



凯盛新能源股份有限公司

Triumph New Energy Company Limited

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

H Share Stock Code: 1108

A Share Stock Code: 600876



2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT TRIUMPH NEW ENERGY

Triumph New Energy Company Limited (“**Triumph New Energy**”, the “**Company**”) (Stock Code: 01108 (H shares), 600876 (A shares)) is a company whose A shares and H shares are listed in Shanghai and Hong Kong, respectively.

Triumph New Energy Company Limited, incorporated in the PRC on 6 April 1994, issued overseas listed foreign H shares which were listed on the Stock Exchange of Hong Kong Limited on 29 June 1994 and ordinary A shares denominated in RMB which were listed on the Shanghai Stock Exchange on 29 September 1995. The Company has experienced the way of transformation, breakthrough and innovation from traditional sheet glass to ultra-thin electronic glass, and from ultra-thin electronic glass to solar photovoltaic glass. The Company has accumulated leading knowledge system and processing experience during the development process of nearly 30 years. The Company possesses a number of proprietary intellectual property rights and core technologies. The Company has successively won various accolades including “National Quality Award for Float Glass – Silver Award (國家浮法玻璃質量獎-銀質獎)”, “Gold Invention Award (金質發明獎)”, “National Consumer Trustworthy Product (全國消費者信得過產品)”, “Well-known Trademark (馳名商標)” and “National Science & Technology Progress Award (first class) (國家科學技術進步一等獎)”.

In recent years, the Company has focused on the field of new energy materials, expedited the optimization of regional layout, and successively established seven intelligent production bases in East China, Central China, North China and Southwest China. To better reflect the current status of the Company's business and its direction of future development, the Company changed its name from Luoyang Glass Company Limited to Triumph New Energy Company Limited on 16 February 2023.

Taking “materials create a better world” as its mission, and adhering to the core conception of “smart use of resources to serve the industrial construction”, the Company fosters the core value of “Innovation, Performance, Harmony and Responsibility”, striving for and making contribution to the harmonious, healthy and sustainable development among the Company and environment, the Company and its employees, the Company and the society.

In 2022, amid the impact of rising upstream raw material and energy prices and intensified industry competition, the Company continued to strengthen its strategic leadership, steadily promoted merger and acquisition integration, business optimization and project construction, and stepped-up efforts to strengthen areas of weakness, stabilize prices and bring down costs, thus maintaining a development trend of making progress and improving quality while ensuring stability. During the reporting period, the operating revenue of the Company amounted to RMB5.030 billion, up 38.73% year on year; the net profit attributable to shareholders of the Company was RMB409 million, up 59.93% year on year; cumulative R&D investment was nearly RMB200 million, up 26.77% year on year. At the end of the reporting period, the Company's total assets were RMB10.566 billion and net assets attributable to shareholders of the Company were RMB4.232 billion, representing an increase of 14.19% and 10.37% respectively from the beginning of the period.

Going forward, Triumph New Energy will follow the orientation of technology and product innovation, create a new pattern of high-end, intelligent and green business development to become a pioneer and leader in the new energy materials industry.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

