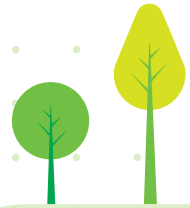


CONCH VENTURE
中国海螺创业控股有限公司



2022

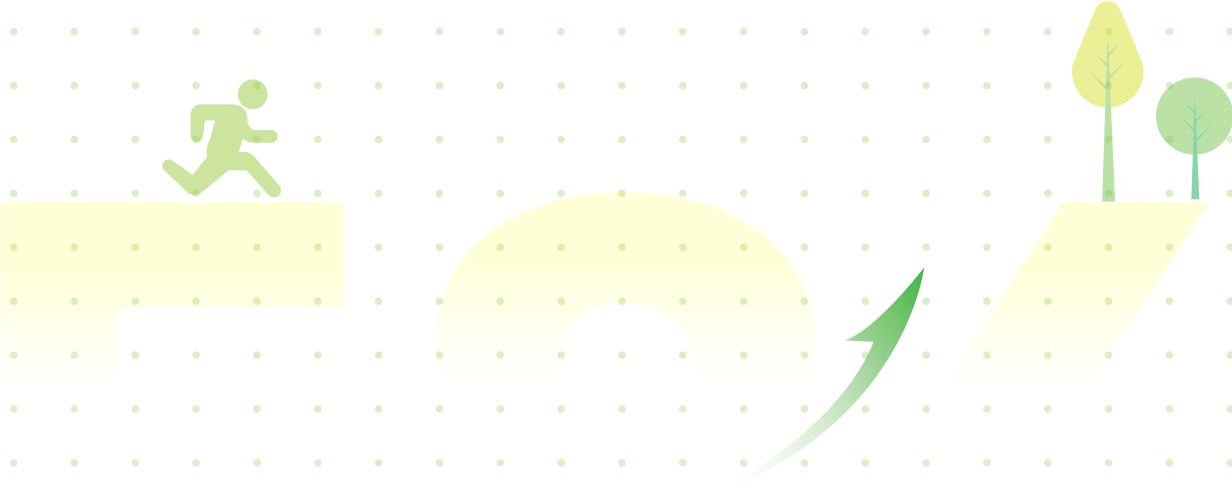
Environmental
Social and Governance
(ESG) Report

環境、社會及管治(ESG)報告

(於開曼群島註冊成立的有限公司)
Incorporated in the Cayman Islands with limited liability

STOCK CODE 股份代號: 586

2022 Environmental Social and Governance (ESG) Report



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Overview

The Report is the seventh Environmental, Social and Governance Report published by China Conch Venture Holdings Limited ("Conch Venture", "the Company", or "We"), reflecting the environmental, social and governance (the "ESG") strategies, policies, measures and achievements of the Company and its subsidiaries (the "Group") in 2022 and focusing on disclosing the information about the Company's ESG performance.

Reporting Period

The reporting period is from 1st January 2022 to 31st December 2022 (the "Reporting Period").

Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Listing Rules of The Stock Exchange of Hong Kong Limited ("SEHK").

Scope of this Report

The policies and data provided in the Report cover the Group, and the scope of the Report is consistent with the Annual Report. Unless otherwise stated, the currencies involved in the Report are RMB.

Data Source and Reliability Assurance

The data and cases in the Report are mainly derived from the Group's statistical reports and related documents. The Board of Directors of the Company promises that the Report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

Report Access

The Report has been prepared in both Chinese and English and its electronic version is available on the websites of the Stock Exchange and the Company (<http://www.conchventure.com/>) under the "Investor Relations" section – "ESG Report".

Contact Information

Through the publication of this Report, we hope to strengthen communication, cooperation, responsiveness and mutual understanding among all parties, thereby enhancing the alignment in terms of interests, emotions and value,

and working together for the sustainable development of the enterprises and the society. For any suggestions and comments on this Report, please contact us as follows:
E-mail: hlcy@conchventure.com,
telephone: 86-553-8398095

Verification and Approval

After being verified by the management, the Report was approved by the Board of the Company on 29 March 2023.

Full Names and Shortened Forms of Companies

Full Company Name	Short Name in the Report
Yangxian Conch Venture Environmental Protection Technology Co., Ltd	Yangxian Haichuang
Tongchuan Conch Venture Environmental Protection Technology Co., Ltd.	Tongchuan Environmental Protection
Jilin Shuangjia Environmental Protection Energy Utilization Co., Ltd.	Jilin Shuangjia
Hohhot Jiasheng New Energy Co., Ltd.	Hohhot Jiasheng
Guanxian Guohuan Garbage Disposal Co., Ltd.	Guanxian Guohuan
Pingguo Conch Venture Environmental Protection Technology Co., Ltd	Pingguo Environmental Protection
Yanshan Conch Venture Environmental Engineering Co., Ltd.	Yanshan Engineering
Dehong Conch Venture Environmental Protection Technology Co., Ltd.	Dehong Environmental Protection
Tengchong Conch Venture Energy Technology Co., Ltd.	Tengchong Energy
Luxi Conch Venture Environmental Protection Technology Co., Ltd.	Luxi Environmental Protection
Kunming Conch Venture Environment Engineering Co., Ltd.	Kunming Engineering
Baoshan Conch Venture Environmental Protection Technology Co., Ltd.	Baoshan Environmental Protection
Tongren Conch Venture Environment Engineering Co., Ltd.	Tongren Engineering
Fuquan Conch Venture Environmental Protection Technology Co., Ltd.	Fuquan Environmental Protection
Lixian Conch Venture Environmental Protection Technology Co., Ltd.	Lixian Environmental Protection
Hanshou Conch Venture Environmental Protection Technology Co., Ltd.	Hanshou Environmental Protection
Hunan Huiming Environmental Protection Technology Co., Ltd.	Hunan Huiming
Yiyang Conch Venture Environment Energy Co., Ltd.	Yiyang Energy
Shanggao Conch Venture Environmental Protection Technology Co., Ltd.	Shanggao Environmental Protection
Jiangxi Jingsheng Environmental Protection Co., Ltd.	Jiangxi Jingsheng
Jinzhai Conch Venture Environmental Engineering Co., Ltd.	Jinzhai Engineering
Huoqiu Conch Venture Environmental Engineering Co., Ltd.	Huoqiu Engineering
Huoshan Conch Venture Environmental Protection Technology Co., Ltd.	Huoshan Environmental Protection
Ningguo Conch Venture Environmental Engineering Co., Ltd.	Ningguo Engineering
Bole Conch Venture Environmental Engineering Co., Ltd.	Bole Engineering
Anhui Conch Kawasaki Engineering Co., Ltd.	CK Engineering
Shanghai Conch Kawasaki Engineering Co., Ltd.	CK Shanghai
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd.	CK Equipment
Anhui Conch Venture Green Energy Environmental Protection Group Co., Ltd	CV Green Energy
China Conch Venture Holdings Limited	Conch Venture
Anhui Conch Venture Group Co.,Ltd.	CV Group
Bozhou Conch Venture New Energy-saving Building Material Co., Ltd.	Bozhou Conch Venture Building Material
Conch Venture Environmental Technology (Shanghai) Co., Ltd.	Shanghai Environmental Protection
China Conch Environmental Holdings Ltd.	Conch Environmental

The sunshine of spring benevolence showers, and bathes all things in brilliant glory.



In this season of growth, we continue presenting to all sectors and stakeholders our achievements in social responsibility, corporate governance and low-carbon development in 2022 through the release of our Environmental, Social and Governance (ESG) Report. This Report reflects our commitment to the environment, our understanding of social responsibility, and our determination for the Company's long-term stable development.

Focus on long-term development, strengthen corporate governance, and continuously create value

We constantly optimize the corporate management mechanism, establish a sound risk management system, maintain ESG management, and promote the sustainable development of the Group. By keeping eyes on the expectations and demands of various stakeholders, we strive to fulfill our social responsibilities to stakeholders, identify and assess major issues, and ensure the accuracy and comprehensiveness of information disclosure.

Maintain unique advantages, promote green production, and make contributions

Actively responding to the development policy of "prioritizing eco-environmental conservation and promoting green development", the Group seizes the development opportunities of the environmental protection industry, thoroughly carries out the concept of sustainable development, and implements a number of plans and actions on the ESG, establishes and improves the Group's environmental protection management system, and sets energy conservation and emission reduction targets to promote green office, identify the implications of climate change risks and opportunities on Conch Venture and ensure the steady operation of the Company's environmental protection business.

Strengthen people-oriented culture, safeguard the rights and interests of employees, pay attention to the career development of employees

We are committed to creating a safe and comfortable working environment for employees and strive to build a sound talent system featuring diversified employment policies, a professional training system, well-designed evaluation mechanism and promotion channels. Meanwhile, we actively carry out various forms of activities to enrich the leisure time of employees, protect their occupational health and safety, and stimulate the common development of the employees and enterprise.

Embrace the green development wave, lead low-carbon development and advance industry progress

As a leading enterprise in the environmental protection industry, we actively practice the management concept of responsible operation, and set great stores by scientific and technological innovation to make it a driver of the Group's sustainable development. We refine the quality management system to control product quality. While ensuring the quality and safety of our own products, we also control the quality risks of cooperative suppliers through standardized management over suppliers. In this way, we strive to improve customer satisfaction and make our contributions to industrial development.

Shoulder corporate responsibility, engage in social welfare, co-build a better home

Staying true to our mission of giving back to society, we're always on the front line of social welfare activities, making unremitting efforts to build a better home of mutual help and promote the co-prosperity and coordinated development of the whole society.

Looking into the future, Conch Venture will take up corporate responsibility, and advance the harmonious progress of society and the Group's sustainable development. And progress. We will always maintain close cooperative relations with customers, employees and partners to jointly build a clean, charming, prosperous and happy home.

China Conch Venture Holdings Limited
Chairman of the Board
Guo Jingbin

► **Corporate Governance**

Operating performance

Income from the main environmental protection business

RMB **7,896**

Anti-corruption

Coverage of Code of Ethics and Business Conduct among employees **100** %

Group-wide internal audits **10**

► **Environment**

Environmental management

Disposal of domestic waste throughout the year **10.33** million tons

Total ISO 14001 certificates **11** companies

Climate and emission reduction

Commitment to achieving carbon peaking in 2030 and carbon neutrality in 2050.

► **Social responsibility**

Health and safety

Emergency drills **473**

Work injury rate per 1,000 employees **1.7** %

Talent development

Total training hours for employees **910,224** hours

Physical examination coverage among employees **100** %

Social public welfare

Customer satisfaction survey Satisfaction of over **97** %

Scientific and technological innovation

Patents in total **340**

Products and services

Percentage of solved complaints **100** %

► **Rating Performance**

MSCI ESG rating

A



Performance Highlights in 2022

Relevant Awards

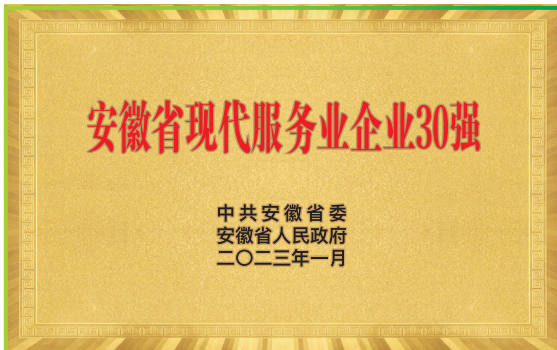


Top 500 Listed Companies in China
by Market Capitalization



福布斯全球企业2000强榜单
2021年度

Forbes Global 2000



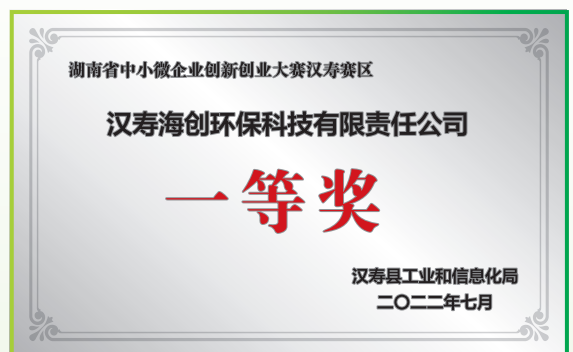
CV Green Energy Selected as Top 30 Modern
Service Enterprises in Anhui Province in 2022



Tongchuan Environmental Protection won
the honorary title of "Advanced Enterprise
of Energy Saving and Emission Reduction in Shaanxi
Province during the 13th Five-Year Plan"



Luxi Environmental Protection
won the honorary titles of
"Advanced Unit of Ecological Civilization"



Hanshou Environmental Protection won an honorary
certificate in Hunan during the 2022 National Mass
Entrepreneurship and Innovation Week

1 Introduction to Conch Venture

About Us / Business layout

As a listed company mainly engaged in environmental protection, Conch Venture has always undertaken the mission of promoting sustainable development. While actively participating in the battle to prevent and control pollution, we strive to develop new energy businesses and make contributions to the construction of national ecological civilization.

1 Introduction to Conch Venture

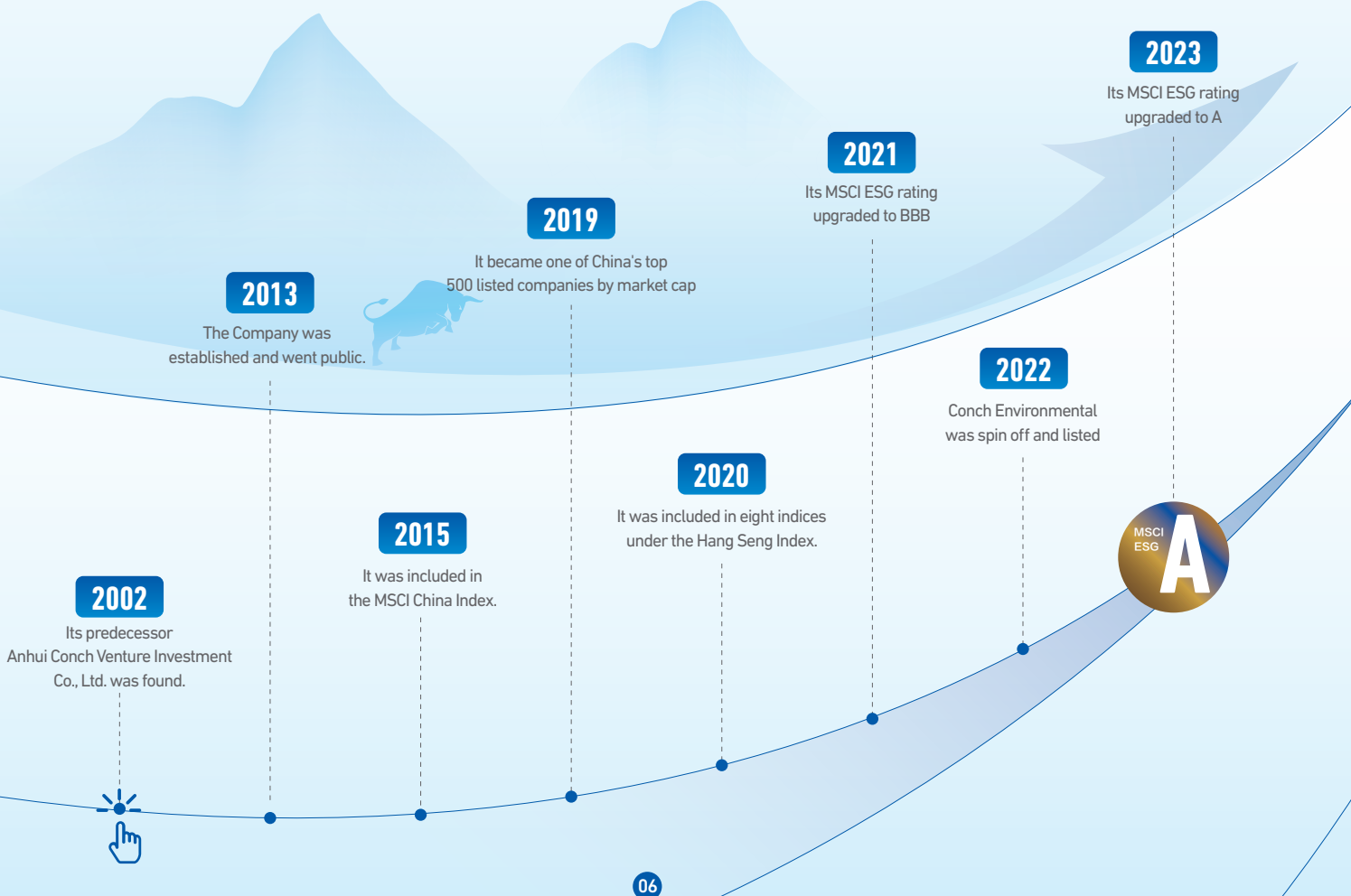
1.1 About Us

Listed on the SEHK Main Board on December 19, 2013, the Group is a large conglomerate providing "one-stop" solutions for energy conservation and environmental protection. In March 2022, the Group successfully spun off the former industrial solid and hazardous waste treatment business unit that was separately listed on the SEHK Main Board. After the spin-off, Conch Venture mainly focuses on four business segments: domestic waste disposal, new energy materials, new building materials, and port logistics. In the future, the Group will closely follow China's efforts to vigorously develop green and low-carbon industries. While maintaining the steady growth of the environmental protection industry, the Group will give its priority to the new energy materials segment by leveraging high-quality cement kiln resources to vigorously develop the recycling industry and create a closed loop for the new energy industry and establish a development layout with "environmental protection and new energy" as two engines.

Conch Venture has been practicing the idea that "lucid waters and lush mountains are invaluable assets." Regarding "making the sky become bluer, mountains greener, water clearer and life better" as its mission, the Company has seized the opportunities from environmental protection industry development, upgrading its principal business during the transformation. Its waste disposal business has established a nationwide presence and is gradually reaching international markets. Our new energy business consists of three major segments: lithium iron phosphate (LFP) cathode materials, anode materials for power batteries and energy storage batteries and recycling of new energy materials. New energy business will become an important direction of the Group's environmental protection industry.

In 2022, Conch Venture forged ahead and put quality first, with the environmental protection sector gaining "new momentum". During the Reporting Period, the Group was committed to the steady development of its waste disposal business and building the initial layout of the new energy business. During the Reporting Period, the Group has promoted and signed 118 environmental protection projects in 25 provinces, municipalities, autonomous regions and Vietnam. Among them, there are 101 grate furnace waste power generation projects, earning the Company the second place in China by added capacities, two kitchen waste treatment projects, ten waste treatment by cement kilns projects, with a contracted annual processing capacity of 740,000 tons; two new energy material projects and three lithium battery recycling projects with a contracted annual processing capacities of 45,000 tons. As a result, the Company is capable of disposing 20,324,000 tons of domestic wastes per year (representing approximate 56,670 tons per day).

During the Reporting Period, the continuing operations of the Group achieved operating revenue of RMB7.896 billion, which increased by approximately 18.20% as compared with the corresponding period of the previous year. Net profit (excluding share of profits of associates) of our principal activities attributable to equity shareholders of the Group from continuing operations for 2022 amounted to RMB0.915 billion, increased by approximately 22.53% as compared with the corresponding period of the previous year.



1.2 Business layout

The Group's main business consists of four major sectors: waste disposal, new energy materials, new building materials and port logistics.

The Group always keeping to green development and environmental protection as its main business, has entered the new energy industry at a ripe time and maintained strong momentum. With the new five-year development plan as the guideline, the Group focuses on the quality of industrial development and strives to grasp the opportunity of a "carbon peaking and carbon neutrality" strategy to improve quality, increase benefits and stabilize growth. With a well-designed portfolio of "waste disposal, new energy materials and recycling industries", the Group will sharpen its core competency throughout the whole industrial chain, thereby driving the Company's high-quality development and building an environmental protection enterprise group that is "first in China and leading in the world".

