



2021

環境、社會及管治(ESG)報告

Environmental, Social and Governance (ESG) Report

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

Stock code 股份代號: 586

2021



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About the Report

Overview

The Report is the sixth Environmental, Social and Governance Report published by China Conch Venture Holdings Limited ("Conch Venture", "the Group", "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 2021 and focusing on disclosing the information about the Company's ESG performance.

Reporting Period

The reporting period is from 1st January 2021 to 31st December 2021 (the "Reporting Period"). Some information extends to 26th April 2022, when the report was released (defined as "so far").

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"), with due reference to the requirements of the ESG rating of MSCI (Morgan Stanley Capital International) Index.

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".

Verification and Approval

After verified by the management, the Report was approved by the Board of the Company on 28 March 2022.

Full Names and Shortened Forms of Companies

Full Company Name	Short Name in the Report
Anhui Conch Kawasaki Engineering Co., Ltd.	CK Engineering
Anhui Conch Kawasaki Energy Conservation Equipment Manufacturing Co., Ltd.	CK Equipment
Shanghai Conch Kawasaki Engineering Co., Ltd.	CK Shanghai
Anhui Conch Venture New Energy-saving Building Material Co., Ltd.	Anhui Conch Venture Building Material
Bozhou Conch Venture New Energy-saving Building Material Co., Ltd.	Bozhou Conch Venture Building Material
Yangzhou Haichang Port Industrial Co., Ltd.	Haichang Port
China Anhui Conch Group Co., Ltd.	Conch Group
China Conch Environmental Holdings Ltd.	Conch Environmental
Anhui Conch Venture Green Energy Environmental Protection Group Co., Ltd.	CV Green Energy
Anhui Conch Venture Capital Co., Ltd.	Anhui Conch Venture Capital
Sunway Co., Ltd.	Sunway
Wuhu Haichuang Logistics Co., Ltd.	Wuhu Logistics
Jinzhai Conch Venture Environmental Engineering Co., Ltd.	Jinzhai Engineering
Wuhu Conch Venture Environmental Protection Technology Co., Ltd.	Wuhu Environmental Protection
Ningguo Conch Venture Environmental Engineering Co., Ltd.	Ningguo Engineering
Chongqing Conch Venture Environmental Protection Technology Co., Ltd.	Chongqing Environmental Protection
Qiyang Conch Venture Environmental Protection Technology Co., Ltd.	Qiyang Environmental Protection
Tongren Conch Venture Environmental Engineering Co., Ltd.	Tongren Engineering
Yiyang Conch Venture Environment Energy Co., Ltd.	Yiyang Energy
Guiyang Conch Venture Environmental Protection Technology Co., Ltd.	Guiyang Environmental Protection
Luijiang Conch Venture Environmental Protection Technology Co., Ltd.	Luijiang Environmental Protection
Huoqiu Conch Venture Environmental Engineering Co., Ltd.	Huoqiu Engineering
Shizhu County Conch Venture Environmental Protection Technology Co., Ltd.	Shizhu Environmental Protection
Tengchong Conch Venture Energy Technology Co., Ltd.	Tengchong Energy
Dehong Conch Venture Environmental Protection Technology Co., Ltd.	Dehong Environmental Protection
Chaohu Conch Venture Environmental Protection Technology Co., Ltd.	Chaohu Environmental Protection
Yangchun Conch Venture Environmental Protection Technology Co., Ltd.	Yangchun Environmental Protection
Chongzuo Haizhong Environmental Protection Technology Co., Ltd.	Chongzuo Environmental
Xian Yaobai Environmental Protection Technology Co., Ltd.	Yaobai Environmental
Tongchuan Conch Venture Environmental Protection Technology Co., Ltd.	Tongchuan Environmental Protection
Qianyang Conch Venture Environmental Protection Technology Co., Ltd.	Qianyang Environmental Protection
Xingye Conch Venture Environmental Protection Technology Co., Ltd.	Xingye Environmental Protection
Luoyang Haizhong Environmental Protection Technology Co., Ltd.	Luoyang Environmental
Dengfeng Haizhong Environmental Protection Technology Co., Ltd.	Dengfeng Environmental

Chairman's Statement

The year 2021 marks the good start of the "14th Five-Year Plan" in our country and brings both challenges and opportunities for China Conch Venture Holdings Limited ("Conch Venture"). It is my pleasure to present to all sectors and stakeholders Conch Venture's in-depth exploration for sustainable development and our practices and thoughts on fulfilling social responsibilities through the release of the 2021 Environmental, Social and Governance (ESG) Report.

Striving for a new chapter with assiduous efforts.. The Group constantly optimized its corporate governance structure and had been dedicated to combining ESG concepts with corporate governance to stimulate internal reform impetus. In 2021, we established the Strategy, Sustainability and Risk Management Committee, and carried out comprehensive supervision and management of ESG-related matters through a top-down structure, so as to constantly promote the sustainable development of the Company. Meanwhile, we constantly improved the corporate code of business ethics, strengthened the corporate risk management control and promoted the internal control management to be more efficient and effective.

Realizing the green ecological dream. In the eight years since Conch Venture's listing on the Main Board of the Stock Exchange of Hong Kong on December 19, 2013, Conch Venture has gone along with the new trend of the country, grasped new opportunities for green development, actively responded to the "3060 Dual Carbon Goal" set by China, and incorporated the concept of green, low-carbon and circular development into the entire process of the Group's sustainable development. During the Reporting Period, we entered the new energy industry for the first time and successfully signed a contract in respect of lithium ferrous phosphate cathode material project, contributing to the development of the new energy industry. Meanwhile, we constantly promoted the construction work of green production and operation system, continuously optimized the process treatment flow, promoted the reduction and harmlessness of "three wastes" for firmly winning the battle of the preventing and controlling environmental pollution. We constantly improved energy efficiency and reduced greenhouse gas emissions by upgrading equipment and implement energy-saving technology. We have been working together with our global counterparts in the fight against climate change.

Loving employees for mutual prosperity. Conch Venture always believes that talent is the original source of enterprise development. We value our employees and strive to create diverse and inclusive culture for them, continuously attract outstanding talents, optimize the compensation and benefit system, strengthen the core competitiveness of the Company, and promote the improvement of talents team building. In addition, we actively carry out comprehensive and diverse training activities to empower our employees on a continuous basis, help them realize their own value, and promote the common growth of the Company and employees. We insist on patiently listening to employees' voices, broadening their communication channels, and striving to enhance the sense of happiness, satisfaction, belonging and achievement of each employee in Conch Venture.

Writing a gorgeous chapter with pioneering and innovation spirits. Based on safe production, stable operation and quality assurance, we have been deeply engaged in the environmental protection industry by striving for innovation and self-breakthrough to draw a new blueprint for the environmental protection industry. The year 2021 saw the successful completion of the first CKB lithium battery recycling project in our country, providing strong support for the sustainable development of the new energy industry of the group. In the future, the Company will accelerate the R&D of core technologies of energy-saving and environmental protection equipment with environmental protection industry as the main body, lead industrial upgrading, strive to improve the level of modernization and intelligence of products and services, and move steadily forward on the green-driven road of scientific and technological innovation.

Standing together through thick and thin. Since its establishment, Conch Venture has always been on the forefront in fulfilling social responsibilities. We have assumed our responsibilities in epidemic prevention and control. Since the outbreak of the COVID-19 pandemic, we have implemented measures on epidemic prevention and control and consistently caring for our employees, and actively undertaken the task of emergency disposal of COVID-19-related domestic wastes to prevail over the battle of epidemic prevention and control. We have taken on the heavy burden of disaster relief. In 2021, after the flood in Zhengzhou, we immediately mobilized the whole staff to cooperate with the flood rescue and relief work in Zhengzhou, sending the warmth of Conch Venture to the people of Zhengzhou. We have been on the forefront of poverty eradication. We have assisted Huagou Village in Baishu Township, Ruyang County in revitalizing rural economy by targeted poverty alleviation, making Conch Venture's contributions to the construction of beautiful countryside. In the future, Conch Venture will consistently light up the society with love and fulfill its responsibility with commitment.

Daring to take the lead. Conch Venture will sail through winds and waves in the vast ocean. Based on the present, we will continue to promote our corporate ideas and beliefs, take up corporate responsibilities, strengthen our beliefs, forge ahead, constantly deepen our efforts in the field of environmental protection, and implement national sustainable development policies. Looking into the future, we will break through winds and waves, move bravely forward to become a leading global enterprise in environmental protection, and show China's power on the international stage.

China Conch Venture Holdings Limited

Chairman of the Board

Guo Jingbin





2

Walk into Conch Venture

As a listed company mainly engaged in energy conservation and environmental protection, Conch Venture has always undertaken the historical mission of promoting energy conservation, low-carbon and green development since its inception, actively participated in the battle to prevent and control pollution, strived to be the main force in the construction of ecological civilization, and committed to become an important participant and contributor to the construction of national ecological civilization.

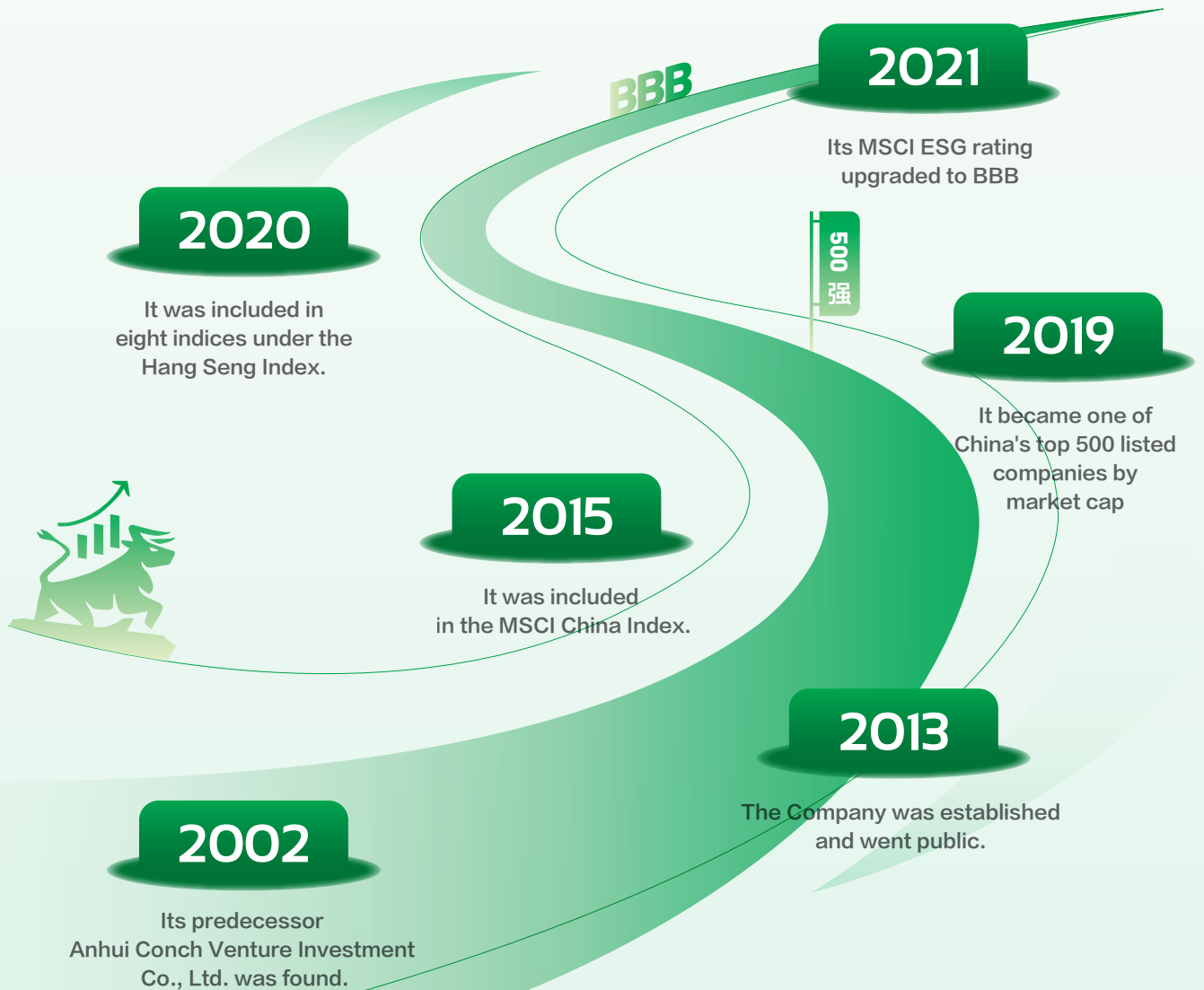
2.1 Overview

Conch Venture is a large conglomerate that provides a package solution to energy conservation and environmental protection, covering business areas such as garbage disposal, new energy materials, new building materials, port trade, solid waste disposal and so on.

Conch Venture has been practicing the idea of "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, and its businesses have been upgraded during the transformation. It has developed the grate furnace power generation from domestic waste, collaborative treatment of industrial solid and hazardous waste by cement kilns, and other environmental protection technologies. With the industry going from domestic market to international market, the Company takes a leading position in the environmental protection industry.

Based on the independent development of environmental protection equipment, we have a large base for research and development (R&D) of energy conservation and environmental protection technology, and equipment manufacturing in Wuhu, Anhui. Engaged in R&D of environmental protection equipment for waste disposal, solid waste treatment and supporting facilities, we offer integrated services for project investment, design, assembly, construction and installation of equipment, as well as operation and management.

The year 2021 marks Conch Venture to achieve its 2nd Five-Year Plan. In the face of the complex and changeable external environment, the Group has risen to the challenge and accomplished its annual target fairly well. The group recorded a revenue of RMB 8,350 million in the Reporting Period, a year-on-year increase of 26.4%. The profit before taxation dropped by 1.48% year on year to RMB 7,933 million, and the main business net profit attributable to equity shareholders grew by 4.86% year on year to RMB 1,290 million. The investment in new construction projects amounted to RMB 6,900 million.



2.2 Business Layout

Conch Venture's business layout mainly consists of four segments, namely environmental protection, new energy materials, new building materials and port logistics.

Environmental protection – "Promoting A Green China"

At present, the waste disposal business is the core business of the group and consists of two parts: grate furnace power generation and co-processing of urban domestic wastes in cement kiln.

So far, the group has successfully promoted 91 waste disposal projects in 22 provinces, autonomous regions, Vietnam and Sri Lanka. Among them, there are 81 grate furnace power generation projects and 10 domestic wastes co-processing projects using cement kilns. After the planned project is completed, it will have an annual processing capacity of 17.53 million tons of domestic waste.

The solid waste disposal business is the spin off business of the group. In March 2022, the group's solid waste disposal business entity Conch Environmental (HK. 00587) was officially listed on the Hong Kong stock exchange. The company mainly carries out the co-processing of industrial solids and hazardous wastes in cement kilns. It has the advantages of fully degrading dioxins, solidifying heavy metals and simultaneously digesting sewage. It has truly realized the reduction, recycling and harmlessness of waste treatment and completely solved the secondary pollution.

New energy materials – "Accelerated development"

In order to seize the development opportunity for new energy industry, the Group quickly switched into the upstream lithium-ion market of lithium iron phosphate (LFP) cathode material. By introducing international advanced intelligent complete sets of LFP equipment and adopting unique nano-catalyzed "solid phase synthesis" process technology, the Group has made LFP cathode material which can be widely used in the lithium-ion field with high-precision ingredients and through fine grinding process. Meanwhile, the Group has invested in the construction of new energy southwestern manufacturing base in cooperation with SUNWAY, a leading domestic enterprise in special cable industry, strive to improve the whole industrial chain of crystalline silicon photovoltaic, build a "Chinese green Silicon Valley", lead the vigorous development of the local new energy material industry and build a modern industrial manufacture system.

New building materials – "Green and environmentally-friendly"

The Group has independently developed and produced Conch fiber cement sheets, namely Cellulose Fiber Cement Sheets, Autoclaved (also abbreviated as ACA), which is a kind of green energy-saving sheet made of imported virgin pulp fiber, Portland cement and high-purity silica quartz sand through automatic high-tech production process. ACA is also a new type of building and decorative material featuring a combination of excellent performance of energy saving and environmental protection, fire retardant, good weather resistance and convenient construction. It is widely used in exterior wall insulation and decoration, interior wall decoration and protection, wall liner, ceiling and other post-processing treatment fields. In the future, the Group will constantly improve product quality and production efficiency, explore its core markets, strengthen the establishment of foreign trade and external markets, increase market share, actively adapt to market demand changes, and devise new products and applications.

Port logistics – "Steady progress"

The Group 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. In the future, the Group will strengthen its market linkage, develop high-quality resources, attract potential new customers, advance information system transformation, achieve intelligent upgrades of equipment and management systems, and build a sophisticated intelligent port.





Responsibility-based Enterprise

Conch Venture always adheres to high standard of corporate governance and constantly refines its governance structure to protect the rights and interests of all stakeholders and improves corporate value.

3.1 Board Statement

<p>Board duties</p>	<p>The Board is ultimately responsible for the performance of Conch Venture's ESG strategies and policies. During the Reporting Period, Conch Venture established the Strategy, Sustainability and Risk Management Committee, which is responsible for formulating the mid and long-term planning of development strategies of the Group, considering and making recommendations on policies for the sustainable development, monitoring and reviewing the implementation of development strategies, plans and policies related to sustainable development, overseeing and reviewing the risk management system, and assisting the Board in fulfilling its management and supervision responsibilities related to the sustainable development of the Group. The Strategy, Sustainability and Risk Management Committee is chaired by Mr. Guo Jingbin, the chairman of the Board, and also comprises one executive director, one non-executive director and one non-independent executive director. Its duties are clearly defined in the Terms of Reference of the Strategy, Sustainability and Risk Management Committee of the Board of Directors.</p>
<p>Daily implementation</p>	<p>During the Reporting Period, Conch Venture carried out the following four measures on ESG performance enhancement to integrate ESG management into its daily work and constantly improve its sustainable development performance:</p> <ol style="list-style-type: none"> 1. System establishment: Conch Venture's Strategy, Sustainability and Risk Management Committee was established to clarify the scope of duties for ESG management, ESG strategy formulation, ESG risk identification and supervision. The ESG Working Group was also established to clarify the duties of ESG team members. Thus, a top-down ESG management system structure was established. 2. Formulation of sustainable development objectives: The environmental performance of Conch Venture was analyzed and identified, and environment-related qualitative objectives were developed in combination with future development planning. 3. Refinement of information collection system: The scope, standard and source of data collection were clarified and unified. <p>Identification of climate change risks: Preliminary climate change risk identification was carried out and countermeasures were formulated according to the framework of the Task Force on Climate-Related Financial Disclosure (TCFD).</p>
<p>Risk management</p>	<p>Conch Venture's Strategy, Sustainability and Risk Management Committee conducts research and proposes suggestions for the Company's mid and long-term development strategic planning, and is responsible for identifying, defining, managing and overseeing the Company's significant ESG risks, and providing risk analysis and decision support for the Board.</p>
<p>Materiality analysis</p>	<p>Conch Venture maintains close communication with internal and external stakeholders to identify and assess significant ESG risk issues for the development of sustainable development strategies. We have discussed and approved the identified significant ESG risk issues and will develop ESG strategies, objectives and management guidelines based on the relevant issues, follow international ESG development trends and peer performance in a timely manner, and review the progress of the relevant work on a regular basis. The ESG materiality results identified will be expounded in Section 4.4 - Materiality Issue Analysis.</p>

3.2 Corporate Governance

3.2.1 Board Governance Mechanism

As a responsible enterprise, Conch Venture conducted its business in strict accordance with the principles and provisions set out in the Corporate Governance Code contained in Appendix 14 of the Listing Rules. We have further improved the corporate governance structure and enhanced corporate governance under the guidance of regulatory documents, including the Listing Rules and the articles of association.