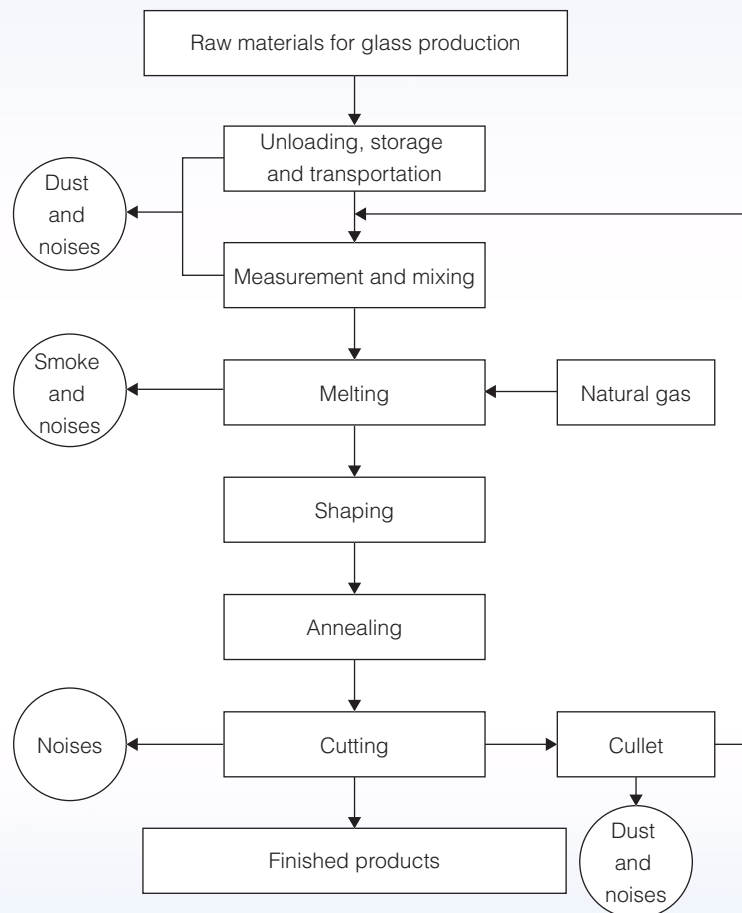
STEADILY PROMOTING ENVIRONMENTAL PROTECTION AND RESOURCES CONSERVATION

The main products of the Company belong to key basic materials in the upstream of the relevant industry chain, which are in line with the requirements of the industrial policies and technical improvement. As at the end of the reporting period, the Company has seven intelligent production bases, including 5 wholly-owned subsidiaries and 2 controlled subsidiaries, including CNBM (Tongcheng) New Energy Materials Co., Ltd.* ("**Tongcheng New Energy**") in Tongcheng City, Anhui Province; CNBM (Hefei) New Energy Co., Ltd.* ("**Hefei New Energy**") in Hefei City, Anhui Province; CNBM (Yixing) New Energy Resources Co., Ltd ("**Yixing New Energy**") in Yixing City, Jiangsu Province; CNBM (Luoyang) New Energy Co., Ltd. ("**Luoyang New Energy**") in Luoyang City, Henan Province; Triumph (Zigong) New Energy Co., Ltd. ("**Zigong New Energy**") in Zigong City, Sichuan Province; Qinhuangdao North Glass Co., Ltd. ("**North Glass**") in Qinhuangdao City, Hebei Province and Triumph (Zhangzhou) New Energy Co., Ltd. ("**Zhangzhou New Energy**") in Zhangzhou City, Fujian Province.

Environmental Protection

Glass production process has the feature of uninterrupted production. Therefore, the Company has been fully implementing energy conservation and emission reduction, cyclic utilization and ecological protection to minimize the impact of production on the environment.

- Glass production process and analysis on major pollutants



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Greenhouse gas emitted from the glass manufacturing facility and in manufacturing process mainly includes burning of fuel, oxidation of carbon powder of raw material, decomposition of carbonate raw material, emissions from purchased net electricity and other manufacture process.

Data on Greenhouse Gas Emission for 2020–2022

	2020	2021	2022
Total annual CO2 emission for the year (tCO2)	904,406.25	851,524.37	855,485.80
Total emission from burning of fossil fuel	615,919.73	455,458.31	456,710.11
Emission from oxidation of carbon powder of raw materials	123.74	139.99	0
Emission from decomposition of carbonate raw material	117,256.02	175,905.15	155,069.36
Emission from use of purchased net electricity	171,106.76	220,020.92	243,706.33