Waste Disposal

Conch Venture's waste disposal business has established a national layout and reached out to the international markets. Since our listing, we have always focused on the development of high-quality projects, and continuously improved the disposal process and the quality of project operation. We've secured a leading position by the scale of the under-operation waste-to-energy projects. During the Reporting Period, 26 waste disposal projects were added to Conch Venture, including 11 project companies acquired from Agile Group Holdings Limited and Hangzhou Jinjiang Group. These projects bring additional capacities of 6.33 million tons per year.

New Energy Materials

By following the trends, the Group has rapidly entered the new energy industry and actively established a presence in cathode and anode materials segments in the new energy sector, seeking development opportunities along the upstream and downstream of the industrial chain. During the Reporting Period, the first phase of the Group's lithium iron phosphate (LFP) cathode material project with an annual output of 50,000 tons has successfully started trial production, and the integrated project for anode materials of power battery and energy storage battery, with annual capacities of 200,000 tons, has been inked. Meanwhile, the Group, together with Kawasaki Heavy Industries, developed the CKB lithium battery recycling pilot project, creating the world's first set of roasting processes to dispose of used lithium batteries. During the Reporting Period, the recycling project of the new energy materials was included by the Ministry of Information and Industry in the "white list" of enterprises. With the contracted processing capacities of 45,000 tons per year, this project is expected to have a promising future.

New Building Materials

The Group has made positive progress in the development of new building materials. The Conch fiber cement sheets made from various recoverable materials feature a combination of excellent performance of energy saving and environmental protection, fire retardant, good weather resistance and convenient construction. The product can be widely used in exterior wall insulation and decoration, interior wall decoration and protection, wall lining, ceiling, flooring, billboards, cabin partitions, fireproof sheet, furniture partitions and post-processing treatments such as painting, perforation and embossing.

Port Logistics

The Group operates port logistics business, and operates a professional coal transfer terminal that provides coal loading and unloading trans-shipment and warehousing services for various enterprises in the society, and provides trans-shipment channels for large enterprises such as power plants, steel mills and building material plants in the middle and upper reaches of the Yangtze River, playing an important role in the development of the local economy. At present, it has become one of the largest professional coal terminals in the Yangtze River.



2 Efficient Corporate Governance

Board Statement / Corporate Governance / Stakeholder Engagement / Materiality Analysis / Integrity Operation

We recognize that a sound corporate governance structure is the cornerstone and guarantee for the sound development of enterprises, we have further improved the corporate governance structure and enhanced corporate governance and competitiveness so as to protect the rights and interests of all stakeholders.

2.1 Board Statement

Board Duties

The Board has ultimate responsibility for the ESG of Conch Venture. It is responsible for the overall ESG performance of the Group, including the formulation and approval of ESG strategies and policies, in strict accordance with the relevant regulations including the Appendix 27 Environmental, Social and Governance Reporting Guide of the HKEX Listing Rules.

The Board has a Strategy, Sustainability and Risk Management Committee that assists the Board in fulfilling its management and supervision responsibilities related to sustainable development. This committee is responsible for formulating and regularly checking the planning of the Group's development strategies, supervising the corporate risk management, conducting research and providing suggestions on the policies for the Group's sustainable development, overseeing and reviewing the Group's risk management system.

During the Reporting Period, the Strategy, Sustainability and Risk Management Committee is chaired by Mr. Guo Jingbin, the chairman of the Board, and also comprises the executive director Mr. Ji Qinying, the non-executive director Mr. Yu Kaijun and the independent non-executive director Mr. Chan Chi On. For more information on the Strategy, Sustainability and Risk Management Committee, please refer to the Terms of Reference of the Strategy, Sustainability and Risk Management Committee of the Board of Directors.¹

Daily Implementation

During the Reporting Period, Conch Venture carried out the major following three measures on ESG performance enhancement:

- System establishment: Further played the role of the Strategy, Sustainability and Risk Management Committee, reviewed the 2021 ESG report, and guided the working group to carry out specific work on ESG-related matters. The Group established an ESG working group to push the ESG work in a top-down manner.
- Facilitating the ESG rating: regularly responded to the comments of MSCI on the rating, filled out DJSI questionnaires, actively responded to investors' concerns about the company's ESG governance, participated in ESG-related work, and enhanced the transparency of the Group's ESG information disclosure.
- Formulation of quantitative objectives for sustainable development: The environmental performance of Conch Venture was analyzed and identified, and environment-related qualitative objectives were developed in combination with future development planning.

Risk Management

Conch Venture's Strategy, Sustainability and Risk Management Committee oversees the Group's risk management, reviewed the Group's risk management plan, and conducted research, analysis and risk assessment for the Group's sustainable development and ESG-related matters.

Materiality Analysis

Conch Venture highly values the expectations of internal and external stakeholders. Based on the developments of the industry and the Group in conjunction with the opinions of internal and external stakeholders, the performance of peers and the international ESG development trends, the Group identifies significant issues to develop ESG strategies, objectives and management guidelines. The materiality analysis results will be expounded in Section 2.4 - Materiality Issue Analysis.

¹ https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0329/2021032901451_c.pdf

2 Efficient Corporate Governance

2.2 Corporate Governance

2.2.1 Board Governance Mechanism

Conch Venture has formulated basic standards of corporate governance and established a well-designed governance structure in strict compliance with relevant rules and regulations including the Corporate Governance Code contained in Appendix 14 of the Listing Rules. The Board consists of the Audit Committee, the Remuneration and Nomination Committee and the Strategy, Sustainability and Risk Management Committee, each of which in accordance with its specific functions, assists the Group in optimizing its management system and works together to ensure the sound operation of the Group.

Board of Directors	Audit Committee	➤	Responsible for the engagement, reselection, coordination and supervision of auditors; reviewing financial statements and other information as well as the effectiveness of the Group's financial reporting system, and overseeing and checking the Group's internal control system.
	Remuneration and Nomination Committee	➤	Responsible for making recommendations to the Board on the overall remuneration policy and structure for all directors and senior management, and establishing a compliant and transparent remuneration policy.
	Strategy, Sustainability and Risk Management Committee	➤	Responsible for formulating and regularly checking the planning of the Group's development strategies, supervising the corporate risk management, conducting research and providing suggestions on the policies for the Group's sustainable development, regularly reviewing the Group's sustainable development strategy and its implementation and making recommendations accordingly, overseeing and reviewing the Group's risk management system.

2.2.2 Board Diversity

Conch Venture believes that a professional and effective board with diverse backgrounds can facilitate the generation and integration of different opinions, broaden the Group's management perspectives and enhance the effectiveness of strategic decision-making. The Group has formulated the *Board Diversity Policy*² which commits all Board members to the principle of prioritizing the talents of candidates and taking into account the diversity in terms of skills, experience, culture, independence, and age, among others, so as to ensure that the Board can meet the management requirements of the Group for strategic development.

Name of Director ³	Committee	Duty	Experience
Mr. Guo Jingbin	Strategy, Sustainability and Risk Management Committee	Non-executive Director and Chairman of the Board	Industry Experience
Mr. Ji Qinying	Strategy, Sustainability and Risk Management Committee	Executive Director, Vice Chairman of the Board, Chief Executive Officer	Industry Experience
Mr. Shu Mao		Executive Director and Executive Deputy General Manager	Industry Experience
Mr. Li Jian		Executive Director, Deputy General Manager	Industry Experience
Mr. Li Daming		Executive Director	Industry Experience
Mr. Yu Kaijun	Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Non-Executive Director	Industry Experience Financial Management
Mr. Chan Chi On	Audit Committee, Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Independent Non-Executive Director	Risk Management Financial Management
Mr. Chan Kai Wing	Audit Committee, Remuneration and Nomination Committee	Independent Non-Executive Director	Risk Management Financial Management
Mr. Lau Chi Wah, Alex	Audit Committee, Remuneration and Nomination Committee	Independent Non-Executive Director	Risk Management Financial Management

² http://www.conchventure.com/Public/Uploads/uploadfile/files/20191220/20191220145336_5dfc6ff01cdca.pdf

³ Please refer to Section Eight of the Annual Report for detailed biographies of board members.

2.2 Corporate Governance

2.2.3 Internal Control and Risk Management

Conch Venture actively controls various risks that may arise in production and operation, and continuously improves the internal control and risk management systems to ensure the steady development of business activities. The Group strictly follows the requirements for risk management under the Listing Rules. Based on the risk control system construction, we have monitored and managed potential risks related to a safe environment and health management, production site management, accounts receivable, economic contract management and inventory management, among others, with the objectives of "building system, consolidating foundation, unifying standards and focusing on control, linking from top to down and quantifying management" in risk control system construction. In addition, we have further refined the three-tier structure of risk management, including "department, regional committee and subsidiary", incorporating regional subsidiaries into the risk management system in order to encourage them to improve risk control efficiency and optimize personnel and resources.

During the Reporting Period, on the basis of the implementation of various management requirements, we discussed and formulated the *2022 Guidelines for Risk Control and Internal Control*, which set out internal control management requirements for companies with established internal control systems, newly commissioned and acquired companies respectively, and clarified the main responsibilities and the tasks of management bodies at all levels in 2022, coordinated the annual internal control work of the Group and its subsidiaries for supervision and assessment. We also schedule the checklist of the audit work on a quarterly basis, focusing on the audit of the project companies that have been put into operation.

During the Reporting Period, the Company conducted the off-office audit for the main responsible persons of ten project companies and rectified the issues found in a timely manner.



Improve project audit	We strictly implement the management process, control the payment on the basis of project progress, reasonably organize the audit of the project settlement, improve the audit efficiency to ensure the audit quality and timely audit the construction budget, participate in the supervision of the whole process of the project bidding, so as to ensure the smooth progress of the project and compliance with the bidding procedure.
Manage financial budget	We have adopted the NC system to carry out centralized accounting and processing of the Group's financial data to improve the efficiency of financial management while ensuring data security. Each subsidiary prepares and submits its own budget management according to the budget management circular, and the Group will hold meetings to review and approve the budgets after the regional review.
Review supervision and audit talent pool	During the Reporting Period, we analyzed the Group's existing human resources for supervision and audit. In the first quarter, we formulated and issued the <i>Implementation Plan for Building and Utilizing the Talent Pool for Supervision and Audit</i> , carried out the decisions of the Company's management on supervision and audit and organized the implementation of the supervision.
Optimize internal control matrix	During the Reporting Period, we revised and improved the internal control matrix of the Company, and developed a risk map for CV Green Energy on the basis of the Company's inherent and potential risks. We maintained the risk database regularly in accordance with the system process to further improve the risk control system.
Perform self-assessment inspection for internal control and risk management	In July 2022, we conducted a self-assessment and inspection of our risk management and internal control operations during the Reporting Period in accordance with the <i>Group's Self-assessment Work System for Internal Control and Assessment Criteria for Internal Control Deficiencies</i> , taking into account factors such as our business scale, industry characteristics, risk appetite and risk tolerance. We formulated a detailed list of rectification measures for the specific internal control deficiencies and issues identified in the self-assessment, improved the management system for the internal control deficiencies and rectified the specific issues. The self-assessment shows that the Group did not have material risks and internal control deficiencies during the Reporting Period. We evaluated the business process and key control activities of CV Green Energy's internal control work, and selected the pilot subsidiary Lujiang Environmental Protection to carry out internal control self-assessment and produced an internal control self-assessment report. Based on the internal control deficiencies that were identified, Lujiang Environmental Protection completed the rectification in a timely manner as required.
Carry out the walk-through test of waste power generation company	During the Reporting Period, we conducted walk-through tests on waste-to-energy companies, focusing on the compliance of the sales and collection management. We ensure the internal control effectiveness of the waste-to-energy companies by checking the consistency of the data on the incoming wastes and the information on the external settlement bills as well as the seals of contract parties, and by confirming whether the accounts receivable ledger has been properly approved.
Ensure business continuity	The Group's Operations Management Department analyzes the increase in production capacity of energy-based power generation on a monthly basis and prepares a report on the capacity expansion. We put the focus on the amount of the incoming waste for capacity expansion outside the franchise agreement, and arrange the key tasks for the coming month accordingly.

2 Efficient Corporate Governance

2.2 Corporate Governance

We are committed to improving the internal control and risk management awareness throughout the Group by regularly holding various internal control training. We've gradually formed a systematic, inheritable, and long-term internal control culture system to ensure that relevant personnel consciously abide by various systems from top to bottom in work practice.



Internal control training

Conduct training sessions on key internal control issues to enhance the effectiveness of the Group's internal controls. Training topics include, but are not limited to, market expectations or specific regulatory requirements for financial reporting of listed companies, the risk of making false records, misleading statements or material omissions in financial reports, and preventing the risk of fraud by "key minorities" such as directors, supervisors, senior management and actual controllers of listed companies.

Conch Venture actively identifies the risk points of business compliance and plays its role in legal review to analyze the Company's management system and economic contracts and study the investment projects in terms of the entity qualification, legality of the content, execution feasibility of terms and the controllability of legal risks, among others. In this way, Conch Venture ensures that Company's production and operation meet the requirements of laws and regulations.

Review contract signing

Strictly review the signing of contracts to prevent legal risks arising from unqualified parties to contracts and unclear definition of rights and obligations in contracts. Discuss and update the legal terms of the Company's various contracts.

Review contract execution

Strictly monitor the execution of the contracts, carry out on-site inspections of the subsidiaries' business operation contracts, pay attention to the changes in the qualifications and creditworthiness of the parties to the contracts, the consistency of the execution process with the agreed terms, as well as the effectiveness of supplementary terms, reconciliation confirmation and contract transfer behaviors, and control and reduce the legal risks of the contract throughout the process.

At the same time, we provide on-site legal services and legal training to each regional subsidiary on a monthly basis. By reviewing the contract management, personnel management and other aspects of the regional project companies, we propose relevant legal suggestions to the project companies and answer legal questions raised by the staff of the project companies. For subsidiaries with frequent labor disputes, we organized training sessions on employment-related legal risk management and control for persons responsible for human resources management in subsidiaries, so as to help them improve risk mitigation capabilities.

During the Reporting Period, the Group handled a total of 18 litigation cases, and no major legal liability disputes occurred in Conch Venture.

Case: Training on laws and regulations

During the Reporting Period, the Group took advantage of the joint-stock reform of CV Green Energy and engaged external professional institutions to provide compliance training to the company's directors, supervisors and senior management.



Case: Dispute over the liability of the project company for injured worker

During the Reporting Period, Conch Venture handled a dispute over the liability and eventually won the case, relieving the project company of legal responsibility. After the conclusion of this litigation, we sorted out the time nodes of the case and wrote a detailed report in which we made management recommendations on the production and operation issues exposed by the case.

In addition, we shared the relevant legal knowledge related to this dispute, which provided a reference for the project company in dealing with similar disputes in production and operation.

During the Reporting Period, Conch Venture conducted ten internal audits and identified 63 risk points that have been rectified. In the future, the Group will continue to promote the continuous improvement of the internal control system and integrate risk control measures into the daily operation and management system of the project companies. At the same time, the Group will coordinate with external institutions to facilitate overseas enterprises in the construction of professional systems, plan implementation, production and operation, risk and internal control management, etc., urge project enterprises to establish professional management and systems, push forward system construction, improve management implementation, so as to enhance the professional management and risk prevention.

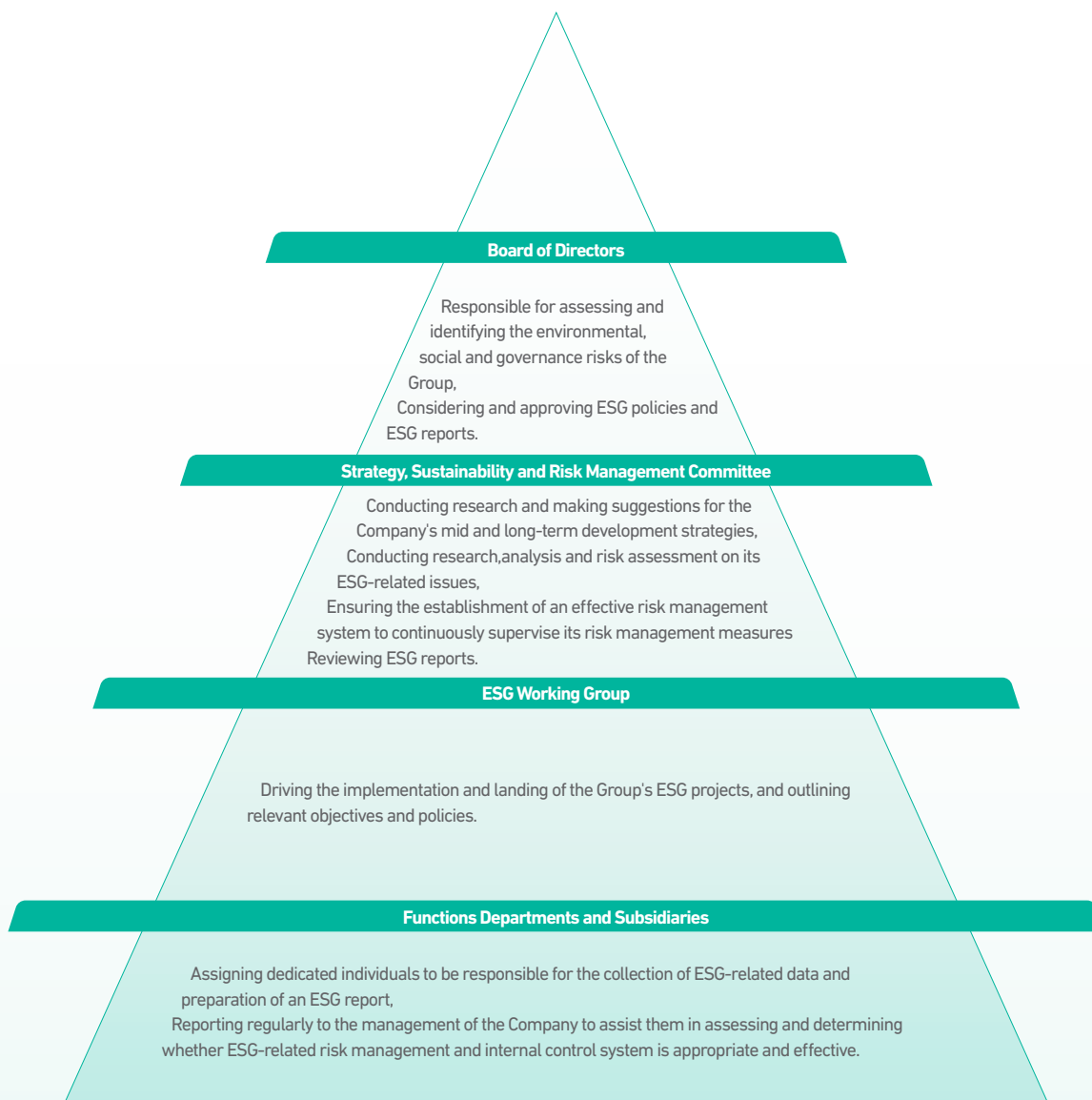
2.2 Corporate Governance

2.2.4 ESG Governance

Focusing on the development of the energy-saving and environmental protection industry, Conch Venture is deeply engaged in the environmental protection segment to drive the development of the low-carbon economy. The Group has been actively practicing the concept of sustainable development, integrating ESG management into our daily decision-making operation management to advance our sustainable development.

Conch Venture is committed to building an ESG management structure with clear authority and responsibility, and working together to ensure the effectiveness of the Group's ESG governance. During the Reporting Period, we through out an ESG working group, with Mr. Li Daming, Executive Director, as the leader, and the heads of various professional departments as members. This group worked with functional departments and subsidiaries to advance ESG-related policies and work.

The Group has included ESG-related performance indicators, such as environmental liability accidents, environmental protection penalties and safety production related accidents, in the annual objective assessment, in order to further promote ESG development. Such indicators are linked to the performance and remuneration of the management at all levels. We will take corresponding reward and punishment measures for the management based on their performance.