The Board of Conch Venture has currently set up three specialized committees. The Audit Committee is mainly responsible for reviewing financial statement reports and materials and overseeing and checking the Company's internal control system; the

Remuneration and Nomination Committee is mainly responsible for the overall remuneration policy and structure of all directors and senior management and making recommendations to the Board; and the Strategy, Sustainability and Risk Management Committee is mainly responsible for the

strategic planning, policy research and policy implementation related to sustainable development, overseeing and evaluating the risk management system, and assisting the Board in fulfilling its management and supervision responsibilities related to sustainable development.

BOARD OF DIRECTORS

- ▶ **Audit Committee**
- ▶ **Remuneration and Nomination Committee**
- ▶ **Strategy, Sustainability and Risk Management Committee**

3.2.2 Board Diversity

Conch Venture is fully aware that diversity of the board members will better enhance the Company's development and promote the achievement of strategic goals. We actively promote and implement the Board Diversity Policy to achieve diversity of

board members in terms of industry experience, working background and other qualities on the basis of merit. During the Reporting Period, the Board of Conch Venture was composed of three executive directors, three non-executive

directors and three independent non-executive directors. The board members feature diversity in skills, experience, professional knowledge, culture, independence, and age.

Name of Director ¹	Committee	Duty	Experience		
			Risk management	Financial management	Industry experience
Mr. Guo Jingbin	Strategy, Sustainability and Risk Management Committee	Non-executive Director and Chairman of the Board			✓
Mr. Ji Qinying	Strategy, Sustainability and Risk Management Committee	Executive Director and CEO			✓
Mr. Li Jian		Executive Director and Deputy General Manager			✓
Mr. Li Darming		Executive Director and Deputy General Manager			✓
Mr. Shu Mao		Non-executive Director			✓
Mr. Yu Kaijun	Remuneration and Nomination Committee Strategy, Sustainability and Risk Management Committee	Non-executive Director		✓	✓
Mr. Chan Chi On	Audit Committee, Remuneration and Nomination Committee Strategy, Sustainability and Risk Management Committee	Independent Non-executive Director	✓	✓	
Mr. Chan Kai Wing	Audit Committee Remuneration and Nomination Committee	Independent Non-executive Director	✓	✓	
Mr. Lau Chi Wah, Alex	Audit Committee Remuneration and Nomination Committee	Independent Non-executive Director	✓	✓	

¹Please refer to Section Eight of the Annual Report for detailed biographies of board members

3.2 Corporate Governance

3.2.3 Internal Control and Risk Management

Conch Venture strictly follows the requirements for risk control management under the Hong Kong Listing Rules. In consideration of the current situation of risk control system construction, we have improved our risk resistance 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. We have built a three-tier structure of risk management, including "department, regional committee and subsidiary", and decentralized some rights to the regional subsidiaries to improve efficiency and optimize personnel and resources.

To ensure the achievement of risk control objectives, we have evaluated the current status of risk control, defined the implementation path of risk control management planning for the next five years, and formed the Five-Year Risk Control Work Plan. During the Reporting Period, we issued the Implementation Plan for the Optimization of the Organizational Control and Risk Control System of Conch Venture, which is based on the principles of "meeting requirements, highlighting priorities, forming characteristics and solidifying in a sequential manner". According to the Implementation Plan, we revised and improved the internal control manual, and formed a risk database and risk map for the Company in combination with the inherent and potential risks. We identified 18 risk points throughout the year, including organizational structure, development strategy, human resources, and social responsibility. In response to the identified risk points, we organized relevant units to conduct serious discussions, ranked them by risk level, formulated specific corrective measures, and constantly promoted the corrective work.

Conducting off-office audits

During the Reporting Period, Conch Venture conducted off-office audit for the main responsible persons of five subsidiaries according to personnel adjustment. 60 problems and internal control risks were identified in the audit, and dedicated personnel were arranged to implement rectification. The rectification of relevant issues and internal control risks achieved certain results. For issues that need continuous rectification, the rectification effect will be verified in a timely manner later.

Risk control training

During the Reporting Period, Conch Venture regularly organized risk control training and invited legal experts of Conch Group to conduct labor risk prevention training, mainly explaining the corresponding laws and regulations with respect to the risk of labor disputes and how to reduce risks through daily management. It also organized several training sessions on legal risks in contract management at subsidiaries, focusing on various risk points in the bidding process and making discussions and summaries on risk prevention and control.

3.2.4 ESG Management

Conch Venture's development goals have been to fully engage in the environmental protection industry, carry out ecological civilization construction and constantly promote the development of low-carbon economy. We have been actively practicing the concept of sustainable development, integrating ESG management into all aspects of our operation management, and promoting and optimizing the Group ESG governance.

During the Reporting Period, the Board approved the establishment of Strategy, Sustainability and Risk Management Committee which is chaired by Mr. Guo Jingbin, the Chairman of the Board of Directors of the Company. It also set up a top-down ESG management structure consisting of the Board, committees and functional departments, whose responsibilities are clearly defined and work are coordinated. The Group has included ESG-related per-

Board of Directors
Responsible for assessing and identifying the environmental, social and governance risks of the Group Considering and approving ESG policies Considering and approving ESG reports
Strategy, Sustainability and Risk Management Committee
Conducting research and making suggestions for the Company's mid and long-term development strategies Conducting research, analysis and risk assessment on its ESG-related issues Ensuring the establishment of an effective risk management system to continuously supervise its risk management measures Reviewing ESG reports
Functional Departments and Subsidiaries
Assigning dedicated individuals to be responsible for the collection of ESG-related data and preparation of an ESG report Reporting regularly to the management of the Company to assist them in assessing and determining whether ESG-related risk management and internal control system is appropriate and effective

formance indicators, such as environmental liability accidents, environmental protection penalties and safety production related accidents, in the annual objective assessment, in order to further incorporate the ESG concept into its strategy and operation management. Such indicators are linked to the performance and remuneration of the management at all levels, and we will take corresponding reward and punishment measures for the management based on their performance.

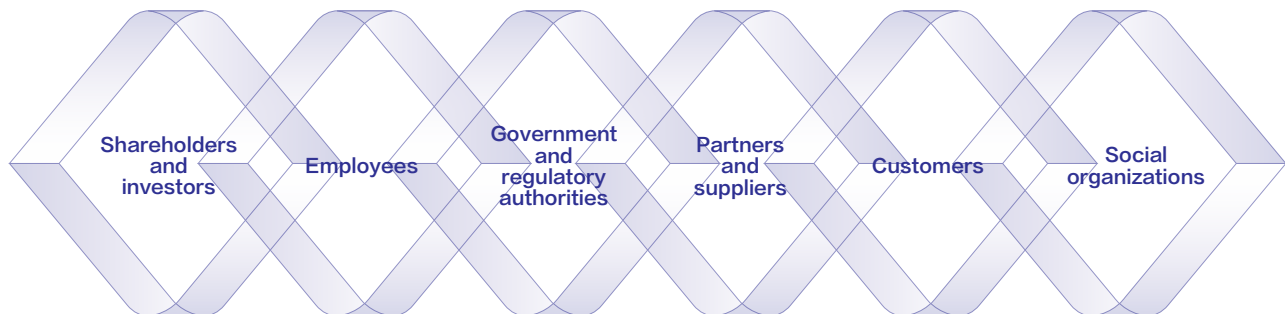
3.2 Corporate Governance

3.2.5 ESG Recognition and Awards



3.3 Stakeholder Engagement

During the Reporting Period, based on Conch Venture's strategic development and principal businesses, we identified and determined six groups of key stakeholders that reflected the Group's impact on the economy, environment and society through internal and external analysis and talks with various departments. Meanwhile, we further improved our channels and modes of the Group communication with stakeholders, and responded positively to the various demands we have learned through participation in various industry seminars, academic conferences and other large-scale communication activities.



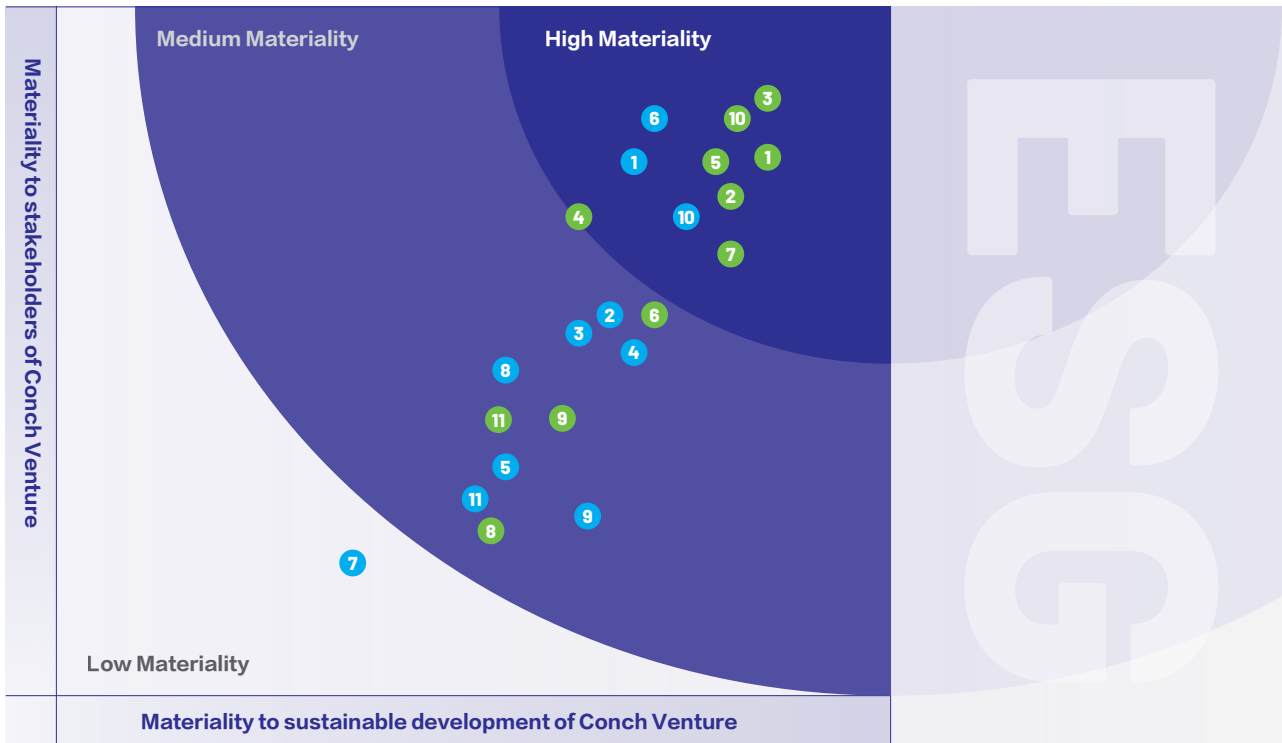
3.3 Stakeholder Engagement

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 Exchanges with listed companies Daily communication and exchanges Questionnaire surveys
Employees	Occupational Health and Safety Employee Training and Development	Employee Welfare Child Labor and Forced Labor	Employee training and activities Employee satisfaction surveys 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 Resources 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 audits Technical training Daily/online communication
Customers	Customer Privacy	Customer Service	Professional academic exchanges Customer satisfaction surveys Customer service hotline Strategic cooperation
Social organizations	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 conferences Official website and WeChat public account Media interviews and communication

3.4 Materiality Matrix

Conch Venture adopted the opinions of stakeholders and identified 22 material issues in ESG report, including employee health and safety, employee training and development, greenhouse gas emissions and air emissions, and developed the materiality matrix. We identified five highly important issues from the matrix, such as occupational health and safety, hazardous waste discharge, as important directions for sustainable development of the Company. We will disclose information on these types of issues in the Report.

Conch Venture EGS Materiality Matrix 2021



Environmental Issues		Governance and Social Issues	
1	Greenhouse Gas Emissions	1	Anti-corruption
2	Air Emissions	2	Employee Training and Development
3	Clean Technology Opportunities	3	Employee Welfare
4	Water Resources Management	4	Child Labor and Forced Labor
5	Hazardous Waste Discharge	5	Supply Chain Management
6	Wastewater Discharge	6	Occupational Health and Safety
7	Energy Efficiency	7	Community Building
8	Use of Materials	8	Product Quality and Safety
9	Non-hazardous Waste Discharge	9	Customer Privacy
10	Climate Change Risks	10	Compliance Operations
11	Environmental Protection Education	11	Customer Service

3.5 Business Ethics

3.5.1 Business Information Protection

The Group attaches great importance to information security and commercial secrets of the Company and its customers and partners. In order to ensure the security of the Company's internal office information, we have introduced the internal office platform and operation monitoring platform through the automation institute under Conch Group, and all production data and office information have been uploaded to the cloud to ensure the confidentiality and stability of the Company's data. In order to ensure the security of the Company's business information, we also made offline backup and established an archive room for unified management. 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.

3.5.2 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 (Trial)* and the *Management Measures of Complaints and Whistleblowing (Trial)* applicable to all subsidiaries 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 personal improper benefits and damaging the economic interests of the Company, strengthen internal control and governance, safeguard the legitimate rights and interests of the Company, and ensure the achievement of the Company's business objectives and the Company's sustainable, stable and healthy development, and protect the legitimate rights and interests of shareholders.

In terms of raising employees' awareness of anti-corruption and anti-fraud, Conch Venture adheres to the policy of "prevention first, publicity first" and requires all employees to sign the "Letter of Responsibility for Integrity" and the "Letter of Commitment to Integrity" every year, conducts regular anti-corruption training, and publicizes and implements the relevant contents of the employee handbook and the Company's rules and regulations continuously to ensure the continuous and stable progress of the Group's anti-corruption work.

During the Reporting Period, a total of nine board members in our group participated in about 36-hour online or offline anti-corruption

System Design

Establish risk management and internal monitoring system, define the division of work and authority of each secondary department, and form a check and balance mechanism to mitigate or even eliminate chances for the occurrence of misconducts

Team Building

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

Supervision and Management

Set up an audit department to supervise various work, conduct regular special and routine audits for all subsidiaries, and establish whistleblowing channels. All staff are entitled to report violations of laws and regulations and behaviors that damage the Company's interests to the Company or relevant departments.

tion training, and a total of about 240 employees participated in 20-hour anti-corruption training, such as watching anti-corruption-related multimedia video materials. Through the multi-frequency and all-round self-inspection work, such as internal audit and rectification, regular special audits, rou-

tine audits, and other initiatives, the anti-corruption control has been strengthened, and corruption incidents have been strictly eliminated. During the Reporting Period, the Company did not have any lawsuits related to corruption.



3.5 Business Ethics

3.5.3 Whistleblowing and Whistleblower Protection

In terms of complaints and reports, Conch Venture always adheres to the laws and regulations as the criterion, adheres to seeking truth from facts, and takes facts as the basis to investigate and deal with violations of disciplines and regulations in accordance with the laws, therefore correcting unhealthy tendency, resolving conflicts, and promoting the harmonious development of the Company. According to the management authority, 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. We have formulated the *Management Measures of Complaints and Whistleblowing (Trial)*, which allows the public to 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.

We will handle the reported clues in a graded manner. Complaints and reports involving departmental management and the members of the leadership team of each subsidiary or above shall be handled by the Audit Department of Conch Venture; complaints and reports involving the middle-level and below management personnel of the subsidiaries shall be approved by the Audit Department of Conch Venture and forwarded to subsidiaries for handling; complaints and reports beyond the scope of the Audit Department shall be transferred to relevant functional departments for handling.

Results of Handling

For general issues that do not constitute violations of laws and regulations, the personnel being reported shall be instructed to make a clarification on the reported issues and be given criticism and education.

Reports with specific problems and clear clues, which need to be investigated for legal responsibility and political disciplinary sanctions, shall be investigated and dealt with in accordance with the case-filing procedure. If a criminal case is involved, it shall be transferred to the judicial authority for handling.

Reports with no clear clues and specific facts, which are not investigative, shall be registered and recorded, and the investigation shall be carried out after there are clear clues.

When handling complaints and reported cases, we strictly abide by the confidentiality system and verification procedures, determine more than two staff members to set up an investigation working group to conduct in-depth and detailed investigation, collect relevant evidence materials and make interview records. After the investigation, the investigation working group shall issue a written investigation report and handling opinions according to the investigation understandings, and submit it to the leaders of the company for review and signature. When the members of the investigation team and their relatives have an interest in the complaint, the avoidance system shall be strictly implemented to eliminate the possibility of affecting the objective and fair handling. Any information involved in the reporting and investigation process shall be kept strictly confidential, and the staff shall not disclose the contents of the file to irrelevant personnel. We encourage all employees, suppliers, customers and engineering contractors to report non-conforming business practices to the company. 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.



4

Creating A Green Future

In the context of China's implementation of the "dual-carbon" strategy, vigorous development of the green environmental protection industry, and promotion of resource recycling, Conch Venture further responds to the trend of comprehensive green transformation of the economy and society, and takes advantage of the broad project market prospect, huge development potential, and diversified business segments to continuously promote high-quality green development in the environmental protection market.

4.1 Green Opportunities

4.1.1 Consolidate Core Business

In response to the national "dual-carbon"² strategic commitment, the group continued to promote the upgrading of environmental protection technology, actively promoted environmental protection projects across the country and fought a tough battle for pollution prevention and control.

Technology of Grate furnace power generation

The grate furnace power generation technology can sufficient degrade dioxins. As the whole process is closed, there is no odor diffusion, no sort for waste and no fuel added. With its high power generation capacity, we truly realize the recycling of waste treatment.

Technology of co-processing industrial solid waste and hazardous waste by using cement kiln

The technology of co-processing industrial solid waste and hazardous waste-using cement kilns includes five major processing systems: inorganic sludge, pulp and slag waste, solid waste, waste liquid and fly ash, which makes full use of the characteristics of high-temperature calcination in cement kilns and can dispose of all kinds and forms of industrial solid waste and hazardous waste, with thorough waste treatment, no ash emission, high degree of resource utilization and good solidification effect on heavy metals, and is one of the economical, environmentally friendly and thorough disposal method at present.