Data on Greenhouse Gas Emission from Production Lines for 2022

	Total annual CO2 emission for the year (tCO2)	Emission from burning of fossil fuel (tCO2)	Emission from oxidation of carbon powder of raw materials (tCO2)	Emission from use of purchased net electricity (tCO2)
Total	855,485.80	456,710.11	155,069.36	243,706.33
Yixing New Energy	185,286.49	78,908.38	22,604.63	83,773.48
Hefei New Energy	30,910.01	16,189.07	5,925.86	8,795.08
Tongcheng New Energy	313,404.09	172,184.67	60,457.57	80,761.85
North Glass	129,185.44	87,349.50	27,864.41	13,971.53
Zigong New Energy	196,699.77	102,078.49	38,216.89	56,404.39



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Major pollutants generated from the production process: dust-laden gases, and smoke, noise, waste water and solid waste emitted from furnaces.

Data on Major Pollutants Emitted for 2020–2022

	2020	2021	2022
Waste gas (0'000 standard cubic meters)	207,672.87	383,098.87	372,454.49
SO ₂ (Ton)	40.95	71.86	89.23
NO _x (Ton)	387.71	307.10	472.93
Granule (Ton)	26.00	31.33	27.87
Waste water (Ton)	904,693.00	1,457,321.90	752,631.26
COD (Ton)	50.40	35.93	11.41

Data on Major Pollutants Emitted from Production Lines for 2022

	Waste gas (0'000 standard cubic meters)	SO ₂ (Ton)	NO _x (Ton)	Granule (Ton)	Waste water (Ton)	COD (Ton)
Total	372,454.49	89.23	472.93	27.87	752,631.26	11.41
Yixing New Energy	50,432.00	7.30	0	1.92	73,592.00	3.61
Hefei New Energy	51,138.00	40.24	140.67	11.59	356,194.00	6.03
Tongcheng New Energy	55,705.62	16.98	147.88	4.51	174,742.36	0.07
North Glass	122,366.05	13.34	55.63	1.97	2,737.50	0.30
Zigong New Energy	92,812.82	11.37	128.75	7.88	145,365.40	1.40



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Legal Compliance

The Company earnestly follows out environmental protection-related laws and regulations and strictly abides by the specialized standards in relation to environmental protection, energy conservation and comprehensive utilization of resources issued by the state and local governments. The relevant laws and regulations include: Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》, taking effect on 1 January 2015); Law of the People's Republic of China on Environmental Effects Assessment (《中華人民共和國環境影響評價法》, revised on 29 December 2018); Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》, revised on 26 October 2018); Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》, taking effect on 1 January 2018); Law of the People's Republic of China on Prevention and Control of Pollution from Noise (《中華人民共和國噪聲污染防治法》, taking effect on 5 June 2022); Law of the People's Republic of China on Prevention and Control of Environmental Pollution Caused by Solid Waste (《中華人民共和國固體廢物污染環境防治法》, taking effect on 1 September 2020); Law of the People's Republic of China on the Prevention and Control of Soil Pollution (《中華人民共和國土壤污染防治法》, taking effect on 1 January 2019); Law of the People's Republic of China on Promoting Clean Production (《中華人民共和國清潔生產促進法》, taking effect on 1 July 2012); Land Administration Law of the People's Republic of China (《中華人民共和國土地管理法》, taking effect on 1 January 2020); Law of the People's Republic of China on Circular Economy Promotion (《中華人民共和國循環經濟促進法》, revised on 26 October 2018); Law of the People's Republic of China on Energy Conservation (《中華人民共和國節約能源法》, revised on 26 October 2018).

