplifcation of the whole process of ironmaking and efectively reduces carbon emission, with important signifcance for the green development, transformation and upgrade of China's iron industry.

equipment manufacture in the felds of nuclear power, wind power, high-end machine tools, etc.





Intellectual Property Right

As of December 31, 2023,

safeguard of intellectual property rights, formulated 23 management fles, including the Manual of Intellectual Property Right Management, Procedure of Intellectual Property Right Document

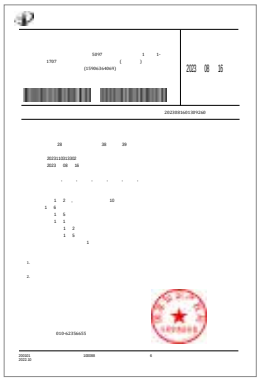
185

20 **143**

sign confdential agreements when carrying out outward secret-involving business.

22

strong consciousness of intellectual property rights and a signifcant efect of transformation.

Patent Application Acceptance Certifcate				
Patent Name	*A Type of Anti-torque and Thread-of Proof Sucker Rod and its Manufacture Method*	*A Type of Sealed Box Used for the Corrosion Test of Metalware Samples*	*A Type of Workwear for the Lifting Belt Tensile Test*	*A Type of Threaded Joint of Direct-connection Oil Casing Pipes*

S/N	5	6	7
Patent Application Acceptance Certifcate			
Patent Name	*A Type of Special-shaped Oil Well Pump with an Air-proof Lock on the Pump Barrel*		



Ecological Environment Protection



Environmental Management Completion

Law of Environmental Protection *Law of Prevention and Control of Atmospheric Pollution* *Law of Water Pollution and Control* *System of Environment Management* *System of Environment Protection Management* *Accountability System of Environmental Accidents*

During the Report Period,

4,124,327

a material influence on the

protection for internal staf s, conduct daily point inspections for the facilities of environment

certif cation of the environment management system ISO14001.



中国船级社质量认证公司
CHINA CLASSIFICATION SOCIETY CERTIFICATION COMPANY

环境管理体系认证证书
ENVIRONMENTAL MANAGEMENT SYSTEM CERTIFICATE

编号：No.00521E0134R3M

兹证明

山东墨龙石油机械股份有限公司

SHANDONG MOLONG PETROLEUM MACHINERY CO., LTD.

建立的环境管理体系符合标准：GB/T24001-2016/ISO14001:2015。
has been found to conform to standard: GB/T24001-2016/ISO14001:2015.

本证书对下述范围的环境管理体系有效：*抽油机、抽油杆、抽油泵、无缝钢管（资质范围内）、油套管、管线管、油套管接箍的设计开发及制造。石油机械配件、泥浆泵缸套、阀体的制造*。
This certificate is valid to the following scope for EMS: *DESIGN, DEVELOPMENT AND MANUFACTURING OF PUMPING UNITS, SUCKER RODS, PUMPS, SEAMLESS STEEL PIPES (SCOPE OF QUALIFIED SUPPLY), OIL CASING, PIPELINE PIPE AND OIL CASING COUPLING; MANUFACTURING OF PETROLEUM MACHINERY ACCESSORIES, MUD PUMP CYLINDER SET AND VALVE BODIES*.

本证书有效期至：2024 年 1 月 13 日。
This certificate is valid until: 13 January 2024.

EMS

General Manager Huang Shiyuan



The Company Organized Personnels to Participate in the Publicity Event of the World Environment Day of Shouguang.



The Company Organized Employees to Carry out Training and Drills of Environmental Emergency Plans.

Resource and Energy Management

and consumption reduction and further improve the e f ciency of the utilization of resources and energy.

Resource Management

Water Resource Management

supply pipe network, optimized the system of water metering and improved the rate of waste water backfow and utilization. Through

Disclosed Item	Unit	Data of 2021	Data of 2022	Data of 2023
		144,193.8	118,861	86,583
		156,105	66,375	8,179
		1,351,722	1,424,700	3,143

Packaging Material Management

Energy Management

further improve the e f ciency of energy management.

Disclosure items	Unit	Data of 2021	Data of 2022	Data of 2023
		35,999,600	29,374,700	14,849,700
		372,461.35	269,257.07	0
Diesel				47.39
		138,420,000	71,892,000	0
		360,937,900	142,935,200	61,193,600

Greenhouse Gas and Emission Management

management and exerted no e f ort to reduce environmental hazards.