2 Efficient Corporate Governance

2.3 Stakeholder Engagement

Conch Venture highly values the communication of internal and external stakeholders, which are an important consideration in developing the ESG strategy and optimize ESG management. Target based on Conch Venture's business layout and development strategy, we identified and determined six groups of key stakeholders, their core concerns and corresponding communication channels through internal and external analysis and talks with various departments. Meanwhile, we established and improved our channels to communicate with stakeholders, and responded positively to the demands we have learned through participation in various industry seminars, academic conferences and other large-scale communication activities.

Stakeholder Identification	Topics of Concern	Communication Methods
Shareholders and investors	Anti-corruption, Compliance Operations, Greenhouse Gas Emissions, Energy Efficiency, Climate Change Risks, Clean Technology Opportunities, Occupational Health and Safety.	Face-to-face meetings for annual and interim reports and other results publication, General Meeting of Shareholders, Exchanges with listed companies, Daily communication and exchanges Questionnaire surveys.
Employees	Occupational Health and Safety, Staff Training and Development, Employee Welfare, Child Labor and Forced Labor.	Employee Training and Activities, Employee Satisfaction Survey, Internal magazines, and information sharing platforms.
Government and regulatory authorities	Occupational Health and Safety ,Air Emissions,Wastewater Discharge, Hazardous Waste Discharge,Non-hazardous Waste Discharge, Environmental Protection Education,Anti-corruption, Child Labor and Forced Labor, Product Quality and Safety, Water Resource Management.	Government-organized meetings Announcements, press releases Annual reports, ESG reports Regular communication Report approval.
Partners and suppliers	Supply Chain Management,Use of Materials.	Surveys and researches, Supplier assessments, Supplier training, Supplier audit, Technical training, Daily/online communication.
Customers	Customer Privacy,Customer Service.	Professional academic exchanges. Customer satisfaction survey. Customer service hotline Strategic cooperation.
Social organization	Community Building,Product Quality and Safety, Compliance Operations,Air Emissions,Wastewater Discharge, Hazardous Waste Discharge,Non-hazardous Waste Discharge, Environmental Protection Education,Greenhouse Gas Emissions, Climate Change Risks,Clean Technology Opportunities, Water Resources Management.	Press releases, announcements Public welfare activities Corporate public conference Official website and WeChat public account Media interviews and communication

2.4 Materiality Analysis

Based on the current status of our business operation and suggestions from internal and external stakeholders, Conch Venture identified 22 material issues in the ESG report. At the same time, we ranked these material issues by importance and drew a matrix of material issues in accordance with the performance of peers, consultation with experts and feedback from our management. These high-materiality issues are considered important directions for sustainable development of the Company. We will disclose information on these types of issues in the Report.



* Bold font for topics of high materiality

2 Efficient Corporate Governance

2.5 Integrity Operation

2.5.1 Business Information Protection

Conch Venture attaches great importance to information security and business information protection, continuously optimizes information security technology and security operation system, and is committed to strengthening information security and trade secret protection of the Company and its customers and partners. The Group has formulated internal management measures such as *the Extranet Publicity Management Measures* and *Internal Information Security Management Measures* to further standardize the Group's business information protection management at the document level. We have introduced the internal office platform and operation monitoring platform, and all production data and office information have been uploaded to the cloud. Meanwhile, we established an archive room for offline backup and unified management of the Company's business information, so as to ensure the confidentiality and stability of the Group's data. In addition, in order to improve employees' awareness of office security, we publicized and implemented information security requirements for new employees and clarify specific requirements in the employee handbook. During the Reporting Period, we did not have any major information security and commercial secret leakage incidents."

Case: Conch Venture organized training on network and information security

In order to strengthen the Company's network and information security management and further improve the network security awareness and protection skills of all employees, Conch Venture and CV Group jointly held a training session on security and information security on the morning of November 5. An expert from the network and information security team of the network operation and maintenance center of China Telecom's Wuhu Branch, was invited to give a lecture. Employees from various regions and subsidiaries attended the training either in person or online, to enhance their awareness and capability of dealing with information security risks.



2.5.2 Anti-Corruption and Anti-Fraud

Conch Venture strictly abides by the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China* and other relevant laws and regulations, and has formulated internal systems such as the *Implementation Guidelines for Anti-Fraud Work*, the *Management Measures of Complaints and Whistleblowing* and the *Measures for Resolving Issues of Complaints and Whistleblowing* applicable to all subsidiaries. Conch Venture also regularly review such internal systems to ensure their effectiveness. During the Reporting Period, we revised the *Management Measures of Complaints and Whistleblowing* to clearly regulate the behavior of internal and external personnel of the Group involving fraud, receiving bribes and kickbacks, embezzling and misappropriating Company funds for improper personal benefits and damaging the economic interests of the Company, so as to establish a framework for an Integrity business environment. During the Reporting Period, we also issued the *Notice on Strengthening the Construction of Work Style during the "Two Festivals"*, sending a clear signal to normalize the specific work for integrity and improve the officers' awareness of integrity and self-discipline so as to create a clean and upright holiday atmosphere and political ecosystem.

Adhering to the policy of "prevention first, publicity first", Conch Venture continues advancing the development of the compliance culture for business ethics and conducts regular anti-corruption training for key persons involved in procurement, project bidding and management, as well as key positions and fields. During the Reporting Period, a total of nine board members in our group participated in about 20-hour online or offline anti-corruption training, and a total of about 30 employees participated in 20-hour anti-corruption training. As a result, anti-corruption training covered 0.55% of our employees.

During the Reporting Period, the Group's Code of Business Ethics and Conducts covered 100% of its employees and the Company did not have any lawsuits related to corruption.

Case: Huoshan Environmental Protection held Clean Company activity

On March 7, 2022, Lu'an Branch of the Bank of China, and his colleague from the Huoshan Sub-branch visited Huoshan Environmental Protection to exchange views on building a clean enterprise. The Clean Partner Agreement was signed to establish clean, Integrity and win-win cooperation based on the concept of "simplicity, clarity and transparency" and a clean financial culture. The two sides will work together to realize information and resource sharing, complementary advantages and win-win cooperation, jointly build a supervision mechanism and open up a new chapter of bank-enterprise cooperation.

System Design

Optimize the internal control system of business ethics. The Strategy, Sustainability and Risk Management Committee is responsible for researching and advising anti-corruption policies to ensure the Group's compliance in business ethics research, and for defining the division of work and authority of each secondary department to ensure the effective implementation of the ethics management system within the Group.

Team Building

Adopt a two-way exchange or job rotation system for key positions to reduce the disputes on interests and ensure the effective operation and continuous improvement of the punishment and prevention system.

Supervision and Management

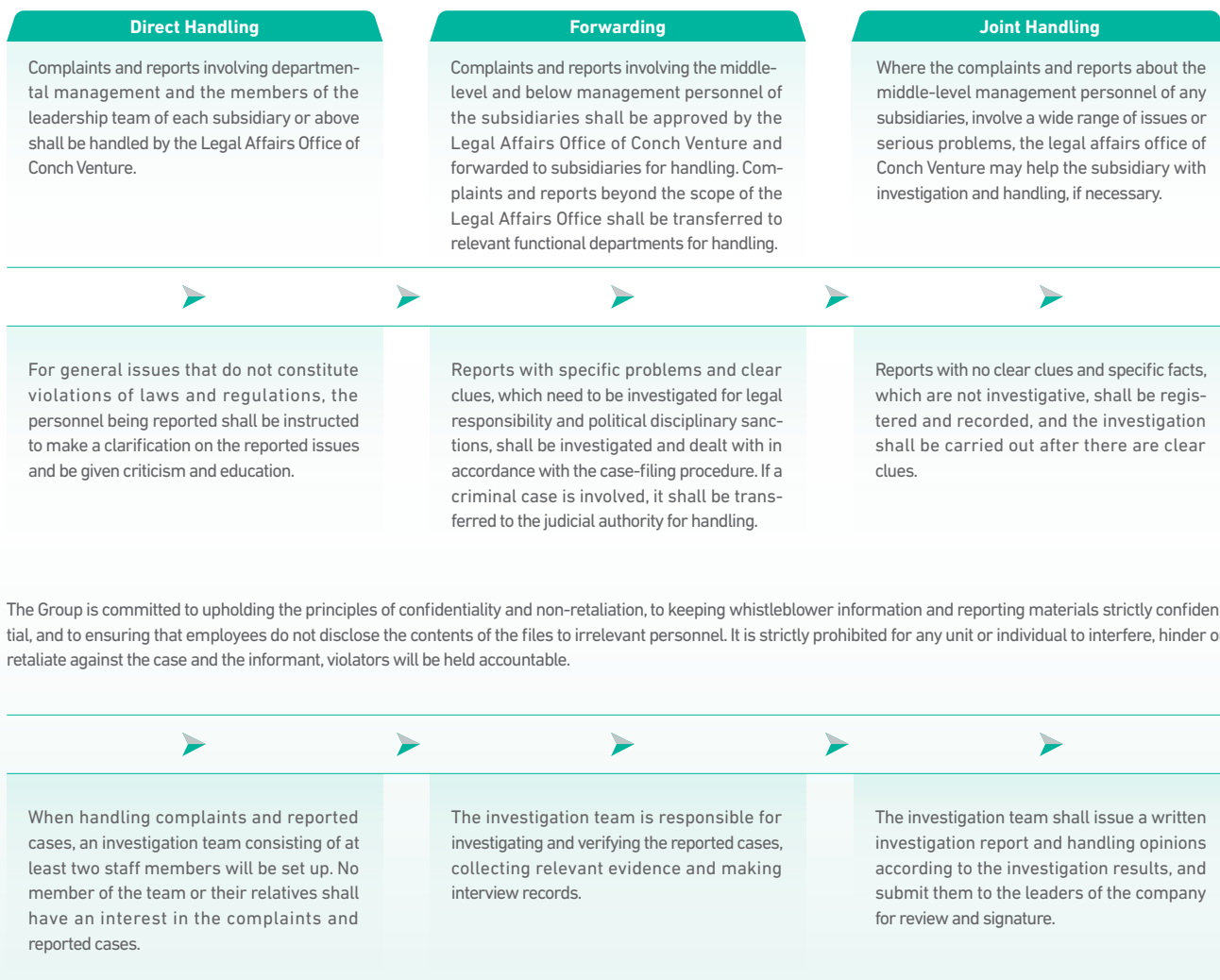
Set up an audit department to conduct audit for all operations within the Group, and include business ethics, anti-corruption and anti-bribery into off-office audit and routine audits. Communicate with both the management and ordinary employees of subsidiaries on anti-corruption and anti-bribery through onsite audits, so as to understand the developments of project companies. During the Reporting Period, the Group did not find any issues in the business ethics audit. All employees are required to sign the "Letter of Responsibility for Integrity" and the *Letter of Commitment to Integrity* every year.

2.5 Integrity Operation

2.5.3 Whistleblowing and Whistleblower Protection

While continuing to implement and improve the anti-fraud management mechanism, we have also established a mechanism for complaints and whistleblowing. Conch Venture always adheres to the laws and regulations as the criterion and takes facts as the basis to investigate and deal with violations of disciplines and regulations in accordance with the laws, provide open and direct whistleblowing channels and establish a stable and effective supervision mechanism to fight corruption. We have implemented the strategy of "responsibilities share amongst different levels and relevant cases vest to respective departments" and insist on combining solving practical problems with ideological education. During the Reporting Period, we updated *the Management Measures of Complaints and Whistleblowing*, according to which the Audit Committee under the Board is ultimately responsible for supervision and implementation while the legal affairs office is the executive department for overseeing and enforcing these measures.

The Group provides various whistleblowing channels for employees, suppliers, customers and engineering contractors who have business relationships with the Company to ensure that they can report and accuse problems related to corruption, bribery, and fraud within the jurisdiction of Conch Venture in the form of letters, e-mails, faxes, phone calls, text messages, and on-site visits. Based on the specific situation, the Group's Audit Department will handle the reported clues in a graded manner: direct handling, forwarding and joint handling.



The Group is committed to upholding the principles of confidentiality and non-retaliation, to keeping whistleblower information and reporting materials strictly confidential, and to ensuring that employees do not disclose the contents of the files to irrelevant personnel. It is strictly prohibited for any unit or individual to interfere, hinder or retaliate against the case and the informant, violators will be held accountable.

3 Protecting the Earth

Green Development / Environmental Management / Emission Management / Climate Change / Natural Resources

Conch Venture actively responds to the national call for energy conservation and emission reduction, and pursues the concept of green development and low-carbon strategy. While promoting green development, we have followed the trend of market development, developed diverse business sectors, and actively identified and responded to climate change risks and opportunities.

3.1 Green Development

Green development is a major mission for all enterprises to adapt to nature and promote the harmonious coexistence between man and nature. It's the development of generating maximum economic and social benefits with the minimum resources and environmental costs, and it is a high-quality and sustainable development. In response to the national "dual-carbon" strategy, the Group has continued to boost the upgrading of the environmental protection industry, fight the battle of pollution prevention and control, and utilize its own business advantages to open up a world in the field of new energy.

Consolidating Environmental Protection Business

The grate furnace waste power generation technology developed by Conch Venture is characterized by a high level of automation, full degradation of dioxins, and full-process closed treatment without odor diffusion. The landfill leachate, after treatment, is used as cooling water, and the concentrated liquid is burned in the furnace. The water system is recycled to achieve zero sewage discharge.

The Group uses a cement kiln to cooperatively treat municipal solid waste, so that heavy metals in the waste form mixed crystal solidification with cement clinker by means of high temperature forging. The slag and fly ash generated after incineration can be used as cement raw materials to achieve harmless treatment. Therefore, it's an economical and environment-friendly treatment method.

Case: Pingguo Environmental Protection set up emergency disposal points to dispose of epidemic waste

Pingguo Environmental Protection is the Group's first domestic waste incineration power generation project in the Baise region. During the Spring Festival in 2022, when the city of Baise was closed due to the COVID-19 outbreak, the project company actively responded to the work arrangements of the Ecology and Environment Department of the Guangxi autonomous region and established emergency medical waste disposal facilities under the written instructions of the government. An emergency disposal point for medical waste was set up in Baise, where 616.3 tonnes of medical waste was treated in an emergency manner, providing a strong guarantee for resolutely guarding the last public health safety barrier of COVID-19 prevention and control. Moreover, the project company received a letter of thanks from the Ecology and Environment Department of the autonomous region and the Ecology and Environment Bureau of Baise City, of which the disposal point was used as a demonstration point of emergency waste treatment in Guangxi.

Expanding the Field of New Energy

The Group seizes the opportunity of the market development trend, quickly enters the field of new energy, and strives to become a leading benchmarking enterprise in the industry.

Lithium iron phosphate (LFP) new energy battery anode materials

Introduce complete sets of internationally advanced lithium iron phosphate intelligent equipment, take the unique nano "solid phase synthesis" technology, and generate the lithium iron phosphate (LFP) anode materials through the high precision batching, nano grinding, precise calcination and fine grinding and other production processes of the three main raw materials of iron phosphate, lithium carbonate and organic carbon sources, which are marked with such performance advantages as high energy density, good cycling performance, and use safety and stability, and are widely applied in new energy vehicle power batteries, energy storage batteries, 3C electronic products and other lithium battery fields.

Integration of power storage battery cathode materials

Adopt the domestic mature process technology to build a higher level of cathode materials production line at home. The main equipment includes the internationally advanced three-generation improved reactor, internationally leading carbonization furnace technology, and the improved graphitization furnace and process. Its advantages include stable product quality, increased multiplying power, and improved recycling. Products are ultimately used in the fields such as power (electric vehicles, such as new energy vehicles and electric bicycles, etc.), 3C consumer electronics and industrial energy storage.

First in China-the CKB lithium battery recycling project

The main process technology of the project is to extract valuable lithium metal by preheating and decomposition of electrolytes, crushing and screening, roasting, dissolution, pressure filtration, evaporation and crystallization of waste lithium batteries. At the same time, energy consumption is reduced through the full use of high temperature and low oxygen heat source of cement kiln, and toxic air emission is pyrolyzed.

Green Development Targets and Status

In order to achieve better sustainable development of the Group's environmental protection industry, we have preliminarily made a five-year

development plan for the waste disposal business and lithium battery recycling business, of which the details are being further improved.

Waste disposal

Target Time

By 2028, we will strive to achieve the signed scale of household waste disposal of 40 million tonnes/year (the operating scale of 30 million tonnes/year).

Specific Targets

The newly signed scale of the waste power generation project is 4 million tonnes/year in China and 6 million tonnes/year in foreign countries, with a total of 10 million tonnes/year.

The newly signed scale of en waste disposal project: 2 million tonnes/year.

The contract scale of the domestic waste landfill management project: 20 million tonnes/year.

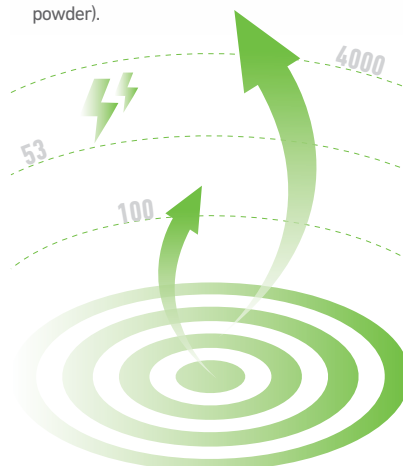
CKB Lithium battery recycling

Target Time

By the end of 2030, supported by appropriate cement kiln resources, the 53 CKB lithium battery recycling projects will be set up in the 20 provinces of China according to the plan, with a total scale of 1 million tonnes/year (including Conch's cement kilns).

Specific Targets

The 4 wet extraction center projects will be separately established in the four provinces of Anhui, Guangdong, Shandong and Sichuan according to the plan, with a total scale of 260,000 tonnes/year (calculated by black powder).



3 Protecting the Earth

3.1 Green Development

Application and Patent of New Energy Technology

To continuously carry out the concept of green development, reduce the use of resources, decrease costs and increase efficiency, Conch Venture has adopted the new clean technologies in some projects to decrease energy consumption and increase energy efficiency.

Case: New energy utilization technology of ground source heat pump

Huoshan Engineering, Ningguo Engineering and other projects use the ground source heat pump for air conditioning operations. Ground source heat pump is a new energy utilization technology that uses shallow ground energy for heating and cooling purposes. Through the use of the huge heating and cooling energy storage capacity of underground soil, the heat from the ground source is transferred to the building in winter, and then the cooling energy from the underground is transferred to the building in summer, forming a hot and cold cycle in a year. Compared with traditional electric air conditioning, ground source heat pump air conditioning saves about 50%-70% of energy. It is a renewable energy technology with no combustion, no smoke exhaust, no waste and no pollution.

During the Reporting Period, Conch Venture acquired the three utility model patents, which are as follows:



**Power generation using waste heat
A waste heat recovery system
for a waste heat boiler**



**Lithium batteries
A crushing and sorting system
for lithium batteries**



**Lithium batteries
A lithium battery external
heat kiln system**

Green Office

Conch Venture upholds the concept of the "harmonious coexistence of human and nature". Starting from reducing the carbon footprint of the Company's office operation, Conch Venture has organized and conducted green office activities in various forms and contents, implemented the Group's environmental protection tenet of "Promoting a Green China, Creating a Green Future", conveyed the concept of green office and created a green operation culture.

Paperless office

Achieve the whole process of electrification through the OA system, and bring a decrease trend to off-line paper-based offices, reduce the use of paper, avoid waste and advocate paperless office. Use OA system to quickly complete online signature and seal.

