



四十而砺  
筑梦百年

# ROBAM CSR Report 2019

Hangzhou Robam Appliances Co., Ltd.

April 2020

**ROBAM老板**  
创造中国新厨房

连续5年  
全球更畅销

# About this report



## • Introduction:

This report is the 8th CSR report compiled by Hangzhou Robam Appliances Co., Ltd. (hereafter referred to as "Robam", "ROBAM", or "the Company"). All data and contents have been reviewed and verified before release by the Company's management. No false records, misleading statements and major omissions, as the Company pledges, are included. And ROBAM shall be responsible for the objectivity and authenticity of the data disclosed in this report.

## • Time range:

This report covers the Company's comprehensive performance in terms of fulfilling its social responsibilities in 2019. As social responsibilities are performed continuously in the long run, the content involved includes but is not limited to that of 2019.

## • Scope of organization:

This report mainly discloses the Company's philosophy, measures and performance in fulfilling social responsibilities, and some of the information about the ROBAM Group.

## • Data description:

The data used in the report are all from official documents, including the financial data from ROBAM Annual Report 2019.

## • Reference criteria:

This report is completed in accordance with the requirements of the Guidelines of the Shenzhen Stock Exchange for the Standard Operation of Listed Companies and the Shenzhen Stock Exchange Social Responsibility Guidelines for Listed Companies, with reference to the Guidelines on Corporate Social Responsibility Reporting for Chinese Enterprises (CASS-CSR 4.0).

## • Disclosure channels:

The Company has established a daily and annual CSR information disclosure system. For daily CSR information, please refer to the official website of Robam ([www.robam.com](http://www.robam.com)); and for annual CSR information, please refer to ROBAM CSR reports (2012-2019). The electronic version of the report is accessible on the official website of the Company or Cninfo ([www.cninfo.com.cn](http://www.cninfo.com.cn)).

About this report ..... 01  
Foreword ..... 04

## About ROBAM

(I) Company profile ..... 06  
(II) Excellent corporate culture concept and system ..... 07

## Market performance

(I) Responsibility of shareholders ..... 09  
    1.Positive cash dividend policy ..... 09  
    2.Sound corporate governance ..... 10  
    3.True and transparent information disclosure ..... 10  
    4.Diversified investor communication mechanisms ..... 10  
(II) Consumer responsibility ..... 11  
    1.Innovation-driven development ..... 11  
(III) Partner responsibility ..... 13  
    1.Supplier management ..... 13  
    2.Responsible sourcing ..... 14  
(IV) Intelligent manufacturing ..... 15

## III Social performance

(I) Governmental responsibility	17
1. Paying taxes according to law	17
2. Establishment of an integrity organization	17
(II) Employee responsibility	18
1. Safeguard rights and interests of employees	18
2. Perfect staff promotion system	19
3. Assurance of employee safety	20
4. Multi-channel employee communication mechanism	21
5. Diversified employee benefit systems	22
6. Colorful employee activities	23
(III) Community responsibility	24
1. Focus on kitchen and promote rural revitalization	25
2. Cherish charity with full participation	25
3. Focus on actual effects and spread love	25

## IV Environmental performance

(I) Wastewater treatment	27
(II) Waste gas treatment	27
(III) Noise pollution control	27
(IV) Solid waste treatment	28
(V) Environmental pre-warning and emergency response mechanism	28
(VI) Clean management	28

## V CSR achievements



## 1979-1988 ●

### Founding and Accumulation

In 1979, Yuhang County Bolu Hongxing Hardware Factory, the predecessor of the ROBAM Group, was established. In 1987, Hongxing Hardware Factory and the No. 804 Research Institute of the Department of Aeronautics and Astronautics cooperated to develop China's first-generation range hood, and it thus became one of the first range hood manufacturers in China.

## 1989-1998 ●

### Rise and Innovation

In 1989, the "ROBAM" trademark was successfully registered, and ROBAM range hoods started to appear in the market across China. In 1991, the Company won the highest award in the industry - National Quality Award (Silver Award). In 1995, Hangzhou Robam Industrial Group Co., Ltd. was established. In 1998, the Company developed wash-free range hood and registered many patents.

## 1999-2008 ●

### Take-off and Soar

Since 2003, ROBAM has been ranking top in China in terms of the sales volume of range hoods, keeping a firm hand on its market leadership. In 2006, ROBAM was rated as one of the "Top 500 Asian Brands" for the first time, and has since become the sole brand winning the honor every year in the Chinese kitchen appliance industry.

## 2009-2018 ●

### Changes and Leading

In 2010, ROBAM was successfully listed on the Shenzhen Stock Exchange, making it the first high-end kitchen appliance enterprise to enter the capital market in China. In 2013, Robam Technology Center was rated as National Enterprise Technology Center. In 2014, Robam topped the brand value list of the kitchen appliance industry. In 2015, ROBAM had more than 2 million range hoods shipped, the largest share of sales around the globe. In 2017, Robam reached the top of quality management, winning the China Quality Award.

## ★ 2019 ●

In 2019, ROBAM celebrated its 40th anniversary, poised to start a new journey, and pursuing changes zealously. As the country's economic reforms deepen, those with strong comprehensive strength are more likely to gain opportunities for development. Companies of the household appliance industry - an important sector of the national economy - have been increasingly enhancing their competitiveness. Sustainability and corporate social responsibility are rising to be issues gaining more and more attention from the executives of the Company and every member of ROBAM. Corporate social responsibility has been endowed with something new in the new era. While being committed to its development, the Company actively responds to the expectations of its stakeholders, including shareholders, customers and employees, takes initiative to undertake social responsibilities, and enthusiastically participates in social welfare activities to enhance its competitiveness through more responsible organizational behaviors, and commits itself to behaving as an outstanding corporate citizen.

## ★ 2079 ●

To become a century-old enterprise respected by the society by 2079 is the aim of the Company that will never be changed. Every ROBAM member will definitely make due contributions to the society and the country.



# About Robam

# About Robam



## (I) Company profile

Robam (Stock Code: 002508, Stock Abbreviation: ROBAM), founded in 1979, is specialized in the production of kitchen appliances including range hoods, stoves, disinfection cabinets, steam ovens, ovens, combi-steam ovens, dishwashers, water purifiers, purification tanks, integrated range hoods, central purifier systems and integrated stoves.

After 40 years of development and expansion, Robam has grown into a leading and socially acknowledged brand in China's kitchen appliances industry, in terms of history, market share, production scale, product category and sales regions.

These years Robam is relying on the industry-leading intelligent manufacturing technology, national industry designs and superior product quality to become a leader in the market sales, an industry standard advocate, and a social responsibility pioneer, showing a leading position to the society.

With its high-end brand image deeply rooted among the public, Robam has won many honors and titles including China Top Brand, China Well-known Trademark, and China Quality Award, among the first to be included in Zhejiang manufacturing. In addition, it has been rated as one of the "BrandZ Top 100 Most Valuable Chinese Brands" for 6 consecutive years, and awarded the "Top 500 Asian Brands" for 14 consecutive years. In 2018, Robam put forward a new brand concept of "creating China's new kitchen."

The year of 2019 was the 40th anniversary of the establishment of the Company, when Robam achieved another success, ranking top 10 of the "BrandZ Top 100 Most Valuable Chinese Brands" in the light industry sector with brand value of 11.798 billion yuan and the advantage of ranking the first in the kitchen appliance industry. Robam further put forward the idea of "better understanding of Chinese cooking and better understanding of you", pooling resources to develop its second largest category, i.e. Chinese steam ovens, and invented the first integrated range hood in the industry, redefining the suction power and providing intelligent integrated solutions for Chinese kitchens.

In the future, Robam will continue to uphold its corporate mission and vision, commit itself to inheriting and innovating the essence of Chinese culinary culture, create Chinese kitchens with modern technology, redefine Chinese cooking, and promote the change of cooking life of Chinese people, to ensure authentic Chinese taste in every family while restoring the human interest in Chinese kitchens.

## (II) Excellent corporate culture concept and system

### Mission

To be a company respected by the society

### Mission

To render happiness of kitchen life for more families

- Focus on the kitchen and create infinite beauty in the limited kitchen space. Committed to enabling customers to enjoy easy cooking with innovative kitchen technology.
- Love life, and advocate expressing gratitude and love to the family with a meal, a dish, and attentive companionship, to make people love kitchen and life.