Greenhouse Gas

veri f cation. Therefore, the data will not be disclosed.

Response to Climate Changes

Speci f c Measures Taken by the Company for Carbon and Emission Reduction	e f ciency and renewable energy to reduce energy consumption reduce the carbon emissions caused by tra f c tools (such as planes) taken System of ventilation, dust removal, detoxication and f lters were set in the the Company's o f ce building, and the air quality test was conducted before

Emission Management

Law of Prevention and Control of Atmospheric Pollution, the Law of Water Pollution and Control

Waste Water Management

improve the e f ciency of waste water treatment and recycle, ensured that the waste water produced by the Company would be

Disclosure items	Unit	Data of 2021	Data of 2022	Data of 2023
Total Volume of Discharged Waste Water		14,426.5	4,804.4	18,826.4
Chemical Oxygen Demand (COD)	Discharge Concentration (milligram/liter)	31.8	28.32	22
		0.459	0.136	0.41
	Discharge Concentration (milligram/liter)	2.8	3.15	0.99
		0.0423	0.015	0.019
	Discharge Concentration (milligram/liter)	0.914	1.278	1.27
		0.014	0.0006	0.024
		7.03	7.24	7.1

Exhaust Gas Management

Law of Prevention and Control of Atmospheric Pollution

Disclosure items	Unit	Data of 2021	Data of 2022	Data of 2023
		1,291,505.3	541,098.29	120,352.15
		5.12	4.18	1.93
		17.4	16.92	2.32
		64.43	44.96	10.38
		24.74	23.5	12.49
		4.74	7.8	0.57
		18.17	16.54	0.68
		15.03	5.29	4.91
		2.78	0.76	0.62

Waste Management

waste management, formulated the Management System of Solid and Dangerous Waste Management and other internal documents to further standardize the treatment process of general industrial solid wastes and dangerous wastes. The Company entrusted qualifed third parties to

The Company adjusted the technique indicators and simplifed the production process to improve the rate of raw material

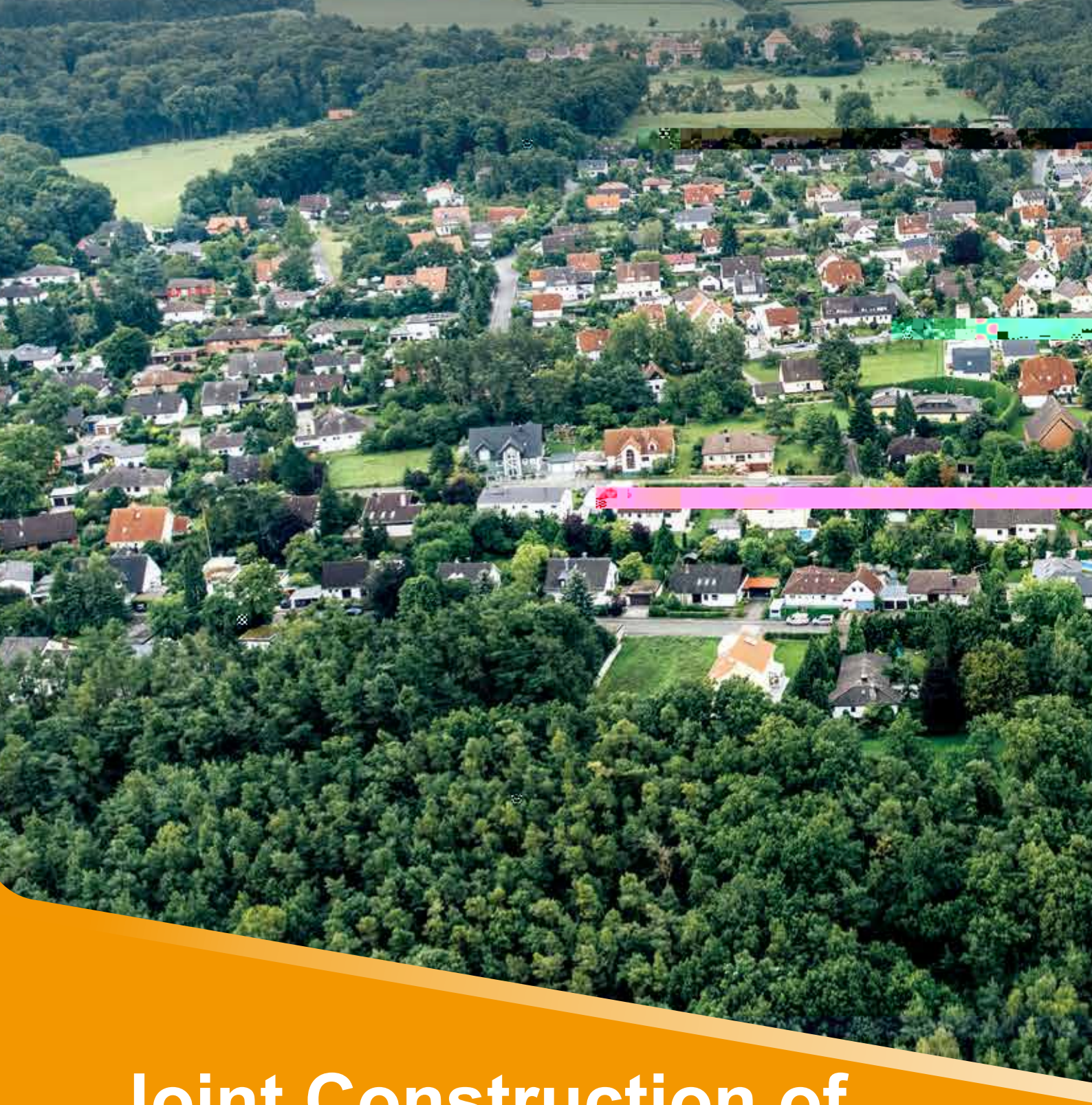
Disclosure items	Unit	Data of 2021	Data of 2022	Data of 2023
		280,966.10	164,568.86	18,201.77
		280,966.37	164,554.11	18,332.33
Total Volume of Dangerous Wastes		12.10	14.75	9.20