The Company rigorously implements standards on pollutant discharges and improves its monitoring and discharge reduction system to ensure standard discharge and clean production. No administrative penalties for environmental problems occurred during the reporting period. Pollutant discharge standards currently observed by production-related subsidiaries of the Company are as follows:

Type of pollutants	Pollutant discharge standards	Major pollutants	Discharge concentration
Exhaust	Emission Standard of Air Pollutants for Glass Industry (《玻璃工業大氣污染物排放標準》) (GB26453-2022)	Atmospheric particulate SO ₂ NO _x	Atmospheric particulate≤30 mg/m ³ SO ₂ ≤200 mg/m ³ NO _x ≤400 mg/m ³
	Standard of Air pollutants for Industrial Kiln in the Henan Province (《河南省工業爐窯大氣污染物排放標準》) (DB41/1066-2020)		Atmospheric particulate≤10 mg/m ³ SO ₂ ≤100 mg/m ³ NO _x ≤300 mg/m ³
	2019 Upgrading and Treatment Plan in Non-Electric Industries of Henan Province		Atmospheric particulate≤30mg/m ³ SO ₂ ≤150 mg/m ³ NO _x ≤400 mg/m ³
	Notice of the Office of the People's Government of Qinhuangdao City on the Implementation of Special Requirements for Air Pollutant Emissions from Iron and Steel and Other Industries (《秦皇島市人民政府辦公室關於執行鋼鐵等行業大氣污染物排放特別要求的通知》) (2021-10)		Atmospheric particulate≤8 mg/m ³ SO ₂ ≤40 mg/m ³ NO _x ≤150 mg/m ³



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Type of pollutants	Pollutant discharge standards	Major pollutants	Discharge concentration
Wastewater	Integrated Wastewater Discharge Standard (《污水綜合排放標準》) (GB 8978-1996) Class III	pH COD SS BOD5 NH3-N Animal and vegetable oils	pH: 6~9 COD≤500 mg/L SS≤240 mg/L BOD5≤140 mg/L NH3-N≤40 mg/L Animal and vegetable oils≤100 mg/L
	Urban Wastewater Recycling Urban Miscellaneous Water Quality (GB/T18920-2020)	NH3-N	NH3-N≤8 mg/L

Systematic Management

The Company earnestly implemented the national, provincial and municipal environmental protection policies and regulations. Under the guidance of green development and the premise of ensuring the fulfillment of the various emission standards in a stable manner, the Company follows through the new enterprise growth path featuring low energy consumption, high efficiency, recycling and less emissions. The Company aims to promote its environmental protection capacity and achieve the Company's sustainable development through strict management, continuous improvement, and management innovation.

The Company's Environmental Protection Committee and the Ecological Environmental Protection Supervision Leading Group are responsible for performing the Company's environmental protection management duties, organizing the formulation of the Company's environmental protection development strategies, rules and regulations and work plans, and supervising, inspecting and evaluating the Company's environmental protection work.

At the same time, Environmental Protection Management System (《環境保護管理制度》), Environmental Protection Responsibility System (《環境保護責任制》), Environmental Protection Management Implementation Rules (《環境保護管理實施細則》), Environmental Emergency Management Measures (《環境突發事件應急管理辦法》), Energy Conservation and Ecological Environmental Protection Supervision and Management System (《能源節約與生態環境保護監督管理制度》), Conservation and Ecological Environmental Protection Assessment Management System (《能源節約與生態環境保護考核管理制度》), Environmental Emergency Reporting Management Measures (《突發環境事件報告管理辦法》), Ecological Environment Protection Responsibility Target Assessment and Management System (《生態環境保護責任目標考核管理制度》), Pollution Prevention and Control Facilities Operation and Management System (《污染防治設施運行管理制度》) and other related rules and systems were prepared and published.

The Company strictly carried out the environmental responsibility system and implemented the main responsibilities at all levels. During the reporting period, the Company and its subsidiaries entered into the 2022 Responsibility Letter for Contracting Ecological and Environmental Protection and Energy Conservation, formulated and issued the Key Points of the Ecological and Environmental Protection Work in 2022, and specified the work objectives and nine key tasks.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Company enhanced the awareness of ecological and environmental protection among all employees, and improved the responsive system for environmental emergencies. During the reporting period, the Company formulated the 2022 Safety and Environmental Protection Training Plan and organized the implementation step by step according to the plan. 1,839 persons participated in the training of ecological environmental protection business knowledge throughout the year; 9 emergency drills for emergency environmental events were organised.