### Vision

To be a world-class century-old leader of cooking innovation

- **Leading the change:** The strong is not necessarily perpetual, only if it changes. In order to remain invincible in the constantly changing business environment today, ROBAM must follow the market-oriented and customer-centric principles, develop technology to drive innovations, and command core competitiveness to therefore continuously push the kitchen appliance industry forward and create the new custom of kitchen life.
- **World leading:** The vast recognizes no borders, and moves as far as the mind can reach. As a leader in China's kitchen appliance industry, we shall take the initiative to fit into the global industrial chain, adding a thick "ROBAM" stroke in the global kitchen appliance industry.  
**Everlasting foundation:** The senior is by no means surplus, nothing but simple. Healthy longevity, continuous development, and steady growth are the goals of our business. We must keep abreast of the times, always hold onto the young organization and mind, and be a century-old ROBAM.
- **Craftsmanship:** The Company specializes in kitchen appliances, focusing on its main business and performing devotedly to make products and strengthen the brand.

### Values

Hard-working vise entrepreneurship

The essence of the vise spirit is the innovation in the face of opportunities, the responsibility in the face of risks, and the pragmatism in the face of resources. It is the cultural foundation underlying every team of the Company, and also the value that every "ROBAM member" must stick to. The vise symbolizes the endeavor of the "ROMAM member" in frustration, and the alertness in glory. The image of the vise is constantly integrated with the development of the company, which has become the image expression of the corporate culture, the material carrier of the corporate culture, the cultural totem of the Company, and the spiritual weapon shared by all ROMAM members.

The graphic features a central white circle containing the text 'Market Performance' and two pairs of vertical bars. This circle is surrounded by concentric circles in shades of blue, and a vertical white line with a small blue dot at the top extends from the top edge of the page through the center of the white circle.

# Market Performance

## (I) Responsibility of shareholders

### 1. Positive cash dividend policy

With the efforts to achieve steady growth of enterprise scale and economic benefits, the Company has developed a long-term stable profit distribution method and a practical and reasonable dividend scheme to offer positive returns to shareholders depending on the reasonable returns to investors (particularly minority shareholders), when ensuring full cash dividend and reasonable capital stock size of the Company, based on the concrete operation data, profitability and production needs.

Schemes of profit distribution and share capital increase from reserved funds proposed by the Company over the years since its listing:

Year of dividend	Scheme of profit distribution	Amount of cash dividend (including tax)	Net profit attributable to shareholders of the listed company in the annual consolidated statement of dividends	Ratio to net profits attributable to shareholders of the listed company in the consolidated statement
2019	5 yuan per 10 shares	474,512,025.00	1,589,814,847.80	29.85%
2018	8 yuan per 10 shares	759,219,240.00	1,473,579,665.62	51.52%
2017	7.5 yuan per 10 shares	711,774,618.75	1,461,213,518.63	48.71%
2016	5 yuan and 3 bonus shares per 10 shares	365,012,625.00	1,206,833,878.67	30.25%
2015	6 yuan and 5 bonus shares per 10 shares	292,022,700.00	830,491,187.41	35.16%
2014	5 yuan and 5 bonus shares per 10 shares	162,025,000.00	574,401,853.66	28.21%
2013	5 yuan and 2.5 bonus shares per 10 shares	128,000,000.00	385,632,347.97	33.19%
2012	3 yuan per 10 shares	76,800,000.00	268,035,997.68	28.65%
2011	2 yuan per 10 shares	51,200,000.00	186,992,052.64	27.38%
2010	3 yuan and 6 bonus shares per 10 shares	48,000,000.00	134,340,007.32	35.73%
Accumulative cash dividend amount since listing			3,068,566,208.75	

The fund raised by the Company in IPO was **903 million yuan**

and the Company's dividend has accumulated to **30.69 billion yuan** (including 2019)

accounting for **339.94%** of the raised funds.



## 2.Sound corporate governance

Since its establishment, the Company has made steady progress in improving the corporate governance structure and system, to fully guarantee the fair, open and impartial treatment of all shareholders, and ensure that the shareholders of the Company to fully enjoy the legitimate rights and interests stipulated by laws, regulations and rules. The Company has an internal management and control system where the general meeting of shareholders, the board of directors and the board of supervisors interact with each other and operate effectively. It also clearly defines that the general meeting of shareholders is the highest authority of the Company and ensures that all shareholders have the same rights with the same shares, so that they enjoy their legitimate rights and interests equally.

In 2019, the directors, supervisors and senior administrative staff of the Company actively participated in trainings organized by Shenzhen Stock Exchange, Zhejiang Securities Regulatory Bureau under China Securities Regulatory Commission and the Listed Company Association of Zhejiang to enhance the awareness of high standard operation, obligations and risks among directors and supervisors of the Company. In 2019, the Company's general meeting of shareholders, the board of directors and the board of supervisors all worked in a standardized manner, effectively safeguarding the legitimate rights and interests of all shareholders. The Company held a total of two general meetings of shareholders, five meetings of directors and four meetings of supervisors throughout the year.

## 3.True and transparent information disclosure

The Company discloses information in strict accordance with the Measures for the Administration of Information Disclosure, and conducts disclosure of regular reports and temporary announcements in a truthful, accurate, timely, complete and fair manner to ensure that all investors have equal access to the same information. In 2019, the Company disclosed a total of 4 regular reports, 43 temporary announcements and 79 other documents on the website of Shenzhen Stock Exchange and [cninfo.com.cn](http://cninfo.com.cn), including 43 announcements also disclosed on Securities Times, Securities Daily and China Securities Journal. As the proportion of overseas investors continued to increase, a total of 5 periodic reports in English were disclosed in 2019 to meet their needs.

## 4.Diversified investor communication mechanisms

The Company attaches great importance to the communication with investors, and has diversified investor communication mechanisms to ensure good management of investor relations in strict accordance with the Management System of Investor Relations of the Company. The Company actively receives and organizes investors to visit the site for exchange. In 2019, the Company held an investor reception day and the semi-annual performance presentation meeting of 2019, receiving more than 450 investors for 117 on-the-spot investigations; attended more than 65 domestic and international strategy meetings, and 8 domestic and foreign fund reverse roadshows. The Company has maintained good communication and contact with investors, winning high recognition to the Company from investors.

As at the end of 2019, the Company was listed as one of the outstanding targets of Shenzhen-Hong Kong Stock Connect investment with the shares held by Shenzhen-Hong Kong Stock Connect (based on the central clearing system) accounted for 14.23% of the total stock, ranking the fifth among the targets of Shenzhen-Hong Kong Stock Connect investment. On June 1, 2018, as one of 234 top quality A-Share stocks, the Company was included in the MSCI index system, which is tracked by \$12 trillion in assets around the world. According to the latest ESG rating report updated by MSCI on April 3, 2019, the Company's ESG rating score was raised from A in 2018 to AA, among the top 22% of peer companies (of household durable goods). With the emphasis on the protection of interests of small and medium-sized investors, the Company welcomes them to attend the investor reception day. In the general meeting of shareholders, the Company counts the votes of small and medium-sized investors separately. Besides, medium and small-sized investors are also allowed to communicate with the Company through the Company's investor line or online investor interaction platform to have a better understanding of the Company.