On-line meetings

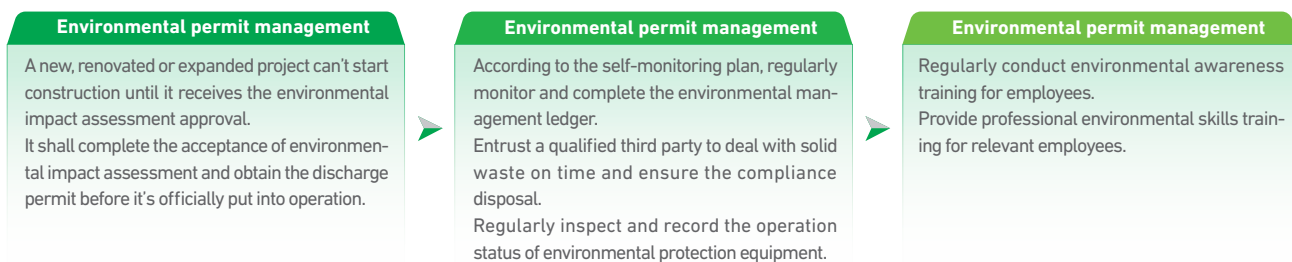
In order to reduce the gathering of people, save travel time and improve work efficiency, the Company uses online video conferencing software to hold various meetings, reducing meeting costs.

3.2 Environmental Management

Conch Venture strictly abides by the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Air Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Water Pollution*, the *Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Waste*, the *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, and other relevant laws and regulations at the places where it operates. With a view to enhancing Conch Venture's identification of environmental laws and regulations and implementing the latest requirements of laws and regulations, the Company has regularly identified and obtained environmental laws and regulations through multiple channels and updated its system documents in a timely manner.

In 2022, the Group identified and obtained relevant regulations and policy documents such as the *Law of the People's Republic of China on the Prevention and Control of Noise Pollution*, *Measures for the Administration of Environmental Information Disclosure by Enterprises According to Law*, *Guidance on Strengthening the Construction of County-level Domestic Waste Incineration Treatment Facilities*, and *Technical Guide for On-site Supervision and Inspection of Domestic Waste Incineration Power Plants (Exposure Draft)*. Furthermore, in compliance with the identified laws and regulations, the Group has organized the development of relevant systems such as *Rules on the Management of Labels Related to Automatic Monitoring Data of Household Waste Incineration Power Plant*, and *Environmental Management Ledger Template of Pollutant Discharge Units*, guided the proposed projects to further standardize the project site selection and environmental assessment, and instructed operating companies to standardize day-to-day environmental management.

On the basis of compliance operation, the Group lays stress on the construction of environmental management system. During the Reporting Period, Guanxian Guohuan, Hohhot Jiasheng, Jilin Shuangjia, Jiangxi Jingsheng, CK Shanghai and other subsidiaries had already obtained ISO 14001 environmental management system certification.



Conch Venture is committed to implementing the corporate culture of sustainable development. While adhering to green development, Conch Venture has provided special training on environmental protection and energy conservation to improve the employees' attention to environmental management.

Case: Conduct the training on environmental protection and energy conservation

In 2022, the Group provided online and offline training on environmental protection and energy conservation management according to the annual training plan and the epidemic situation. The Group conducted online training and exchange activities for safety and environmental protection management personnel and main responsible persons in Anhui Province, Xinjiang region, Hebei-Jilin-Inner Mongolia region, Shandong Province, Henan Province and Guangxi region. The training covered a total of 243 managers above the team leader level from 39 units. In addition, according to the annual training plan, each region also organized inter-regional exchange and training, which further raised the managers' management awareness and management skills in environmental protection and energy conservation. With a view to strengthening the exchange on environmental protection and energy conservation of the newly acquired companies, the Group organized and conducted on-site exchange and training activities on environmental

protection and energy conservation for the staff of the acquired companies, which effectively contributed to an overall increase in the environmental protection and energy conservation management of such companies.

In order to further identify potential environmental risks that may exist in operation, the Group has regularly conducted environmental protection inspections, including pre-acceptance of production, departmental supervision and regional-level mutual inspection, on the basis of the established

annual environmental objectives. In addition, we have established an accountability system for environmental protection, and connected environmental performance with the assessment and promotion of responsible persons. During the Reporting Period, there was not any major environmental violation in the Group.

The Group has identified the four major risk management points in its regular environmental inspection, and has formulated corresponding preventive measures to minimize the occurrence of risks and environmental pollution.

Risk of waste transportation	Risk of waste storage	Risk of flue gas disposal	Risk of leachate disposal
Clean up the waste that spills on the ground in time during loading and unloading	Design a strong waste storage pit and divide the overload warning line to prevent the deformation of the pool wall due to overloading of waste	Make the dosage control of the use of denitrified ammonia to ensure that the amount of ammonia meets denitrification requirements	The leachate treatment stations have dual power suppliers. For key equipment, there is one for backup and one for use
Reasonably plan the transportation route of waste	Establish waterproof, anti-seepage and anti-corrosion measures in the waste storage pit	Strengthen the maintenance of the injection system during the production process to ensure its normal operation	Strictly implement the anti-seepage requirements of groundwater zoning and strengthen the groundwater environmental monitoring management
Establish a waste collection inspection system	Make timely maintenance and repair		Regular maintenance of equipment

3 Protecting the Earth

3.3 Emission Management

Conch Venture strictly abides by the relevant laws, regulations and local emission standards of pollutants in the place where it operates, formulates relevant management systems, strictly controls the discharge of wastewater, air emission and solid waste, and reduces the total emissions while ensuring the compliance and stable discharge of pollutants.

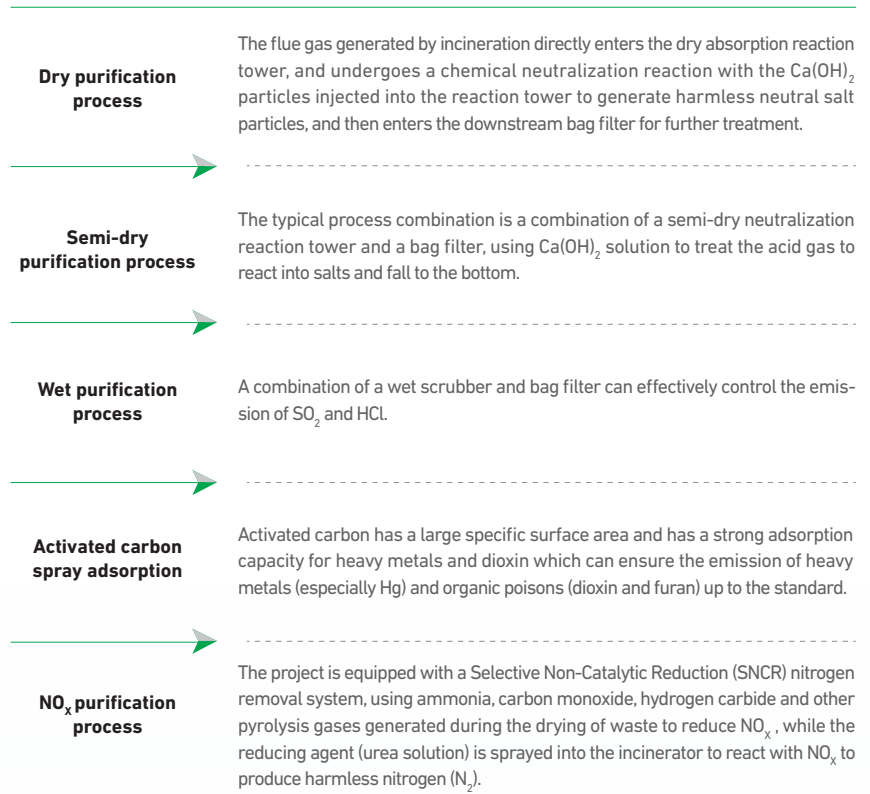
Each subsidiary, according to the Group's updated system and the local management requirements, and combined with the actual production conditions, has formulated and revised *the Regulations on the Management of Toxin-producing Chemicals, the Management System for the Disposal of Epidemic-related Waste, the Management Measures for Heat Prevention and Cooling, the Emergency Response Plan for Heavy Pollution Weather, the Special Emergency Plan for Epidemic Prevention and Control in Coordination with the Disposal of Epidemic-related Household Waste, the Management System for Rotating Safety Personnel, the Safety Management System for Relevant Parties, the Fire Safety Management System*, and other rules and regulations.

Management of Air emission

Conch Venture strictly complies with relevant laws and regulations such as *the Pollution Control Standard for Domestic Waste Incineration, Pollution Control Standard for Cement Kiln Co-processing of Solid Waste and Comprehensive Emission Standard for Air Pollutants*, implements *the monitoring requirements of Technical Self-monitoring of Pollutant Discharge Units--Solid Waste Incineration (HJ 1205-2021)* and other standards, and actively carries out monitoring of air emissions. We declare emission permits in a compliant manner to ensure compliant emissions. In addition, we have formulated internal management systems such as *Management System of Air Emission, Management System of Pollutant Online Monitoring Equipment and Data, Management System of Environmental Self-monitoring and Supervisory Monitoring*, etc., to minimize the generation and air emission while ensuring the compliance with emission standards. The Group's air emission mainly comes from the operation process of waste disposal projects. In order to monitor the air emission and pollutants in real time, we have established an online monitoring system for air emission and pollutants to ensure that the air emission meets the standards.

Our overall flue gas purification system adopts the combined process of "SNCR denitrification + rotary spray semi-dry method + slaked lime injection + activated carbon injection + bag filter". This process is featured by mature technologies, the high removal rate of harmful substances, and low emission concentration of heavy metals and dioxins.

Baoshan Environmental Protection and Shuangfeng Environmental Protection explored the optimal denitration efficiency, adjusted the spray position of ammonia spray gun, and reduced ammonia consumption and ammonia escape under the condition of meeting the emission standards of nitrogen oxides.



During the Reporting Period, the types and total amount of air emission generated by Conch Venture are as follows⁴:

Type	Unit	Total amount in 2021	Total amount in 2022
Nitrogen oxides (NO_x) emissions	Tonne	2,844	6,763 ⁵
Sulfur dioxide (SO_2) emissions	Tonne	756	1,585 ⁶
Particulate matter emissions	Tonne	103	280 ⁷
Carbon monoxide (CO) emissions	Tonne	246	618 ⁸
Hydrogen Chloride (HCl) emissions	Tonne	799	732
Hydrogen Fluoride (HF) emissions ⁹	Tonne	75	23

⁴ The solid waste treatment plant was separately divided into Conch Environmental Protection Company in March 2022. The total amount related to environment does not include the data of Conch Environmental Protection from January to March.

⁵ The newly acquired projects discharged 1,471 tonnes of NO_x in 2022. ⁶ The newly acquired projects discharged 238 tonnes of SO_2 in 2022.

⁷ The newly acquired projects discharged 68 tonnes of particulate matters in 2022. ⁸ The newly acquired projects discharged 183 tonnes of CO in 2022. ⁹ The HF emission source is cement kiln to cooperatively treat municipal solid waste.

3.3 Emission Management

Wastewater Discharge Management

Conch Venture strictly complies with the requirements of the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations to ensure the compliance of wastewater discharge. The wastewater generated by the Group mainly includes landfill leachate, domestic sewage, and flushing wastewater. After domestic wastewater is treated to meet the recycling standard of circulating cooling water, it's used in the circulating cooling water system. After the production wastewater is treated to meet the recycling standard, it's reused for production process without being discharged.

We have set up the leachate treatment system. The

Solid Waste Management

Conch Venture has proposed strict management requirements for solid waste, and has made a targeted solid waste management plan. We have entered into a disposal contract with a qualified third party to realize waste recovery and treatment through comprehensive utilization of part of solid waste, thus mitigating environmental pollution and achieving waste recycling.

Conch Venture strictly complies with the laws and regulations of the place where it operates, such as *the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste, the National Catalogue of Hazardous Waste (2021 Edition), and the Hazardous Waste Storage and Pollution Control Standard (GB 18597-2001)*, and manages the whole process of waste generated in the course of living and production operations.

Pursuant to the waste management procedures, we have conducted strict supervision and management of the generation, collection, classification, labeling, recording, storage, transportation, disposal and other links of waste. Furthermore, we have cooperated with qualified institutions to achieve compliance disposal. In order to implement the

Construction Management

With a view to intensifying environmental management and further enhancing the efficiency of pollutant treatment, all subsidiaries have actively explored the measures for better environmental management and reduced pollutant emissions through technological transformation and optimization of environmental treatment measures, so as to effectively fulfill the social management responsibilities of enterprises.

In the design stage of the project, efforts have been made to conduct improved planning, comprehensive analysis and reasonable layout and constantly take improved design on the pollution prevention and control within the plant area. Further efforts have also been made to use clean energy and raw materials,

concentrated water produced is mainly treated according to the method of re-injection incinerator and reuse for lime slurry preparation. The freshwater generated is used for cooling water refill, and the concentrated liquid is incinerated in the furnace or used for lime slurry preparation, thus achieving the recycling of the water system inside the plant.

When the discharge of production wastewater is approved in the environmental impact assessment approval, we treat the wastewater before discharg-

Type	Unit	Total amount in 2021	Total amount in 2022
Total wastewater discharged	Tonne	300	595,317 ¹⁰
Wastewater discharged per unit of revenue	Tonne/RMB 1,000,000	0.04	75.39

requirements for environmental management ledger records in relevant laws and systems, we have strengthened the Company's entity responsibility awareness and standardized the relevant requirements of each subsidiary's environmental management ledger record form, record content, record frequency, etc., so as to improve the informationization and capability of the Group's environmental management.

Case: Identification and monitoring system for hazardous waste

Non-hazardous wastes types	Unit	Total amount in 2021	Total amount in 2022
Amount of general solid wastes generated (recyclable)	Tonne	1,275,044	2,779,900
Amount of general solid wastes generated (non-recyclable)	Tonne	137	3,664
Total amount of general solid wastes generated	Tonne	1,275,181	2,783,564
Amount of general solid wastes generated per unit of revenue	Tonne/RMB 10,000	1.5	3.5
Hazardous wastes types	Unit	Total amount in 2021	Total amount in 2022
Total amount of hazardous wastes generated	Tonne	174,715	452,808 ¹¹
Amount of hazardous wastes generated per unit of revenue	Tonne/RMB 10,000	0.2	0.6

adopt advanced technology and equipment, control the pollution from the source of the project, enhance the utilization rate of resources, and carry out clean production, thus mitigating or eliminating the harm of pollutants to the surrounding environment.

During the construction period, in strict accordance with the requirements on environmental assessment and construction environmental management, the measures such as removing dust by spraying water, cleaning roads and making closed transportation were taken to weaken the impact of construction dust. The wastewater generated from construction was treated by precipitation and then reused. Efforts were made to make reasonable arrangements for construction time, minimize nighttime construction,

ing into the municipal pipe network, and conduct real-time online monitoring of wastewater factors (such as chemical oxygen demand, ammonia nitrogen, pH, etc.). In addition, we have entrusted a third party to conduct regular wastewater testing to ensure that the discharged wastewater is in compliance with local standards.

The subsidiary has installed the intelligent monitoring system of hazardous waste, and installed video monitoring, intelligent weighbridge and other equipment in the important sites for the generation, storage and logistics channels of hazardous waste (fly ash) within the factory, so as to realize real-time monitoring of the whole process of the generation, collection, transportation, storage and loading of hazardous waste, and achieve the integration of video, weighing, storage, working condition and discharge data. As a result, the whole process of hazardous waste can be monitored and traced by information technology.

and mitigate the impact of noises. Engineering machinery selected for construction operations should generate lower noise and meet emission requirements. The construction waste should be promptly removed after it's sorted and collected in a centralized manner. Furthermore, during the construction of the project, relevant units were entrusted to conduct environmental supervision by regularly monitoring the environmental impact of dust, wastewater, noise and ecological damage at the construction site during the construction period, so as to ensure compliance with the construction protection requirements and the prevention of environmental impact on the surrounding environment.

¹⁰ The newly acquired projects discharged 592,472 tonnes of wastewater in 2022. ¹¹ The newly acquired projects discharged 228,098 tonnes of hazardous waste in 2022.

3 Protecting the Earth

3.4 Climate Change

Energy conservation and emission reduction

Climate change is one of the greatest challenges facing the world today. In order to mitigate the impact of climate change to a maximum extent, Conch Ventures is committed to adopt green and sustainable measures to reduce our carbon footprint and promote sustainable development.

The Group's direct carbon emissions (Scope 1) mainly come from the use of diesel machinery, boilers, free vehicles, and natural gas; The Group's indirect carbon emissions (Scope 2) mainly come from purchased electricity and steam. The purchased power accounts for 42% of total carbon emissions, and therefore energy conservation and consumption reduction play a key role in cutting carbon emissions.

In order to reduce energy consumption, during the Reporting Period, we planned and continuously tracked energy use based on our production and operation plan, taking into account the business and production characteristics of each subsidiary. We also formulated the Annual Production and Operation Comprehensive Plan to reasonably manage energy use, control energy consumption, and improve production and operation efficiency while minimizing greenhouse gas emissions.

In order to save energy, Conch Venture has conducted personalized transformation of projects according to the characteristics of different projects and the characteristics of the local environment, promoted clean production, adjusted the operation of projects, and strictly controlled emissions.

Type	Measures for Transformation
Energy Structure	<ul style="list-style-type: none"> The photovoltaic system is actively used for the new energy anode materials project. This is the Company's first photovoltaic project, with a total investment of about RMB 16 million, a photovoltaic laying area of about 32,000 square meters, and the generated electricity of about 4.2MW.
Technical Transformation	<ul style="list-style-type: none"> Huoqiu Engineering has improved the accuracy of slaked lime injection and deacidification efficiency, and reduced the consumption of auxiliary materials and the energy consumption. Through the comparison of this technical transformation, the single consumption of lime paste is reduced by 5.83kg /t, and the energy saved annually is 106,109kWh. Baoshan Environmental Protection has carried out energy-saving transformation of cooling circulating water pump and the closed transformation of garbage transport treble, saving 508,100 KWH of electricity annually and reducing the unorganized emission concentration of garbage odor by 2 mg/m³
Equipment Upgrade	<ul style="list-style-type: none"> Tengchong Energy has changed the 132 kW circulating water pump to 90 kW circulating water pump, reducing energy consumption and saving about 311,800 KWH of electricity annually. Dehong Environmental Protection has retained the original motor under the condition that both the circulating flow rate and the pressure of the master pipe remain unchanged. The replaced water pump has the average power saving rate of 28.3%, saving 39.9 kWh of electricity per hour and 327,200 KWH per year.

During the Reporting Period, the Group's energy use and greenhouse gas emissions are as follows:

Energy Consumption	Unit	Total Amount in 2021	Total Amount in 2022
Direct energy consumption	Tonnes of standard coal equivalent	32,542	26,522
Indirect energy consumption	Tonnes of standard coal equivalent	24,720	8,379
Total energy consumption	Tonnes of standard coal equivalent	57,262	34,901
Energy consumption per unit of revenue	Tonnes of standard coal equivalent /RMB 1,000,000	6.9	4.4
Greenhouse Gas Emission	Unit	Total Amount in 2021	Total Amount in 2022
Scope 1 ¹²	Tonnes of CO ₂ e	40,290	61,188
Scope 2 ¹³	Tonnes of CO ₂ e	127,313	44,417
Total Greenhouse Gas Emissions	Tonnes of CO ₂ e	167,603	105,605
Greenhouse gas emissions per unit of revenue	Tonnes of CO ₂ e /RMB 1,000,000	20.1	13.4

¹² The calculation of Scope 1 greenhouse gas emissions refers to the *GHG Protocol* issued by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), and the *2006 IPCC Guidelines for National Greenhouse Gas Inventories* issued by the Intergovernmental Panel on Climate Change (IPCC). Scope 1 greenhouse gas emissions are natural gas, liquefied petroleum gas, diesel, gasoline, etc.