The Company actively responded to the national policy of “Carbon Emission Peak and Carbon Neutrality”, improved the level of green and low-carbon development. During the reporting period, the Company has built the industry's first carbon dioxide capture, collection and purification green emission reduction demonstration project of glass furnace at Hefei New Energy Production Base, and won the scientific and technological innovation special award of carbon emission peak and carbon neutrality supported by technology in Anhui Province. This project uses 35% concentration of carbon dioxide in the smoke of the glass furnace as the raw material and makes it into liquid carbon dioxide with a purity of 99.99% through smoke treatment, carbon dioxide capture and collection, compression, distillation and liquefaction. After the project reaches its production capacity, it can produce 50,000 tons of liquid carbon dioxide with the product quality meeting the national food grade standards.

The Company comprehensively improved the application capabilities of clean energy such as distributed photovoltaic power generation and furnace high-temperature flue gas residual heat power generation system, and actively promoted circular economy and energy conservation. As of the end of the reporting period, the Company has built four furnace residual heat power stations in various production bases, with an annual power generation capacity of 50,435,500 kWh; five plant solar power photovoltaic power stations have been built with an annual power generation capacity of 13,017,400 kWh. During the reporting period, the cumulative total power generation was approximately 63,452,900 kWh, equivalent to saving 7,798.36 tons of standard coal per year, and correspondingly reducing the carbon dioxide (CO₂) emissions per year by approximately 45,294.85 tons.

The Company continued to increase investment in environmental protection and application of new technologies, and further reduced energy consumption and pollutant emission level to achieve clean production. During the reporting period, a total of approximately RMB42,890,500 was invested in the construction, operation, maintenance, and system upgrade and renovation of environmental protection facilities.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Comprehensive Treatment

Major treatment measures and recycled utilization approaches include:

- Furnace fumes treatment: The integrated technology treatment of dry process for desulfurization + cyclone filters + composite ceramic filter denitrification was adopted.
- Dust treatment: Effective bag filter is used for collection and further treatment of such dust.
- Noise treatment: Reduce noise at the noise sources; deploy high noise source facilities in airtight soundproof rooms; install a silencer and sound arresters; increase greening outside the production line workshop and the factory boundary.
- Wastewater treatment: Equalization → flocculation sediment → air flotation → filtering → recycling was adopted for treatment.
- General solid waste treatment: Reuse the dust collected by cullet and bag filters in production; sell the desulfurization by-products, waste insulation bricks and sedimentation tank sediment, etc. collected in furnace exhaust to professional companies for comprehensive utilization; the sludge and household waste are collected and treated by the environmental sanitation department.
- Circular economy and the use of new energy: The construction of distributed photovoltaic power generation and high-temperature flue gas residual heat power generation system in kiln furnaces.

PROACTIVELY FULFILLING CORPORATE SOCIAL RESPONSIBILITY

Taking "materials create a better world" as its mission, in the light of the core value of "innovation, performance, harmony and responsibility", the Company proactively undertakes the corporate social responsibility based on the demands of stakeholders including the staff, customers, business partners, the community, the media and so forth.

Safeguarding Rights and Interests of the Staff

The Company respects and preserves the internationally accepted human rights conventions and labor standards, resolutely eliminates forced labor, protests against discrimination of any kind and sternly prohibits and resists the use of child labor. It recruits new staff in an open, fair and just manner, enforces equal pay for equal work and respects the privacy of the staff.