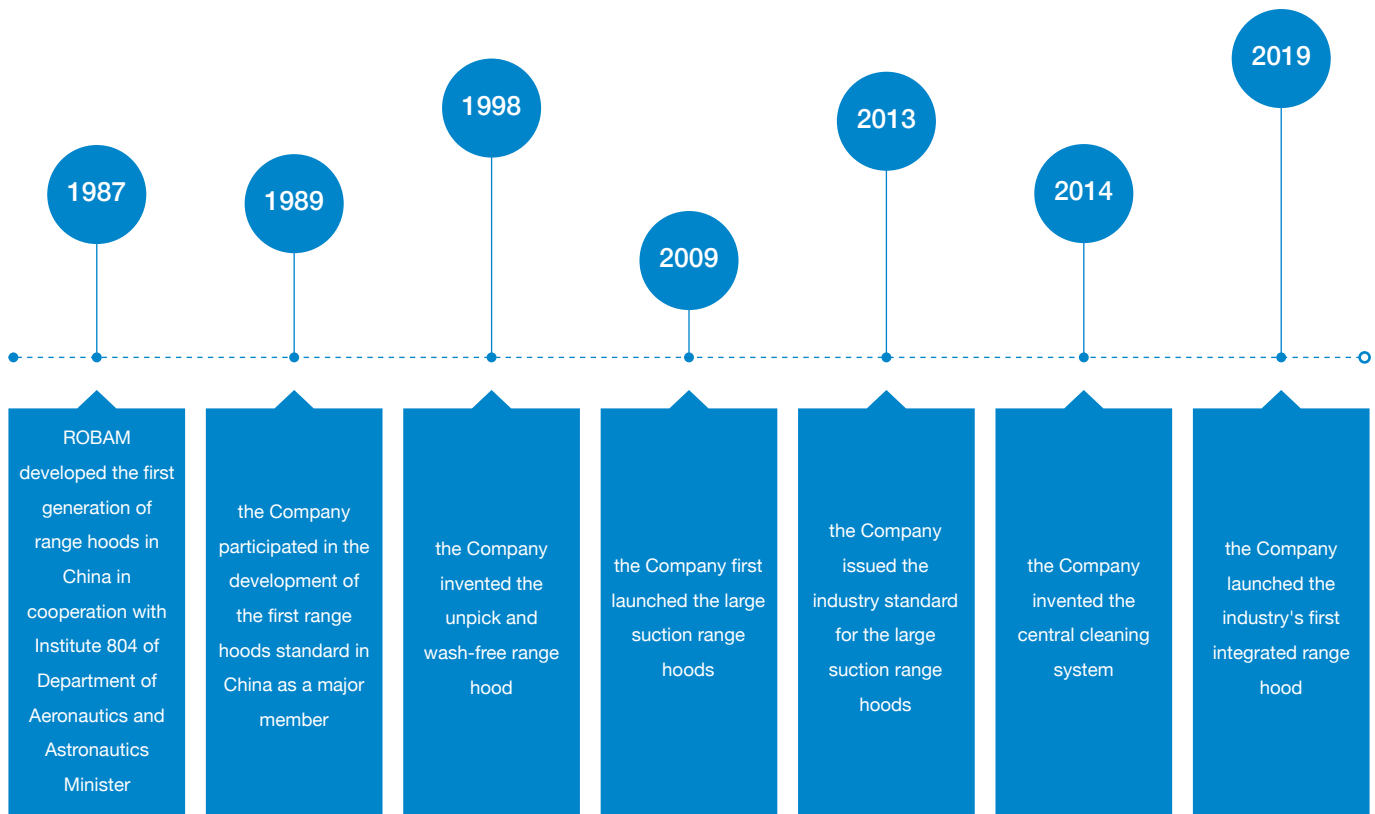
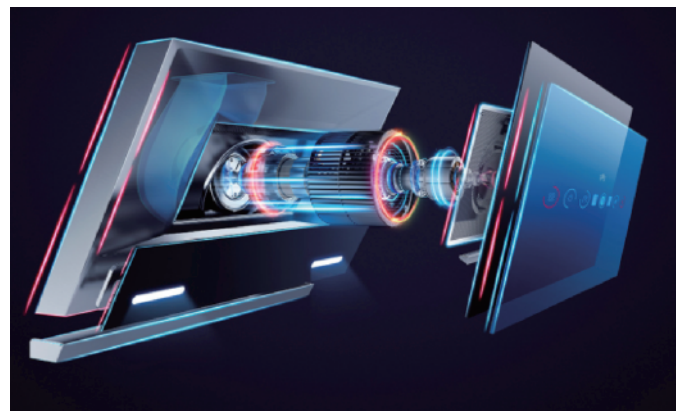
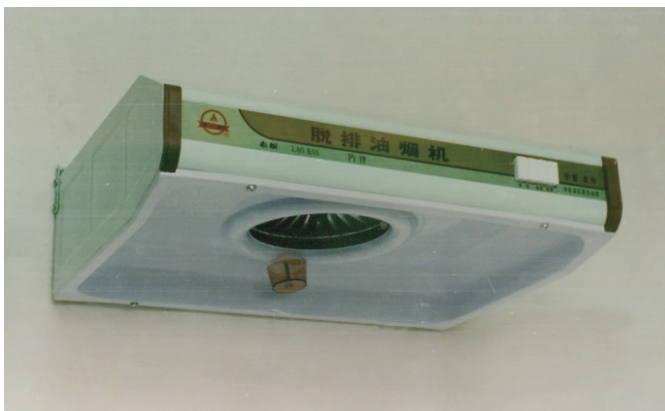
## (II) Consumer responsibility

The Company gives full considerations to the impact of its products and services on quality and safety, environmental protection, comprehensive utilization of resources, energy saving, public health, etc., and takes environmental protection, energy saving and consumption reducing, and health as key inputs in product design and development, to ensure it undertakes public responsibilities from the source and helps the government with environmental enhancement.

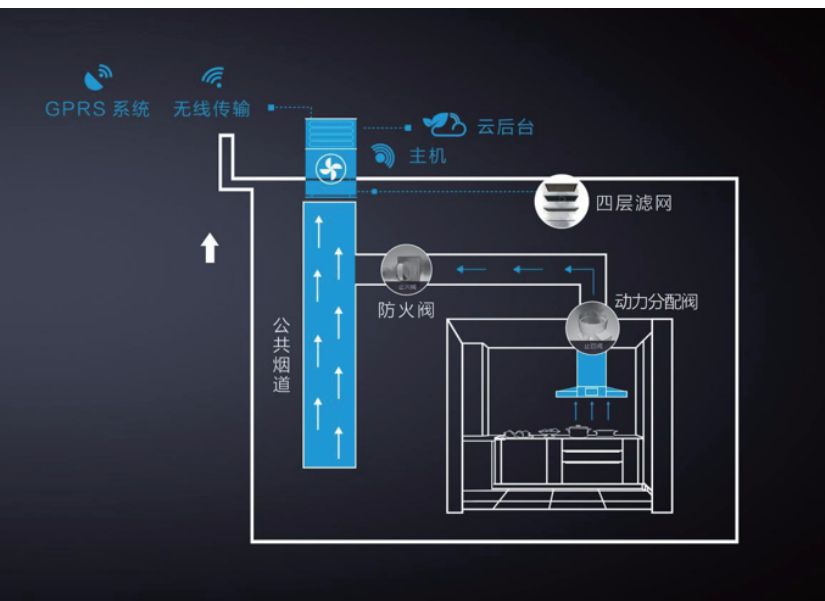
### 1. Innovation-driven development

As imported products, western style kitchen appliances are often "unacclimatized" in the Chinese market. As Chinese cooking produces a large amount of oil fume due to the use of strong flame and much oil, the western-style range hood with insufficient suction cannot meet the demand. Therefore, kitchen appliances have experienced a thorough "Chinization" process since the reform and opening up when they began to enter the Chinese market.

As the earliest kitchen appliance enterprise established in China, ROBAM was in the first batch to upgrade kitchen appliances such as range hoods and cookers into Chinese styles based on new technology developed independently, laying a foundation for the Company's technology research and development gene, while opening up a technical road for the later development of the industry, and providing valuable experience.



In terms of the range hood categories, ROBAM has an original large suction system, a newly upgraded double super-core 6.0, a unique digital motor in the industry, storm eye design, and a subversive "Eiffel" integrated oil network, etc., leading the industry change many times by defining a large suction standard from suction, strong filtration, quick discharge, and energy saving; the 3D flame and concentrated flame technology of the cooker greatly improves the thermal efficiency; the independent dual-mold design of disinfection cabinet and doughnut shape-like sterilization technology ensure layered and precise sterilization; strong three-core steaming and water level detection precise control technology of the steamer offers real-time detection of the state with no water dripping from the top. It is the constant innovation of technology that makes ROBAM always lead the development of the industry.



Subversive invention - the central purifier system takes the smoke exhaust power device, the exhaust duct and the smoke return prevention components as the whole, solving the kitchen smoke exhaust problem with a systematic solution based on the "LORA" intelligent frequency conversion IOT technology, intelligent power distribution technology and the intelligent cloud platform built in cooperation with Alibaba, as well as quintuple composite fume purification technology. Over the past 6 years since its launch, the central purifier system has reached cooperation with many brand real estate enterprises in China, winning nearly 40 collective purchase agreements, and it has received strong support from Beijing Capital Construction Commission and other government departments.