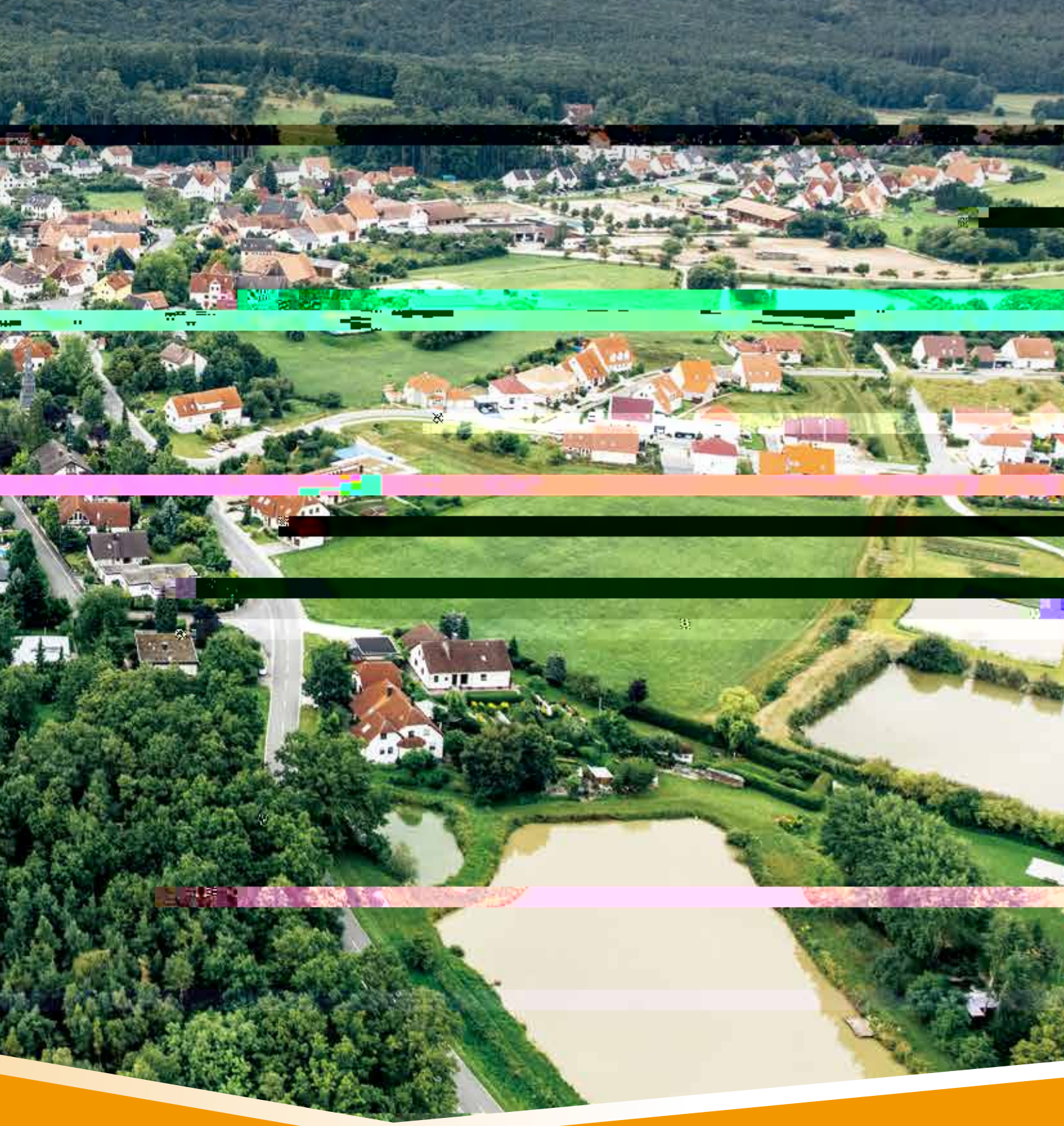
The Company Organized Stafs of Environmental Protection and Management to Conduct Training of Dangerous Waste Recognition