¹³ The calculation of Scope 2 greenhouse gas emissions refers to the *2012 China Regional Power Grid Baseline Emission Factors*. The main sources of Scope 2 greenhouse gas emissions are purchased electricity and purchased steam.

3.4 Climate Change

Climate Change Risk

In order to accurately identify the impact of climate change on the business of Conch Venture, and more comprehensively formulate risk response plans and identify opportunities, we have based on the framework and suggestions of TCFD (Task Force on Climate-related Financial Disclosures), developed climate risk management approaches and response measures to enhance the Company's resilience to climate change.

Risk category	Project	Risk description	Response
Transformational risk	Policy and law	<p>Strengthening emissions reporting obligations</p> <p>With the improvement and implementation of management measures such as carbon emissions and carbon trading, higher requirements have been imposed on Conch Venture's emissions reporting both domestically and internationally. At the same time, with the introduction of the new ESG reporting requirements of the Stock Exchange of Hong Kong, there are higher requirements for reporting on greenhouse gas emissions, measures to reduce emissions and the impact of operations on the environment.</p>	<p>Conch Venture strengthens the management of environmental data and the basis of statistical data collection, regularly collects and reviews environmental data, does a good job in carbon verification and discloses the data as required. On the other hand, Conch Venture adjusts its operation plan according to the actual situation, taking into account the emission goals and energy use plans.</p>
	Policy and law	<p>Change in policies</p> <p>Existing laws and regulations and industry standards include the <i>Environmental Protection Law of the People's Republic of China</i> and the <i>Energy Conservation Law of the People's Republic of China</i> and other emerging regulations which include carbon neutral goals set by the government, etc. Failure to comply with relevant local laws can result in negative impacts such as fines, loss of business, closure of operations, and brand and reputation.</p>	<p>We actively identifies prevailing laws, regulations and policies, interprets relevant policy orientations, pays attention to the release of policies in a timely manner, and strengthens communication with various regulatory authorities. Based on its own business and actual needs direction, Conch Venture formulates corporate development strategies and adjusts the direction of corporate development.</p>
	Reputation	<p>Relations with investors</p> <p>Due to the incineration mode of operation, waste power generation can be easily mistaken for a high carbon intensity business. Therefore, when compared with other renewable energy sources, Conch Venture waste to energy may become a lesser choice for investors who are concerned about carbon emissions.</p>	<p>Conch Venture uses empirical, scientific calculations to estimate the total greenhouse gas emissions from waste power generation projects and its ability to offset greenhouse gas emissions by displacing electricity produced using fossil fuels, diverting domestic waste, and avoiding the release of unorganized landfill gas.</p>
	Technology and Innovation Risk	<p>Investing heavily in technological innovation</p> <p>Facing increasingly stringent carbon reduction requirements, Conch Venture needs to increase investments in R&D innovation, which may increase operating costs, R&D expenditures for new and alternative technologies, and capital investment in technology development.</p>	<p>We continues to promote technological R&D and innovation, actively introduces professional technical talents, increases investments in independent technology R&D, and strives to promote the transformation of scientific and technological achievements. During the Reporting Period, Conch Venture devoted itself to the field of new energy. Through R&D innovation, it carried out research on the recycling and utilization of waste lithium batteries, and successfully completed the first set of CKB lithium battery recycling projects in China, contributing to the sustainable development of the country's new energy industry.</p>
Physical risk	Acute Risk	<p>Increased severity of extreme weather events such as typhoons and floods</p> <p>Some of the Company's operations are located in areas susceptible to tropical cyclones, hurricanes/typhoons, and floods, such as the coastal provinces of China, where extreme weather events can damage buildings, infrastructure, engineering and test equipment, causing damage to property and assets. Suppliers may not be able to provide services in a timely manner due to the effects of extreme weather events, causing business interruptions. Extreme weather events can affect the safety of employees and impact workforce management and planning. Increased severity of extreme weather events may result in higher premiums.</p>	<p>Conch Venture fully considers the impact of extreme weather when designing buildings to improve the building's own defense capabilities. Conch Venture has formulated a risk emergency mechanism for extreme weather in its operations to optimize the emergency management process of extreme weather, and carry out emergency drills on a regular basis.</p>
	Chronic Risk	<p>Sea-level rise</p> <p>Some of the Company's operations are located in China coastal provinces. Rising sea levels may cause damage to facilities and increase the cost of corporate infrastructure.</p>	<p>Conch Venture evaluates the surrounding conditions of each operation center, and takes timely measures to strengthen infrastructure construction at the same time, this risk will be considered as an important factor in site selection when investing new factories in the future.</p>

3 Protecting the Earth

3.5 Natural Resources

In terms of the conservation of natural resources, we shall take into account the relationship between resource utilization and development, give priority to conservation, and constantly enhance economic and intensive use of resources. More importantly, we shall also give priority to ecological protection, set the boundaries and bottom lines for resource exploitation and utilization, and restrict unreasonable overuse of natural resources.

Efficient Use of Water Resources

Conch Venture strictly abides by *the Water Law of the People's Republic of China, the Regulations on Water Abstraction Permits and Water Resources Fee Collection*, and other laws and regulations and related systems, prepares *the Project Water Resources Certification Report* and obtains approval every year, and reasonably takes water sources.

The primary water sources of the Group include municipal water, reclaimed water, and surface water treated by sewage treatment plants. Among them, municipal water is mainly used for daily office operation and boiler water, the reclaimed water and surface water treated by the sewage treatment plant is mainly used for circulating cooling water of the garbage power generation project and fire-fighting water. We not only reduce the use of water resources at the source, but also continue to promote the reuse of water resources, including improving metering facilities, making regular inspection, upgrading water-saving equipment, applying water-saving technology, and promoting recycling, so as to continuously improve the Company's water use efficiency.

Case: Treatment and reuse of reclaimed water

Kunming Engineering has added a residual electric wastewater treatment station, which is mainly used to treat sewage from the circulating water system and treatment water station through the use of a cooling tower. The discharged sewage from the cooling tower flows into the sedimentation tank, and the obtained clear water is used for effective reuse such as site greening and road washing, and the precipitated sludge is put into the slag pit to effectively enhance the sewage reuse rate.

During the Reporting Period, the types and total amount of water resources used by Conch Venture are as follows:

Types of water resources	Unit	Total amount in 2021	Total amount in 2022
Recycled water consumption	Tonne	1,466,905	29,605,218 ¹⁴
Total water consumption	Tonne	8,961,678	16,234,168 ¹⁵
Water consumption per unit of revenue	Tonne/RMB 1,000,000	1,073	2,056

Reduce the Use of Packaging Materials

The sustainable management of packaging materials is crucial to improving the efficiency of resource use. The packaging materials used by the Group mainly include plastics, cartons, wood, etc. We have continuously promoted the reduction, weight reduction, and substitution of packaging, eliminated excessive packaging, and reduced the impact on the environment.

During the Reporting Period, the types and total amount of packaging materials used by the Group are as follows:

Types of packaging materials	Unit	Total amount in 2021	Total amount in 2022
Plastic	Tonne	18	20
Carton	Tonne	4,440	6
Wood	Tonne	5	374
Other	Tonne	302	9
Total amount of packaging materials used	Tonne	4,765	409
Amount of packaging materials used per unit of revenue	Tonne/RMB 1,000,000	0.57	0.05

¹⁴ The recycled water consumption of the newly acquired projects in 2022 is 694,409 tonnes.

¹⁵ The total water consumption of the newly acquired projects in 2022 is 3,182,454 tonnes.

4 People-oriented

Talent Attraction / Talent Cultivation / Safety Guarantee / Employee Communication and Care

Conch Venture has always believed that talent is the core capital for sustainable development of an enterprise. Conch Venture respects and cherishes every employee, highlights the diversified exploration and attraction of talents, helps with the long-term development of employees, respects and protects the legitimate rights and interests of employees, creates a harmonious and safe working environment, and continuously promotes the common growth and prosperity of employees and the Group.

4 People-oriented

4.1 Talent Attraction

Conch Venture always regards employees as the most valuable wealth of the Group, promotes the establishment of a professional talent pool and the strategic development of the Group, respects and protects the legitimate rights and interests of employees, and achieves a harmonious and win-win situation between employees and the Company.

4.1.1 On-demand Employment

Talent is an important part of long-term development of enterprises. Conch Venture focuses on the introduction of outstanding professionals, guides the Group's employment plan management, personnel selection and recruitment management and personnel transfer management based on business development needs, actively explores outstanding talents for the Group, and contributes to the achievement of the Group's strategic targets and the improvement of business capabilities.

Employment plan management

Optimize the employment plan management system and develop the annual employment plans on recruitment and employment, turnover rate and salary level. Link the employment plan with the Group's plate setting, strategic adjustment, production and operation status and talent reserve demand; follow up and urge all units to strengthen the implementation of labor optimization and talent reserve plan, and continuously enhance the labor production efficiency while optimizing labor costs.

Personnel selection and recruitment management

Based on the annual professional and technical personnel selection and reserve needs of each professional department and subsidiary company, explore diversified and professional talents through campus recruitment and social recruitment channels, and with the help of specialized recruitment agencies. During the Reporting Period, we signed enterprise membership agreements with Zhaopin and Beijixing Power Recruitment, and actively participated in campus dual selection recruitment fairs of Anhui universities such as Anhui University of Technology and Chuzhou University, so as to enhance the Group's publicity and exposure and strengthen its attraction to various talents. The Group lays stress on the waste disposal and new energy sectors and on the introduction of talents from universities at home and abroad to match the Group's strategic planning.

Smooth internal selection and recruitment channels, promote the transfer of talent resources within the Group, and further meet the talent reserve needs. In order to enhance the quality of personnel selection and employment, we continue to supervise and guide the recruitment of subsidiaries to eliminate employment risks.

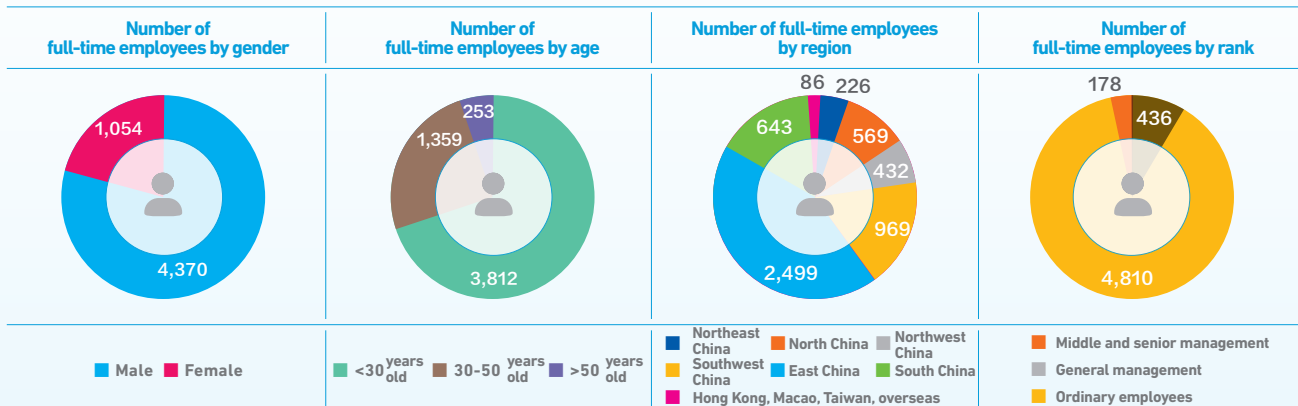
Personnel transfer management

According to the development needs of each region, provide directional assistance, take the talent transfer, training and other measures to ensure the compliance of personnel allocation with production rhythm and the coordinated development of each region.

Coordinate internal transfer of personnel, and coordinate the examination and approval procedures on the internal transfer of personnel and the transfer of employment, wages, social security, organization relations, archives and others.

Through irregular analysis of the employee relations of each subsidiary, make internal transfer and adjustment of unreasonable business relations.

As at the end of the Reporting Period, Conch Venture had a total of 5,551 employees, of which 5,424 persons are full-time employees and 127 persons are labor workers, accounting of 75% of the localized labor.



4.1 Talent Attraction

4.1.2 Protection of Employees' Rights and Interests

Conch Venture always adhere to the legal employment and protects the legitimate rights and interests of employees. We strictly abide by the *Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Employment Promotion Law of the People's Republic of China, Special Rules on the Labour Protection of Female Employees, the Trade Union Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors and the Provisions on Prohibition of Child Labour*, and other relevant laws and regulations in the place where it operates, and also formulates the Conch Venture's Company Employment Selection Management Measures and other internal management rules. We get the relevant provisions to be reflected in the Employee Handbook, to ensure that all employees can understand and comply with the relevant provisions. We always adhere to the concept of diversity and the principle of equality and fairness, and prohibits all forms of employee discrimination, harassment and threats as well as child labour and forced labour.

Prohibition of forced labour

We prohibit any form of forced labour, and no one shall be forced to perform involuntary work or services under the threat of any form of punishment (especially by violence, coercion or restriction of personal freedom).

Prohibition of child labour

We prohibit the employment of child labourers under the age of 16. Through the human resources information management platform, we prohibit child labour from entering the information management system. Once found, it will promptly report to the relevant authorities and the corresponding contract will be cancelled.

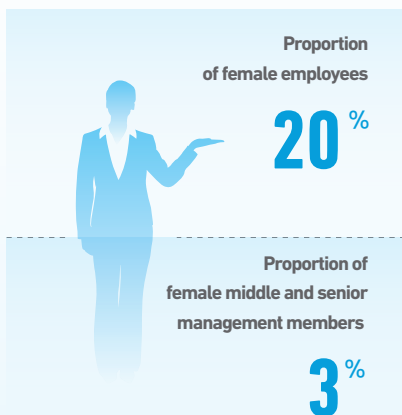
Prohibition of discrimination and sexual harassment in the workplace

We provide fair development opportunities and treatment for our employees and prohibit any form of discrimination against any employee, regardless of their ethnicity, race, gender, nationality, place of origin, political or religious beliefs, etc.

Protection of legal rights and interests

We respect the right and freedom of employees to join trade unions in accordance with the law. We respect the right and freedom of employees to participate in collective bargaining on labour contracts in accordance with the law. We respect employees' personal dignity and personal privacy, and do not use or disclose employees' personal information illegally.

During the Reporting Period, the labor contract signing rate of Conch Venture's employees reached 100%. During the year, we didn't identify any instances of child labour and forced labour and received Grade-A annual credit rating in the annual labour audit.



4 People-oriented

4.2 Talent Cultivation

Outstanding talents are the driver for sustainable development of enterprises and are the key to build the core competitiveness of enterprises. Conch Venture always upholds the concept of "innovation drives corporate development and talents lead technological innovation", implements regional and flat management, provides employees with a variety of learning resources, continuously optimizes the training system, guarantees fair and equitable promotion opportunities, and achieves the common growth of both the employees and the Group.

4.2.1 Performance and Promotion

Based on the performance appraisal results of employees, Conch Venture takes full account of the principles of "with both virtue and ability, virtue before ability", "merit-based selection after fair and open competition", and "full deliberation, democratic centralism", and sets clear promotion requirements for each level of positions to ensure that every employee can obtain fair and impartial promotion opportunities.

Performance Appraisal

Formulate the performance appraisal and inspection plans and standards according to the Company's annual business plan, Make the scientific decomposition of assessment indicators of employees at all levels; Conduct comprehensive evaluation of employees to help them realize self-understanding and improvement, Refine the management key personnel assessment and incentive measures, and strengthen performance assessment management, Organize the Company's annual evaluation of outstanding employees and create a management atmosphere of striving for excellence.

Promotion Channel

Five major career development paths are laid for employees, including key management personnel positions, professional technical positions, operation positions, auxiliary business positions, and logistics service positions. For each type of development path, a promotion channel of subsidiary employees-subsidiary middle management departments, subsidiary team members is set up.

In order to fully stimulate the enthusiasm of employees, we have also established a special promotion channel, through which employees with outstanding performance and contribution can have their qualifications relaxed as appropriate.

Candidates who have won at least one Party and government commendation at the company level or above over the past 2 years, or two or more Party and government commendations from various units over the past 3 years and have had good performance in actual work, under the same conditions of selection and promotion, their service qualifications can be relaxed for up to 1 year.

The newly promoted personnel who have been sent to work in remote areas for more than 3 years on end, or the promoted personnel who have been sent to work in remote areas for more than 5 years on end, under the same conditions of selection and promotion, their service qualifications can be relaxed for up to 1 year.

Candidates with solid professional skills and good practical performance who have made the active application for or unconditional obedience to the arrangement of working in remote areas or areas with tough conditions, under the same conditions of selection and promotion, their service qualifications can be relaxed for up to 1 year.

4.2 Talent Cultivation

4.2.2 Employee Training

Conch Venture attaches great importance to talent training, and creates a learning and development atmosphere within the Group, thus providing a platform for employees to enhance their personal skills and tap their personal value. In accordance with the *Implementation Rules for Employee Training Management*, the Group provides a variety of training programs for all kinds of employees. By offering all-round training support, the Group accurately enables employees to grow and helps them to realize their career development needs.

Training for new employees

Provide training for new employees, covering corporate culture, production process, product knowledge, etc., to enhance the sense of their belonging and help them integrate into the new environment as soon as possible.



Training for all employees

Provide regular training for all employees on business ethics, occupational health and safety. During the Reporting Period, we conducted online training on the *Interim Measures for the Management of Gross Wage Withdrawal*.



Skills training for professionals

Provide skills training for professionals to boost their growth and enhance their professional ability and work efficiency. During the Reporting Period, the Human Resources Department worked with the General Manager Office to conduct professional inspection and basic

training of personnel administration of each subsidiary company; All departments and subsidiaries carry out professional and technical personnel.



All region learn from each other

Conduct regional training activities, organize relevant personnel of each operation site for on-site visits and on-site inspections, and carry out on-site training according to the problems identified in the inspections



The Company encourages employees to continuously enhance their skills and establishes a sound incentive mechanism to encourage them to participate in professional qualification evaluation. When they get professional certificates, this can enhance their professional capabilities. During the Reporting Period, CK Engineering set the salary of academic degree, offered educational subsidies according to the levels of academic certificates, and encouraged all units to reasonably consider the basic cultural quality of employees when they are hired. CK Engineering provided training tuition reimbursement for employees, and encouraged employees to actively take professional examinations such as safety engineer qualification certificate and accountant certificate, so as to continuously improve their professional background.

Certification status of professionals and technicians during the Reporting Period:

For all in-service employees, we conducted the professional title evaluation of engineering series of senior engineers, professor-level senior engineers, and middle and junior engineers, and their skills included cement technology, machinery, electrical, civil engineering, chemical technology, thermal energy, etc. A total of 93 employees obtained the professional title certification.

CK Engineering organized the employees to attend special safety qualification training, and a total of 3 employees obtained safety production qualification certificate A, and a total of 1 employee got the Certificate C, and a total of 28 employees received the special certificates.

CK Engineering organized the employees to participate in the pressure pipeline design qualification training, and a total of 11 employees obtained the design qualifications.

CK Engineering organized professional title applicants to attend in-service education online training and examination, and a total of 5 engineers and 9 assistant engineers made the application.

CV Green Energy held the first session of regional shared professionals evaluation activities in the form of "regional recommendation for application - preliminary qualification examination of departments and offices - professional evaluation of the company". A total of 98 shared professionals were recommended by each region and its subsidiaries, covering 6 major fields of boiler, machinery, electrical, chemical water and environmental protection. A total of 32 applicants passed the preliminary examination of professional qualification, and 17 shared professionals finally passed the centralized professional evaluation.

High-pressure welder skills training

In order to further strengthen the professional skills of inspection and maintenance personnel of each project, Conch Venture organized 28 machine repairers recommended by each project company to conduct high-pressure welder skills training in Wuhu, Anhui Province. The training covers both professional technical theory and welding skills operation, enhancing the operating level and efficiency of inspection and maintenance personnel, and comprehensively improve the operational quality.