While the country is comprehensively promoting the prevention and controlling of solid waste pollution, Conch Venture firmly grasps the opportunities of clean technology with firmly grounded in the development of the environmental protection industry. continuing to strengthen the two core businesses of solid waste disposal and garbage disposal to realize "harmless, intensive and recycling" waste, which thoroughly solve the problem of land occupation and environmental pollution caused by urban landfills and solid and hazardous waste treatment, vigorously promote the advancement of the national environmental protection cause.

During the Reporting Period, on the basis of consolidating the garbage disposal business and solid waste disposal business, the Group conducted research on the improvement of project operation quality. The garbage disposal business sector continues to promote technical transformation and measures to improve the operation indicators, such as ton power generation and ton on grid power; The solid waste disposal business segment has optimized the operation effect of the project by reducing the fossil fuel consumption of the cement kiln system, and provided favorable support for the future work related to carbon emission reduction in cement industry.

² "dual-carbon" represents "carbon peaking and carbon neutrality".

4.1 Green Opportunities

4.1.2 Expanding New Energy Track

With the national goal of "dual carbon", the new-energy automobile industry has grown rapidly, while lithium-ion power batteries, as an important part of the new energy industry, have also embraced vigorous development. The Group seizes the opportunity arising from such new round of energy revolution and strives to become a leading benchmarking enterprise in the industry.

Conch Venture "starts up" business again to march into new energy

During the Reporting Period, Conch Venture successfully entered into a lithium iron phosphate cathode project investment agreement with the Management Committee of Anhui Wuhu Economic Development Zone, rapidly entered the upstream core industry of new-energy lithium iron phosphate cathode material, actively cultivated new profit growth points for the Company, and further improved the Company's comprehensive competitive power, so as to inject new impetus into the Company's high-quality development. During the Reporting Period, Conch Venture officially launched a project with an annual output of 500,000 tons of lithium iron phosphate cathode materials, of which the first phase has an annual output of 50,000 tons.



First in China and leading in the world – the CKB lithium battery recycling project

During the Reporting Period, the first set of CKB lithium battery recycling project in China was successfully completed. The project realized the safe crushing and separation of waste lithium-ion power batteries by utilizing the waste heat flue gas from cement kilns, and the copper, iron, aluminum, and electrode powder materials obtained were sold for recycling, while the separated electrode powder was recovered as valuable metals by means of dissolution and crystallization. All emission indicators of the project met the relevant national standards in pilot test, and the corresponding components were also separated to realize resource utilization. The project was technically "first in China and leading in the world", providing important support for the sustainable development of the new energy industry.



4.1.3 Focusing on Intelligent Construction

In order to further implement the national "carbon neutrality" strategic deployment and accelerate the green and low-carbon transformation, Conch Venture, upholding the sustainable development concept of energy conservation and emission reduction, and circular economy, vigorously invests in intelligent construction to improve its carbon emission accounting and management capabilities, and lead the green and low-carbon development of the region.

Carbon emission accounting planning and platform software construction



During the Reporting Period, we took the Lujiang Environmental Protection as a pilot to carry out carbon emission accounting and planning and platform software construction for industries related to Conch Venture. We first obtained the actual data of the waste-to-energy power plant in Lujiang Environmental Protection, conducted a classification study on the sources of carbon emissions in each link, and

analyzed and reviewed the acquired data. On the basis of the analysis and research on this project, we studied and determined the carbon emission accounting method of the grate furnace power generation plant of Conch Venture, and formulated energy-saving and emission reduction measures and development mode for the development of the grate furnace power generation industry, forming a set of regulation, management and policy guarantee system for carbon emission reduction. At present, the accounting planning project has been basically completed and has entered the closing and summarizing stage. In the future, a dual-carbon roadmap for the Conch Venture waste-to-energy power plant will be formed.

In addition, we are committed to developing the "dual-carbon smart platform" of Lujiang Environmental Protection, including the dual-carbon smart large-screen software and the dual-carbon smart platform analysis and management software of Lujiang Environmental Protection waste-to-energy power plant, which will analyze the basic production information, compare with the landfill greenhouse gas emissions and display relevant key carbon input and carbon output tags and modules such as carbon monitoring, carbon scenarios, carbon forecast, and video fusion on the main page. As of the end of the Reporting Period, we have completed the platform architecture design and back-end framework development.

4.1 Green Opportunities

4.1.4 Disseminating the Concept of Environmental Protection

Conch Venture has been conscientiously implementing the thought of ecological civilization, practiced the corporate mission of "protecting lucid waters and lush mountains, and creating a beautiful environment", committed to spreading the Company's environmental protection concept and enhancing environmental and social benefits, and is willing to promote the development of social environmental protection with our efforts. During the Reporting Period, 12 subsidiaries, including Shizhu Environmental Protection, Tengchong Energy, Ningguo Engineering, and Dehong Environmental Protection, actively organized public open days, inviting community students, residents, and relevant government departments to visit the plants, and explaining to visitors the grate furnace power generation and solid and hazardous waste co-processing technologies, and their positive significance to the sustainable development of the environment. Among them, Qiyang Environmental Protection won the titles of "Yongzhou Ecological Environment Education Base" and "Top Ten Open Units of Environmental Protection Facilities" in Hunan Province, showing the company's good corporate image. By the end of the Reporting Period, Wuhu Environmental Protection, Chongqing Environmental Protection, Qiyang Environmental Protection and Ningguo Engineering have become public open units of national environmental protection facilities and municipal sewage and waste treatment facilities.

Tongren Engineering Public Open Days

On 22 October 2021, more than 30 student representatives from Bijiang District Secondary Vocational School in Tongren City went to Tongren Environment to participate in the public open day activities. The person in charge of the production and operation department of Tongren Engineering introduced the traditional domestic waste treatment methods and the technological process of the grate furnace waste power generation project to the students, so that they could understand the whole process of waste treatment and the current advanced waste treatment technology and feel the power of technological development.

Ningguo Engineering World Environment Day public open activity

It is the 50th World Environment Day in this year. Ningguo Engineering launched a public open day activity with the theme of "harmonious coexistence between man and nature", aiming to further arouse the awareness of biodiversity protection in the whole society, firmly establish the concept of respecting nature, conforming to nature and protecting nature, and build a beautiful home where human and nature coexists harmoniously. In order to effectively promote environmental protection and establish a good image of the Company, Ningguo Engineering invited more than 20 teachers and students from Ningguo Port Park

Primary School to participate in the public open day activity on the afternoon of 4 June 2021.

On behalf of the Company, the person in charge of the General Management Office welcomed the teachers and students to visit Ningguo Engineering and introduced to them the basic situation, development history, performance, development prospect of Conch Venture and the characteristics and advantages of Conch Venture's grate furnace waste treatment technology. The students and teachers expressed their views freely and said that through this visit and study, they truly realized the importance of protecting the environment, and they also thanked Ningguo Engineering for the disposal of domestic waste, which has made the environment of humanity's habitat better and better. Ningguo Engineering will continue to do an excellent job in the harmless, reduced and resourceful processing of domestic waste in Ningguo and welcome people from all walks of life to visit and study at Ningguo Engineering, so as to encourage more people to fulfill their environmental protection responsibilities and contribute their strength to the creation of a civilized city.



Awards

Huoqiu Environment won the honorary title of "Polaris Cup – Excellent Power Plant Open to the Public"

Chongqing Environmental Protection was awarded Environmental Protection Facilities Public Open Unit by the Ministry of Ecology

Qiyang Environment was awarded the Top Ten Environmental Protection Facilities Open Units in Hunan Province and Yongzhou Ecological Environment Education Base



常德市生态环境局澧县分局
二零二零年八月

4.2 Environmental Management

4.2.1 Environmental Compliance Management



Conch Venture strictly abides by the relevant laws and regulations of the places where it operates, such as the *Environmental Protection Law of the People's Republic of China*, the *Air Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and *Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution*, and continuously improves the *Environmental Assessment Management System*, *Environmental Inspection Management System*, *Environmental Protection Facilities Operation Management System*, *Management System for On-line Monitoring Equipment and Data of Pollutants* and *Management System for Pollutant Discharge Permit* and other internal management systems to ensure environmental compliance operations. In order to further ensure environmental protection compliance at the production and operation level of Conch Venture, we compiled the work plan of the 2021 Safety and Environmental Protection Professional Inspection Plan during the Reporting Period, formulated environmental protection professional goals covering all subsidiaries of the Group, and strictly instructed each subsidiary to implement the relevant goals, conduct self-inspections and carry out annual environmental protection professional inspections in an orderly manner. In addition, we have also formulated the Environmental Protection Responsibility Investigation System Implementation Rules and Environmental Protec-

tion Responsibility Investigation System, established an environmental protection accountability system for the entire production management process, and linked the Company's environmental performance with the assessment and promotion of relevant persons in charge. During the Reporting Period, we cooperated with Conch Group to complete the environmental protection inspection organized by the Anhui Provincial Department of Ecology and Environment, and the Group did not have any major environmental violations.

At the same time, we actively carried out the environmental management system certification, organized relevant departments and staff to prepare and revise the management manual, procedure documents, technical specifications, and other documents in terms of laws and regulations, equipment capacity, and technical level, comprehensively checked the implementation and rectification of system requirements by setting management goals, refining target indicators, strengthening target assessment and promoting the implementation of rectification, and maintained the compliance operation of the Company's environmental management system. During the Reporting Period, our subsidiaries such as CV Green Energy, CK Equipment, CK Engineering, CK Shanghai, and Jinzhai Engineering have all

obtained ISO 14001 Environmental Management System certification.

In order to ensure that the company's environmental protection management meets the latest national control requirements, timely obtain the latest national laws, regulations and policy documents, eliminate potential environmental hazards, and ensure that the company can better meet the regulatory requirements of the environmental protection department, during the reporting period, we regularly identify and obtain the latest national and local environmental protection laws, regulations and policy standards, form a list and issue it to all project companies for publicity, implementation and implementation, At the same time, it organized the preparation of selected technical standards of national environmental protection laws and regulations to guide the project company to standardize the daily environmental protection management. In addition, in combination with the key points of national environmental protection supervision and the latest relevant policies and regulations of environmental protection management, we continue to strengthen daily environmental protection management to face the increasingly detailed requirements of environmental protection supervision.

Strengthen online testing management requirements

- Clarify the enterprise-end labelling requirements and standards for the automatic monitoring system for grate furnace power generation plant
- Ensure that each subsidiary strictly implements the requirements of the marking rules, and strictly controls the total time of the marking year and quarter

Strengthen the daily environmental management requirements

- Ensure the timely preparation of self-monitoring reports and timely filling of environmental management ledgers
- Complete the monthly monitoring and data audit at the beginning of each month in the grate furnace power generation segment
- Each subsidiary manages the storage, transfer and disposal of hazardous waste such as fly ash and used oil according to the requirements of hazardous waste control
- Each subsidiary manages and controls the rainwater sewage in the whole plant

Implement the handling of environmental protection warrants

- New projects shall obtain environmental impact assessment approval before construction
- When there is a "major change" in the project under construction, such as scale, production process and environmental protection measures, the environmental impact assessment should be re-approved according to the change.
- We shall apply for a pollutant discharge permit in advance before each project is put into production, and it is strictly prohibited to discharge pollutants without a permit

4.2 Environmental Management

4.2.2 Environmental Risk Management and Control

In order to establish forward-looking awareness of environmental risk management and control and reduce the potential risks of environmental management in an all-round way, we have formulated, operated, and regularly updated documents such as the Comprehensive Emergency Response Plan and Technical guide for environmental protection management of accident emergency pool and initial rainwater pool for Environmental Emergencies to ensure effective identification and control of potential environmental risks. The Company has effectively identified four key points of environmental management risks, and for different environmental risks, we have formulated environmental risk management preventive measures to eliminate or reduce pollution hazards to the environment.

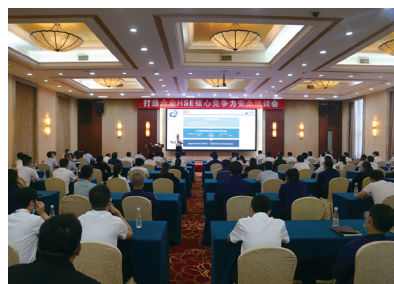
Risk of waste transportation	Risk of waste storage	Risk of flue gas disposal	Risk of leachate disposal
Clean up the waste that spills on the ground in time during loading and unloading to prevent pollution to the surrounding environment	Design a strong waste storage pit, and divide the overload warning line to prevent the deformation of the pool wall due to overloading of waste	Dosage control of the use of denitrified ammonia to ensure that the amount of ammonia meets denitrification requirements	Regular maintenance of equipment
Carefully plan the transportation route of domestic 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, etc.	Pre-job training for operators
Establish a waste collection inspection system	Timely maintenance and repair of wear, cracks, etc. in the waste storage pit		The leachate treatment stations have dual power supplies. For key equipment, there is one for backup and one for use.
			Strictly implement the anti-seepage requirements of groundwater zoning and strengthen the groundwater environmental monitoring management

4.2.3 Compliance Awareness Training

The Group is committed to building a corporate culture of green compliance operation and sustainable development, and enhancing the quality and skills of employees in the field of environmental protection. We regularly carry out a variety of environmental protection training and publicity and implementation activities to interpret the latest environmental protection regulations and policies for employees and clarify the environmental protection requirements for production and operation, so as to further enhance the Group's employees' awareness of environmental protection and compliance operations and play a positive role in promoting the implementation of various environmental protection work in our production and operation activities.

Prepare a list of cases and problems rectification notified by environmental protection inspectors for employees to study

During the Reporting Period, the Safety and Environmental Protection Department of the Company collected and compiled the Typical cases notified by the third batch of central environmental protection inspectors in the second round, Typical Cases Notified by the Second Round of the Fourth Batch of Central Environmental Protection Inspectors and the Checklist for Investigation and Rectification of Problems Reported by the Central Environmental Protection Inspectors of Enterprises and 100 cases of typical accidents of safety and environmental protection. We will distribute the prepared documents to all units for employees to learn from, and hope all employees will take the case as a reference for environmental protection problems, Draw inferences from one instance, and take preventive measures. Meanwhile, The videos of typical cases of local environmental protection supervision were collected, and large-scale film viewing education activities were organized during the sixth five year plan



Actively participate in the special training on safety and environmental protection organized by Conch Group

In order to strengthen the study of safety and environmental protection laws and regulations and improve the business level of the company's safety and environmental protection managers, the company organized safety and environmental protection professional managers to participate in the special training on safety and environmental protection organized by Conch Group in April and September 2021. The trainers conducted training and explanation on the latest national safety and environmental protection management policies, Secretary Xi's thought of ecological civilization and the construction of enterprise safety culture, and conducted discussion and exchange in combination with the trainees' own experience.



4.3 Climate Change

4.3.1 Energy Management

The types of energy used by the Group mainly include purchased electricity, gasoline, diesel and natural gas. Among them, the purchased electricity is mainly used for the production operation and administrative office in the garbage disposal and solid waste disposal business. Gasoline is mainly used for the driving of own vehicles. Diesel is mainly used for machinery and equipment, waste logistics and transportation, as well as the boiler start-up and operation of the grate furnace power generating segment.

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.

4.3.2 Promoting Energy Saving and Carbon Reduction

	<p>Conch Venture will continue to promote the construction of a green production and operation system and continuously improve energy efficiency, reduce energy consumption and greenhouse gas emissions through process upgrades, energy-saving equipment applications, equipment configuration optimization and energy-saving technology development and utilization in the production and operation process.</p>
<p>Technical transformation</p>	<p>Continuously implement technical improvement of energy-saving water pumps (circulating water pumps) for grate furnace power generation projects to reduce electricity consumption</p> <p>Improve CK450 raw material vertical mill system to reduce electricity consumption</p> <p>Improve the overall operating efficiency and increase power generation by 8-10 kwh through the transformation of the heating surface of the economizer</p>
<p>Equipment upgrade</p>	<p>In the solid waste disposal segment, energy-saving waste liquid treatment equipment will take the place, greatly improving the disposal capacity and reducing the power consumption by 50KWh/ton</p> <p>Use a new type of grate furnace to reduce heat loss</p>
<p>System optimization</p>	<p>Optimize the configuration of the air compressor through analysis and discussion to further reduce the operating power of the waste-to-energy project and save electricity consumption</p> <p>Install leakage protection to avoid unnecessary power waste</p>

During the Reporting Period, we carried out a total of 30 energy-saving technical improvement projects in the solid waste treatment segment, mainly through the addition of electric meters and the improvement of a number of key equipment such as step furnace, double-blanking process, and shaftless reamer, which improved the operating efficiency.

Low carbon technical improvement of CK450 raw material

In active response to the national policy of "carbon peaking and carbon neutrality", to promote the low-carbon and carbon-reduction technical improvement of the high-energy-consuming cement industry, we have combined the current market development, and customer needs to carry out production and efficiency enhancement, low-carbon and carbon-reduction measures. We have carried out technical improvements on the CK450 raw material vertical mill system. After the improvement, the production capacity target was 500t/h, and the power consumption of the system was reduced by about 2.5kwh/t. If the equipment operation rate is calculated based on 300 days, the power saving is about 9 million kWh, which is equivalent to a reduction of 3,636 tons of standard coal and 8,973 tons of carbon dioxide emission.

In addition, Conch Venture takes the lead and actively participates in the China Certified Emission Reduction (CCER) program to promote the achievement of the "dual-carbon" goal. We use the grate furnace power generation technology and integrate the obtained electricity into the national grid, avoiding greenhouse gas emissions from landfills while replacing the same amount of electricity from fossil fuel-based power plants, thereby reducing greenhouse gas emissions.