Green Operation

setting of the air conditioners in the workplace, but also replaced UV lamp tubes with LED energy-saving lamps, and required plants to actively carry out activities of environmental protection, implement measure of green office, implemented the policy of paper-free office and



Joint Construction of Community Well-being



Stable Supply Chain

System of Bid Invitation Management *System of Supplier Management*

be legally guaranteed, continuously intensifed the risk management of the supply chain and

Supplier Access

strictly selected suppliers, examined various qualifcations provided by suppliers one by one, competitive tender for the frst time.

Supplier Evaluation

1

as business licenses, production permits, certifcates of quality,

2

3

the rectifcation. If the supplier failed to reach the standard in the

During the Report Period,

By the end of the Report Period,

qualifed suppliers is

319

26

Supplier management

supplier. Qualifed suppliers have the priority to win the bidding under the same conditions in the bid price

The Business Department fnds the supplier's abnormal report timely to avoid risks;

The Purchase Department shall deal with dishonest suppliers prudently and specify and increase the audit of the Audit Department Manager in the bid price comparison.

Relevant data regarding the management of suppliers by the company in recent years

Disclosure items	Unit	2021	2022	2023
		361	402	319
	%	100	100	100
By		361	402	319
		0	0	0
Number of suppliers identifed to have actual and potentially signifcant negative social impacts		0	0	0
Number of suppliers identifed to have actual and potentially signifcant negative social impacts		0	0	0
		35	41	26
	%	100	100	100