The industry's first integrated range hood, redefining the large suction, pioneered the "super wind pressure, strong suction on left and right" by "dividing" the smoke chamber into two parts, so that two strands of the suction correspond to two stoves and offer strong suction on left and right. Besides, it intelligently interworks with the range hood, cooker, steam oven / disinfection cabinet, truly achieving "intelligent integration".

The Company now has a national technology center, a national laboratory and a national industrial design center. To gather top quality R&D resources, ROBAM has set up California Innovation Research Institute and Shenzhen Innovation Research Institute. The former focuses on collection of cutting-edge technology, marking the Company's intelligent transformation towards globalization; the latter settles down to basic research and application of new materials and new techniques, dedicated to the connection with global innovation resources via the Pearl River delta. ROBAM will continue to uphold its mission and vision, and introduce more products and services suitable for Chinese kitchens by continuous technological innovation with focus on Chinese cooking styles, to create new Chinese kitchens, lead the development of the industry, and build a smarter, more convenient and more interesting Chinese family quality life in the future.

The mission of the Company is to render happiness of kitchen life for more families, by improving the existing cooking environment based on continuous research on technology to bring healthy and relaxed cooking life to users with cooking fun. By the end of 2019, the Company was staffed by 714 researchers, accounting for 15.82% of the entire staff. In 2019, the Company applied for 509 patents, including 115 invention patents and obtained 417 patent licenses, including 11 invention patents.

## (III) Partner responsibility

### 1. Supplier management

In 2019, the Company continued to expand the procurement from overseas suppliers, tap high-quality supply resources, optimize the layout of the supply chain, and deepen strategic cooperation. The Company introduced more than 40 high-quality suppliers in the year, including 4 foreign suppliers. The Company continues to work with third-party audit bodies such as SGS (Societe Generale de Surveillance), TUV SUD Certification and Testing, to select suppliers in accordance with the professional standards of the industry. According to the third party audit and the balance scoring evaluation results of suppliers, the Company analyzes finds out their weaknesses to organize at least 2 large scale training sessions quarterly and at least 2 benchmark learning sessions every six months for them. And the Company improves the comprehensive management ability of suppliers by means of on-site guidance, supply chain lean improvement project and the like. In 2019, the guidance and improvement of suppliers achieved remarkable results and the passing rate of A-level suppliers (supplier quality rate) increased from 14.9% in 2017 to 55.97%.

The Company has developed a comprehensive supplier management policy, and has been committed to the transparency construction of supply chain management, which runs through the entire supplier life cycle, including supplier sourcing development, performance evaluation, integration and exit management. In 2019, the Company conducted a comprehensive review of business processes around the collaborative management of suppliers, and issued guidance documents such as Supplier Guides, Business Code of Conduct for Supplier Business and Procurement based on the construction project of supplier culture; further optimized and constructed efficient, transparent and informational the supplier collaboration platform SRM. The Company launched supplier life cycle management, order coordination, quotation verification, performance evaluation and supplier resource base to provide support for supply chain management and procurement at the end of 2019. At the same time, it built supplier domain mail, Business Direct and WeChat based information tools to disclose supplier data and procurement strategies irregularly to ensure information transparency.

The Company has a supplier credit evaluation system in information connection with qcc.com, tianyancha.com and other platforms, to get access to supplier information on equity relationship, risk management (violation of laws and disciplines, dishonest person, patent infringement) and establish supplier risk prevention and management standards covering supplier credit risks and procurement cooperation risks, so as to reduce the risk of cooperation between the two parties.

The Company has a standardized process for introduction of suppliers to ensure their compliance. The cooperative suppliers must be legal enterprises, comply with the corresponding laws and regulations, and have passed the environmental protection system certification. When importing new suppliers, it is necessary to check the acceptance certificates for fire control, environmental assessment and pollutants discharge; for the suppliers in cooperation, it is necessary to establish a supplier qualification information database and dynamically manage the supplier's environmental assessment acceptance qualification. The Company established a supplier environmental protection and safety inspection team to carry out point-to-point inspection and assistance for 15 suppliers involved in environmental protection risks. The Company selects appropriate raw materials based on the green design product manufacturing and environmental criteria, and purchases recyclable, reusable or renewable raw materials or those meeting the requirements of green design. The materials supplied by the supplier shall comply with ROHS requirements, meet the environmental protection instructions or certification requirements specified by the national and local laws and regulations, and shall be up to the environmental protection instruction requirements of the Company. The Company has a packaging standardization project team to reduce the use of non-renewable packaging materials. In 2019, packaging standardization covered more than 85% of projects.

The Company has signed the Environmental and Occupational Health and Safety Commitment and the Supplier CSR guidelines with all suppliers, clearly requiring that the suppliers shall strictly follow the 'Provisions on the Prohibition of Using Child Labor (Order No. 364 of the State Council)' and the 'Regulations on Special Protection for Juvenile Workers (LBF [1994] No. 498)' for labor management. And it is required to prohibit forced or compulsory work of employees and ensure that they are entitled to holidays stipulated by national laws. The Company has added the policy requirements for peasant-workers to the certification of new suppliers. In 2019, the Company inspected 43 suppliers and rejected 1 new supplier that used underage workers in violation of regulations. The Company also introduces TUV SUD Certification and Testing to review the social responsibility of the cooperative suppliers, including the active willingness of peasant-workers and employment policies. In 2019, there was no cooperative supplier involved in forced labor and illegal use of underage workers.





## 2. Responsible sourcing

The Company attaches great importance to the issue of conflict minerals and publicly states that it neither purchases nor supports the use of conflict minerals. The materials purchased by the Company are dominated by routine materials for the production and manufacture of kitchen appliances, and there is no raw material purchased from areas involving violent conflicts. The Company has signed a Conflict Minerals Declaration with all suppliers, requiring them to ensure that they do not use “conflict minerals” from Congo and its surrounding countries and regions in the products, and to trace the sources of the gold, tantalum, tin and tungsten contained in all products. In the survey of conflict minerals in the supply chain for due diligence on the sources of 3TG (tin, tantalum, tungsten and gold native to the Democratic Republic of Congo and its surrounding countries), the Company identified 7.05% of suppliers using tin, tantalum, tungsten and gold ingredients and registered the origins of these materials purchased by the suppliers, to trace their sources. In 2019, no suppliers were found to be involved in the procurement or use of conflict minerals.





## (IV) Intelligent manufacturing

2015

With an investment of 750 million yuan, ROBAM built the first digital intelligent manufacturing base in the kitchen industry in 2015, which is also the most advanced production and R & D base today in the kitchen industry. The base has established chains integration among intelligent production, intelligent storage and intelligent logistics, providing productivity and logistics support underlying the rapid growth of ROBAM in recent years.

The full-automatic production based upon man-machine-product connected intelligence has greatly improved the production efficiency. While the base has halved its labor force, the production efficiency would yet be lifted by more than 30%, and the cost lowered by 15%, building up an annual production capacity of 1.8m range hoods and 3m gas stoves.

The intelligent manufacturing information command center of ROBAM controls all parts of the manufacturing base all the time like a brain, which in real time gives feedback on the production plan of the month, monitors the production in each process, and optimizes the production process according to the data collation and analysis.

The base also has an intelligent warehouse and logistics center supporting a capacity of 8 million units, which saves about 60% of the storage space. This largest single storage center in the industry is a benchmark model for ROBAM to create "in-depth integration of informatization and industrialization" in the industry. ROBAM is also in deep cooperation with EMS and establishes the cloud warehouse project, achieving transformation of the logistics management to intelligence and digitization.

The digital intelligent manufacturing base of ROBAM has set a new benchmark for the kitchen appliance industry to take the lead in realizing intelligent manufacturing. It was selected in "2016 Intelligent Manufacturing Pilot Demonstration Projects" and "2018 Pilot Demonstration Projects for Integrated Development of Manufacturing and Internet" by the Ministry of Industry and Information Technology (MIIT) of the people's Republic of China.

2018

In March 2018, ROBAM held the foundation ceremony for the intelligent manufacturing project Phase II, marking the smart factory was further upgraded to the intelligent factory. When completed and put into operation, the project Phase II will be the largest intelligent manufacturing science and innovation park of kitchen appliances and the largest intelligent manufacturing base of kitchen appliances in China.