4.3 Climate Change

4.3.2 Promoting Energy Saving and Carbon Reduction

During the Reporting Period, our energy use and greenhouse gas emissions are as follows:

Energy consumption ³	Unit	Data in 2021
Direct energy consumption	Tonne of standard coal equivalent (TCE)	32,542
Indirect energy consumption	Tonne of standard coal equivalent	24,720
Total energy consumption	Tonne of standard coal equivalent	57,262
Energy consumption per unit of revenue	TCE/RMB'000000	6.9

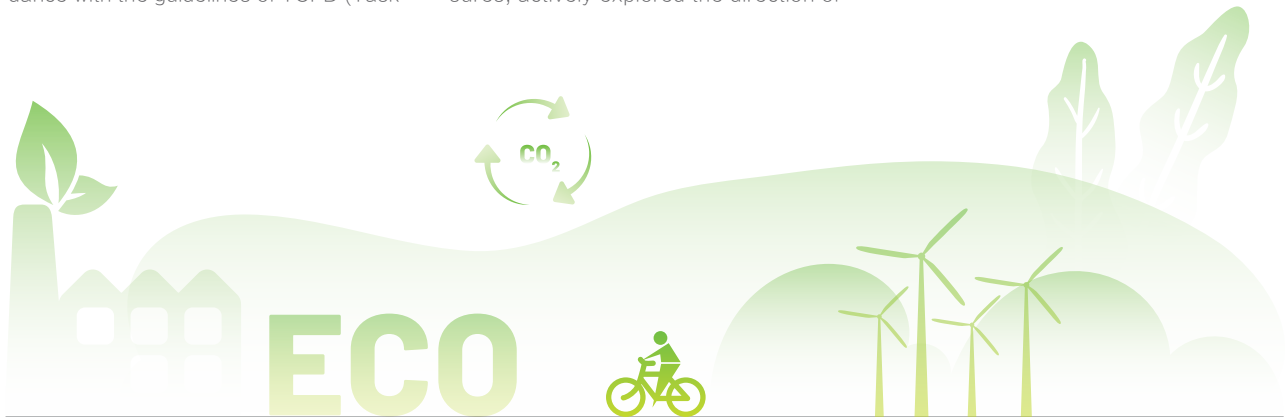
Greenhouse gas emissions	Unit	Data in 2021
Scope 1 ⁴	Tonne of CO ₂ e	40,290
Scope 2 ⁵	Tonne of CO ₂ e	127,313
Total greenhouse gas emissions	Tonne of CO ₂ e	167,603
Greenhouse gas emissions per unit of revenue	Tonne of CO ₂ e/RMB'000000	20.1

4.3.3 Responding to Climate Change

While promoting the continuous development of our business, we deeply recognize the urgency of enterprises to respond to climate change. During the Reporting Period, we completed the preliminary identification of climate change risks in accordance with the guidelines of TCFD (Task

Force on Climate-related Financial Disclosures), the geographic location of our own operations, and national policies and regional plans. By evaluating a series of risks related to the Group's business, we have formulated targeted countermeasures, actively explored the direction of

low-carbon transformation while reduced future risks, and continued to improve our low-carbon development capabilities. During the Reporting Period, the climate change risks and opportunities we identified are as follows:



³ The calculation of energy (direct and indirect) consumption indicators refers to such basis as the National Standard of the People's Republic of China, *General Principles for Calculation of Comprehensive Energy Consumption (GB2589-2020)*.

⁴ 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.

⁵ 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.

4.3 Climate Change

Risk category	Project	Risk description	Response
Policy and Law	Strengthening emissions reporting obligations	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.	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.
	Change in policies	Existing laws and regulations and industry standards include the Environmental Protection Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China, 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.	Conch Venture 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.
Reputation	Relations with investors	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.	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.
Technology and Innovation Risk	Investing heavily in technological innovation	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.	Conch Venture 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.
Chronic Risk	Sea-level rise	Some of the Company's operations are located in China's coastal provinces. Rising sea levels may cause damage to facilities and increase the cost of corporate infrastructure.	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.
Acute Risk	Increased severity of extreme weather events such as typhoons and floods	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.	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.

4.4 Emission Management

4.4.1 Management of Exhaust Gas

Conch Venture strictly complies with relevant laws and regulations such as *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 Specification for Application and Issuance of Emission Permits Industrial Solid Waste* and *Hazardous Waste Treatment (HJ1033-2019)* and other standards, and actively carries out monitoring of exhaust gas 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 Exhaust Gas 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 emission of exhaust gas while ensuring the compliance with emission standards.

The waste gas from Conch Venture mainly comes from garbage disposal, solid waste disposal, and other operation processes. The waste gases we mainly control include nitrogen oxides, sulfur dioxide, particulate matter and other pollutants in the waste disposal business segment; Hydrogen chloride, hydrogen fluoride, dioxin and other characteristic pollutants in the solid waste disposal business segment, and other waste gas pollutants are controlled and disposed of by cooperative enterprises such as cement kilns.

In order to strengthen the management of exhaust gas emissions, we have deployed online monitoring systems in both the garbage disposal segment and the solid waste disposal segment to effectively monitor pollutants such as particulate matter, sulfur oxides and nitrogen oxides in real time to ensure our compliance with the treatment and emission standards for exhaust gases. In order to ensure that the exhaust gas from the grate furnace power generation segment meets the emission standards, we have adopted various processes and corresponding treatment measures for differ-

Dry purification process

The flue gas generated by incineration directly enters the dry absorption reaction tower, and undergoes a chemical neutralization reaction with the $\text{Ca}(\text{OH})_2$ particles injected into the reaction tower to generate harmless neutral salt particles, and then enters the downstream bag filter for further treatment.

Semi-dry purification process

The typical process combination is a combination of a semi-dry neutralization reaction tower and a bag filter, using $\text{Ca}(\text{OH})_2$ solution to treat the acid gas to react into salts and fall to the bottom.

Wet purification process

Combination of wet scrubber and bag filter can effectively control the emission of SO_2 and HCl.

Activated carbon spray adsorption

Activated carbon has a large specific surface area, and has strong adsorption capacity for heavy metals and dioxin, which can ensure the emission of heavy metals (especially Hg) and organic poisons (dioxin and furan) up to the standard.

NO_x purification process

The project is equipped with a Selective Non-Catalytic Reduction (SNCR) nitrogen removal system, using ammonia, carbon monoxide, hydrogen carbide and other pyrolysis gases generated during the drying of waste to reduce NO_x , while the reducing agent (urea solution) is sprayed into the incinerator to react with NO_x to produce harmless nitrogen (N_2).

ent pollutants.

Our overall flue gas purification system usually 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, low consumption of reactants, no wastewater, low emission concentration of heavy metals and dioxins, easy control of system operation and low overall cost. Years of practice have proved that the emission concentration of flue gas treated by this system is lower than the implemen-

tation standard required by the project.

In addition, in Hebei Province and other areas with ultra-low emission requirements, we adopt the combined process of "SNCR furnace denitration + semi dry deacidification + dry injection + activated carbon adsorption + bag dust removal + wet deacidification + SCR (selective catalytic reduction denitrification)". It ensures that the emission of various pollutants meets the ultra-low emission requirements.

During the Reporting Period, the types and total amount of waste gas generated by Conch Venture are as follows:

Type	Unit	Total amount in 2021
Nitrogen oxides (NO_x) emissions ⁶	Tonne	2,844
Sulfur dioxide (SO_2) emissions ⁷	Tonne	756
Particulate matter emissions ⁸	Tonne	103
Carbon monoxide (CO) emissions	Tonne	246
Hydrogen Chloride (HCl) emissions	Tonne	799
Hydrogen Fluoride (HF) emissions	Tonne	75

⁶ Data include both stationary and mobile source emissions. ⁷ Data include both stationary and mobile source emissions. ⁸ Data include both stationary and mobile source emissions.

4.4 Emission Management

4.4.2 Wastewater 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. During the Reporting Period, the wastewater generated in the production process of the solid waste treatment business mainly included flushing wastewater, laboratory wastewater, etc. All wastewater was incinerated in the kiln, and no wastewater was discharged; the wastewater generated in the production process of garbage treatment business included waste leachate, domestic sewage, flushing water, etc. All wastewater was treated, and the water that met the standards was returned to the site for use without being discharged.

Leachate concentrated water

Concentrated water produced by leachate treatment is mainly treated according to the method of re-injection incinerator and reuse for lime slurry preparation

Boiler sewage

The boiler sewage is cooled by a cooling pool, and the cooling water is treated in two ways, one way is discharged into the slag collector, and the other way is returned to the cooling tower

Cooling tower sewage

The sewage from the cooling tower enters the sedimentation tank. The supernatant is used for site greening and road flushing, and the sedimented sludge goes into the slag pit



For the leachate generated during the storage process of domestic waste, we effectively prevent the leachate from causing harm to the environment by means of advanced prevention and real-time monitoring.

Carry out leachate research

Our company cooperated with Wuhu Eco-Environmental Protection Organization to carry out research on leachate dripping during the transportation of domestic waste, the results of which can help us identify the impact of leachate on the environment during transportation

Strengthen environmental monitoring

Strictly implement groundwater zoning impermeability requirements, strengthen groundwater environmental monitoring management, and grasp the dynamic changes of the groundwater environment around the project area in a timely manner

Consolidate anti-seepage design

Construct anti-seepage layers in strict accordance with different anti-seepage standards for areas with different anti-seepage requirements

In addition to reducing the impact of leachate on the environment, we actively carry out leachate disposal work to achieve harmless disposal of leachate. We have established a leachate treatment system to collect all leachate and treat it in accordance with the standard of Water Quality for Urban Sewage Recycling and Utilization of Industrial Water. After treatment, it is used for cooling water replenishment, and the concentrated liquid is incinerated in the furnace or for lime slurry preparation, realizing 100% harmless disposal of leachate and recycling of the internal water system of the plant at the same time.

Type	Unit	Total amount in 2021
Total wastewater generated	Tonne	300
Wastewater generated per unit of revenue	Tonne/RMB'000000	0.04

4.4 Emission Management

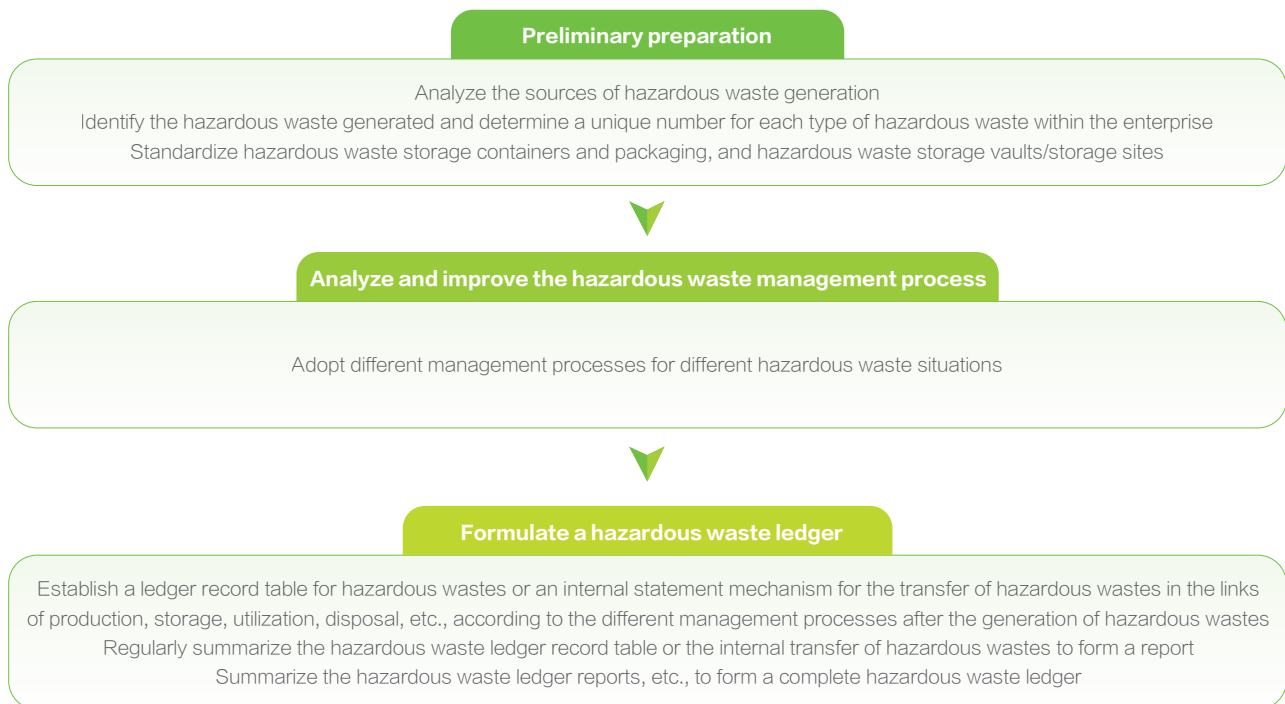
4.4.3 Waste Management

Goal

Conch Venture will continue to optimize waste management systems, processes and measures to ensure 100% disposal of hazardous waste and maximize recycling of non-hazardous waste.

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 *Identification Standard of Solid Waste (GB34330)*, and manages the whole process of waste generated in the course of living and production operations, including all aspects of waste collection, classification, storage, and temporary storage, and compliant disposal.

In order to implement the requirements for environmental management ledger records in relevant laws and systems, we have formulated the *Environmental Management Ledger for Emission Units* to standardize the relevant requirements of each subsidiary's environmental management ledger record form, record content, record frequency, etc., strengthen the Company's entity responsibility awareness, and improve the informationization and capability of the Group's environmental management.



The non-hazardous wastes generated by our various segments mainly include domestic wastes generated from office and business operations, office wastes, and slag generated from the grate furnace power generation business plant. For non-hazardous waste, we recycle some of it. The following methods are mainly used for disposal:

Slag	Waste activated carbon	Domestic waste
Direct landfill or reuse as building materials for external sales	Waste activated carbon used for deodorizing garbage ponds is collected and sent to an incinerator for incineration	Disposed of by municipal authorities All domestic waste generated by some projects is incinerated in the plant

4.4 Emission Management

4.4.3 Waste Management

The hazardous wastes generated by us mainly include fly ash, waste engine oil, waste cloth bags generated by grate furnace power generation plant and a small amount of hazardous wastes generated by solid waste treatment plant. We hand over the hazardous wastes to qualified and capable units for proper disposal in accordance with the requirements of relevant laws and regulations to prevent pollution transfer, and strictly track and record the disposal situation.

Conch Venture has been making unremitting efforts to continuously reduce the generation of waste through technical upgrades, process optimization and other measures, and reduce the impact of waste emissions on the environment from the source.

During the Reporting Period, the main types and amounts of wastes generated by Conch Venture are as follows:

Non-hazardous wastes types	Unit	Total amount in 2021
Amount of general solid wastes generated (recyclable) ⁹	Tonne	1,275,044
Amount of general solid wastes generated (non-recyclable)	Tonne	137
Total amount of general solid wastes generated	Tonne	1,275,181
Amount of general solid wastes generated per unit of revenue	Tonne/ RMB'0000	1.5

Hazardous wastes types	Unit	Total amount in 2021
Total amount of hazardous wastes generated	Tonne	174,715
Amount of hazardous wastes generated per unit of revenue	Tonne/ RMB'0000	0.2

Fly ash

- The fly ash is collected by the bag filter and temporarily stored as hazardous wastes in the plant, there are two main ways to deal with it
- The first one is to chelate and solidify the fly ash under the condition of compliance with environmental protection procedures, after complying with the relevant regulations of the Standards for Pollution Control of Domestic Waste Landfills (GB18699), and then to landfill in a safe area of the domestic sewage treatment plant
- The other is to entrust a company with fly ash disposal qualifications for legal disposal

Sludge

Waste oil, bag filter

The sludge comes from the sewage treatment station, and the sludge cake (80% water content) after the sludge drying equipment is all sent to the incinerator for incineration treatment

Send to a unit with hazardous waste disposal qualifications for disposal

4.5.1 Water Resource Management

Conch Venture will continue to optimize the water conservation mechanism, upgrade water conservation equipment, promote water recycling, enhance water conservation awareness, and achieve 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 in the place of operation, prepares the Project Water Resources Certification Report and obtains approval every year, and reasonably takes water sources.

Our primary water sources 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 and fire-fighting

water in the grate furnace domestic waste power plate.

We advocate reducing the use of water resources at source, while continuing to promote the reuse of water resources from the recycling end. During the Reporting Period, we established a leading group for water conservation and formulated an implementation plan for water conservation and a long-term mechanism for the use of water resources. We continued to improve the efficiency of our water resources utilization by upgrading water-saving equipment, applying water-saving technologies, and promoting recycling.

⁹Mainly slags

4.5 Resource Utilization

Reduce use of water resources at source

All faucets in the plant have been replaced with water-saving faucets

Metering facilities in office buildings, dormitories, plants and leachate areas have been improved, and daily inspections are conducted to detect abnormal water consumption and deal with it in a timely manner

Analyze and Refine Hazardous Waste Management Process

Use the recycled water from the water plant for fire-fighting facilities, boiler water pressure test, toilet flushing, etc.

In the new grate furnace waste incineration process, all water is recycled for the waste heat utilization system and the plant-wide equipment cooling water system

The domestic sewage is treated by the "AO+MBR" (aerobic biochemical treatment) and reused in the production cooling water recycling system after treatment

The chemically prepared concentrated water is used to make up the water for the submerged chain conveyor

The water-saving leading group actively promoted the water-saving implementation plan, and the employees of the company actively participated in the publicity and implementation activities of water-saving consciousness, which strengthened the saving consciousness of the employees of the company and created a good atmosphere of saving water resources.

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

Type of water resources	Unit	Total amount in 2021
Recycled water consumption	Tonne	1,466,905
Total water consumption ¹⁰	Tonne	8,961,678
Water consumption per unit of revenue	Tonne/ RMB'000000	1,073.2



4.5.2 Packaging Material Management

The sustainable management of packaging materials is crucial to improving the efficiency of resource use. We have formulated strict control measures for the use of packaging materials in production and operation. Our packaging materials are mainly used in the new building materials segment and the energy-saving equipment segment. The packaging materials used mainly include plastics, cartons, wood, etc. During the Reporting Period, we continuously promoted the reduction, weight reduction, and substitution of packaging, eliminated excessive packaging, promoted the use of environmentally friendly biodegradable materials, and made efforts to reduce the consumption of packaging materials to reduce the impact on the environment.

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

Type of packaging materials	Unit	Total amount in 2021
Plastic	Tonne	18
Carton	Tonne	4,440
Wood	Tonne	5
Other	Tonne	302
Total amount of packaging materials used	Tonne	4,765
Amount of packaging materials used per unit of revenue	Tonne/ RMB'000000	0.57

¹⁰ Total water consumption includes municipal water consumption, water consumption in sewage treatment plants, and water intake from natural water bodies

4.6 Green Office

Conch Venture has been organizing and carrying out green office activities in various forms and contents from the perspective of reducing the carbon footprint of the Company's office operations, based on the concept of "Harmonious coexistence of man and nature". It has carried out 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

Realize the whole process of electronization through the OA system, bring an end to offline paper-based office, reduce the use of paper, avoid waste, and advocate paperless office
Using the OA system to quickly complete the online signature and seal

Environmentally friendly office

When allocating office supplies to employees, allocate more pencils instead of mark pens, and allocate refillable pens or fountain pens instead of disposable mark pens
Use staples or paper clips instead of glue, and avoid using correction fluid as much as possible

Online meeting

In order to reduce the gathering of people, save travel time, and improve work efficiency, the Company holds various meetings by using online video conferencing software , Conferencing to reduce costs





5

Caring for Employees

Conch Venture always adheres to the concept of "people-oriented" and regards employees as an important cornerstone for the prosperous development of the Company. We protect and safeguard the rights and interests of employees, implement fair and transparent employee recruitment management, and continuously improve the training and development system for employees to achieve the joint development of employees and the Company. Meanwhile, we actively create a harmonious and safe working environment, care about the life of employees, and provide them with various salary and welfare as well as caring activities, and strive to make employees and Conch Venture as a whole and light up the path of the Company together.

5.1 Employee Recruitment

The prosperity of the Company cannot be separated from the steadfast guardianship of generations of Conch Venture employees. We actively build a high-quality workforce and are committed to building a high-quality talent pool. At the same time, we fully respect and protect the legal interests of employees and promote the harmonious development of labor relations. The prosperity of the Company cannot be separated from the steadfast guardianship of generations of Conch Venture employees. We actively build a high-quality workforce and are committed to building a high-quality talent pool. At the same time, we fully respect and protect the legal interests of employees and promote the harmonious development of labor relations.