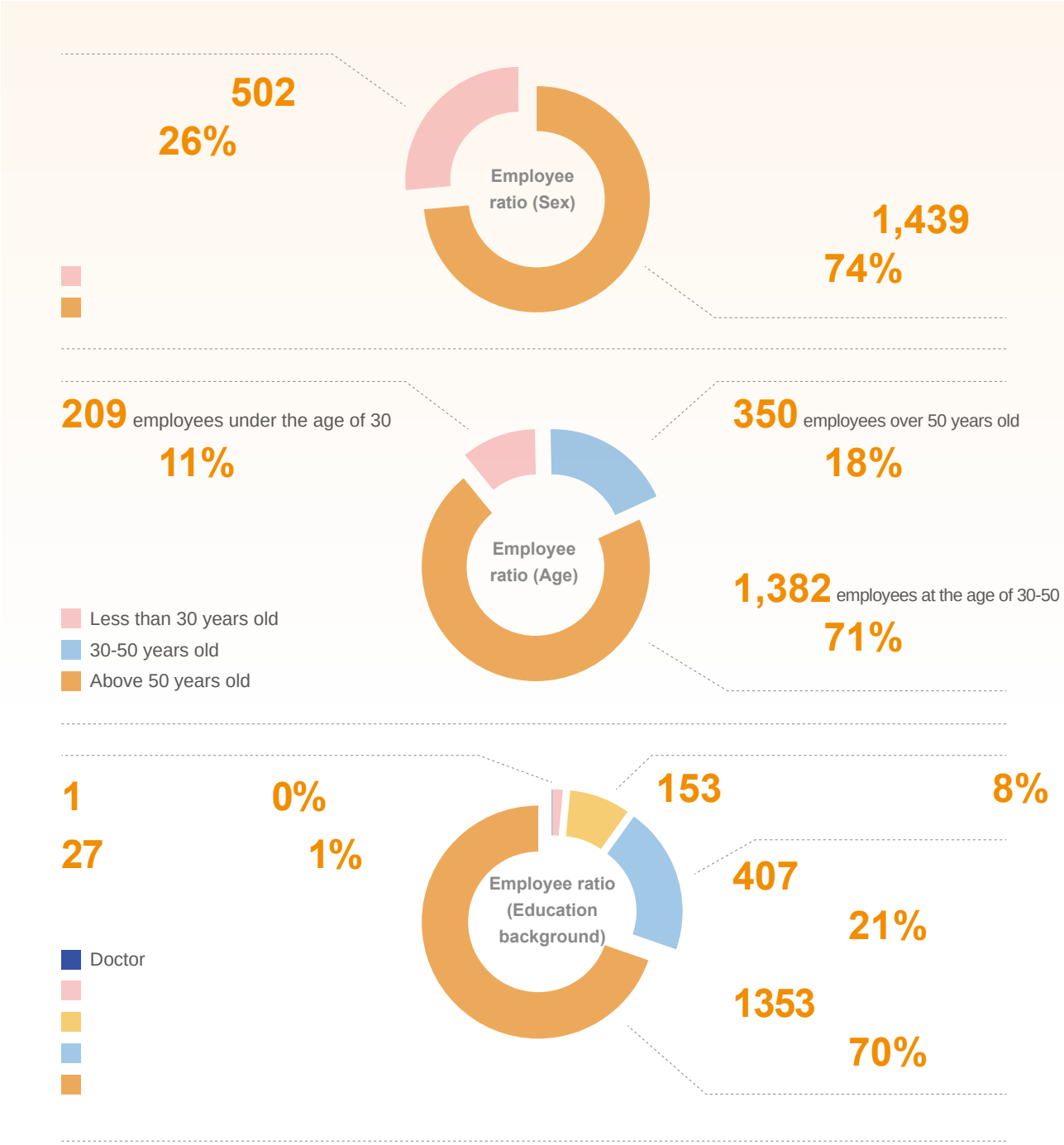
Sunshine purchase

Supplier Management System, Material Procurement Management System, Bidding Management System

Commitment Letter

Staf structure

As of the end of the report period, the company had 1,941 employees, and 100% of them had signed labor contracts. There were 35 people with disabilities, 52 veterans and 6 people subject to hardship support. No child laborer, forced labor or employment disputes occurred in 2023.



Democratic communication

encourages employees to put forward opinions and ideas. To ensure the effective implementation of the company's democratic *Shandong Molong Workers' Congress System*

effective implementation of democratic management and strives to create harmonious and stable labor relations.

Labor union assistance

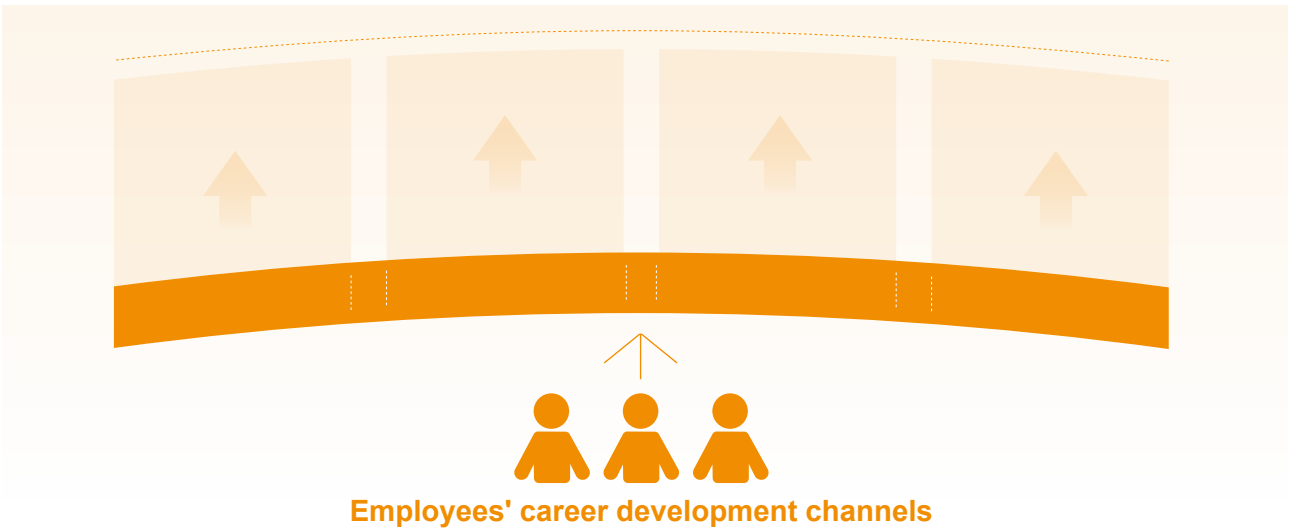
Department shall undertake the responsibility