- The Company protects the staff's legal entitlements to the labor rights and performance of labor obligations in strict compliance with Labor Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》 and relevant laws and regulations.
- The Company has entered into labor contracts with the staff and performed duties thereunder according to the laws. All employees have signed a labor contract with the Company. The Company pays in full the social insurances concerning pension, medicare, unemployment, work-related injuries and maternity to ensure the staff's treatment of social insurances in line with relevant national, provincial and local provisions.
- The Company has adopted the paid annual leave system for the staff and provides overtime pay for the work beyond legal working hours according to relevant provisions including Regulations of Paid Annual Leave of Employees 《職工帶薪年休假條例》.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- The Company unremittingly consummates the corporate democratic management system with the congress of employee representatives as the fundamental form, and reports to and receives reviews from the employee representatives on the annual production and operation as well as material matters of the Company through the congress of employee representatives. The Company has established labor unions at all levels to cope with issues of the staff in relation to expression of demands, conflict settlement and other aspects, thus guaranteeing the staff's rights for participation, knowledge and supervision.
- The Company lays emphasis on skill trainings for workers and quality improvement. 350 various training courses was held annually, with 9,123 persons participating in learning and training; organize and carry out a series of activities such as "climbing action", "skill competition", "mentoring system", "model worker studio innovation project", "Triumph forum", etc. Focus on improving learning, making progress in work, and pursuing life, motivate employees to set goals, take measures and practice bravely, and enhance their awareness of dedication to work.
- The Company has preserved the staff's rights of occupational safety and health and arranged physical examination for all of its employees for free. Besides, the Company has exercised the special labor protection for female employees and recorded a full coverage of physical examination according to relevant stipulations including the Law on Protection of Rights and Interests of Women (《婦女權益保護法》).
- Enhance employee happiness and improve employee satisfaction. The Company has established a relatively comprehensive employee welfare system, including issuing birthday cake cards to express our recognition and gratitude for the hard work of our employees; to enrich employee' leisure cultural life, we provide them with annual tickets of free regional tourism; vigorously advocate green travel and issue bus pass cards to employees; actively participate in mutual assistance and guaranteeing actions of major disease carried out by the Federation of Trade Unions, and purchase mutual assistance insurance of major disease for employees; persistently carry out a series of activities throughout the year, including "bring coolness in summer", "assisting students in autumn", and "heart-warming". Caring for employees in need, the Company Union paid more than 40 visits to temporary difficult employees.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Production Safety

In light of the safety principle of "Safety First, Prevention Foremost and Comprehensive Treatment", the Company fully implemented safety production responsibilities. During the reporting period, the Safety Production (occupational health) Management Committee has been adjusted and improved, and in accordance with the provisions of the Safety Production Law, the Safety Production Responsibility System has been further revised to clarify the safety production responsibilities of personnel at all levels and departments. In addition to ever-increasing efforts to the day-to-day safety monitoring and management, the Company attends to the work relating to "targeted management of safety", "identification of material latent hazards", "establishment and rehearsal of the responsive system for material incidents" and "hierarchical control over danger sources (sites)" aiming for the achievement of safety in essence and the comprehensive improvement of production safety. During the year, the Company recorded no fatal accident or material fatal accident or minor injury accidents.