2019

In 2019, ROBAM focused further on Chinese cooking, linking up user, kitchen, products and brand intensively through Chinese cooking, and putting the soul of Chinese cooking into every piece of kitchen appliances, thereby solving the pain points in cooking and building a more professional kitchen appliance brand.

2020

In 2020, Robam, backed by the strong cultural assets of Chinese cooking, will set Chinese cooking as the origin of all product technology innovations. For the "Chinese old kitchen" mainly based on the 2-piece kitchen set of range hood and gas stove, ROBAM now launches the "Chinese new kitchen 4-piece set," which sets up a basic configuration for Chinese new kitchen based on the "hood-stove-steam oven-washer" needs, redefining the standard of China's new kitchen. This is the total kitchen solution that Robam provides for Chinese cooking, creating a comprehensive and cozy cooking experience for Chinese families in the prior, in-between and post processes of cooking. In addition, Robam has established ROBAM Chinese Culinary Academy to create a wonderful cooking experience for those who have a longing for food.

The graphic features a central white circle containing the text "Social Performance" in a bold, blue, sans-serif font. Above and below the text are two rows of three vertical blue bars of equal height. A thin white line extends from the top of the page down to a small blue circle at the top of the white circle. The entire graphic is set against a background of concentric circles in shades of blue.

**Social Performance**

## (I) Governmental responsibility

### 1. Paying taxes according to law

ROBAM adheres to legal operation, fair competition and good faith to keep improving service quality, deeply integrating the compliant management concept into the Company's operation and every employee's daily work.

The Company actively fulfills its economic responsibilities and pays taxes according to law. From 2017 to 2019, the Company paid taxes amounting to 851.8 million yuan, 787.63 million yuan and 825.35 million yuan according to law respectively, making a great contribution to the development of local economy.



### 2. Establishment of an integrity organization

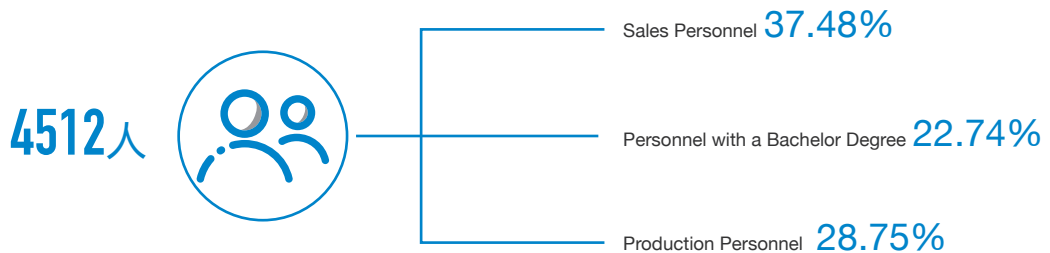
The Company has developed the Management System for Preventing the Appropriation of Funds by Controlling Shareholders and Other Related Parties and the Standards for the Management of Clean Government Construction around the core values of "eight regulations for hard work" and "to be a respectable enterprise", clearly forbidding employees to seek improper interests by taking advantage of their positions; the Company signs the "commitment against corruption and integrity" with the senior management and has a platform for reporting corruption, implementing strict punishment for any corruption act. The Company requires employees to be honest, self-disciplined, and abide by social ethics, and carries out ethics evaluation by means of internal audit, KPI evaluation, and third-party inspection via high-level meetings and high-level lectures. The Company will observe or dismiss those conducting unethical actions or take other measures, with internal announcement and warning.



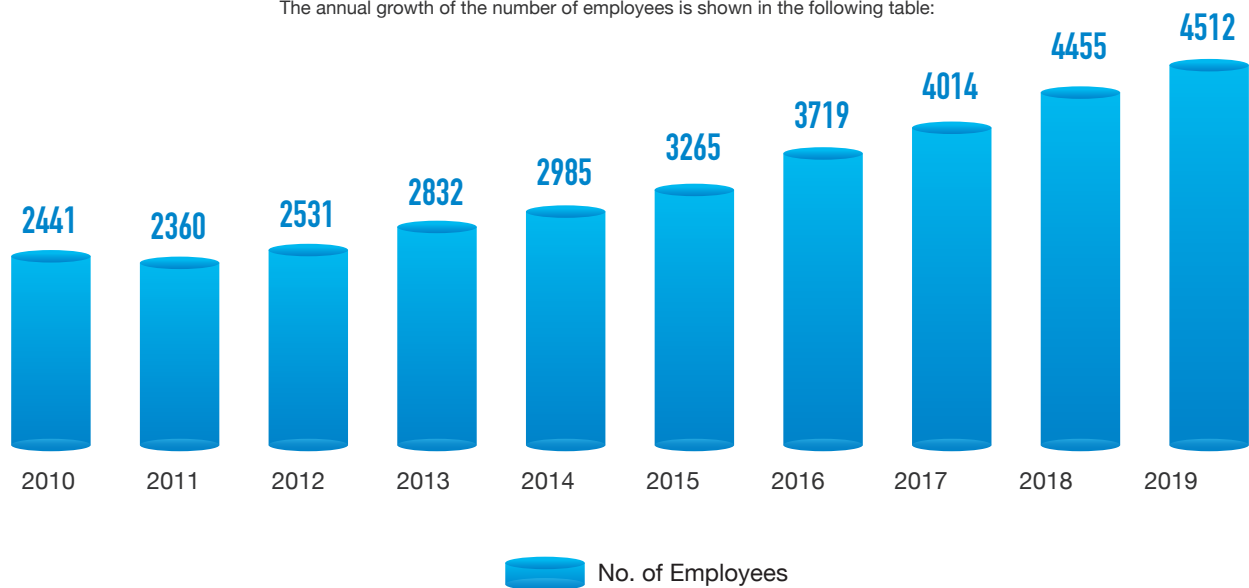


## (II) Employee responsibility

ROBAM positively solves the issues of local talent training, recruitment and employment, providing a large number of jobs for the society. At the end of 2019, the Company had 4512 employees. The sales personnel and production personnel thereof accounted for 37.48% and 28.75%, respectively, and those with a bachelor degree accounted for 22.74%.

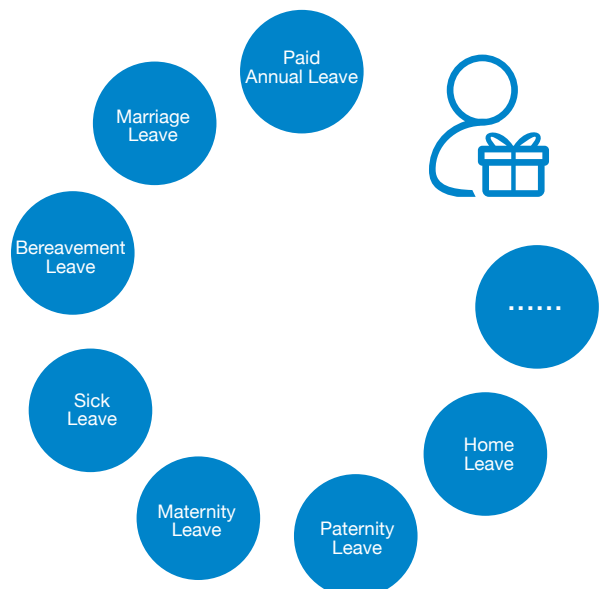


The annual growth of the number of employees is shown in the following table:



### 1. Safeguard rights and interests of employees

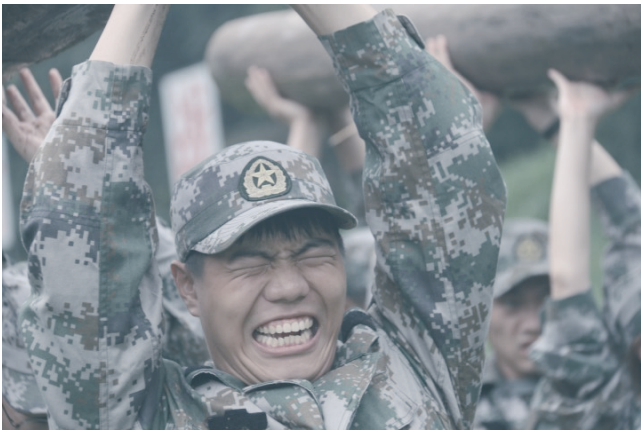
The Company gives top priority to protecting the employees' rights and interests, development, as well as employee relations and activities. In strict accordance with the Labor Law of the People's Republic of China, the Law of the People's Republic of China on Employment Contracts, and other laws and regulations on labor and social security, the Company has developed Management Standards for Labor Protection of Female Employees and Minors, Occupational Health and Safety Inspection Standards, Occupational Health Examination Standards, Occupational Disease Management Standards and other regulations based on the actual conditions, to establish standardized labor relations, define the rights and obligations of both parties, with labor contracts signed with and social insurances paid for 100% of employees. The Company has signed a dedicated collective contract with the labor union, covering 100% of employees. The Company, according to the relevant policies, has established a reasonable and perfect vacation system to guarantee employees' rights to take a vacation, promoting the balance between work and life. Employees are entitled to paid annual leave, marriage leave, bereavement leave, sick leave, maternity leave, paternity leave and home leave.