Workers' congress system

as workers' congress, staf representative

Staf development and training

talents and achieve their personal career goals in various felds.



Employees' career development channels

Employee training

Training Management System

The Human Resource Department shall formulate the company's annual training plan in light of the measuring instruments, mechanical feld testing, safety management knowledge, various operation learning, etc.. The completion rate of the 2023 training plan is 100%.

Case

Improve quality and create excellence--heat treatment technology training

In Apr. 2023, the company organized training on the theme of "Heat Treatment Technology"





2023

1,941

Training staf coverage

100%

1,827

120

Middle management staf

107

management staf

7

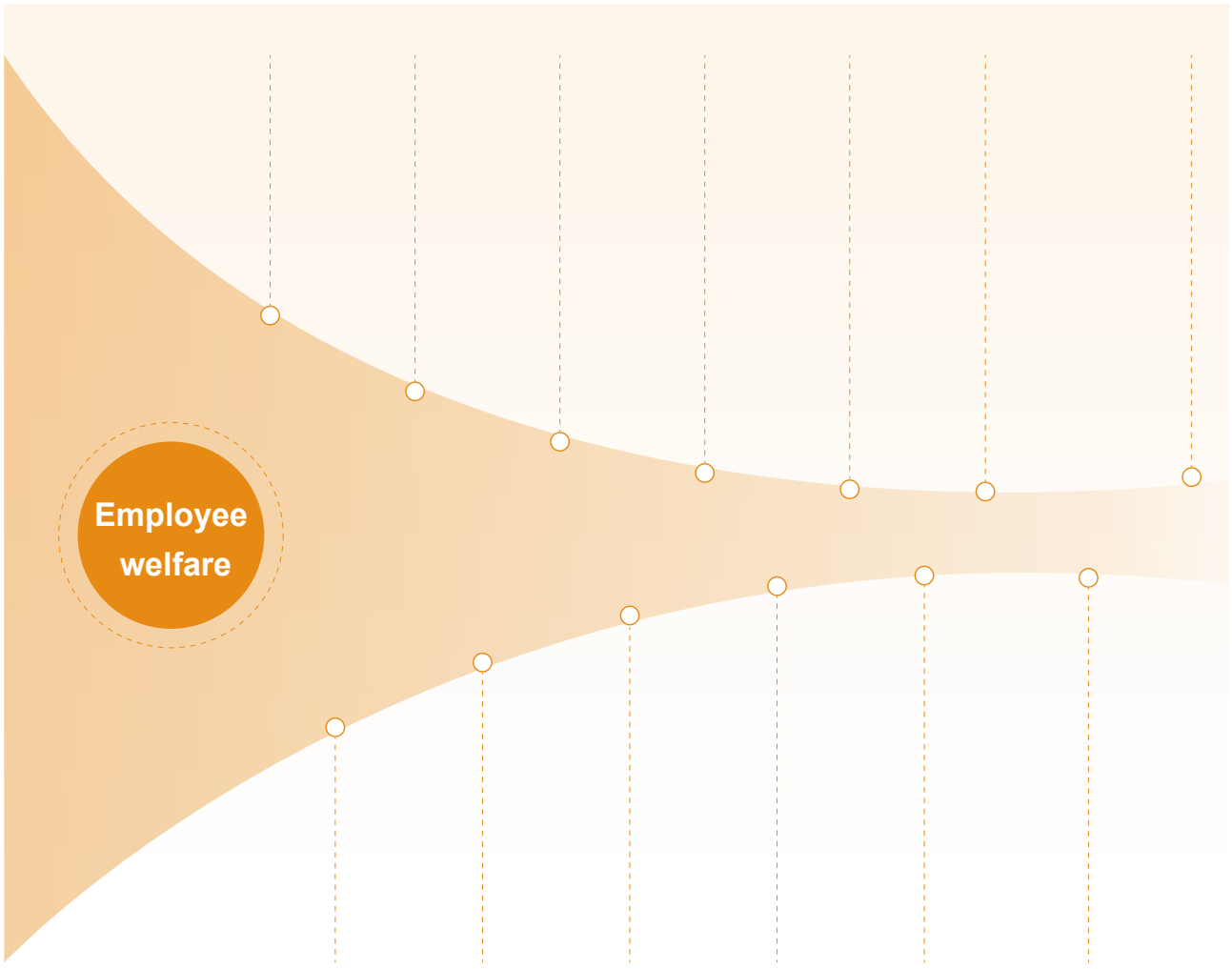
480

Employee compensation and benefits

Salary Calculation Process Regulations and Salary Management System for Monthly Fixed Salary Employees

Social Insurance Law of the People's Republic of China
Social Insurance Management System *Management System of the Mutual Aid Fund for Employees in Difficulty*
Travel Reimbursement Management System

rate reaches 100% and distributes labor protection appliances for front-line workers. The company comprehensively employees and jointly promotes the development and progress of the company by providing diversified welfare protections.



Case

Care in action--the company visited di f cult workers during the Spring Festival to convey warmth and blessings

During the Spring Festival, the company took active action to visit the needy workers, went into the communities where the workers were and had a cordial exchange with the needy workers to understand their actual di f culties





Shandong Molong sta f cultural and sports activity month



The 12th Shandong Molong Men's Basketball Game, Tug-of-war and Weiqi Competition

Social public welfare

activities. During the report period, the company adhered to the development of public welfare

During the report period

54,400.00

50

10

Case

Party members practicing their original aspirations and growth with love--helping needy students in the Shangkou Town Education School District

District with the theme of "Growth with Love", and conducted "one-to-one" pair help with 8 needy