During the Reporting Period, the coverage rate of trained employees in Conch Venture reached 100%. The total training time of employees was about 910,224 hours, and the average training time per employee was 168 hours. The amount of investment in training and development of employees was about RMB200 per employee.



4 People-oriented

4.3 Safety Guarantee

The health and safety of employees is an important link to ensure the orderly implementation of production and operation activities of enterprises. Conch Venture continues to optimize the safety production and occupational health management system, and firmly builds the safety production line to guard against health and safety risks.

4.3.1 Safety and Health Management

Safety Production Management System

Conch Venture always adheres to the safety production policy of "comprehensive management with safety and prevention first". The Group strictly abides by the laws and regulations of the place where it operates, such as the *Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Diseases, and the Measures for the Management of Emergency Response Plans for Production Safety Accidents*, and has established a series of production safety related systems within the Group, including the *On-site Operation Safety Management System, the Equipment and Facilities Safety Management System, the Fire Safety Management System, and the Rotating Safety Personnel Management System*. We have also formulated the *Relevant Party Safety Management System* for contractors, specifying the requirements for contractors' safety performance, including but not limited to the purchase of safety production liability insurance for construction units, and will perform "blacklist" management for enterprises that fail to fully fulfill their safety responsibilities.

The Group continues to improve the safety production management structure, and specifies the safety management responsibilities at all levels. During the Reporting Period, we updated and optimized the responsibilities of the Environmental and Occupational Health Safety Management Committee (hereinafter referred to as the "EHS Management Committee"), which also undertook the responsibilities of the environmental and occupational health safety management of all units, and set up an office in charge of managing day-to-day matters of the Company's EHS Management Committee and coordinating and promoting the process of EHS affairs. Furthermore, according to the categories of EHS reported matters, we have formulated the *Production Safety Accident Reporting and Investigation Management Measures and the Safety and Environmental Protection Information Reporting Management Measures* to ensure the timeliness and effectiveness of accident reporting and management.

We have formulated the safety management targets for this year, and successfully achieved this year's safety management targets under the

comprehensive safety management system and safety production management framework.

2022 annual safety production targets of Conch Venture

- Work death liability accidents: 0
- New occupational disease cases: 0
- Larger and above safety accidents: 0
- Major and above traffic accidents: 0
- 1,000-person injury rate: not more than 3
- Rate of fire accidents: not more than 6%

Achievement status of safety targets

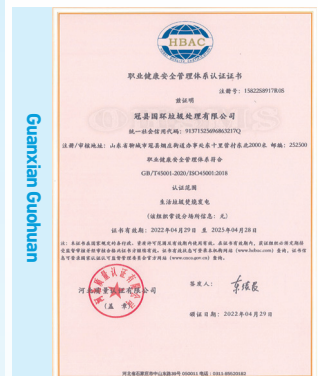
- Work death liability accidents → 0
- New occupational disease cases → 0
- Larger and above safety accidents → 0
- Major and above traffic accidents → 0
- 1,000-person injury rate: about 1.7
- Rate of fire accidents: about 4.5%

While improving the construction of safety production management system, Conch Venture actively promotes the occupational health and safety certification, encourages all units to participate in and obtain internal and external certification certificates. As at the end of the Reporting Period, a total of seven subsidiaries passed the safety production standardization grade certification internally evaluated by the Group and by the government. Jinzhai Engineering, Guanxian Guohuan, Hohhot Jiasheng, Hunan Huiming, Jilin Shuangjia, Jiangxi Jingsheng and CK Shanghai all obtained the ISO 45001 Occupational Health and Safety management system certification.

Safety production standardization grade certification of Conch Venture

Internal evaluation	Kunming Engineering (Level 3)
	Yanshan Engineering (Level 2)
	Baoshan Environmental Protection (Level 2)
Government evaluation	Lixian Environmental Protection (Level 3)
	Yangxian Haichuang (Level 3)
	Yiyang Energy (Level 3)
	Shanggao Environmental Protection (Level 3)

ISO 45001 occupational health and safety management system certification certificates of Conch Venture's subsidiaries



4.3 Safety Guarantee

Occupational Safety Management Initiatives

Conch Venture integrates occupational safety management into the production process, and strives to avoid potential safety risks in production operations by conducting day-to-day safety management, risk classification management and control, relevant party safety management, and the epidemic prevention management.

Day-to-day safety management

Regularly hold the meetings of the Safety Committee, summarize the safety status and make safety instructions and management requirements;
 Enter into the safety agreement, specify the subject of safety responsibility, and reserve the funds for safety measures before the implementation of the project so as to provide a financial guarantee for safety production;
 Purchase industrial injury insurance for construction personnel and issue safety labor protection supplies; regularly supervise the safety status of on-site personnel and equipment,
 Provide professional safety management personnel on the site to supervise the safety implementation of the project;
 Regularly make the safety inspection of construction site and hang safety warning signs and safety signs;
 CK Engineering conducts the safety inspection of office areas and dormitories on a quarterly basis.

Risk classification management and control

Formulate the *Safety Risk Classification Management and Control System*, standardize the safety risk point confirmation, hazard source identification, risk classification, risk control and continuous improvement measures, and divide the rights and responsibilities of all parties on graded risk management and control in the form of system;
 Integrate all employees into the work on safety risk management and control, set up the safety risk bulletin board and post safety risk notification card in the conspicuous positions of the construction site. Enhance relevant personnel's familiarity with accident hidden dangers, accident consequences, management and control measures, emergency procedures, etc., to ensure the minimization of safety risks.

Relevant party safety management

Formulate the *Relevant Party Safety Management System* and publicize the safety management system and requirements to relevant parties;
 Require relevant parties to sign a written safety commitment and include the relevant parties into the unified management;
 Carefully check the relevant parties' corporate qualifications, including special equipment and operating personnel qualifications, urge them to handle all kinds of dangerous operation approval sheet, and establish and improve the relevant party management files.

Epidemic prevention management

Issue the *Guidelines on the Management of Coordinated Disposal of Emergency Waste in Domestic Waste Incineration Power Plants*, standardize the process of emergency waste disposal during the epidemic period, and require them to make the coordinated incineration disposal of emergency disposal units after the treatment according to the relevant requirements.

Case: CK Equipment's identification of waste lithium battery hazard sources

During the Reporting Period, CK Equipment carried out the identification of hazard sources of used lithium batteries, and completed the *Summary Sheet of Hazard Sources of Lithium Battery Project* by sorting out safety risks, hazard the sources and occupational hazard factors existing on site. In addition, in the light of the analysis of the risk points of preheating, crushing, roasting and dissolving of lithium batteries, the company also examined the relevant industry accident cases statistically, formulated the corresponding prevention measures, and organized the preparation of the *Lithium Battery Project Safety Production Instruction*, which can be used to guide the employees to correctly identify the safety risks and hazard sources of the lithium battery system equipment, improve their own safety awareness, and minimize the risks.

4 People-oriented

4.3 Safety Guarantee

According to the *Emergency Response Law of the People's Republic of China*, Conch Venture has established an emergency response system and treatment process with clear responsibilities and rapid response, so as to enhance the efficiency and timeliness of dealing with safety accidents and work-related accidents. We have issued *the Measures for the Management of Safety Production Accident Reporting and Investigation* and *the Notice on Strengthening the Management of Work-related Injury Insurance* to publicize the treatment process of work-related injury to all project companies.

Industrial injury reporting

After an industrial injury occurs in any project company, the company shall follow the timely, accurate and complete reporting principle to report it truthfully according to the relevant rules and regulations. In case of any delayed reporting, false reporting and concealment, the relevant personnel shall be held accountable.

Identification of industrial injury

After an industrial injury occurs, the relevant unit shall promptly notify the social insurance administrative department for industrial injury recognition. Application materials include but are not limited to: application form for industrial injury recognition, proof of labor relationship with the employer, certificate of medical diagnosis, certificate of occupational disease diagnosis or certificate of occupational disease diagnosis and identification.

Compensation for industrial injury

After the completion of industrial injury recognition, all units shall apply for the compensation of industrial injury expenses in strict accordance with the requirements of the Company and local competent authorities, so as to protect the legitimate rights and interests of employees.

During the Reporting Period, 9 safety accidents occurred in Conch Venture, leading to 0 work-related deaths and 8 work-related injuries. The 8 work-related injuries all belonged to minor injury accidents, with the industrial injury rate of 1.7 ‰, and about 565 working days were lost due to the work-related injuries of work-related injury to all project companies.

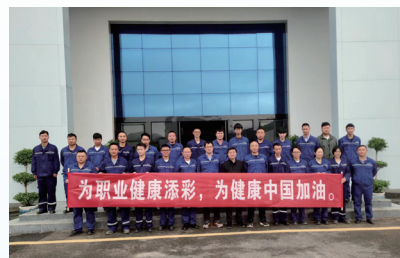
Occupational Health Management

Conch Venture is committed to creating a healthy working environment for employees, and guaranteeing the physical and mental safety of employees under the premise of ensuring the safety of employees. We have always adhered to the occupational disease prevention and control policy of "prevention first, prevention and control work together". A series of occupational health management systems, such as *the Occupational Disease Hazards Prevention and Control Responsibility System* and *the System on the Warning and Notification of Occupational Disease Hazards*, have been developed in accordance with the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *the Supervision and Administration of Occupational Health Supervision by Employers* and other laws and regulations, so as to clarify the code of conduct and management process on employees' occupational health and safety.

The Group integrates occupational health into its day-to-day operations. The Group has introduced new equipment and improved the existing equipment to cut the employees' risk of occupational disease exposure. Every year, we invite the third party to conduct the inspections and tests on occupational hazard factors, strengthen protective measures according to the inspection and test results, and provide targeted personal protective equipment for employees. Furthermore, we arrange job-entry, in-service and post-leaving occupational health examinations for employees exposed to occupational hazard factors. In addition, we regularly update the declaration and registration of occupational hazard factors on the government platform. In order to enhance the occupational disease prevention awareness of all units, we formulate the scheme for Publicity Week on the Occupational Disease Prevention and Control Law every April, and urge the project companies to carry out relevant activities such as hanging slogans and posters, conducting occupational hazard prevention training and carrying out occupational hazard accident drills. In the project design stage, the closed design is made for the chelating and curing process section of flying ash, and the closed design is adopted for the whole plant. The ash curing process section is separated by steel grills or brick walls from the flue gas purification workshop, boiler room and other production workshops so as to reduce occupational hazards. During the Reporting Period, there were no occupational disease accidents in Conch Venture.

Case: Hunan Huiming Project carried out technological transformation of fly ash disposal process

During the Reporting Period, Huiming Project in Hunan Province, adopted the closed technical improvement on the chelating and curing technology of flying ash, reinforced the workshops and raised the closing on all sides to prevent dust leakage and reduce noises.



Case: CK Equipment Saving Newly Installed Dust Cleaning Device

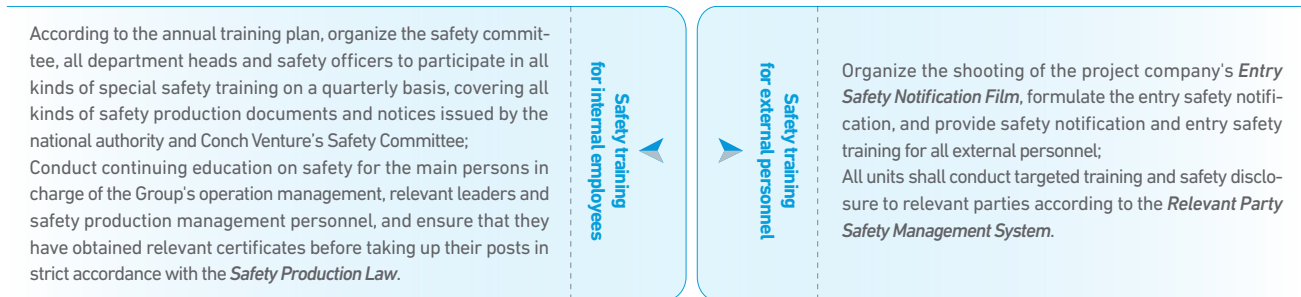
CK Equipment set up a new employee shower room, so that employees exposed to dust can wash before going off work.



4.3 Safety Guarantee

4.3.2 Construction of Safety and Health Culture

Conch Venture is committed to creating a safe and healthy cultural atmosphere. Conch Venture regularly provides safety training for employees and suppliers, and conducts the company-wide "Safety Production Month", safety knowledge competition, safety accident emergency drills and other activities, so as to continuously enhance employees' occupational health and safety awareness.



During the Reporting Period, Conch Venture took the "Safety Production Month" as an opportunity to hold the 5th Session of Safety Production knowledge Competition, the 4th Session of Safety Accident Case Debate Competition and the 1st Session of Safety Skills Competition. During this period, we organized and conducted through WeChat mini program the knowledge examination on safety production for all employees. A total of 4,118 employees from the 82 subsidiaries participated in the examination with an average score of 94.04, and of whom the 3,991 employees passed the examination (the passing line of 80 points), with the pass rate of 96.92%. In addition, we participated in the fire escape emergency drill organized by the conference center, and each branch company also actively carried out emergency drills and evacuation drills such as poisoning and suffocation, garbage pit fire, leachate leakage, ammonia leakage, and hazardous waste (fly ash) leakage. During Reporting Period, the Group's subsidiaries conducted a total of 473 emergency drills.

Case: Safety training for professionals working for the waste power generation projects

In order to improve the basic management of the operation of waste power generation projects, in April 2022, Conch Venture's Operation Management Department took the lead in organizing online training for professionals and technicians in the waste power generation projects based on the problems existing in the operation management and equipment system management of all waste power generation projects in the first quarter, so as to further enhance the capabilities of professionals and technicians of waste power generation projects to prevent and deal with accidents. A total of nearly 700 employees from the waste power generation companies that have been put into operation or are under construction participated in the training, including relevant leaders, middle management members, and production and operation personnel.

Case: Bole Engineering conducted the fire emergency drill

In order to effectively improve the fire safety awareness of all employees in the company, grasp the basic knowledge of fire fighting and the initial fire handling process, and enhance the employees' coordination and cooperation capabilities of handling emergencies and their safety self-rescue and self-protection capabilities, Bole Engineering conducted the fire safety emergency drill at 11:00 am on 2 November 2022, where some fire professionals from Bozhou Xinghui Fire Engineering Co., LTD., a fire maintenance unit of the company, were invited to provide training and on-site guidance.



4 People-oriented

4.4 Employee Communication and Care

Conch Venture works to create a harmonious, caring and pleasant workplace for employees, and puts in place a complete employee welfare and care system, to enhance their cohesion and sense of belonging.

4.4.1 Employee Remuneration and Welfare

The Group fully recognizes the efforts made by employees and thanks them for doing so. In compliance with the *Social Insurance Law of the People's Republic of China*, the *Labor Law of the People's Republic of China* and other laws and regulations, the Group provides competitive salaries and benefits for employees, and particularly offers a variety of exclusive benefits for female employees, disabled employees and employees with special needs. During the Reporting Period, the Group developed the *2022 Implementation Plan for Salary-Oriented Performance Assessment by Departments*, the *Interim Measures for the Management of Payroll Withdrawal and other internal policies*, which updated its salary system,

Cover employees with social insurance such as pension insurance, medical insurance, employment injury insurance, maternity insurance, unemployment insurance and pay housing provident fund for employees on time and in full according to the laws and regulations of the state government and the local governments in the places where it operates

All employees enjoy statutory holidays, paid annual leave, marriage leave, bereavement leave, nursing leave, maternity leave, etc.

Regularly organize physical examinations for employees; distribute souvenirs and gifts in special anniversaries and holidays; provide standard dormitories and canteen meal allowances for employees; establish a centralized leave system for non-native employees.

Employees' welfare

further refined the annual implementation plans and standards for salary-oriented performance assessment by departments, and optimized the management mode for payroll withdrawal. The purpose was to stimulate employees to create values for the Group while sharing the outcomes of development with them.

The Group provides a multi-levelled welfare system for employees, offering subsidies and assistance for the employees in need and working to improve employees' life quality. In the meantime, the Group pays attention to the physical and mental health of employees, organizing a variety of activities to enrich their life after work.

Case: Conch Venture and Conch Environmental Organize Friendly Basketball Matches among Department Employees

To celebrate the 73rd anniversary of the founding of New China, further enrich employees' cultural life and help build friendship among employees through sports, in September 29, 2022, Conch Venture teamed up with Conch Environmental and organized friendly basketball matches among department employees in Wuhu.



Case: Hanshou Conch Distributes Mid-Autumn Festival Benefits to Employees

The Mid-Autumn Festival is a time for reunion in China. To carry forward the traditional Chinese culture and create a stronger festive atmosphere, in September 2022, Hanshou Conch distributed Mid-Autumn Festival benefits to employees to thank them for their efforts and make them happier on the festival.



Case: Conch Venture Organizes a Tree-Planting Activity for Employees

To improve the ecological environment of the Company, raise employees' awareness of environment protection and create an environment in which both the enterprise and its employees are in harmony with the nature, Conch Venture carried out a tree-planting activity under the theme of "Planting Trees and Grass Together to Build a Better Environment".



4.4 Employee Communication and Care

4.4.2 Employee Communication

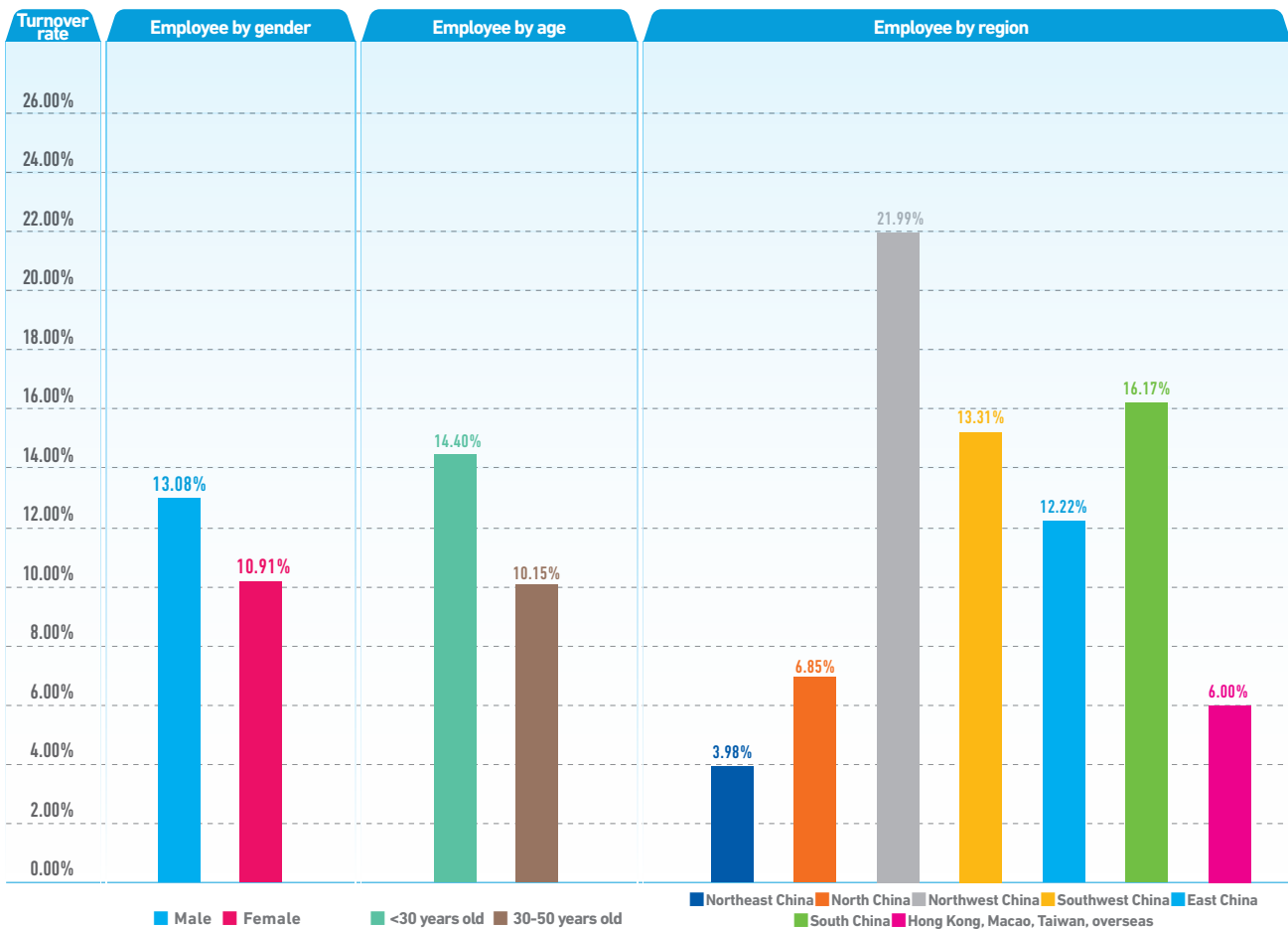
Conch Venture values employees' suggestions and opinions, ensures smooth communication channels like employee suggestion box, rationalisation suggestion wall, feedback channel of the human resources department, feedback channel of the trade union and employee symposium, provides platforms for employees to express their demands and listens to employees' intentions in time. We regularly conduct satisfaction surveys regarding employee dormitories and dining conditions, solicit employees' suggestions about the Group's management and operation and encourage more employees to engage in collective management and construction. Meanwhile, we resolutely safeguard and protect employees' rights to join the Trade Union, and advance collective agreement signing step by step. During the Reporting Period, our Trade Union covered 8% of all employees.