5.1.1 Talent Echelon Construction

The development of an enterprise cannot be achieved without the support of outstanding talents. Since our establishment, we have consistently adhered to attracting outstanding talents, continuously assisting the development of the Group's business, and promoting the joint growth of employees and the enterprise. During the Reporting Period, we comprehensively enhanced the fairness of the recruitment process and the diversity of the talent team from three aspects: employment plan management, personnel selection and recruitment management, and personnel deployment management, further strengthening the construction of the talent echelon and providing core guarantees for the development of the enterprise.

Employment plan management

Continuously improved the annual employment plan management mechanism to provide basis and support for employment plan management
 Supervised the management of employment plans of subsidiaries, worked hard on optimizing and adjusting staffing as well as implemented the requirements of tightening and prioritizing employment based on the actual production and operation management
 Followed up and supervised all units' optimization of positions and labor combinations, promoted labor productivity improvement, and continuously carried out labor cost control
 As required by the Company's organization and staffing plan of each segment, followed up the implementation by the subsidiaries and conducted the follow-up management
 In response to the Company's production and operation and external development talent reserve needs, organized the implementation of the talent reserve plan of subsidiaries in conjunction with various departments

Personnel selection and recruitment management

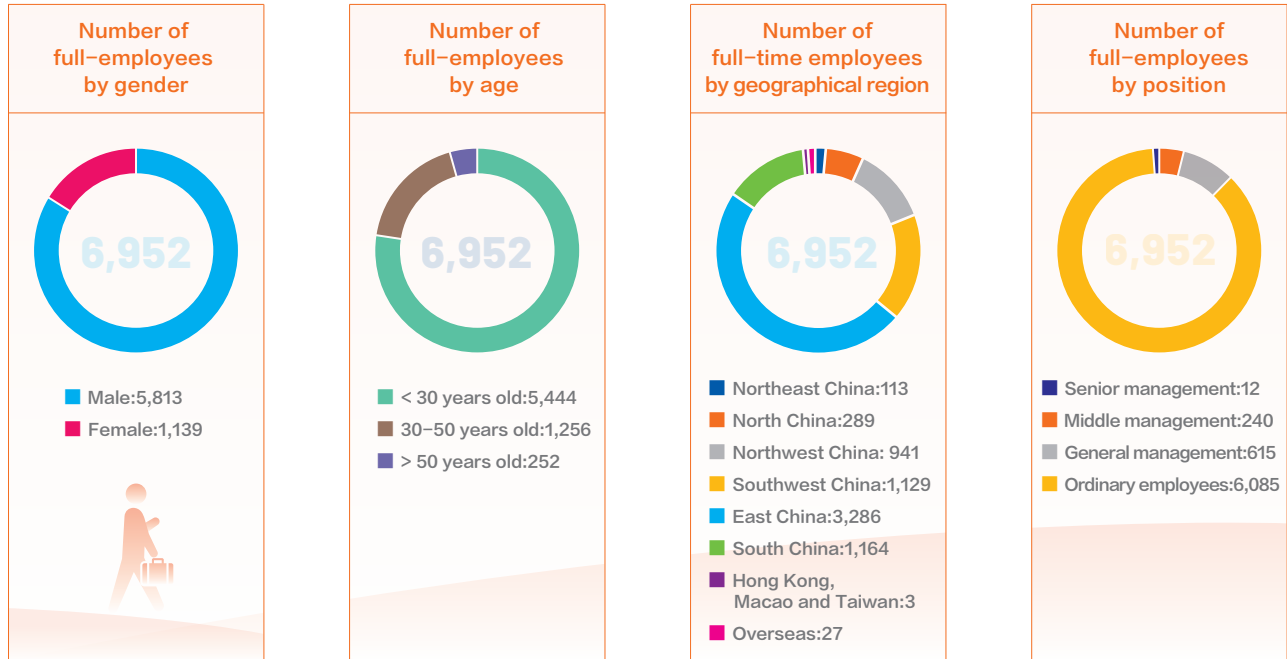
Improved personnel selection and recruitment management norms, workflow and requirements, strengthened the management, and ensured the quality of selection and recruitment
 Organized campus and social recruitment according to the annual demand of professional and technical personnel selection and reserve of each professional department and subsidiary
 Established strategic partnership with professional recruitment agencies to promote diversified employee recruitment
 Organized and implemented the internal public recruitment of department heads and middle level of subsidiaries according to the actual selection and recruitment needs, and built a platform to improve the internal recruitment channel
 Supervised, inspected and guided subsidiaries in personnel recruitment, standardized recruitment process and business, prevented employment risks, and ensured employment quality

Personnel transfer management

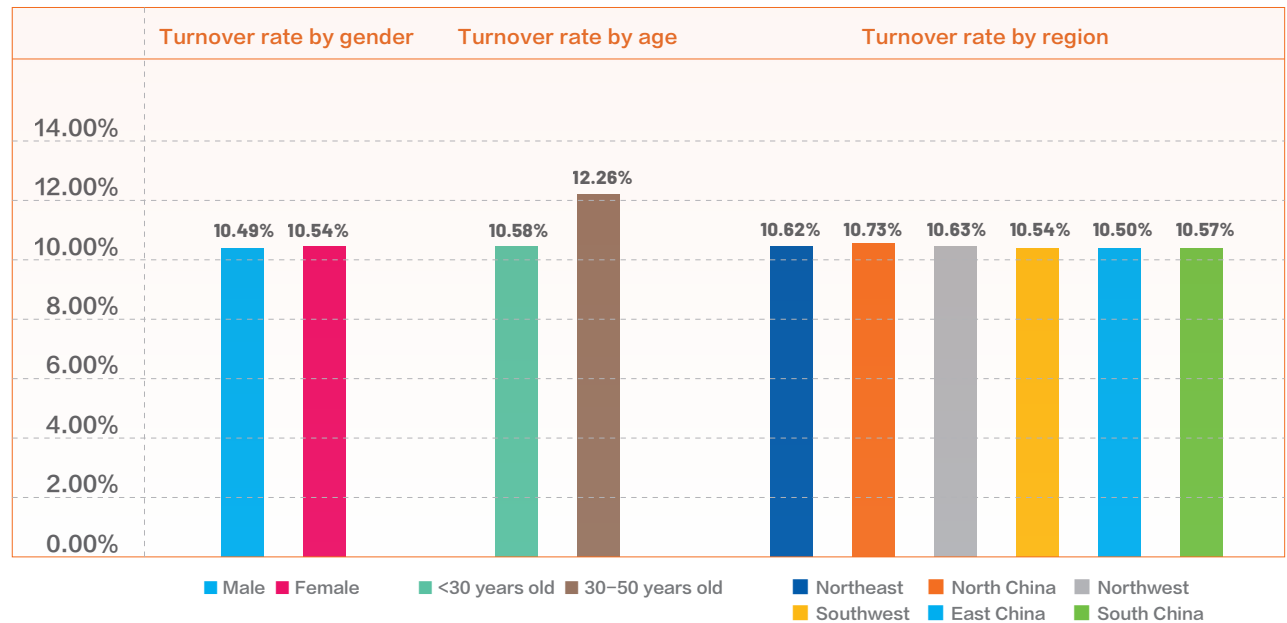
Organized and established the Company's personnel transfer management system and business norms, improved the transfer management mechanism, and ensured the orderly internal transfer of personnel
 In response to the needs of the Company's new projects, carried out the overall coordination of the key team transfer in conjunction with the professional departments
 Organized and coordinated the internal personnel transfer, coordinated the approval processing of internal personnel transfer procedures, and strengthened the overall management of personnel transfer
 Coordinated the transfer of employment, salary, social security, organization and archives of the Company's internal deployed personnel to ensure the connection and continuation of business relationships
 Organized subsidiaries to sort out various employee relationships from time to time, and made internal transfer adjustments to unreasonable business relationships

5.1 Employee Recruitment

As at the end of the reporting period, the Group had a total of 7,090 full-time employees who signed labor contracts, an increase of 1,572 during the reporting period, accounting for 87% of the localized labor. Among them, there are 6,952 full-time employees and 138 labor workers. The breakdown of full-time employees is as follows:



During the Reporting Period, the employee turnover rates of different groups are as follows:



5.1 Employee Recruitment

5.1.2 Protection of Employees' Rights and Interests

Protecting the legitimate rights and interests of employees is the consistent commitment of Conch Venture. 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 to fully protect the rights and inter-

ests of employees. According to Conch Venture's *Company Employment Selection Management Measures*, we always adhere to the concept of diversity and the principle of equality and fairness, strive to promote the implementation of equal pay for equal work opportunities for both men and women, and people-oriented employment policies, and fully respect and safeguard the rights and interests of minority employees, especially women and employees in difficulty. All forms of child labour and forced labour are prohibited, any form of employee discrimination, harassment and threats are prohibited to

fully protect the rights and interests of employees. Once child labour and forced labour are found, we will immediately contact relevant authorities to report and take relevant measures to ensure employment compliance. During the Reporting Period, the labour contract signing rate of our employees reached 100%, and no child labour and forced labour were found. Meanwhile, we obtained an A grade rating from the Human Resources and Social Security Bureau of Wuhu City Anhui province for the annual labour security audit.

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.
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

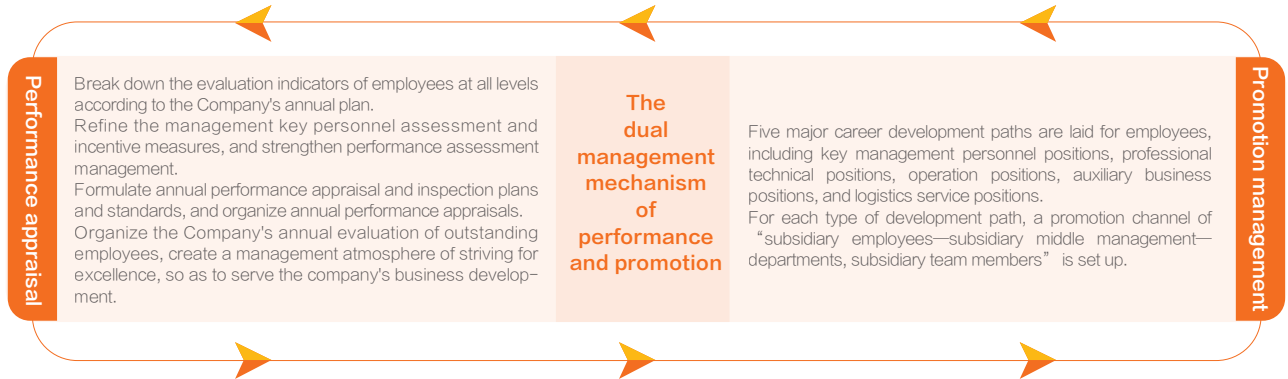
We respect the right and freedom of employees to join trade unions in accordance with the law.
We respect the right and freedom of employees to participate in collective bargaining on labour contracts in accordance with the law.
We respect employees' personal dignity and personal privacy, and do not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

5.2 Employee Development

The joint development of employees and the enterprise is the foundation of a strong enterprise that Conch Venture always insists on. We uphold the concept that "innovation drives corporate development and talents lead technological innovation", provide diversified promotion channels for employees and smooth their career development paths. At the same time, we pay attention to the career planning and development of each employee, constantly improve the training system for employees, provide employees with rich training courses, and strive to achieve the integration of employees' personal career development goals and the Company's strategic development goals.

5.2.1. Performance and Promotion

We implements an employee assessment and management system with clear rewards and punishments and actively builds up a platform for growth and promotion for employees. In terms of promotion and appointment, we adhere to the principles of "with both virtue and ability, virtue before ability", "merit-based selection after fair and open competition", and "full deliberation, democratic centralism". We use the annual performance appraisal results as the basis for employee promotion and form a dual management mechanism of performance and promotion to provide each employee with fair promotion opportunities and create a healthy competitive atmosphere.



5.2.2. Employee Training

In order to further enhance the professionalism of our employees and enhance their understanding of our corporate culture, we have formulated and improved the annual training plan and formulated and promoted targeted employee training programs in accordance with the *Implementation Rules for Employee Training Management* in response to the needs of various employee positions to fully meet the individual needs of employees' career development and provide employees with a broad learning platform and resource support. During the Reporting Period, we organized and conducted a series of diversified training activities, including corporate culture training, skill training and new employee training, etc.

Corporate culture training

Thoroughly implemented the corporate culture outreach of the Company, strengthened the quality internally and shaped the image externally through different forms of outreach of various subsidiaries to provide the cultural impetus for the healthy and sustainable development of the Company.

Skill training

CK Engineering conducted the operation training of the stepped furnace DCS system to further improve the professional and technical level of the Company's employees, expand work ideas, improve work efficiency and better promote the production and operation of the stepped furnace project.

New employee training

Provided new employees with pre-employment training to do well in training new employees, help accelerate their growth, deepen their understanding of the Company's corporate culture, production process, product knowledge and other aspects, improve their professional skills, help them integrate into the Company as soon as possible and do a good job in role change.

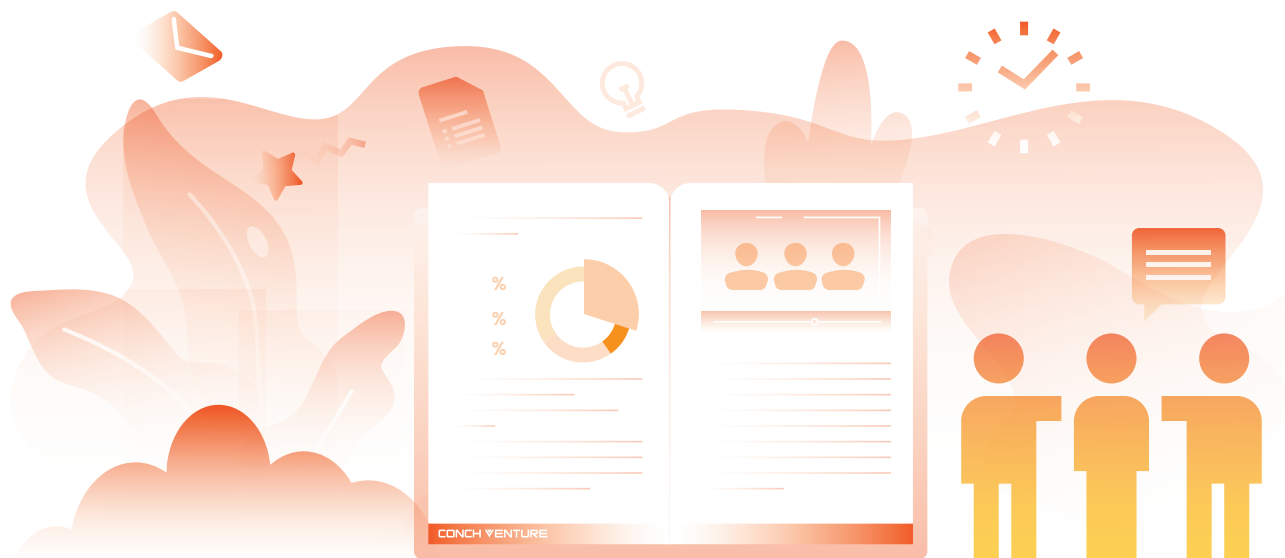
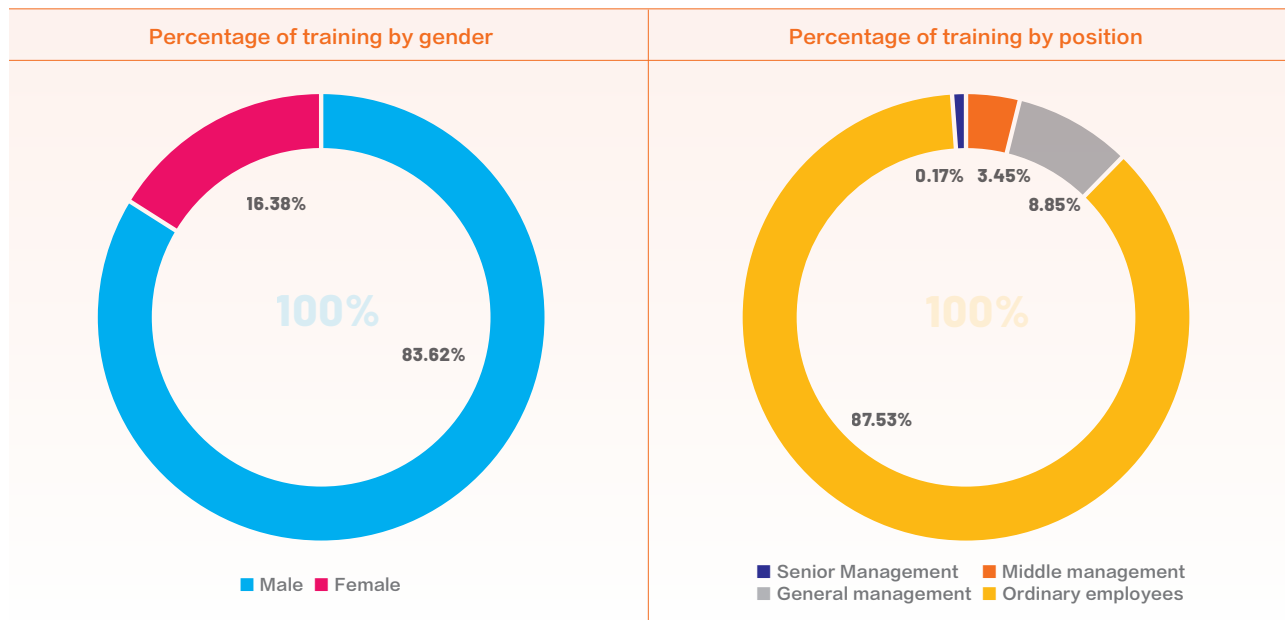
5.2 Employee Development

5.2.2. Employee Training

In addition, Conch Venture has always been committed to cultivating more high-quality talents, building a more efficient and better team, and actively encouraging employees to participate in the evaluation of professional qualifications and the acquisition of professional certificates. During the Reporting

Period, we promoted the annual application for engineering professional title and coordinated the relevant departments to complete the internal review of 134 people's declaration opinions. Finally, two people were approved by the provincial authorities to be recognized as senior professional

titles and 107 people were approved by the Group's Professional Title Review Management Committee as intermediate professional titles (including 13 engineers, 73 assistant engineers and 21 technicians).



5.3 Employee Health and Safety

The Group firmly believes that the health and safety of employees is the basis for enterprise development and productivity improvement. We attach a great importance to employees' safety management and occupational health in the production process and regard the protection of employees' health and safety as fundamental to enterprise survival. We continue to improve the occupational health and safety management system to ensure that the Company's safety production is orderly, legal, and compliant and to provide employees with a safe, comfortable and healthy working environment.