Case

Voluntary blood donation and Party members taking the initiative--organizing the blood donation public welfare activity to celebrate "July 1"

Blood Center signed the agreement on cooperation of "Guidance in Party Building than 100 employees, with the honorary title Blood Donation" awarded. On the occasion of the 102nd anniversary of the founding Party Flag and Voluntary Blood Donation Welcome on July 1", and the company's



Voluntary Blood Donation Welcome on July 1"

Prospect

In the Year of the Dragon, Shandong Molong will ride the wave due to old saying: dragon fight and dragons rising and tigers leaping.

Looking forward to 2024 and the future, Shandong Molong will still uphold

products; The company encourages R&D and innovation, strictly controls



Morong staf are united in good faith and devote themselves as long as life

Annex

Indicator index

	Indicator contents	Related chapters
A. Environmental category		

	Indicator contents		Related chapters

Reader Feedback Form

Dear readers,

Greetings!

2023 Environmental, Social and Governance Report of Shandong Molong Petroleum Machinery Company Limited valuable information and effectively promote the company to improve the ability and level of performing corporate social

Multiple-choice questions (please tick √ in the corresponding position)

1. Your overall assessment of the report is

○ ○ ○ ○ ○

2. How does the report respond to and disclose stakeholder concerns?

○ ○ ○ ○ ○

3. How do you think Shandong Molong is doing in terms of economic responsibility?

○ ○ ○ ○ ○

4. How do you think Shandong Molong is doing in terms of environmental responsibility?

○ ○ ○ ○ ○

5. How do you think Shandong Molong is doing in terms of safety management?

○ ○ ○ ○ ○

6. How do you think Shandong Molong is doing in terms of employee responsibility?

○ ○ ○ ○ ○

7. How do you think Shandong Molong is doing in terms of community responsibility?

○ ○ ○ ○ ○

8. Are the information, indicators and data disclosed in the report clear, accurate and complete?

○ ○ ○ ○ ○

9. Do you think the content arrangement and layout of the report are easy to read?

○ ○

10. Open questions

Do you have any opinions and suggestions on Shandong Molong's social responsibility and the report?