Case: Dehong Environmental Protection Holds an Employee Symposium

To promote the corporate culture of "unity, innovation, commitment and dedication" and understand employees' ideas, in August 2022, Dehong Environmental Protection held an employee symposium, which gathered 17 participants including officials, middle management members, department heads and employee representatives, listened to employees' suggestions and opinions, and increased the communication and cooperation among employees of different departments.



As of the end of the Reporting Period, Conch Venture saw an employee turnover rate of about 13.97%.



5 Quality First

Innovation-Led Development / Quality Control / Service Assurance / Supply Chain Management

Conch Venture works to build a technical foundation and enhance innovation strength. Based on the primary business of environmental protection, we also keep an eye on new energy areas, continuously improve the quality of customer service and pursue win-win development.

5.1 Innovation-Led Development

5.1.1 Innovation Management and Outcomes

Conch Venture believes efficient R&D strength and an open and inclusive mentality for cooperation are fundamental for an enterprise to gain a foothold in the market. By cultivating a strong R&D team and building win-win partnership, we keep exploring innovative technologies, promoting industrial development and creating revolutionary technologies.

The Group encourages innovation by employees, and stimulates employees to innovate through a innovation management mechanism. For example, we award the employees whose applications for utility model patents, invention patents or high-tech products or technological projects were approved with additional points in performance assessment. During the Reporting Period, the Group input RMB 69.57 million in R&D, accounting for 12% of its total revenue, and saw four ongoing research projects¹⁶ that produced remarkable results.

Technological Research on Biomass Substitute Fuel

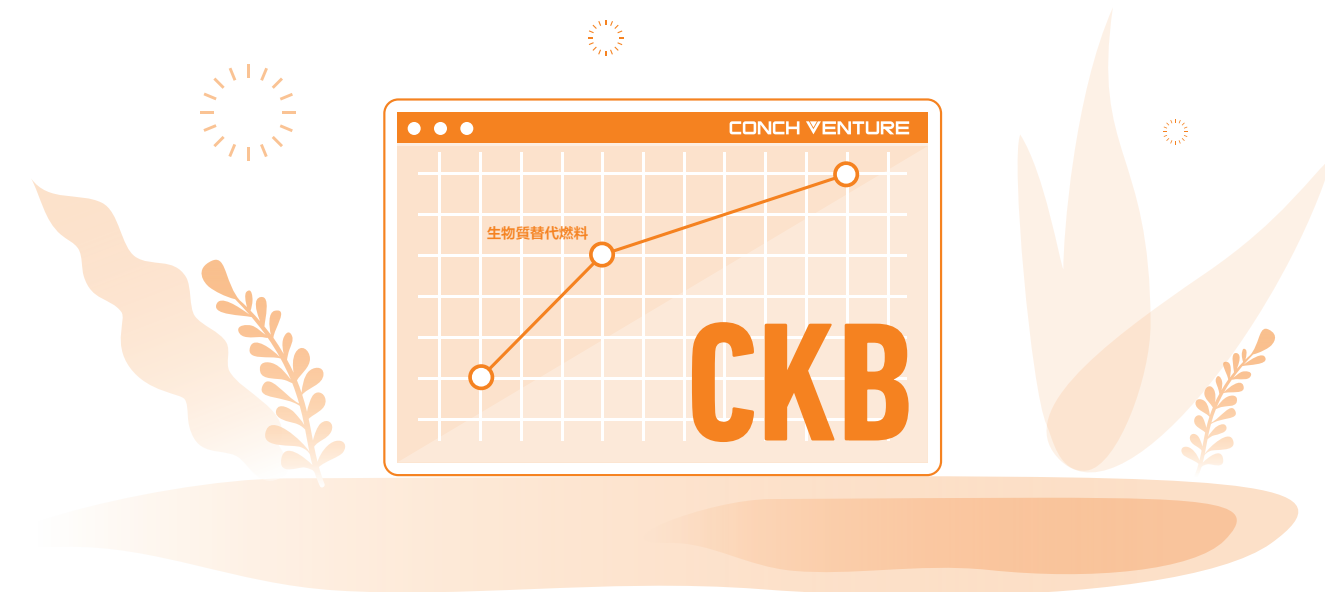
To advance the technological research on biomass substitute fuel used in cement kiln, we launched the cement kiln biomass substitute fuel project in Shaoguang, in which we broke agricultural, forestry and urban biomasses, which were available locally, into granules with a diameter of less than 30mm and mixed them after chemical analysis to ensure the uniformity of the heat value of biomasses. We fed the mixed biomass fuel through conveying equipment into the decomposing furnace at the tail of the cement kiln, where it burnt and supplied heat to clinker production. After research, calculation and validation, we've by far accomplished the basic design objectives for the project.

Conch Venture is a pioneer in CKB lithium battery recycling technologies in China. We tightly seize the opportunities arising from the energy revolution, keep exploring new areas of energy, and constantly drive better strategic deployment in the new energy industry with technological innovation. During the Reporting Period, we made significant headway in CKB projects.

Highlights of the CKB Lithium Battery Recycling Project

Through considerable experiment and research, we obtained data about cost and energy consumption, and mastered the way for process quality control, which provided scientific basis for the setting of production and process parameters and process quality control, and inspired us in finding the technical solution to improve the "two rates".

We completed production performance test and assessment, and helped CK Equipment company become an EP company under the CKB project. With our lithium battery project accepted by the government and the project warrant granted, we've been included into the list of enterprises qualified for the comprehensive utilization of waste power batteries from new energy vehicles ("white list").



¹⁶ As the Environmental Protection Research Institute has been included into Conch Environment, the data decreased from the previous year.

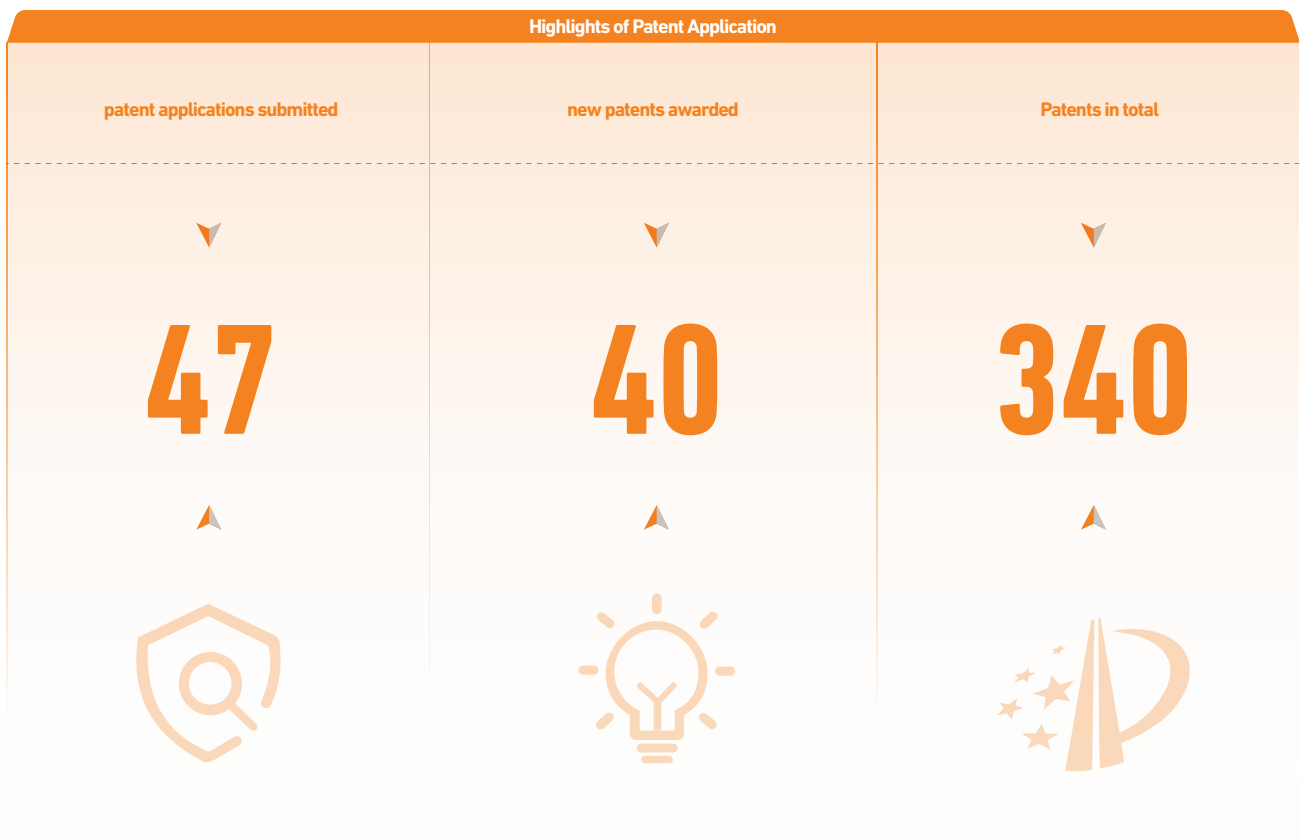
5 Quality First

5.1 Innovation-Led Development

5.1.2 Protection of Intellectual Property Rights

Conch Venture always combines innovation-oriented development with intellectual property rights, and emphasizes the intellectual property rights to commercialized technological achievements. During the Reporting Period, we further reinforced the foundation for managing intellectual property rights and built the barrier for the protection of intellectual property rights; while strictly observing the Trademark Law of the People's Republic of China, Patent Law of the People's Republic of China and other laws and regulations, we formulated relevant system, which clearly define the management processes for patents and trademarks, etc. to protect our intellectual property rights.

In 2022, the highlights of our patents are listed below:



Case: Grate Furnace Driveshaft Sealing Device

As the driveshafts in SUN-type grate furnaces move back and forth all the time, that will cause the insulate cotton inside the driveshaft sealing box to fall and thus lead to much ash leakage. To address the problem, we introduced technical methods, such as adding sealing devices and adding packing clamping devices outside, to reduce the wear of driveshaft and serve for the sealing purpose to block ash from inside of the furnace. During the Reporting Period, we were awarded the invention patent for the grate furnace driveshaft sealing device.

Case: New-Type Waste Heat Furnaces for Cement Kiln Tails

In the new-type waste heat furnace, the superheater, evaporator and coal economizer are designed as boxes, welded as a whole and preassembled into modules before leaving the factory, which avoids pressure and size changes resulted from the cutting of lifting lugs. By far, we've been awarded the invention patent for the new-type waste heat furnace for cement kiln tails. Its operation shows the module-based structure facilitates transport and installation without impact on sizes and is thus well received among customers.

5.2 Quality Control

5.2.1 Quality Management System

The Group attaches great importance to the efficient and steady operation of projects, constantly strengthens the safe operation and management system, optimizes operation safety measures, and continuously monitors any potential operating risks to secure steady operations. During the Reporting Period, we strictly abided by the *Quality Management System*, controlling project quality from design to operation.

During the Reporting Period, we applied KPS (Kawasaki Production System) to quality management. To be specific, we standardized quality problem analysis steps and quality inspections, made visualized display boards based on product categories and put them at the site of manufacturing, posted quality cases, quality training materials, quality objectives and fulfillment information, quality assessment notices and quality bulletins on the boards and regularly updated them.



Visualized Display Boards for Quality Management

We pursue high-standard quality management systems, and aligns itself with externally recognized systems and standards. During the Reporting Period, several of our subsidiaries were awarded quality management certificates for the first time, including Jinzhai Engineering, Guanxian Guohuan, Hohhot Jiasheng, Hunan Huiming, Jilin Shuangjia, Jiangxi Jingsheng and CK Shanghai. During the Reporting Period, the Group saw 12 subsidiaries certified for quality management systems, accounting for 10.1% of the total.

5.2.2 Quality Control

To stabilize operations, we set annual quality management objectives, reasonably decompose the objectives, and establish an objective assessment mechanism to link quality related performance with the assessment of relevant persons in charge and strengthen quality control. For unqualified items, we will urge

relevant persons in charge to rectify the problems and intensify supervision after rectification to ensure good results.

We exercise strict control over procurement and step up quality management at the sources of production and operation. During the Reporting Period, we conducted quality inspections of several pieces of purchased equipment, held discussions about equipment problems to identify reasons and develop response plans and prevention measures, and followed up with rectification by suppliers. We verified the rectification by requiring suppliers to provide rectification photos and reports, conducting follow-up inspections and confirming with suppliers via phone, to ensure problems to be rectified before shipments.

In addition, we actively conduct patrol inspections and improve the quality management mechanism. By regularly or irregularly inspecting work at project companies, we urge for patrol inspections and regular inspections of daily equipment to ensure stable operation and production quality and reduce potential risks in time.

For the problems found in patrol inspections, we resort to repair review & validation and spare parts cross-reserve plans to ensure operation quality.

Ways to Address Problems

Spare parts cross-reserve

Develop the spare parts cross-reserve plan to ensure system abnormalities to be effectively resolved.

Repair review & validation

Review and analyze proposed repair items, and validate the results of repair to ensure repair quality.

Thanks to complete quality management measures and strict quality control, Conch Venture saw each project company operate steadily; neither CK Engineering nor CK Equipment reported active or passive product recalls due to product safety or health related quality problems.

5.2.3 Quality Management System

We highlight the improvement of employees' quality awareness and operation abilities and vigorously carry out quality training and quality related activities to ensure the competence of quality management personnel and create a sound operating atmosphere.

Quality Management Training

Quality summary meetings

Regularly organize quality improvement meetings to review quality work at different departments, analyze existing problems and risks and develop prevention measures.

Case study meetings

Sort and distribute past cases, and organize employees to study the cases to prevent occurrence of accidents.

Skill training

Carry out technical training for project staff to reinforce their professional skills and ensure production quality.

5 Quality First

5.2 Quality Control

Case: The Operation and Management Department Organizes Operation Training

To improve the management of garbage power generation projects and further raise the abilities of the technical personnel of power generation projects to guard against and handle accidents, in combination with the problems in project operation and equipment system management, during the Reporting Period, the Operation and Management Department organized online training for technical personnel of garbage generation projects, which gathered nearly 700 participants including leaders, middle management members and operation personnel of garbage power generation companies already put into operation or under construction.



To further arouse the enthusiasm of employees for quality building, advance the construction of the quality management system and create a sound of atmosphere in which everyone values and enjoys quality, we carried out knowledge contests and skill assessment, among other activities, as the "Quality Month" approached.



Case: CK Equipment Launches a Knowledge Contest

CK Equipment launched a quality knowledge contest themed "Advancing Quality Reform and Innovation and Promoting the Building of a Great Power of Quality" on September 22. The contest saw 30 participants in 10 delegations, which also included one from BRIT, CK Equipment's partner. Contents covered basics about quality management, KPS knowledge and knowledge about various products, including CKB lithium batteries, to help build quality awareness among all.

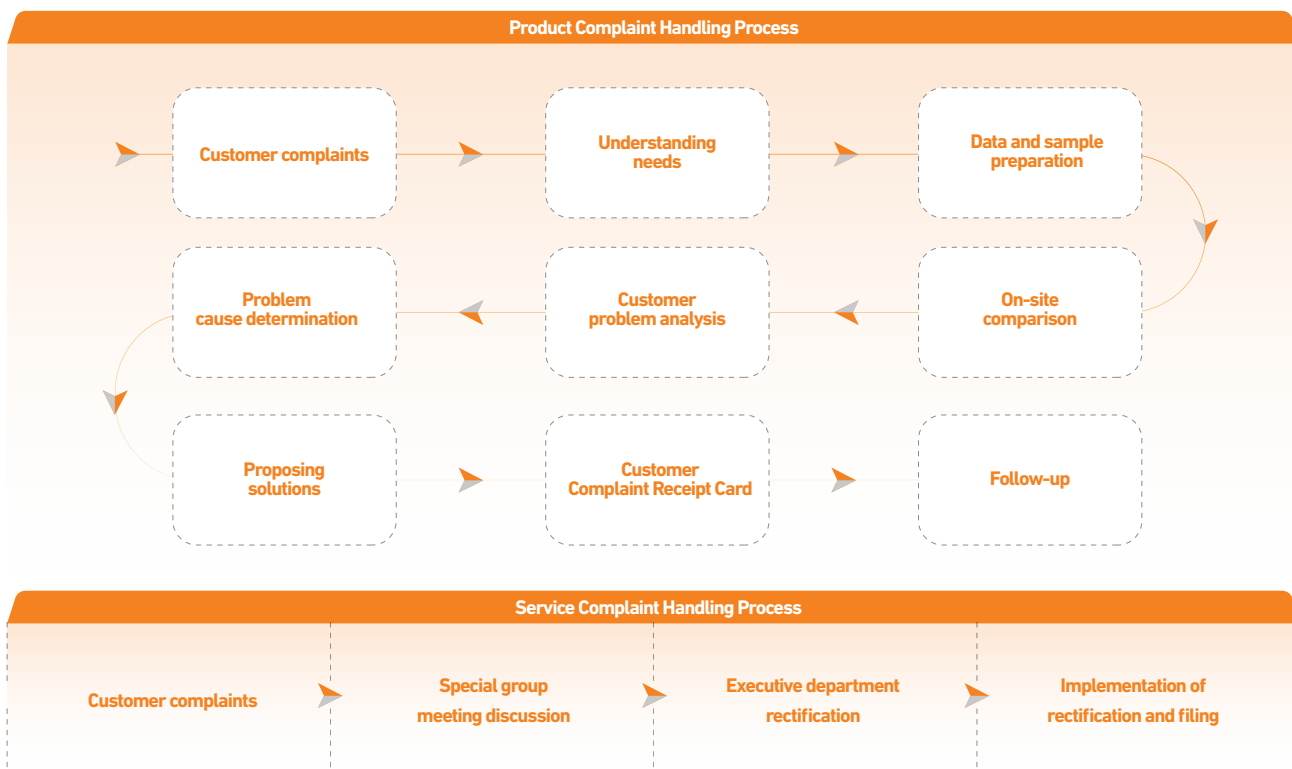


Case: CV Green Energy Holds Regionally Shared Professional Technician Appraisal

CV Green Energy held the 1st Regionally Shared Professional Technician Appraisal through regional recommendation and application, department-level preliminary review by departments and company-level professional appraisal. A total of 98 regionally shared professional technicians were recommended by subsidiaries in different regions, and 17 of them were identified as regionally shared professional technicians at last.