5.3.1. Safety and Health Management

2021 annual safety production target	
Work death liability accident	0
Larger and above safety accidents	0
Larger and above fire accidents	0
Major and above traffic accidents	0
Larger and above environmental emergencies	0
New occupational diseases	0
1,000-person injury rate	≤3
Rate of fire accidents	≤10%

[Safety Production]

Conch Venture always adheres to the safety production policy of "comprehensive management with safety and prevention first", and strives to improve the ability to prevent and respond to safety accidents. 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 and continuously improved a series of production safety related systems within the Group, including the *On-site Operation Safety Management System*, the *Related Party and External Worker Safety Management System*, the *Equipment and Facilities Safety Management System*, etc., to ensure safety production.

At the same time, we actively implement the safety production responsibility system, clarify the safety management responsibilities at all levels in all aspects of production, and ensure that safety management tasks are monitorable and traceable. During the Reporting Period, we optimized the structure

of the Safety Committee, and further detailed the safety management responsibilities of the Safety Production Management Committee (Safety Committee), the Company's leadership, various departments and subsidiaries, and verified the processing of warrants such as fire inspection and safety inspection of subsidiaries based on the Safety and Environmental Protection Work Bulletin issued by the Safety and Environmental Protection Department every month. At the same time, we formulated and issued the "Three Simultaneities" Management System for Construction Projects, which stipulated that the labor protection, safety production and fire protection facilities of the Company's new construction, reconstruction and expansion projects must comply with national regulations and must be designed, constructed and put into production and use at the same time as the main project. The management responsibilities of each subsidiary's "three simultaneities of construction projects" were clarified; targeted management requirements for the management of three simultaneities at each stage were put forward, and suggestions for handling severe consequences due to failure to perform management responsibilities were put forward, so as to improve the Company's safety management level.

Under the comprehensive safety management system and safety production management framework, we formulated annual safety production targets and continued to implement the signing of the annual Safety and Environmental Protection Target Man-

agement Responsibility Letter.

In addition, we continued to promote the ISO 45001 Occupational Health and Safety Management System certification. During the Reporting Period, Anhui Conch Venture Building Material, CV Green Energy, CK Equipment, CK Engineering, CK Shanghai and Jinzhai Engineering have all obtained the ISO 45001 Occupational Health and Safety Management System certification; Haichang Port has obtained the first-level certification of safety production standardization, Wuhu Logistics and CK Equipment have obtained the second-level certification of safety production standardization, and six subsidiaries including Bozhou Conch Venture Building Material and Anhui Conch Venture Building Material have obtained the third-level certification of safety production standardization.



Anhui Conch Venture Building Material ISO 45001 Occupational Safety and Health Management System Certification

5.3 Employee Health and Safety

[Safety Risk Control]

The Group attaches significant importance to safety risk control in the production process. We are committed to being responsible for every employee's safety and fully protecting the physical safety of our employees in the production process. During the Reporting Period, we carried out safety risk management and control work from two aspects, namely risk classification management and control and comprehensive safety inspection, to ensure the long-term effectiveness of this work and establish a more thorough safety risk management system.

Risk classification management and control

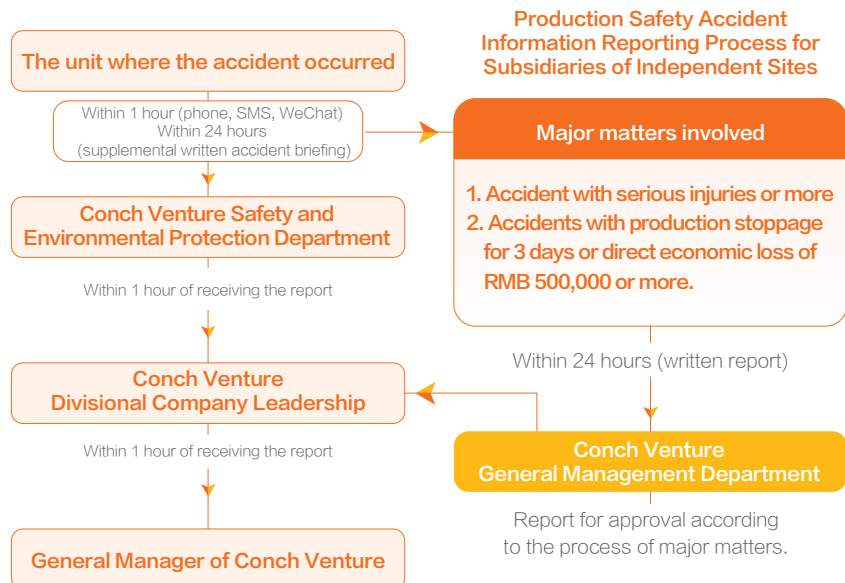
<p>Formulated the internal Security Risk Classification Management and Control System, covering risk point determination, risk source identification, risk evaluation and classification, risk classification management and control requirements and continuous improvement measures</p>	<p>Required full participation, comprehensive identification, no blind side, and continuous improvement of safety risk classification management and control to comprehensively ensure safety production</p>
<p>Clarified the overall requirements, objectives and principles for carrying out the risk classification management and control system, and clarified responsibilities of various departments in this work</p>	<p>Set up safety risk bulletin boards at prominent locations, and made position safety risk notification cards, indicating the main safety risks, categories of potential accidents, accident consequences, management and control measures, emergency measures and reporting methods, etc.</p>

Comprehensive safety inspection

<p>According to the spirit of the Safety Committee at the beginning of the year, a safety and environmental protection inspection system such as regional mutual inspection, departmental supervision, and pre-production acceptance has been established, and a work plan of the company-level 2021 Safety and Environmental Protection Professional Inspection Plan has been formed. The Company has achieved full coverage of the annual safety and environmental protection inspections of companies in operation, which were more seriously affected by the epidemic.</p>	<p>Strengthened the supervision by "no notice, no informing, no report, no accompanying reception, going straight to the grassroots, going straight into the field", to track the operation of safety facilities and equipment of subsidiaries, and forced the fulfillment of the entities' responsibility. The safety supervision of 32 units were completed throughout the year</p>
<p>Adopted time-limited spot checks to conduct surprise spot checks on the daily safety management activities of the project company, verified the project company's system implementation, safety risk management and control, and the construction of a long-term mechanism for hidden danger investigation and governance, tracked and supervised the elimination of hidden dangers, and put forward rectification opinions. Two spot checks were completed throughout the year, identifying a total of 67 problems.</p>	<p>Listed out a special rectification form for the problems identified, urged the project company to make rectification in accordance with the principles of implementations of responsibilities, measures, funds, time limits and pre-arranged planning, and verified them every month in the monthly bulletin of the Safety and Environment Department.</p>

[Emergency Management]

According to the *Emergency Response Law of the People's Republic of China*, we have formulated and invited third-party experts to review the Emergency Response Plan for Safety Accidents, improved the emergency rescue mechanism, and enhanced the ability of employees to deal with emergencies, so that emergency rescue work can be carried out quickly, effectively and efficiently after an accident occurs. At the same time, we have formulated the production safety accident information reporting process for our subsidiaries and clearly stipulated the time for reporting accident information to ensure timely reporting and response to safety accidents.

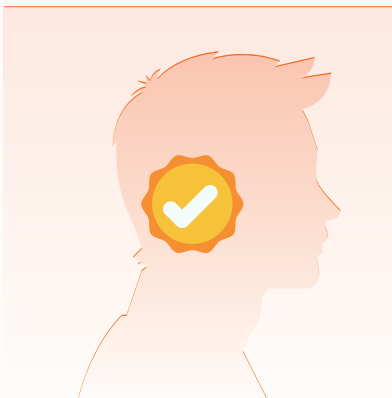


5.3 Employee Health and Safety

In order to better build the emergency rescue team and make every employee familiar with the relevant contents of the emergency plan, the Company regularly organizes emergency drills to continuously improve the coordination and cooperation ability, emergency rescue skills and comprehensive quality of emergency response of employees in the process of dealing with emergencies to ensure the safe, healthy and orderly development of the Company.

Yiyang Energy conducted fire emergency evacuation drills

In order to do well in fire safety, effectively prevent and reduce the occurrence of various fire accidents, strengthen the safety awareness of all employees, and master the skills of emergency response, escape and initial fire fighting and rescue in case of sudden fire, Yiyang Energy invited the city fire instructor to organize a fire accident emergency evacuation drill during the Reporting Period, which mainly focused on the popularization of fire safety knowledge and practical fire-fighting operation demonstration.



[Occupational Health]

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*, the *Management System for the Purchase and Issuance and Use of Labor Protective Equipment*, etc., 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. Occupational health management personnel that meet the requirements have been equipped to effectively prevent, control and eliminate occupational disease hazards and ensure the occupational health of employees.

In the process of production and construction, we pay close attention to occupational disease hazard factors, actively carry out annual monitoring of occupational health facilities, and invite third-party agencies to routinely detect occupational disease hazard factors such as dust, ammonia, hydrogen sulfide, benzene series, and noise. We put forward targeted protective measures

according to the needs of the position and operation, including dust removal, prevention against noise, poison, high temperature, and UV radiation. At the same time, we have formulated annual occupational health examination plans for employees exposed to occupational disease hazards, including job-entry physical examination, in-service physical examination, post-leaving physical examination, etc., and formulated and issued two guidelines, Occupational Health Examination Program for Furnace Grate Furnace Segment and Occupational Health Examination Program for Solid and Hazardous Waste Segment, for two major segments with higher risks. During the Reporting Period, we strengthened noise management during construction and continued to protect the health of employees.



Noise prevention and control measures

Reduced the noise intensity of sound sources

Adopted low-noise technology and advanced construction technology, constructed temporary enclosures at the boundary of construction sites, and used sound insulation enclosures on the outside of buildings to prevent construction noise from leaking out.

Arranged the construction plan reasonably

Avoided the centralized use of more mechanical equipment in the same place, and a looser construction plan could reduce the number of operating mechanical equipment.

Noise prevention and control measures for major sound-emitting equipment

Adhered foam plastic on the working platform to make the working platform play a certain role in sound absorption; added a dust-absorbing muffler.

5.3 Employee Health and Safety

5.3.2. Safety and Health Training Activities

Implementing the safety concept into employees' daily work and life and improving employees' safety awareness are the top priorities of Conch Venture's safety work. During the Reporting Period, we issued the EHS Education and Training Plan for 2021, and established a publicity group mainly consisting of external experts, professional supervisors of departments and offices, and excellent heads of safety and environmental protection departments of subsidiaries to carry out safety publicity, training and exchange activities in various regions.

During the Reporting Period, we completed professional training and exchange meetings on safety and environmental protection in the Guizhou, Shaanxi-Gansu region, Yunnan and Hunan-Jiangxi region of CV Green Energy and in the Northwest region, Yiyang, Guiyang, Wenshan and other units of Conch Environmental. A total of 243 leaders with specific duties and safety and environmental protection managers from 39 units in the solid wastes and waste-to-energy sector attended the activities. Meanwhile, in order to ensure that the main responsible persons and safety management personnel of the solid waste sector are certified, we coordinated with the training center of the Provincial Emergency Management Department and completed the certification of 114 main responsible persons and safety management personnel by adopting the method of "online training + offline examination". At the same time, we carried out a series of safety-themed activities throughout the Company, such as "Safety Production Month" and "Publicity Week of Safety Production Law and Occupational Disease Prevention and Control Law", to create a safety culture with the participation of all employees.

[Safety Training]

Certification training for main responsible persons and safety management personnel of non-high-risk enterprises

In order to meet the needs of safety production and do well in the certification and review of the main responsible persons and safety management personnel, a training course for the main responsible persons and safety management personnel of non-high-risk enterprises was specially held after linking with the Anhui College of Emergency Management Network College. This training used the network training platform. After the training was completed, there was a unified online examination. Those who passed the examination were issued a "Safety Production Training Qualification Certificate" by the Training Center of the Emergency Management Department, which is generally applicable throughout the country.



[Safety Activities]

Safety production month activities

On 28 May, Conch Venture held a mobilization meeting for "Safety Production Month", in which all employees studied the Notice on Carrying out the Company's "Safety Production Month" Activities in 2021 and the Three-Year Action Plan for Special Rectification of Safety Production in Conch Venture by the EHS Management Committee and deepened their awareness of the safety culture of "safety management is everyone's responsibility".



On 16 June, Conch Venture organized the "6.16" Safety Publicity and Consultation Day, set up special consultation desks to focus on publicizing safety production policies and regulations, general knowledge of safety, emergency risk avoidance, self-rescue and mutual rescue methods, and distributed small gifts to employees who came to the consulta-



tion, which, to a certain extent, guided the majority of employees in their learning emergency knowledge and continuously improved the emergency awareness and safety literacy of all employees.

In order to effectively achieve a "real and thorough understanding" to effectively implement the essence, connotation and requirements of the important discussions into practical actions, assume the responsibility of safety production, and firmly keep the bottom line of safety production, Conch Venture organized watching the special TV film about life importance.



Safety Production Law and Occupational Disease Prevention and Control Law publicity week activities

From 25 April to 1 May 2021, in order to deeply study and publicize the spirit of a series of important statements and instruc-

tions of General Secretary Xi Jinping on health and closely focus on the overall requirements for the construction of healthy China, themed with "creating a healthy China and sharing occupational health", the Safety Production Law and Occupational

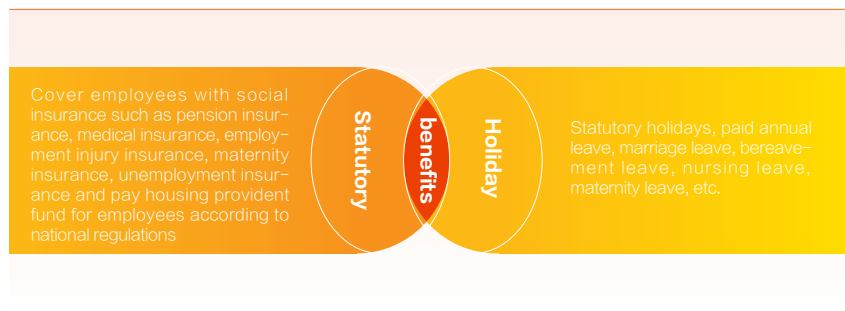
Disease Prevention and Control Law publicity week activities were carried out "online + offline" simultaneously, focusing on the publicity and implementation of the Occupational Disease Prevention and Control Law and the Healthy China Tour.

5.4 Employee Care

Conch Venture pays close attention to the living needs of its employees, strives to enhance their cohesion and sense of belonging, devotes itself to improving employees' happiness index at work, and encourages employees to pay attention to the balance between life and work. We provide material, spiritual and cultural benefits, care and support to our employees, and organize a variety of employee activities to embrace each employee with warmth.

5.4.1 Remuneration and Welfare

Conch Venture treats talents as the source of innovation and development of the enterprise. We attract and retain talents through a comprehensive remuneration and welfare system and salary incentive mechanism. We strictly abide by 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 and provide a complete salary system and various benefits for our employees.



5.4.2 Employee Communication

The Company carefully listens to the voices of employees. In order to better understand the demands of employees, strengthen democratic communication, and solve problems encountered by employees in life and work, we provide various communication channels for employees and continuously improve the communication mechanism of employees.



5.4.3 Employee Activities

The Group pay attention to the physical and mental health of employees and advocate the combination of work and rest for employees to face work and life with a better attitude. We organize various cultural and sports activities, including speech contests, learning and education activities, etc., to encourage employees to enrich their spare time and continuously improve their sense of acquisition, happiness and security.

Speech contest

On 28 June 2021, we held a speech contest in Wuhu Conch International Conference Center on the theme of "learning the history of the Party, keeping the original intention and undertaking the mission" and celebrating the 100th anniversary of the founding of the Party to inspire our leaders and employees to strengthen their beliefs.



5.4 Employee Care

Changxing Island Outdoor Team Building Activities

In order to enrich the spiritual and cultural life of employees and strengthen team building, on October 30, 2021, Shanghai Haichuan organized employees to go to Changxing Island Country Park to carry out team building activities. Surrounded in the romantic autumn scenery of Changxing Island, everyone picked fruit oranges and we held real CS competitions, which

gave full play to the sincere cooperation spirit of the team, so that each member realized the importance of efficient and orderly communication for team growth, and enhanced mutual understanding. Friendship and the collective sense of honor of the team further condense the strength of Haichuang.



In order to welcome the Mid-Autumn Festival and celebrate the National Day

To welcome the Mid-Autumn Festival and celebrate the National Day, enhance the cohesion of all employees, show the good spirit of Haichuang people, build a civilized, harmonious, healthy and progressive corporate culture, and create a good atmosphere of unity and cooperation, Yangxian Haichuang and foreign trainees jointly launched a special event. Stylistic celebrations. Through the tug-of-war competition, basketball competition and balloon-stomping competition, this cultural and sports celebration promoted the unity and communication among employees, stimulated the unlimited potential of employees to strive for improvement and youthful spirit, and made all employees feel the strong festive atmosphere a positive, warm and cheerful celebration. Yangxian Environmental will continue to adhere to the people-oriented principle. Future, we will carrying out a variety of cultural and sports activities, it will enhance the sense of group honor of employees, stimulate their enthusiasm for work, and encourage employees to unite as one to realize the common development of the company and employees.





6

Stick to Quality

The Group is well aware of the importance of a solid technical foundation and enhancement of innovation strength to enterprise development. Based on the environmental protection industry, we vigorously invest in R&D and innovation, strengthen cooperation between industry, academia and research institutes and industry exchange activities, and jointly promote the development of the environmental protection industry; in addition, we adhere to the original intention of quality, consolidate quality management, build a solid quality defense line, and always strive to provide customers with quality services.

6.1 Innovation Drive

6.1.1 R&D Innovation

The Group firmly believes that R&D innovation is fundamental to enterprise survival and development. As a representative enterprise in the field of environmental protection, we have always been committed to investing in R&D innovation, optimizing technical processes, continuously improving the level of resource utilization of waste and promoting the sustainable development of the environmental protection industry. During the Reporting Period, Conch Venture Environmental Protection Research Institute conducted a total of 15 research projects covering cement kiln co-processing capacity enhancement, recycling utilization of straw marsh, industrial waste disposal and other related topics, and made great progress in the field of new energy.

Research on recycling and resource utilization of waste lithium-ion power batteries

The New Energy Vehicle Industry Development Plan (2021–2035) issued by the General Office of the State Council proposes that by 2025, new energy vehicle sales will reach about 20% of total new vehicle sales. At that time, there will be a large number of waste lithium-ion power batteries in urgent need of recycling and disposal.

The recycling and resource utilization of waste lithium-ion power batteries is of great significance for environmental safety and resource development. From the perspective of environmental protection, waste lithium-ion power batteries contain heavy metals and fluorine-containing electrolytes. Without professional and reasonable disposal, it may cause heavy metal pollution and fluorine pollution. From the perspective of resources, China's reserves of cobalt, nickel, lithium and other elements are scarce, and the extraction cost is high. The content of such elements in waste power batteries is high. Obtaining the raw materials for production by recycling waste batteries can reduce the mining of mineral resources and help promote the construction of a circular society.

Based on this situation, The Group developed the first CKB lithium battery recycling project in China during the reporting period, and the separated valuable metals were recycled to realize resource utilization.