## 2. Perfect staff promotion system

The Company implements a multi-pay system based on post-rank salary system and supplemented by deduction wage system, merit pay, hourly wages, in accordance with the Salary Management Standards. The Company has established a salary management system based on the post value and centered on the competency and performance evaluation of employees, according to the salary status of the regional market and industry. The Company highlights the proportion of post contribution in the distribution, keeps income linked with contribution, distributes the merit pay based on the performance evaluation, pays the excess incentive bonus for the value created, and conducts 1-2 salary adjustments a year by referring to the performance achievement and the external salary level, to arouse the enthusiasm of employees.

To establish a performance-oriented culture for all employees, the Company has established Performance Management Standards and broken down the strategic indicators, key performance indicators and process indicators of the Company by levels based on four performance key elements of "KPI, process, competency and corporate culture", accompanied by a matching evaluation mode for whole staff at different levels / positions to improve the work performance of all employees and organizations. Based on the principle of incremental value creation, the Company has designed diversified incentive schemes to specifically motivate employees and teams, such as sales spurt incentive, quality improvement crowdfunding incentive, new product project incentive, patent application incentive, efficiency promotion incentive, cost reduction incentive, continuous improvement incentive, special campaign incentive, fast promotion incentive, and paid vacation incentive.



And to protect the career development of employees, eliminate the development bottleneck brought about by the single position promotion, the Company has also developed the Employee Career Development Management Standards and set up a two-track promotion system in management and specialty around the work ideas of "building channels, establishing standards, finding gaps and promoting development", to encourage the development of employees in a diversified and multi-channel manner. The Company has established the supporting Position Qualification Management Standards, so that employees are clearly aware of their specialty development paths, identify the ability gap through talent review and qualification evaluation. The Company has a unique and perfect learning and training system matching diversified development channels for its employees, that is, five progressive talent development plans: Lemon Plan, Sunflower Plan, Cicada Plan, Ivy Plan and Rainbow Plan, leading employees to keep learning, accelerating ability improvement and arousing their motivation. In 2019, the Company exported 47 position qualification standards, certified 35 internal evaluators. A total of 962 employees participated in the certification and 260 passed it. The Company also exported 10 team reports and about 500 personal reports, developed and introduced 138 courses corresponding to job development.

The Company has long paid attention to the optimization of the talent structure and the control of the total number of talents. Structural optimization refers to that at the time of talent introduction and training, the Company reserves urgently needed talents in advance to balance the competency and strategy. Control of total number refers to the control of the number of regular employees and circles the "talent zone" in the business planning according to the Company's strategic focus. In terms of talent ability improvement, the Company has established a perfect system matching the diversified development of employees in accordance with the talent strategy. The Company calls the training program for college graduates "Lemon Plan", meaning that the young people entering the Company have the same fresh, energetic and potential characteristics as lemon. The goal of Lemon Plan is to train outstanding graduates into excellent talents of ROBAM, to provide a strong personnel guarantee for the Company's three-year strategy, and to train the core business backbone for the department. The pre-employment training aims to build the rapid growth of "lemons", accelerating their identity transformation from campus to workplace, and providing the Company with a group of excellent talents recognizing and practicing the Company's cultural values. In 2019, Lemon training was carried out, lasting for 3 months with 52 participants, including 48 assigned to posts after graduation.





Firefighting  
Trials  
and  
Drills

### 3.Assurance of employee safety

With great importance attached to occupational health and safety management, the Company has developed the Occupational Health Examination Standards, the Occupational Safety and Health Education System, the Management Standards for Labor Protection Articles, the Occupational Health Physical Examination Management Standards and other regulations. According to the national laws and regulations, the Company invites a third-party monitoring agency to detect the occupational hazard factors and set the monitoring and measurement indicators on a yearly basis. The current occupational hazard factors mainly include noise, dust, benzene and toluene. The Company provides pre-post, on-post and off-post physical examination for those exposed to occupational hazard factors, establishes health files, and organizes regular publicity and training to enhance employees' awareness of prevention, while reducing the exposure and impact of occupational hazard factors by equipment transformation, protective equipment and other means.

The Company attaches great importance to safety management and has established an emergency command center. The Chief Safety Officer was appointed to be the director of the command center. More than 30 systems, such as "Safety Production Inspection and Hidden Danger Management Standard", "Safety Production Accident Emergency Plan", and "Safety Assessment Management Standard", have been formulated. Small fire stations are set up in the plants of the Company; likewise, special emergency communication channels are established. The small fire station adopts a training mode in which employees take one training a week, one exercise a month and one combat a quarter, and actively act up to the national mechanism of "one-minute response, three-minute in place, and seven-minute disposal". The Company would organize firefighting trials and drills in the mid-to-late period of every month, and launch the safety knowledge event, signing of safety commitment to enhance the fire-fighting knowledge and skills of firefighters, so as to protect corporate property and personal safety of employees, and guarantee the steady development of the Company. In 2019, there were no major safety accidents or fatal accidents in the Company.





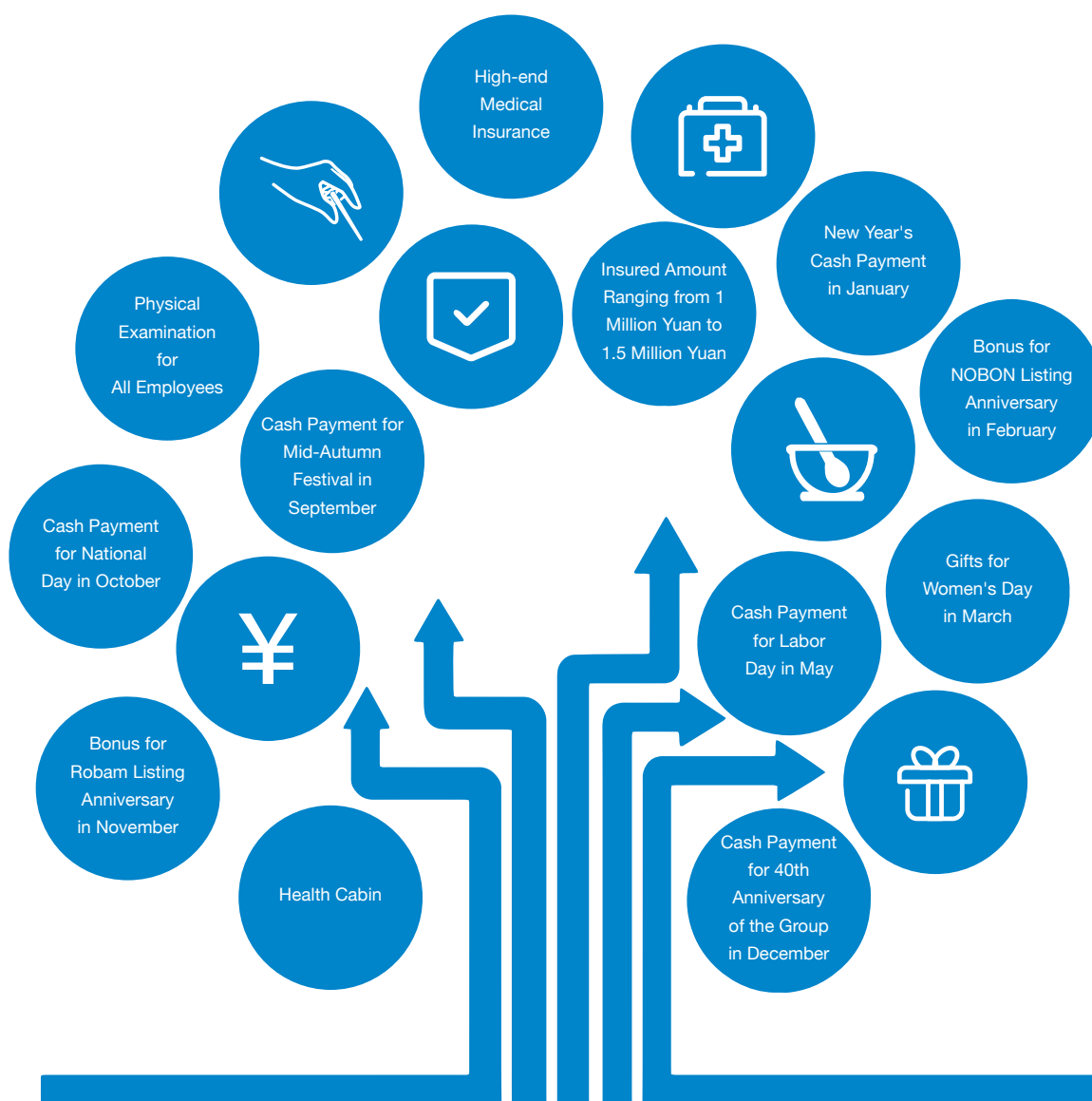
#### 4. Multi-channel employee communication mechanism