5.3 Service Assurance



5.3.1 Customer Communication

Putting customers first, Conch Venture is committed to providing customers with better services, improving customer experience, strengthening service innovation, enriching service channels and protecting customers rights. We actively develop and update customer service-related management systems to regulate customer management. For example, for the sales of new panel products, we have formulated *Sales Service Management Measures*, *Interim Measures for the Customer Refund (Transfer) Management*, and *Interim*

Measures for the Management of Panel Receipt, Return and Exchange, etc.

We provide customers with a variety of efficient communication channels, including hotline, fax, email and WeChat, to meet customer demands in time and hear every customer's voice. We seriously address every customer complaint and have built and sustained a smooth customer feedback system. For every customer complaint, we will give a response within 24 hours and start the inspection mechanism at the earliest time possible to identify the problem and ensure timely

feedback for every complaining customer. After that, we'll rectify the problem and follow up with the results.

5.3.2 Privacy Protection

The Group fully respects customers' rights to privacy, and strengthens customer information management and protection, to avoid leakage of customer information and protect customers' rights. During the Reporting Period, the Group saw no data or privacy leakage accidents.

Conch Venture's Measures Related to Information Security and Privacy Protection

We carry out basic knowledge training on commercial confidentiality, compliance obligations and legal responsibilities for all employees to improve their awareness of customer privacy protection.

In the signing of the business cooperation agreements, we make clear the obligations and responsibilities of each party in data protection to avoid improper infringement.

We store data through encrypted storage, and set permissions on the information system to safeguard customer privacy security.

5 Quality First

5.4 Supply Chain Management

Conch Venture highlights win-win cooperation with suppliers, works consistently to build a solid foundation for cooperation, and explores ways to create win-win outcomes. We exercise strict control over procurement, and efficiently manage upstream and downstream suppliers throughout the process from access to daily review.

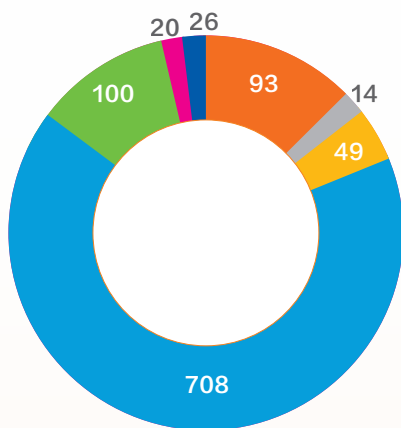
5.4.1 Supplier Access

With strict standards for supplier access, we formulated and updated internal management systems such as *the Procurement Management Measures* and *the Agreement on Safety Production Management of Construction Projects* to verify and confirm various indicators such as qualification, supply capability and quality of suppliers.

Conch Venture attaches great importance to suppliers' ESG performance as the latter directly determines the level of risks it faces. During the Reporting Period, when screening suppliers, we paid more attention to their qualifications in environment, safety, health and quality, and required them to provide relevant management system certificates. For the suppliers without complete certificates, we urged them to obtain relevant certification as soon as possible.

During the Reporting Period, Conch Venture had a total of 1,010 suppliers of various kinds¹⁷ and the distribution is as follows:

Number of Suppliers by Region



- Northeast China
- North China
- Northwest China
- Southwest China
- East China
- South China
- Hong Kong, Macao, Taiwan, overseas

Supplier Cooperation Standards

Require suppliers to provide relevant qualification documents, which must comply with relevant laws and regulations for construction projects upon review

Check whether potential suppliers have the performance of environmental protection projects

Check whether potential suppliers have bad credit records, capital credit and other hidden dangers

5.4.2 Supplier Management

Conch Venture regularly assesses suppliers, urges suppliers to develop rectification plans for the problems found in the supervision process, and takes necessary follow-up actions to ensure suppliers to meet our needs.

Supplier Management Mechanism

Supplier review mechanism

Specify requirements on three-system certifications for suppliers

Supplier rating mechanism

Company departments rate suppliers in terms of delivery timeliness, product quality, product prices and service quality, etc.

Supplier elimination mechanism

Eliminate the suppliers with an average score of less than 60

Transparency and integrity are fundamental to all cooperation. We include anti-corruption related requirements into supplier contracts or add written integrity proposals to sales contracts, ensure all suppliers to sign integrity agreements, specify regulations on suppliers' integrity behaviors and regularly convey them to relevant suppliers.

5.4.3 Supplier Training and Support

We view suppliers as important sources, put in place a long-term mechanism for regular communication with and an empowerment strategy for suppliers, tutor suppliers in all aspects through joint discussions, provide support for bilateral cooperation, and work to build partnership on mutual trust and benefits to help suppliers grow and achieve win-win outcomes. We regularly organize training for suppliers on policies and systems in environmental protection, health and safety, and quality, to improve the operation across the supply chain.

Case: CK Engineering Works with a Supplier to Improve the Power Generator Unit

After the Dexing garbage power generation project was put into operation, the condenser terminal temperature difference of the turbo generator unit was big, and the volume of power generated was low despite the vacuum system was tightly sealed. To address the problem, CK Engineering's Procurement Department organized technicians to discuss with the technicians of the supplier. After rounds of discussions, they finally decided on an improvement solution. Comparison between the data before and after the improvement shows the solution improved the vacuum status of the condenser to some extent. The solution also applies to the new projects later undertaken by the supplier.

¹⁷ Due to the changes in statistical standards, data in 2022 were quite different from those in 2021. Data in 2021 only covered engineering and operation suppliers, while data in 2022 covered the suppliers in engineering, operation, CK Engineering, CK Shanghai, CK Equipment, new building materials.

6 Contributing to the Society

Industrial Cooperation / Empowering the Society / Public Welfare Investment

Conch Venture is responsible not only for itself, but also for the society, and keeps engaged in the moves intended to promote industrial development. Meanwhile, it plays an active part in public welfare and charitable activities, and works with governments, communities and non-government organizations to build a public welfare project system with its characteristics.

6 Contributing to the Society

6.1 Industrial Cooperation

As a large integrated environmental protection enterprise group that's leading at home, Conch Venture is committed to advancing the technological progress of the industry. We're active in various industrial associations and chambers of commerce, and work with excellent peers to address the critical and forward-looking technical difficulties arising from industrial development, share development experience and market trends, and promote constant innovation and progress of the industry.

Case: Conch Venture Joins 2022 World Manufacturing Convention

On September 20, 2022, 2022 World Manufacturing Convention, themed "Creating a Beautiful World with Manufacturing", was opened in Hefei Anhui, at which countless tech enterprises showcased innovation outcomes in various fields to audiences. Conch Venture with its new energy anode and cathode materials, CKB lithium battery recycling project and other products on display.



Case: Conch Venture Participates in Several Cement Summits

Conch Venture participated in the Middle East and Africa Cement Conference held in February online and the Asian Cement Summit held in July. Being part of the top cement summits gave a chance for the Group to learn better about the updates in the cement industry of Middle East, Africa and Asia and share experience with industrial peers, and paved the way for the Group to expand overseas businesses.

It has long been our mission to pay back to the society. Guided by the operation philosophy of "creating a better home for the future of mankind", we've carried out many publicity activities about environmental protection facilities to spread the philosophy about environmental protection to the wider public.

Case: Tengchong Engineering Launches 2022 "6.5 World Environment Day" & Environmental Protection Facility Publicity Activity

On June 5, 2022, which marked the 51st World Environment Day, organized by the Tengchong Branch of Baoshan Bureau of Ecology and Environment and supported by Gudong Town People's Government and Tengchong No.3 Middle School, Tengchong "6.5 World Environment Day" & Environmental Protection Facility Publicity Activity 2022 was launched at Tengchong Energy. More than 200 seventh graders from Tengchong No.3 Middle School paid a visit to the company.



Case: Tongren Engineering Launches Open House Activity

On November 4, 2022, organized by the Bureau of Ecology and Environment of Bijiang District, Tongren and led by teachers, the fourth graders of Wenbi Primary School of Bijiang District visited Tongren Engineering for the open house activity, in which they witnessed the process of "changing domestic waste into things of value" and understood the importance of environmental protection.



Case: Dehong Environmental Protection Launches the Eyas Activity

On the morning of February 12, 2022, amid the spring breeze and in the early sunshine, Dehong Environmental Protection welcomed 30-plus students from Mangshi No.1 Primary School for the Eyas Activity, Dehong Environmental Protection's general manager, accompanied the students in the visit to waste incineration power generation project.



During the Reporting Period, we participated in the revision and formulation of one national standard, providing constructive opinions for the revision and helping improve industrial quality standards.

6.2 Empowering the Society

The Group has long been committed to facilitating the economic development of the places where it operates, helping enterprises overcome difficulties, and working with governments to address social issues, which is of great importance to improving residents' life quality, driving social development and promoting social harmony and progress.

Case: Tongren Engineering and Baoshan Engineering Assist Sewage Plants or Landfills in Treating Leachate

Based on the operation of the leachate systems in various projects and the peak and trough periods of leachate, while ensuring normal operation of its equipment, Conch Venture treated some of the leachate from some local sewage plants or landfills in the trough period at a market price. The move not only increased the Company's economic benefits, but also eased environmental risk for the society, and boosted the Company's social benefits.

Case: Fuquan Engineering Contributes to the Campaign to Burn Infringing or Counterfeiting Commodities

On the afternoon of November 10, 2022, the 2022 National Centralized Burning of Infringing or Counterfeiting Commodities at Fuquan Branch Venue, Qiannan Prefecture, a campaign undertaken by Fuquan Joint Conference Office for Combating Infringements and Counterfeiting and Fuquan Market Supervision Administration and supported by Fuquan Engineering, took place in the main plant of Fuquan Engineering. A total of 580 batches of infringing or counterfeiting goods were burnt, worth over RMB1.4 million and including food, medicine, cosmetics, cigarette, liquor, wires and cables, agricultural materials, audio and video products, and publications, the move helped promote social harmony.

Case: Several Garbage Power Generation Plants Treat Medical Waste in Response to Governmental Calls

The demand for treating medical waste surged during the COVID-19 pandemic. Conch Venture took up its responsibility, actively supported the epidemic prevention work of the governments in the places where it operates, and developed and issued *the Guide for the Management of the Treatment of Emergency Waste Together with Domestic Waste Incineration Power Plants* to assist local governments in treating epidemic related waste.

Since 2020, several domestic waste incineration power plants in Anhui, Guizhou, Yunnan and Jiangxi have undertaken the work of treating medical waste, and thus developed mature medical waste treatment solutions and experience.

During the Reporting Period, Pingguo Conch Venture received 20-plus tons of medical waste for emergency treatment every day, and ensured harmless disposal of the medical waste in a short time by unloading and burning it upon arrival.



6 Contributing to the Society

6.3 Public Welfare Investment

When disaster strikes, it's incumbent on us to provide relief to the affected people. We commit to be a responsible enterprise that always cares about the society through real actions.

Case: Conch Venture Joins the Battle against COVID-19 in Shanghai

When Shanghai was heavily hit by the COVID-19 pandemic, Conch Venture and Conch Environmental jointly organized donations of essentials of various kinds, including 30.5 tons of fresh vegetables in total, to local people, helping secure goods supply in Shanghai during the pandemic.



Case: Bozhou Conch Venture Building Material Helps Frontline Epidemic Control in Bozhou

As the epidemic situation was increasingly severe at home, to show its respect and care for frontline epidemic control workers and contribute its share, on April 1, 2022, Bozhou Conch Venture Building Material, in response to government calls, actively joined the activity to visit epidemic prevention workers on duty.



Case: Huoqiu Environment Visits Poor Households in Xiaoxin Village, Linhuai Township, Liu'an before Mid-Autumn Festival

The Mid-Autumn Festival is a time for reunion. Showing care to others and assisting the poor have long been traditional virtues of the Chinese people, as well as part of the corporate culture of Conch Venture. On September 8, 2022, as the Mid-Autumn Festival was approaching, led by Liu'an Bureau of Ecology and Environment to the countryside to aid rural revitalization, a team from Huoqiu Environment went to Xiaoxin Village, Linhuai Township, to visit the households enjoying five guarantees, giving rice, meat, oil and other life supplies and showing greetings to 33 poor households in the village.



Case: Luxi Conch Venture Contributes to Local Epidemic Control through Donations

On November 2022, a critical time for all people in Luxi County in the combat against COVID-19, Luxi Conch Venture donated a batch of epidemic prevention materials to Luxi County in supportive of local efforts to fight the epidemic, it demonstrated the fulfilment of its social responsibility, contributed to epidemic control and paid tribute to frontline epidemic prevention workers.



Indicator Data Summary

All performance indicators		Unit	Performance indicator data
Main business revenue		RMB 1,000,000	7,896.32
Sulfur dioxide (SO ₂) emissions		Tonne	1,585
Nitrogen oxides (NO _x) emissions		Tonne	6,763
Particulate matter emissions		Tonne	280
Carbon monoxide (CO) emissions		Tonne	618
Hydrogen Chloride (HCl) emissions		Tonne	732
Hydrogen Fluoride (HF) emissions		Tonne	23
Greenhouse gas emissions (Scope 1)		Tonne of CO ₂ e	61,188
Greenhouse gas emissions (Scope 2)		Tonne of CO ₂ e	44,417
Total greenhouse gas emissions (Scope 1 + Scope 2)		Tonne of CO ₂ e	105,605
Greenhouse gas emissions per unit of revenue		Tonne of CO ₂ e / RMB 1,000,000	13.4
Direct energy consumption		Tonne of standard coal equivalent	26,522
Indirect energy consumption		Tonne of standard coal equivalent	8,379
Total energy consumption (Direct + Indirect)		Tonne of standard coal equivalent	34,901
Energy consumption per unit of revenue		Tonne of standard coal equivalent / RMB 1,000,000	4.4
Total amount of hazardous wastes generated		Tonne	452,808
Amount of hazardous wastes generated per unit of revenue		Tonne / RMB 10,000	0.6
Total amount of general solid wastes generated		Tonne	2,783,564
Amount of general solid wastes generated per unit of revenue		Tonne / RMB 10,000	3.5
Total water consumption		Tonne	16,234,168
Water consumption per unit of revenue		Tonne / RMB 1,000,000	2,056
Total amount of packaging materials used		Tonne	409
Amount of packaging materials used per unit of revenue		Tonne / RMB 1,000,000	0.05
Total number of employees		People	5,551
Full-time employees		People	5,424
By gender	Male	People	4,370
	Female	People	1,054
By rank	Middle and senior management	People	178
	General management	People	436
	General staff	People	4,810
By age	Under 30	People	3,812
	30-50 years old	People	1,359
	Over 50	People	253
By region	Northeast region	People	226
	North China region	People	569
	Northwest Region	People	432
	Southwest region	People	969
	East China region	People	2,499
	South China region	People	643
	Hong Kong, Macao, Taiwan and Overseas area	People	86
Employee turnover rate		%	13.97
By gender	Male	%	13.08
	Female	%	10.91
By age	Under 30	%	14.40
	30-50 years old	%	10.15
	Over 50	%	0

Indicator Data Summary

All performance indicators		Unit	Performance indicator data
By region	Northeast region	%	3.98
	North China region	%	6.85
	Northwest Region	%	21.99
	Southwest region	%	13.31
	East China region	%	12.22
	South China region	%	16.17
	Hong Kong, Macao and Taiwan	%	0
Number and rate of work-related fatalities	2020	People	0
		%o	0
	2021	People	0
		%o	0
	2022	People	0
		%o	0
Number of lost days due to work injury		Day	565
Total employee training time		Hour	910,224
Percentage of employees get trained		%	100
By gender	Male	%	80.55
	Female	%	19.45
By rank	Senior management	%	0.17
	Middle management	%	3.12
	General management	%	8.05
	General staff	%	88.66
Average length of employee training		Hour	168
By gender	Male	Hour	168
	Female	Hour	168
By rank	Senior management	Hour	168
	Middle management	Hour	168
	General management	Hour	168
	General staff	Hour	168
Number of suppliers		/	1,010
By region	Northeast region	/	26
	North China region	/	93
	Northwest Region	/	14
	Southwest region	/	49
	East China region	/	708
	South China region	/	100
	Hong Kong, Macao, Taiwan and Overseas area	/	20
Percentage of products recalled for safety and health reasons		%	0
Number of complaints about services and products		/	99
Number of corruption cases		/	0
Anti-corruption training for board members	Number of people		9
	Hour		20
Employee anti-corruption training	Person-time		30
	Hour		20

Index Table of HKEx ESG Reporting Guide

ESG Areas, General Disclosures and KPIs			Section
Environmental			
A1: Emissions	General Disclosures	Information on:(a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Protecting the Earth
	KPI A1.1	The types of emissions and respective emissions data.	Protecting the Earth - Climate Change Protecting the Earth - Emission Management
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Earth - Climate Change
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Earth - Emission Management
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Protecting the Earth - Emission Management
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Protecting the Earth - Climate Change
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target(s) set and steps taken to achieve them.	Protecting the Earth - Emission Management
A2: Use of Resources	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Protecting the Earth - Natural Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Protecting the Earth - Climate Change
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Protecting the Earth - Natural Resources
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Protecting the Earth - Climate Change
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Protecting the Earth - Natural Resources
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Protecting the Earth - Natural Resources
A3: The Environment and Natural Resources	General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Protecting the Earth - Natural Resources
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Protecting the Earth - Natural Resources
A4: Climate Change	General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Protecting the Earth - Climate Change
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Protecting the Earth - Climate Change
Social			
B2: Employment	General Disclosures	Information on:(a) The policies; and(b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal recruitment and promotion, working hours, rest periods, equal opportunity, diversity anti-discrimination and other benefits and welfare.	People-oriented - Talent Attraction
	KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	People-oriented - Talent Attraction
	KPI B1.2	Employee turnover rate by gender, age group and geographical region	People-oriented - Talent Attraction
B2: Health and safety	General Disclosures	Information on:(a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-oriented - Safety Guarantee
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	People-oriented - Safety Guarantee
	KPI B2.2	Lost days due to work injury.	People-oriented - Safety Guarantee

Appendix II

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	KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	People-oriented - Safety Guarantee
B3: Development and Training	General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	People-oriented - Talent Cultivation
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	People-oriented - Talent Cultivation
	KPI B3.2	The average training hours completed per employee by gender and employee category.	People-oriented - Talent Cultivation
	General Disclosures	Information on:(a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	People-oriented - Talent Attraction
B4: Labour Standards	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People-oriented - Talent Attraction
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People-oriented - Talent Attraction
	General Disclosures	Policies on managing environmental and social risks of the supply chain.	Quality First - Supply Chain Management
B5: Supply Chain Management	KPI B5.1	Number of suppliers by geographical region.	Quality First - Supply Chain Management
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Quality First - Supply Chain Management
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Quality First - Supply Chain Management
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Quality First - Supply Chain Management
	General Disclosures	Information on:(a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Quality First
B6: Product Responsibility	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality First - Quality Control
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Quality First - Service Assurance
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality First - Quality Control
	KPI B6.4	Description of quality assurance process and recall procedures.	Quality First - Quality Control Quality First - Service Assurance
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Quality First - Service Assurance
	General Disclosures	Information on:(a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Efficient Corporate Governance
B7: Anti-corruption	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Efficient Corporate Governance - Integrity Operation
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Efficient Corporate Governance - Integrity Operation
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	Efficient Corporate Governance - Integrity Operation
	General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Contributing to the Society
B8: Community Investment	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Contributing to the Society
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Contributing to the Society

如中英文版有差異，以中文版本為準。

Where the English and the Chinese texts conflict, the Chinese text prevails.



ENVIRONMENTAL,
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