Research on capacity improvement of solid waste co-processing in cement kilns

The use of cement kiln co-processing of industrial solid hazardous wastes can realize the harmless disposal of solid waste while producing cement clinker, and the various types of solid waste can be used as alternative fuels or alternative raw materials for cement kilns after pre-treatment, which can effectively reduce the number of fossil fuels and the development of cement raw material resources, and realize the "quantity reduction, harmlessness and resource utilization".

Therefore, how to improve the operational quality of cement kiln co-processing of solid waste has become a continuous research topic for Conch Venture. During the Reporting Period, we carried out research on two aspects of solid waste cement kiln co-processing capacity improvement:

I. Solid waste was directly fed into the decomposition furnace after pretreatment

By strengthening the control of compatibility pretreatment, identifying suitable parameter ranges such as calorific value, increasing the stable feeding system in a targeted manner, and studying the appropriate feeding position, the impact on the cement kiln system could be effectively reduced and the capacity of solid waste co-processing could be improved.

II. Research on the final disposal of hot residue and exhaust gas into cement kiln after solid waste is processed by pre-burners

In order to effectively improve the cement kiln co-processing capacity of solid waste and optimize the project operation effect, we carried out research on the technology related to solid waste pre-combustion pretreatment, which has been popularized and applied in more than ten projects of the Group, further improving the project operation quality. Based on the feedback from the technical upgrade, we achieved a significant increase in the production capacity of solid waste disposal and further reduced the impact of the cement kiln system during the Reporting Period, while effectively reducing the fossil fuel consumption of the cement kiln system, which laid a good groundwork for the future development of carbon emission reduction related business in the cement industry.

Research on municipal sludge recycle treatment technology

In recent years, sewage treatment has generated a large amount of activated sludge. The sludge has high moisture content and is difficult to dewater. There has never been a well-developed process that can meet the needs of harmless disposal. Therefore, the reduction and harmless disposal of sludge has always been a problem for the industry. In response to the above problems, Conch Venture Environmental Protection Research Institute carried out research projects on municipal sludge resource recycling, reduction and harmless disposal technologies, and identified some cost-effective sludge reduction and disposal technologies that will be put into practice in subsequent projects. During the Reporting Period, the research results have been successfully applied to the Chaohu Environmental Protection sludge disposal project.

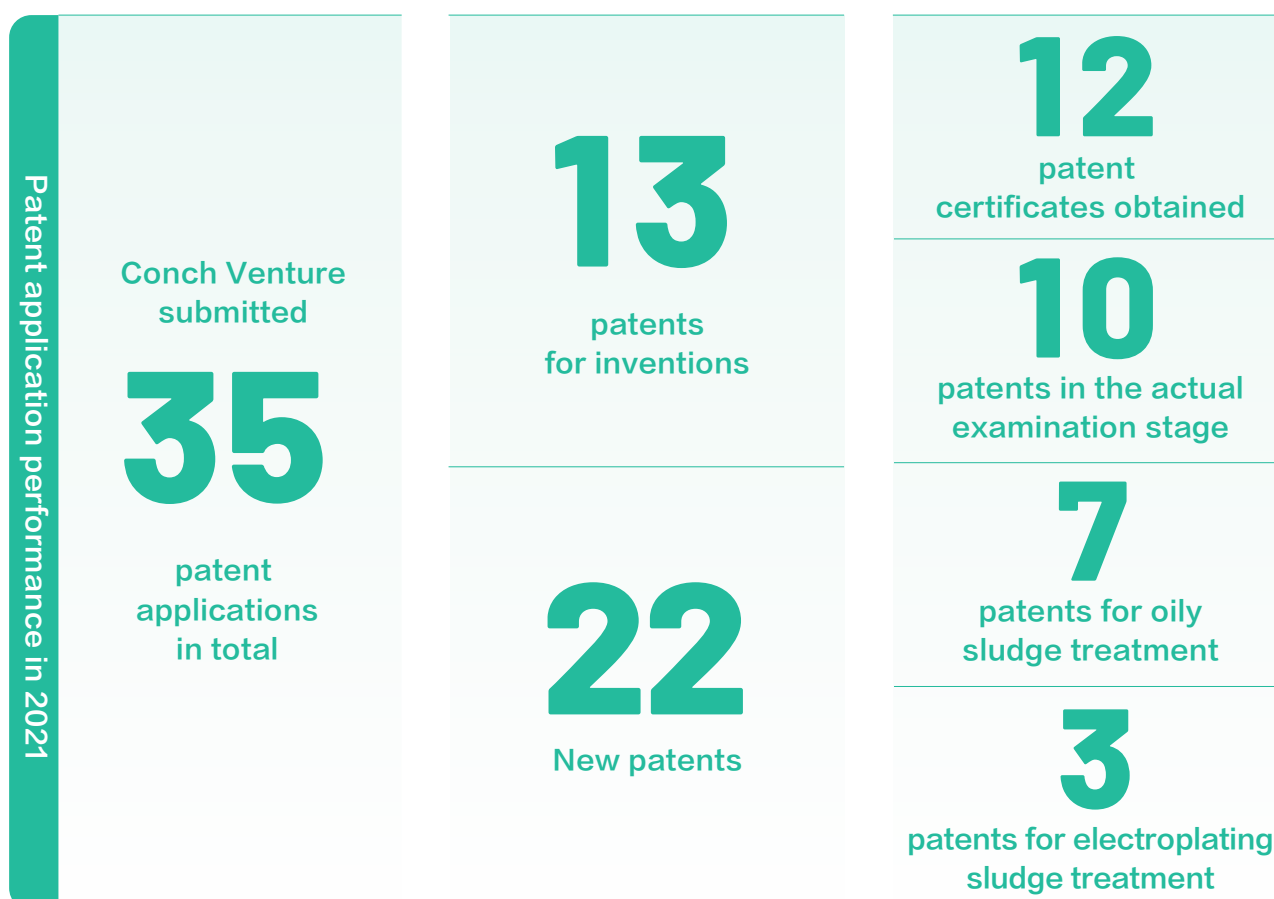
6.1 Innovation Drive

During the Reporting Period, our R&D investment is as follows:

Performance Indicators	Unit	2021
R&D investment	RMB'000000	37.3
Ratio of R&D expenditure to sales revenue	%	6

6.1.2 Protection of Intellectual Property Rights

Conch Venture strictly complies with the *Trademark Law of the People's Republic of China*, *Patent Law of the People's Republic of China* and other laws and regulations and has formulated the *Interim Measures for the Management of Intellectual Property Rights of Conch Environmental Protection*, continuously improved the intellectual property management system and strengthened the management of trademark registration and R&D of patents. In addition, we regularly conduct intellectual property training to strengthen employees' awareness of intellectual property protection. We encourage our employees to stop and report all kinds of infringements to safeguard the legitimate rights and interests of the Company; for those violating the protection of scientific and technological achievements and thus causing losses, we will hold accountable in accordance with relevant regulations. In addition to safeguarding our own intellectual property rights, we also suggest our partners, customers and other stakeholders jointly participate in the protection of intellectual property rights and promote the high-quality development of the industry.



6.2 Quality Assurance

6.2.1 Quality Management System

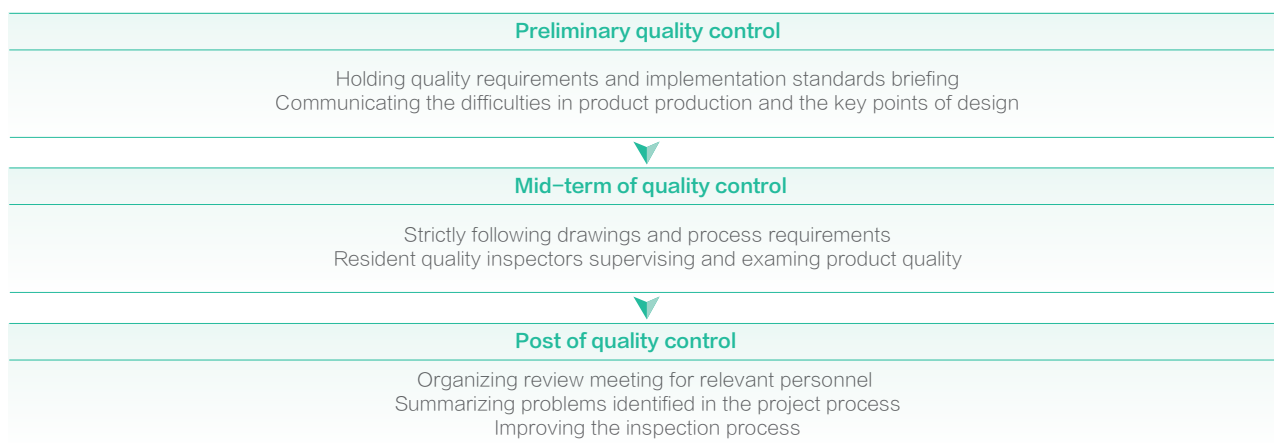
Conch Venture has always implemented strict quality management standards, improved quality control processes during production and operation and continuously improved product quality. During the Reporting Period, we issued a revised version of the *Quality Management System*, which set higher requirements for the management of qualities in design, procurement, construction and work. At the same time, we incorporated quality performance into the assessment and performance of personnel in charge to further strengthen the Company's quality management.

At the same time, we actively carry out ISO 9001 Quality Management System certification. We inspect relevant policy documents, resource conditions, equipment capacity, technical level, and product manufacturing capacity in accordance with the requirements of the ISO quality management system annually, and regularly review and revise work management manuals, work procedure documents, process flow documents, and technical documents, etc. In addition, we set quality management goals every year, break down the goals and assess them one by one, rectify non-conforming production lines, and carry out inspection on the operation effect after the rectification to ensure the healthy operation of the Company's quality control system.

During the reporting period, Wuhu Environmental Protection, Yangchun Environmental Protection, Chongzuo Environmental, Chongqing Environmental Protection, Yaobai Environmental, Tongchuan Environmental Protection, Qianyang Environmental Protection and Xingye Environmental Protection obtained ISO three-system certification.

6.2.2 Quality Control

Conch Venture formulates the Annual Production and Operation Comprehensive Plan every year, which sets out the important quality control indicators such as solid waste and hazardous waste intake and disposal volume for the solid waste disposal segment, and garbage intake and furnace volume and tons of waste feed-in electricity for garbage disposal segment and carries out refined management to ensure smooth operation of each segment's projects. In addition, we have implemented a multi-faceted and multi-level quality supervision mechanism. On the basis of product self-inspection, the Quality Control Department conducts product quality inspections from time to time every month and sets up resident quality inspectors to supervise product quality. During the Reporting Period, CK Equipment optimized the quality management process and clarified the detailed requirements for the pre-, mid- and post-process of quality control. In addition, we formulated the "Boiler Product Management and Assessment Regulations", which refined the quality requirements for the production process of various filtration products and clarified the quality assessment methods for responsible persons.



At the same time, we actively set up an on-site quality problem group to provide timely feedback on process violations and quality problems that occurred on site to avoid batch quality problems. We also organized quality seminars for technical, production and inspection personnel of outsourcing manufacturers with more problems, jointly with relevant personnel from the Purchasing Department and the Technology Department. Through the seminar, we have made clear the difficulties and error-prone points in the production of products, so that the outsourcing manufacturers may have a clear understanding of the Company's inspection standards and requirements, therefore reducing the cost of quality management.

During the Reporting Period, CK Engineering continued to carry out quality management to analyze the process quality management of the projects undertaken, and to sort out and summarize the design, equipment and engineering from project to project, so as to promote the quality management of the projects undertaken. During the reporting period, there was no product recall incident in Haichuan Engineering and Haichuan Energy Conservation..

6.2 Quality Assurance

6.2.3 Quality Trainings

The Group throughout attaches foremost importance to the cultivation of employees' quality awareness. We help employees improve their awareness of putting quality first and improve the enterprise quality management through regular quality technical training and exchange sessions. During the Reporting Period, in the Quality Control Department of CK Equipment, two employees were granted two non-destructive testing qualification renewals; three employees obtained three physical and chemical first-level skill certifications; and one employee obtained one physical and chemical second-level skill certification, all of which have further improved the skills and professionalism of employees.

Quality Technical Training

During the Reporting Period, Conch Venture regularly organized external exchanges and internal training seminars, and invited outstanding technical personnel from relevant enterprises in the industry to communicate on their core business and advantageous technologies in online and offline modes, mainly in the form of technical meetings and on-site visits. The training covered the leaders of the Group, the environmental protection research institute and relevant technical personnel of various departments, on-site production and management personnel, etc., aiming to build a high-tech management team and comprehensively improve the internal product quality standards.



"Quality Month" Activities

During the Reporting Period, focusing on the annual business goals, CK Equipment carried out quality month activities with the theme of "deeply implementing quality improvement actions and vigorously promoting the construction of a strong quality country" by taking the opportunities of the national "Quality Month" activities. During "Quality Month", all departments carried out various quality activities according to the activity plan. A good atmosphere where everyone attaches importance to quality has been created throughout the Company, and the quality awareness of all employees has been improved.



Quality Visualized Display Board

During the Reporting Period, we made the on-site quality management results into a visual display board, and displayed the notice, inspection notices and process requirements of some non-conforming products on the display board, reminding employees of their attention to non-conformities, which produced good warning and preventive effect.



6.3 Quality Service

6.3.1 Customer Communication

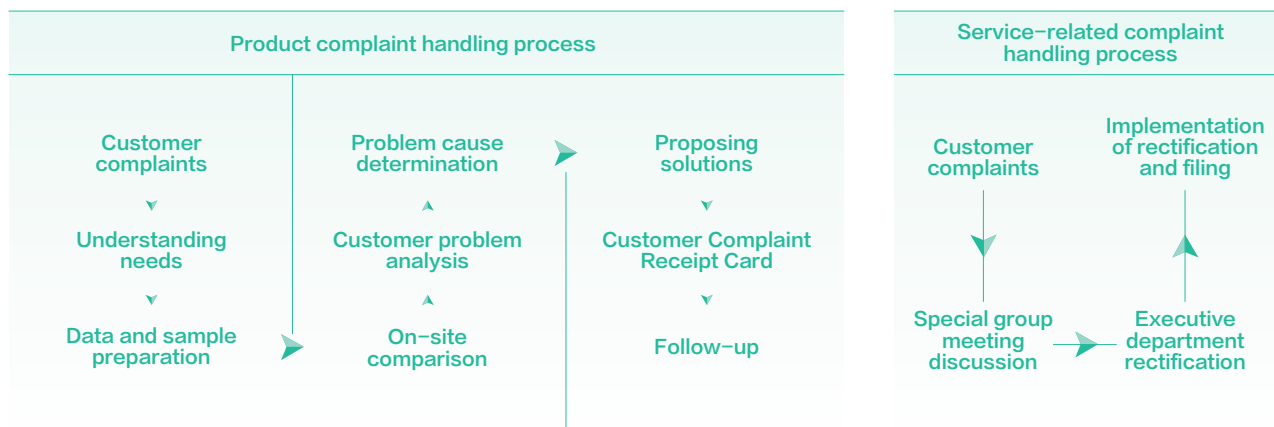
We attach great importance to customer experience and addresses customers' demands in a timely manner. For the sales of new panel products, we have formulated internal management systems such as *Sales Service Management Measures*, *Interim Measures for the Customer Refund (Transfer) Management*, and *Interim Measures for the Management of Panel Receipt*, Return and Exchange, formulated sound customer service mechanisms and complete after-sales service management processes, proactively built a bridge of communication with customers, and collected customers' suggestions and opinions in a timely manner.

6.3.2 Customer Complaints

Customers and the general public can make comments on our services or make suggestions through the complaint channels of different business lines of Conch Venture. Complaint channels cover hotline, fax, email, WeChat, etc. We keep the relevant information of complainants strictly confidential and handle customer feedback in an anonymous manner, so as to protect the privacy and information security of customers while actively solving problems.

In addition, we have established a complete customer complaint process. For service-related complaints raised by customers, we have established a 24-hour response system to check the problems at the first time to ensure that customers receive timely responses; for the quality of customer complaints, we resolutely implement rectification. Take measures to recall products in time and contact customers actively, re-issue products as soon as possible, and continue to track customer feedback, and resolutely maintain a good cooperative relationship between the company and customers.

During the reporting period, we had no complaints about product quality or safety issues, nor related recalls.



During the Reporting Period, we received a total of 70 complaints on our services from customers, with a customer complaint rate of 2.19% and a complaint handling rate of 100%.

6.3.3 Customer Experience

In order to fully understand the customer evaluation and customer experience, we have formulated a customer satisfaction survey plan according to the scale of products sold and established a complete customer satisfaction management and control system. We refine the survey plan to monthly units, conduct customer satisfaction surveys based on various business sectors, summarize and analyze the survey results in a timely manner, actively sort out and analyze problems based on suggestions raised by customers, and formulate optimization plans and implementation plans to continuously improve product services. During the Reporting Period, among the business segments of the Group the customer satisfaction of CK Equipment reached 98%, the overall customer satisfaction of CK Engineering reached 95%, and the customer satisfaction of the new building materials segment reached 95%.

In addition, we strictly keep customer privacy confidential, and have set up a sound control mechanism to ensure the security of customer information. At the management level, 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. At the technical level, we store data through encrypted storage, and set permissions on the information system to safeguard customer privacy security. During the Reporting Period, we did not have any customer privacy-related complaints.

6.4 Supply Chain Management

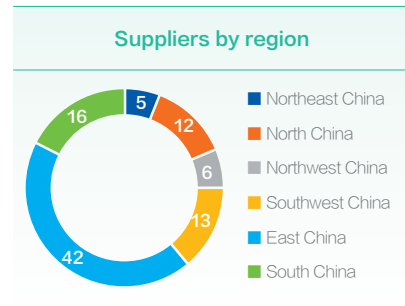
6.4.1 Supplier Access

The Group attaches great importance to supply chain management and is committed to building a compliant supply chain management system. In the process of supplier access, we have formulated internal management systems such as the *Procurement Management Measures* and the *Agreement on Safety Production Management of Construction Projects* to strictly verify and confirm various indicators such as qualification, supply capability and quality of suppliers. In addition, we comprehensively examine suppliers' management in terms of sustainable development, such as compliance management, environmental protection, employee health and safety, ethics and supervision, and various other elements. We include safety, material and anti-corruption requirements into supplier contract terms and sign integrity agreements with suppliers to clearly regulate their behavior.

At the same time, we attach great importance to the performance of suppliers in the field of environmental protection and incorporate relevant indicators into the consideration of supplier access. We urge suppliers to use lead-free, anti-salt spray paint, advocate the use of high-efficiency and energy-saving motors and strengthen equipment inspections.

During the Reporting Period, Conch Venture had a total of 94 suppliers of project and operating and the distribution is as follows:

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



6.4.2 Supplier Management and Evaluation

The Group implement all-round and whole-process standardized management for suppliers. We carry out evaluation work for each supplier every six months in multiple dimensions such as on-site quality, safety, schedule and coordination ability. We score the construction parties and contractor project managers. Suppliers with lower scores will be removed from the supplier pool and no further cooperation will be carried out. In addition, we conduct regular environmental inspections and inspect construction sites to ensure that suppliers operate in compliance and guarantee project operations in a responsible way.