The Company has established multi-form communication channels and mechanisms for listening to and sharing ideas and suggestions from different groups of employees, to promote effective communication and skill sharing. For example, the labor union and the HR department organizes a staff meeting every quarter to learn about the work, life and other needs of the employees; through quarterly performance interviews, managers and employees have a one-to-one communication to promote the improvement of their performance and ability; annual employee satisfaction and engagement survey is carried out to identify the factors affecting employee satisfaction and engagement, and to make improvement plans; the quarterly wise meeting launched in 2019 is introduced to promote the communication between senior management and grassroots employees, serving as a face-to-face communication platform between senior management and employees; there is President's email and President reception day available for listening to employees' opinions and suggestions; a continuous improvement proposal submission process is provided so that employees can make reasonable suggestions anywhere at any time; experience sharing meetings and reading sharing are organized irregularly to promote the sharing of knowledge and skills among employees.



## 5. Diversified employee benefit systems

The Company has always regarded the health of its employees as the most precious wealth. Besides the five social insurances and one housing fund and the employee point welfare platform and holiday welfare payment that have been put into use, ROBAM offers a high-end medical insurance for middle and high-level employees every year, with an insured amount ranging from 1 million yuan to 1.5 million yuan, covering self-funded medicine, imported medicine, operation fees, VIP clinic, nursing expenses, examination expenses, TCM outside the scope of social security. It also provides accident insurance, major disease insurance and travel insurance for all employees, and organizes a physical examination for all employees every year. All commercial insurance and health services are paid by the Company and enjoyed by employees. In 2019, the Company built a health cabin, inviting TCM experts to provide regular massage, acupuncture therapy and TCM health care for employees. It also prepares daily medicine for general employees to provide comprehensive care for them and their families. The Company tries to ensure the safety of employees in all around, to reduce their worries. In addition, there are benefits of holiday season, such as New Year's cash payment in January, bonus for NOBON listing anniversary in February, gifts for Women's Day in March, cash payment for Labor Day in May, cash payment for Mid-Autumn Festival in September, cash payment for National Day in October, bonus for Robam Listing Anniversary in November, cash payment for 40th anniversary of the group in December, etc..





the 10th Karaoke Contest



Basketball Club Activity



Rainbow Run Activity



the 10th Cooking Competition

## 6.Colorful employee activities

Adhering to the ideas of "happy work, healthy life", the Company organizes various employee activities on a regular basis, such as Karaoke contest in January, commencement and lantern festival activities in February, Women's Day and learn-from-Lei Feng activities in March, league construction activities in April, cooking competition in May, parent-child activity and rainbow run in June, skills competition in August, the Mid-Autumn Festival activities in September, the staff games in November, the Christmas activities in December. Besides, the Company has a football club, a basketball club, a badminton club and other clubs to organize activities regularly to enrich the spare time life of employees. The Company has a special cooking experience center, and all departments can make an appointment for cooking experience activities irregularly, so that the employees experience the products made by the Company to continuously improve the quality, while improving the team cohesion and arousing their team vitality. With organization of various activities, the Company affirms the contribution of employees to the development of the Company, arouses their enthusiasm for work, and strengthens their sense of belonging to the Company.



### (III) Community responsibility

Over the past 40 years since its establishment, the Company, deeply aware of the obligations and responsibilities of being a social citizen, has been always taking "to be a respectable enterprise" as its target and the public welfare as an important part of the Company's strategic planning. The Company has developed the Three-Year Public Welfare Plan, organizing a variety of activities in key public welfare support fields of education, environment and industry development every year, with a total investment of more than 14 million yuan in three years.

In 2015, ROBAM created a named endowment fund of 20 million yuan in Yuhang Charity Federation, and the Foundation is chaired by the Company's President. The "Foundation" has developed strict articles of association, donation management measures and financial management system, spending no less than 1 million yuan per year on poverty alleviation in Yuhang district, to carry out public welfare projects such as poverty reduction, major disease relief, and donation to education. It was renewed in 2019 (for 5 years).



Poverty  
Alleviation



Ceremony of Renewing  
the Named  
Endowment  
Fund of 20  
Million Yuan  
in 2019



Hangzhou Yuhang ROBAM Charity Foundation is a non-public foundation initiated by Hangzhou Robam Appliances Co., Ltd., approved by Zhejiang Provincial Department of Civil Affairs and under the supervision of Yuhang District Bureau of Civil Affairs. Adhering to the tenet of "helping the needy, repaying the society and improving the cooking environment of Chinese family", the Foundation has been committed to rural revitalization, medical and health care, education development, targeted poverty alleviation and other fields since its establishment. And to effectively integrate the charitable resources and maximize the philanthropy, the Company joins hands with the agency companies and its employees give back to the society with practical actions and create a promising future together.



## 1. Focus on kitchen and promote rural revitalization

In 2019, as a member of the first city-level support group, ROBAM continued to pair up with Fengshuling town, Chun'an county, for poverty alleviation with an investment of no less than 1 million yuan in 5 years. Besides, the Company offered targeted poverty alleviation to 10 impoverished villagers in the town, helping them improve their kitchen settings as well as production and living conditions.

As a responsible enterprise, the Company provided assistance to nearly ten impoverished counties and districts, including Ning county, Diebu county, Qin'an county, Lingtai county in Gansu province, and Enshi and Badong county in Hubei, to help win the battle against poverty.

## 2. Cherish charity with full participation

The Company always attaches importance to cultivating the charity consciousness and social responsibility of the employees, to arouse their love and enthusiasm, trying to create a strong atmosphere for everyone to participate in the charity with charity in mind, so as to expand the scope of poverty alleviation, increase the intensity of poverty relief with a concerted effort, contributing to building a harmonious society.

At the initiative of the Company, all Party members, cadres, employees and agency companies across the state responded positively and devoted themselves to the public welfare charities, practicing their social responsibility, trying to make greater contributions to the centennial vision of the Company. In 2019, all Party members, cadres, employees and agency companies across the state donated a total of 2.092 million yuan.

In February 2019, the Company held the first "Heart of ROBAM" charity awards ceremony, highly praising 14 agency companies making outstanding contributions to the public welfare.

## 3. Focus on actual effects and spread love

The Foundation of the Company uses every donation efficiently and accurately, trying to deliver each penny to those who need it most. The Foundation carries out a series of education donations, to contribute to the development of education through the projects of college aim program, beautiful campus construction and construction of school libraries. It also carries out donations for poverty alleviation. Actively responding to the initiative of Yuhang District Party committee and District Government to "send warmth and love", the Foundation donates 1 million yuan to the district Charity Federation every year. It carries out "Grand Love" major disease relief, helping more than 10 patients with major diseases to get through the difficulties, and carries out a series of public welfare activities, including "walking into the nursing home", caring for the mentally handicapped, sympathy on work at high temperatures (front-line traffic police, firefighters), to spread love.





**Environmental  
Performance**



# IV Environmental Performance

In accordance with relevant laws and regulations, such as Production Safety Law and Environmental Protection Law, and based on the "prevention first, comprehensive governance, scientific management, and continuous improvement" principles, the Company identifies key processes and performance indicators, sets internal control indicators, and undertakes measures like design & development review, periodic testing, and equipment maintenance to ensure of targets above national standard and conforming to public responsibility.

## (I) Wastewater treatment

The Company's wastewater mainly consists of production wastewater and domestic wastewater. The former mainly refers to the wastewater generated in the pre-spray process. It shall be treated by sewage treatment facilities, then filtered by ultrafiltration equipment and partly recycled for production. The remaining shall be discharged into municipal sewage pipes, through which it is conveyed to the sewage treatment plant for thorough treatment, and then discharged into the external environment if up to standard. The domestic wastewater could, upon thorough treatment in the septic tank, reach the standard and be discharged into the municipal sewage pipeline network.

## (II) Waste gas treatment

Waste gases of the Company mainly include the organic waste gas generated by electrophoresis drying, the organic waste gas produced by spraying and curing, and the dust generated by plastic spraying. According to the different properties of the various waste gases, the Company provides corresponding treatment facilities.

The organic waste gas generated by electrophoresis drying shall go through high-efficiency filter + tubular heat exchanger + smoke purifier + low-temperature plasma + UV photocatalysis + demister to meet the standard for emission;

The organic waste gas produced by spraying and curing shall go through high-efficiency filter + tubular heat exchanger + smoke purifier + low-temperature plasma + demister to meet the standard for emission;

The dust generated by spraying is disposed by large cyclone + filter recovery devices, of which the first-stage large cyclone recovery device can reach a plastic powder recovery rate of 95%, collected plastic powder for reuse and production; and the second-stage filter recovery device features a plastic powder recovery rate of up to 95%, collected plastic powder being recycled and processed by the plastic powder raw material supplier before reuse;

## (III) Noise pollution control

Noises of the Company mainly come from punches, shearing machines, assembly lines, spraying equipment, etc.

For prevention and control of noise pollution, the following are undertaken:

Use low-noise facilities in preference. During equipment installation, it is required that the equipment manufacturers must undertake noise reduction measures;

Apply rational workshop layout, to reduce the impact of equipment on employees and the external environment;

To install noisy equipment, it is required to apply corresponding soundproofing and noise reduction measures;

#### (IV) Solid waste treatment

Waste of the Company mainly includes hazardous waste, recyclables, domestic waste, and general waste; The hazardous waste mainly refers to water treatment sludge, waste oil, waste emulsion, paint residue, etc. We've regularly entrusted qualified institutions to do the transportation and disposal, and normalized and established the hazardous waste management records and transshipment manifest system in accordance with relevant national laws and regulations;

The recyclables mainly include waste metal scraps, waste paper boxes, and waste foams. They were sold to recycling plants by tender every month, which would then conduct resource regeneration;

The domestic waste is collected and disposed by the local sanitation department;

The general waste is placed at a named place after unified collection, and would be regularly delivered to a qualified institution for transportation, and eventually be used in thermal power plant for incineration and power generation, hence resource reuse.

#### (V) Environmental pre-warning and emergency response mechanism

Waste gas treatment facilities are all designed and installed featuring linkages with the production equipment, to ensure the waste gas treatment facilities and the production equipment are turned on at the same time, and no abnormal operation would occur in the waste gas treatment facilities; the production department would arrange employees to run spot check on waste gas and wastewater treatment facilities every day, to check whether the waste gas and wastewater treatment facilities function correctly and ensure that the pollutants generated amid production activities are treated properly; in case of any anomalies with the waste gas and wastewater treatment facilities, the Company would initiate emergency responses by the severity degree of the event and according to its emergency plans at different levels, to therefore ensure pollutants generated in normal production could be effectively disposed of.

#### (VI) Clean management

In response to the country's "Blue Sky Defense War", the Company reduced emissions of sulfur dioxide (SO<sub>2</sub>) and nitrogen oxides (NO<sub>x</sub>) in the production process. In addition to the waste gas of diesel combustion in the Yushi Road plant meeting the national emission standard, ROBAM, as a socially responsible listed company, invested more than 2.8 million yuan in the second half of 2018 to conduct a comprehensive renovation and upgrade of all burners in the plant. All the diesel burners were transformed and upgraded into natural gas burners, and the new equipment was put into operation in early 2019. While upgrading the hardware facilities, it also strengthened its software management, for spot check on the equipment is done every day, and maintenance conducted regularly. The Company has fully demonstrated its leadership's attaching great importance to environmental protection, and strong sense of social responsibility, firmly fulfilling its purpose of "being a company respected by society".



**CSR Achievements**



# 5 CSR Achievements

- AWE 2019 Best Product Award  
AWE Organizing Committee / China Household Electrical Appliances Association
- Red Dot Design Award (Germany)
- Zhejiang Key Technology Innovation Project (RIKA)  
Zhejiang new product and technology appraisal - International leading (8229J / 5606J)  
Zhejiang new product and technology appraisal - International advanced (9B92 / RIKA)
- Science and Technology Award of China National Light Industry Council (First Prize)  
Centralized residential lampblack cleaning & emission system - CCS
- Science and Technology Award of China National Light Industry Council (Second Prize)  
Development and industrialization of key technologies for high-pressure & low-emission intelligent range hood
- AWE 2019 Best Smart Innovation Award  
AWE Organizing Committee / China Household Electrical Appliances Association
- AWE 2019 Environmental Award  
AWE Organizing Committee / China Household Electrical Appliances Association
- Securities Times - Tianma Award & The 10th China Listed Companies IR Forum: "Best Board Award", "Best New Media Operation Award", and "Best Board Secretary Award"
- The 13th China Listed Companies Value Appraisal - "Top 50 Value Stocks on SME Board", "Excellent Board Secretary on SME Board", and "Outstanding Board Secretary of Information Disclosure"
- New Fortune - The 15th Golden Board Secretary
- Top 500 Chinese Real Estate Developers' Selected Green Innovative Product of 2019  
China Real Estate Association / Shanghai E-house R&D Institute / China Real Estate Appraisal
- Outstanding Innovation Achievement of the Year  
China Household Electrical Appliances Research Institute
- Best Technology Innovation Award for ROBAM Integrated Range Hood  
China Business Journal
- Best Chinese Steam Oven Brand Award of 2019  
China Household Electrical Appliances Association / Cheaa.com
- Most Influential Range Hood Brand of 2019  
Information Times
- China Home Appliances TOP Channel "One-Hundred-City & Ten-Thousand-Outlet" Best-selling Brand Award of 2019  
China National Household Electronic Appliances Service & Maintenance Association, Jiangsu Household Electrical Appliances Association
- Chinese Real Estate Suppliers' Top 5 Brands with Most Environmental Contribution of 2019  
China Real Estate Association, China Real Estate Appraisal
- China Home Appliances TOP Channel "One-Hundred-City & Ten-Thousand-Outlet" Recommended Product Award of 2019  
China National Household Electronic Appliances Service & Maintenance Association, Jiangsu Household Electrical Appliances Association
- China Household Appliances Innovation Achievement Certificate (Integrated Range Hood awarded Excellent Innovation Achievement of the Year)  
China Household Electrical Appliances Research Institute



ROBAM could by no means achieve its 40-year vigorous growth without the dividend of the reform and opening-up policy of the era. The wealth of the enterprise comes from the society. In the future, the Company will continue to refine its products and services and meanwhile strive to be a prestigious enterprise respected by the society, fulfilling its social responsibilities and making new greater contributions to China's social development.

In order to continuously improve the Company's social responsibility work and raise its ability level in fulfilling social responsibilities, we really hope to receive your comments and suggestions.

**ROBAM老板**  
创造中国新厨房



Hangzhou Robam Appliances Co., Ltd. Add.: No. 592, Linping Av., Yuhang Economic Development Zone, Yuhang District,

Hangzhou City, Zhejiang Province, P.R.C

Email: wg@robam.com

Tel: 0571-86187810