We have established a supplier qualification review mechanism and put forward clear requirements for suppliers in terms of ISO 14001 Environmental Management System certification and ISO 45001 Occupational Health and Safety Management System certification. During the Reporting Period, CK Equipment carried out supplier assessment and evaluation, urged suppliers to complete the three-system certifications and to inform the Quality Inspection Department of the inspection results, so as to further ensure environmental protection, compliance and safety in the supply chain.

In addition, to better identify and control risks in the supply chain, we review the written materials provided by suppliers, including qualification reviews, bank credit certificates, and public information inquiries, and have developed the Comprehensive Evaluation Form for Construction-type Construction Units to inspect the progress, quality, safety, orderly construction, and construction materials of projects undertaken by suppliers, effectively controlling risks.

6.4.3 Supplier Training

We regularly conduct training for suppliers to publicize and implement the Group's policies and systems in terms of safety and quality. In addition, any supplier is required to receive safety training, watch safety training videos, and sign a safety commitment letter before access.

6.4.4 Support for Suppliers

Conch Venture has been committed to achieving the goal of mutual benefit and win-win with suppliers, helping suppliers to improve their qualifications and management levels in various aspects such as technology and safety.

CK Equipment- Support for Suppliers Activities

During the Reporting Period, CK Equipment introduced Jiangsu Sifang Boiler Co., Ltd. to manufacture related boiler products. Considering that it was the first time for that company to manufacture our products, we arranged technicians to communicate on the drawings and technical details, and also arranged a quality controller to stay on site permanently to help them solve various difficulties in production and inspection.

6.5 Communication and Cooperation

6.5.1 Industry–University Cooperation

We actively carry out cooperation with enterprises, research institutes and colleges and universities to build a platform for mutual trust and win-win cooperation. According to the Company's industrial development needs, we regularly hold academic seminars and invite domestic and foreign environmental protection experts for discussions, so as to promote the transformation and application of advanced technologies in the environmental protection industry and their industrial promotion, establish industry standards and lead the healthy development of the industry.

Academic Seminar on Co-Processing of Solid and Hazardous Waste Technology

In September 2021, Conch Venture invited three academicians from the Chinese Academy of Engineering to visit the Company and organized the "Academic Seminar on Co-Processing of Solid and Hazardous Waste Technology". Experts from scientific research units such as the Solid Waste and Chemicals Management Technology Center of the Ministry of Ecology and Environment, Chinese Research Academy of Environmental Sciences, and Zhejiang Provincial Key Laboratory of Solid Waste Treatment and Recycling were also invited to attend the meeting. More than 80 people attended the meeting, including the chairperson, general manager and related managers of Conch Venture.



In addition, we actively carry out exchanges and cooperation with universities to jointly promote the R&D and innovation of environmental protection technology.

Key Technologies and Applications for the Environmentally Friendly and Resourceful Treatment of Fluorinated Sludge Containing High Heavy Metals

During the Reporting Period, Conch Venture established in-depth cooperation with the Institute of Construction Engineering Materials of Xi'an University of Architecture and Technology and carried out research on the topic of "Key Technologies and Applications for the Environmentally Friendly and Resourceful Treatment of Fluorinated Sludge Containing High Heavy Metals", and a project team was formed by the Group's relevant technical R&D personnel and professors and researchers from Xi'an University of Architecture and Technology to conduct a study on the technical feasibility of using fluorinated sludge as cement admixture after light combustion. The feasibility of large-scale co-processing of fluorinated sludge in cement kilns was explored, and pioneering suggestions were provided for the sludge disposal.

6.5.2 Industry Cooperation

We take the initiative to cooperate with many outstanding peers in the industry, actively discuss technical problems, promote the sharing of technical knowledge, and work together to contribute to the progress of the environmental protection industry and the sustainable development of society.



China International Soil Remediation & Oily Sludge Treatment Summit

During the Reporting Period, CK Engineering participated in the China Int'l Soil Remediation & Oily Sludge Management Summit, where CK Engineering, as a representative enter-

prise in the industry, conducted in-depth exchanges with peer companies on new technologies and products and shared many experiences in contaminated soil treatment.

During the Reporting Period, the group participated in the formulation of a number of national and industry standards, such as *Technical Specification for Co-Processing of Solid Waste in Cement Kiln*, *Concrete Domestic Waste Incineration Fly Ash*, and *Standardized Safe Production Specification for Co-Processing of Hazardous Waste in Cement Kiln*, which provided favorable technical support for the healthy development of co-processing of the hazardous waste in cement kiln. The achievements and efforts of Conch Venture have also been recognized by the industry and all sectors of society. During the Reporting Period, Conch Venture was elected as the "Vice-Chairman Unit of Anhui Federation of Industrial Economics"; CK Engineering's "System Integration Key Technology Development and Application Project for Co-Recycling of Municipal Waste in Cement Kiln" won the third prize of Anhui Provincial Science and Technology; CK Equipment won the title

of "Little Giant" enterprise with the characteristics of specialization, refinement, differentiation and innovation at the national level and the national demonstration enterprise for green design of industrial products.





Building Community Together

"People-enterprise harmony" has been the development goal of Conch Venture. Conch Venture adheres to the people-benefiting policy of giving back to people and synergetic development of people and enterprises. During the Reporting Period, Conch Venture not only promoted local environmental protection and sustainable development through technological innovation, but also devoted itself to community building activities, making outstanding contributions to community investment, public welfare investment and other undertakings.

7.1 Empowering the Community

Conch Venture has seized the opportunity for green development, relied closely on the support of national policies, enjoyed the benefits of national reform and development, and also took the initiative to give back to the society. As an enterprise, we are obliged to facilitate the people's life and benefit the people. The Group has been taking "creating a better home for the future of mankind" as its business philosophy. While continuously developing its business, Conch Venture actively undertakes social responsibilities, pays attention to the community environment, organizes employees for volunteer activities, and cooperates with many local governments to empower sustainable community development with new momentum and vitality.



Conch Venture assists customs in completing its work

Conch Venture's subsidiaries have actively assisted the customs authorities in many places to effectively handle the waste generated and smuggled goods, firmly guarding the first line of defense for national ecological and environmental security.

In September 2021, Guiyang Environmental Protection actively assisted Gui'an New Area Customs in destroying waste tobacco leaves. Under the supervision of relevant departments, we arranged special personnel responsible for all aspects of outbound storage, transportation and incineration and used the new dry process cement kiln incineration technology. On the basis of proper treatment of solid waste and hazardous waste, we actively cooperate with local government departments to deal with the detained materials..

At the end of 2021, the tide of homecoming came. Tengchong has three national border crossings with Myanmar, facing the surging pressure on anti-smuggling with the increasing number of returnees. Entrusted by the assistant general manager, Tengchong Energy Integrated Management Office actively assisted Tengchong Customs, Tengchong Anti-Smuggling Bureau and Municipal Environmental Protection Bureau in the harmless destruction of smuggled goods.



Conch Venture participated in the activities of World Environmental Protection Day

Fruitfulness comes after falling leaves and flowers, and warm spring follows melting snow. On the forthcoming 50th World Environment Day, Dehong Environmental Protection actively opened environmental protection facilities to the public for centralized visits in the series of publicity activities for the World Environment Day on 5 June 2021 in Mangshi.

At the invitation of the Mangcheng Branch of the Ecological Environment Bureau, Dehong Environmental Protection opened its plant to welcome more than 30 public representatives, and arranged interpreters to introduce to the public representatives in detail the development history, business segments and distribution of environmental protection industries of Conch Venture, which enabled the participants to further understand the environmental, economic and social benefits of grate furnace power generation, cultivating the environmental awareness of harmonious coexistence with nature in the community and encouraging more people in the community to participate in the great cause of environmental protection.



7.2 Contributing to Public Welfare

The year 2021 was a critical year for the country to win the battle against poverty. With the dedication spirit of "benefiting others in times of success", Conch Venture was actively carrying out assistance projects for rural reconstruction, contributing to achieving the goal of building a moderately prosperous society in an all-round way and helping the country achieve comprehensive poverty alleviation.

Conch Venture Helps Poverty Alleviation

Luoyang Environmental actively responded to the call of the Ruyang County government to revitalize the rural economy and build beautiful homeland, and offered pairing-assistance to Huagou Village in Baishu Township. Luoyang Environmental applied for revitalization funds from our Company immediately to strengthen the infrastructure construction of the Huagou Village resettlement area and purchase daily necessities for the villagers to help the Huagou Village alleviate poverty.

Loving and benefiting people is benevolence. Luoyang Environmental takes practical actions to support the construction of beautiful villages, interpreting the commitment as a large enterprise and worked down to earth in poverty alleviation. In the next five years, Conch Venture will continue to optimize and improve the assistance methods and processes, help more backward areas to realize the dream of shaking off poverty and getting rich to achieve moderate prosperity, and fully support the country in consolidating the achievements of poverty alleviation.



In the mundane world, facing life and death, doctors and nurses cherish benevolence and love in their hearts, making contributions in obscurity. Since the outbreak of the epidemic, countless people braved the challenges and stepped forward to build an indestructible barrier for the homeland. Faced with the test of the epidemic, Conch Venture took advantage of its technical advantages to actively assist the local government in effective disposal of medical waste and epidemic-related waste.

Conch Venture Completed Epidemic-related Waste Disposal

In 2021, there will be epidemics of varying degrees all over the country, which will bring great difficulties to the disposal of local medical waste and epidemic waste. At the request of the local government, various project companies affiliated to Haichuang actively cooperate with government departments to dispose of epidemic-related waste and waste. Domestic waste has made a positive contribution to the local epidemic prevention work. In 2021, a total of nine companies will assist the local disposal of epidemic-related waste, with a total of about 7,968.475 tons of waste processed.

In April 2021, the epidemic struck Ruili. In the face of the increasing number of confirmed cases, Dehong Environmental Protection actively cooperated with the government of Ruili to prevent the epidemic. It immediately set up an epidemic prevention and emergency response team. According to the actual local situation and the government's control requirements, and on the premise of ensuring the personal safety of employees, it made clear the division of labor and quickly deployed personnel to fully cooperate with the local government in the disposal of epidemic-related waste.

Dehong Environmental Protection took the initiative to undertake social responsibilities and fully cooperated with the state and municipal epidemic prevention commanding centers to successfully complete the emergency disposal of epidemic-related domestic waste, achieving stable operation of equipment, compliance with environmental protection indicators, zero infection of employees, and 100% harmless and safe disposal of domestic waste in the disposal process.

In November 2021, at the request of the local ecological environment bureau, Yangchun Environmental Protection undertakes the task of emergency disposal of medical waste during the expansion, upgrade, and shut-down of the disposal center. In strict accordance with the requirements of the plan, Yangchun Environmental Protection properly

disposed of 30 tons of medical waste in Yangjiang City, effectively eliminating the occurrence of secondary pollution of medical waste. While completing this task, Yangchun Environmental Protection also improved the actual combat capability of medical waste emergency disposal and assisted the Ecological Environment Bureau in improving the medical waste emergency management system in Yangjiang City, reflecting our social responsibility and demonstrating Conch Venture's realm.



Helping Zhengzhou and Fulfilling Promises with Love

Natural disasters are ruthless, and great love is in silence. In July 2021, the flood caused by persistent extraordinary rainstorm broke the tranquility of Zhengzhou. Shouldering the social responsibilities, Conch Venture Dengfeng Environmental organized an assistance team immediately after the rainstorm stopped, rushed to the disaster area and, in cooperation with the local government, carried out disinfection and epidemic prevention, disaster reporting, and production resumption, etc., Conch Venture Dengfeng Environmental also arrangements for key flood control areas and worked together with Zhengzhou government to rebuild a beautiful home.



2021

Reception of social visitors | **637** | Person-time

Employee volunteer hours | **280** | Hours

Appendix I Indicator Data Summary

All performance indicators		Unit	Performance indicator data
Main business revenue		RMB'000000	8,350.49
Total Sulfur dioxide (SO ₂) emissions		Tonne	756
Total Nitrogen oxides (NO _x) emissions		Tonne	2,844
Total particulate matter emissions		Tonne	103
Carbon monoxide (CO) emissions		Tonne	246
Hydrogen chloride (HCl) emissions		Tonne	799
Hydrogen fluoride (HF) emissions		Tonne	75
Greenhouse gas emissions (Scope 1)		Tonne of CO ₂ e	40,290
Greenhouse gas emissions (Scope 2)		Tonne of CO ₂ e	127,313
Total greenhouse gas emissions (Scope 1 + Scope 2)		Tonne of CO ₂ e	167,603
Greenhouse gas emissions per unit of revenue		Tonne of CO ₂ e / RMB'000000	20.1
Direct energy consumption		Tonne of standard coal equivalent (TCE)	32,542
Indirect energy consumption		Tonne of standard coal equivalent	24,720
Total energy consumption (direct + indirect)		Tonne of standard coal equivalent	57,262
Energy consumption per unit of revenue		TCE / RMB'000000	6.9
Total wastewater generated		Tonne	300
Wastewater generated per unit of revenue		Tonne/ RMB'000000	0.04
Total amount of hazardous wastes generated		Tonne	174,715
Amount of hazardous wastes generated per unit of revenue		Tonne / RMB'0000	0.2
Total amount of non-hazardous wastes generated		Tonne	1,275,181
Amount of non-hazardous wastes generated per unit of revenue		Tonne / RMB'0000	1.5
Total water consumption		Tonne	8,961,678
Recycled water consumption		Tonne	1,466,905
Water consumption per unit of revenue		Tonne/ RMB'000000	1,073.2
Total amount of packaging materials used		Tonne	4,765
Amount of packaging materials used per unit of revenue		Tonne/ RMB'000000	0.57
Total number of employees		People	7,090
Full-time employees		People	6952
By gender	Male	People	5,813
	Female	People	1,139
By rank	Senior management	People	12
	Middle management	People	240
	General management	People	615
	General staff	People	6,085
By age	Under 30	People	5,444
	30-50 years old	People	1,256
	Over 50	People	252
By region	Northeast region	People	113
	North China region	People	289
	Northwest Region	People	941
	Southwest region	People	1,129
	East China region	People	3,286
	South China region	People	1,164
	Hong Kong, Macao and Taiwan	People	3
	Overseas area	People	27
Employee turnover rate			
By gender	Male	%	10.49
	Female	%	10.54
By age	Under 30	%	10.58
	30-50 years old	%	12.26

All performance indicators		Unit	Performance indicator data
By age	Over 50	%	0
By region	Northeast region	%	10.62
	North China region	%	10.73
	Northwest Region	%	10.63
	Southwest region	%	10.54
	East China region	%	10.50
	South China region	%	10.57
	Hong Kong, Macao and Taiwan	%	0
	Overseas area	%	0
Number and rate of work-related fatalities	2019	People	0
		‰	0
	2020	People	0
		‰	0
	2021	People	0
		‰	0
Number of lost days due to work injury		Day	322
Total employee training time		Hour	1,167,936
Percentage of employees get trained		%	100
By gender	Male	%	83.62
	Female	%	16.38
By rank	Senior management	%	0.17
	Middle management	%	3.45
	General management	%	8.85
	General staff	%	87.53
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		/	94
By region	Northeast region	/	5
	North China region	/	12
	Northwest Region	/	6
	Southwest region	/	13
	East China region	/	42
	South China region	/	16
	Hong Kong, Macao and Taiwan	/	0
	Overseas area	/	0
Percentage of products recalled for safety and health reasons		%	0
Number of complaints about services and products		/	70
Number of corruption cases		/	0
Anti corruption training for board members	Number of people		9
	Hours		36
Employee anti-corruption training	Person-time		240
	Hours		20
Receive social visitors		Person-time	637
Employee volunteer hours		Hours	280

APPENDIX II: 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.	Creating A Green Future
	KPI A1.1	The types of emissions and respective emissions data.	Creating A Green Future- Climate Change Creating A Green Future- 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).	Creating A Green Future- Climate Change
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Creating A Green Future- 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).	Creating A Green Future- Emission Management
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Creating A Green Future- Climate Change
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Creating A Green Future- Emission Management
A2 Use of Resources	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	Creating A Green Future- Resource Utilization
	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).	Creating A Green Future- Climate Change
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Creating A Green Future- Resource Utilization
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Creating A Green Future- 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.	Creating A Green Future- Resource Utilization
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Creating A Green Future- Resource Utilization
A3 The Environment and Natural Resources	General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Creating A Green Future- Resource Utilization
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Creating A Green Future- Resource Utilization
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.	Creating A Green Future- 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.	Creating A Green Future- Climate Change

ESG Areas, General Disclosures and KPIs			Section
Social			
B1 Employment	General Disclosure	Information on:(a) Policy; 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.	Caring for Employees- Employee Recruitment
	KPIB1.1	Total workforce by gender employment type (for example, full-time or part-time), age group and geographical region.	Caring for Employees- Employee Recruitment
	KPIB1.2	Employee turnover rate by gender, age group and geographical region	Caring for Employees- Employee Recruitment
B2 Health and safety	General Disclosure	Information on:(a) Policy; 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.	Caring for Employees- Employee Health and Safety
	KPIB2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	Caring for Employees- Employee Health and Safety
	KPIB2.2	Lost days due to work injury.	Caring for Employees- Employee Health and Safety
	KPIB2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	Caring for Employees- Employee Health and Safety
B3 Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Training refers to vocational training.	Caring for Employees- Employee Development
	KPIB3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Caring for Employees- Employee Development
	KPIB3.2	The average training hours completed per employee by gender and employee category.	Caring for Employees- Employee Development
B4 Labour Standards	General Disclosure	Information on:(a) Policy; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	Caring for Employees- Employee Recruitment
	KPIB4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees- Employee Recruitment
	KPIB4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees- Employee Recruitment
B5 Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Stick to Quality- Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	Stick to Quality- 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.	Stick to Quality- 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.	Stick to Quality- Supply Chain Management

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ESG Areas, General Disclosures and KPIs			Section
Environmental			
B5 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.	Stick to Quality– Supply Chain Management
	General Disclosure	Information on:(a) Policy; 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.	Stick to Quality
B6 Product Responsibility	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Stick to Quality–Quality Assurance
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Stick to Quality–Quality Service
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Stick to Quality–Innovation Drive
	KPI B6.4	Description of quality assurance process and recall procedures.	Stick to Quality–Quality Assurance Stick to Quality–Quality Service
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Stick to Quality–Quality Service
B7 Anticorruption	General Disclosure	Information on:(a) Policy; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsibility–based Enterprise
	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.	Responsibility–based Enterprise– Business Ethics
	KPI B7.2	Description of preventive measures and whistle–blowing procedures, and how they are implemented and monitored	Responsibility–based Enterprise– Business Ethics
	KPI B7.3	Description of anti–corruption training provided to directors and staff.	Responsibility–based Enterprise– Business Ethics
B8 Community Investment	General Disclosure	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.	Building Community Together
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	Building Community Together
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Building Community Together

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