- Strengthen supervision and inspection, and implement the main responsibility of safety production. The Company has established rigorous management systems to strengthen the production safety and implement targeted management of production safety. Meanwhile, the Company has executed the Contract on Production Safety Obligations with the affiliated production enterprise and the first responsible person. Meanwhile, the Company has strengthened its daily supervision and inspection mechanism and implemented the system of monthly safety and environmental protection meetings. It has especially strengthened targeted security supervision and special investigation, to eliminate all hidden dangers, in accordance with seasonal changes and major holiday arrangements.
- Ensure the investment of safety production funds and resolutely prevent the accidents. The Company has adhered to the concept of "reasonable cost and comprehensive protection" and resolutely forbidden the operation without protection appliances and equipment, to guarantee full purchase and timely handing out of security protection articles. The total investment of safety (including occupational health and fire protection) protection funds for the year was RMB5.0859 million.
- Solidly carry out the special inspections and self inspection and self correction activities of safety production. Organize and carry out a series of special activities such as the "safety and environmental hazard investigation and management at the end and beginning of each year", "investigation and rectification of major safety hazard", "annual action to improve safety production", "safety production inspection activity", "no violation", "excellent individual and organization innovation activity", "2022 safety production month activity", "three-year action with the completion of safety production special rectification", "special rectification of inspection, maintenance and operation of special equipment" "safety protection facilities and other key latent hazard investigation and rectification activities" and "self-built house special investigation". Supervise production units to carry out self-inspection and self-correction activities in accordance with the requirements of special activities through on-site inspections, remote service guidance and other measures. Throughout the year, a total of 1,219 safety inspections were organized and 1,295 safety hazards were eliminated.
- The Company has strengthened occupational health management to ensure the health of workers. It has implemented the "three contemporaries" safety management system for new construction, reconstruction and expansion projects to prevent and reduce production accidents and ensure the safety of life and property of employees. In the promotion week of the Prevention and Control Law of Occupational Disease, relevant regulations and policies on the prevention and control of occupational disease were promoted through various forms such as bulletin boards, slogans, and banners; organize and issue promotional brochures, conduct on-site consultation and award-winning competitive answer activities to further promote occupational health knowledge.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- Strengthen publicity and education, and establish safety concept. To ensure the orderly progress of annual safety training and education, the “2022 Safety Training Plan” was formulated and issued. The training plan was implemented to each employee on monthly basis. The training status was reported weekly and the completion status was summarized at the end of month. Meanwhile, the Company made full use of bulletin boards, slogans, billboard, and invitation of experts to give lectures to carry out publicity and education, and carried out in-depth safety publicity and education activities in combination with various activities such as “Safety Production Month” and “Safety Production Knowledge Competition”. A total of 972 safety production trainings were organized throughout the year, with 6,245 trainees and 35 emergency drills for production safety accidents. Through long-term and diversified publicity and education, the employees' awareness in overall safety production and the compliance with safety technical operating procedures have been greatly improved, forming a good safety production atmosphere of “I want safety, I will be safe” and “everyone cares about safety, and safety is paid attention to in everything”.

Safeguarding the Rights and Interests of Suppliers, Customers and Consumers

The Company advocates the establishment of long-term, friendly and stable strategic relationships with suppliers and customers, and carries out work with suppliers based on the principle of “equal consultation and mutual benefit”. We provide quality products and services for our customers on time with “good faith and top priority on quality”. Through internal organisational optimisation, staff training and other measures, we provide high standard support and assistance for suppliers and customers so as to safeguard the rights and interests of suppliers, customers and consumers.

- We provide a good cooperation environment for suppliers. The Company adheres to the supplier management principles of equal consultation and mutual benefit, standardizes the management of suppliers, establishes the fairness and justice of the supplier access assessment systems, chooses excellent suppliers as long-term strategic cooperative partners in the supply chain, clarifies the Company's requirements on quality and delivery of raw materials and fuel, provides technical instructions for suppliers for free and creates a good competitive environment for suppliers.
- We provide high-quality products and services for clients and consumers. In adherence to survival in virtue of quality and development through technology, the Company energetically pushes ahead advanced scientific management techniques, establishes and improves the quality management systems covering each process from incoming raw materials to factory-gate products to make sure the effective in-process quality control, and tries its best to meet the needs of our clients and consumers for quality products and services. While providing quality products, the Company has been paying consistent attention to the concerns of customers, has made full use of various effective approaches to launch surveys on customer satisfaction, has formulated corresponding solutions based on helpful opinions or recommendations of customers and implemented the same into specific departments for timely rectifications. As a result, customer satisfaction has been increasing year by year.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

- The Company takes full advantage of its own technological innovation, devotes efforts to the troubleshooting as well as the marketing and application of process technology to enlarge its product lines and raise the product quality. In the construction of key projects, emphasis is placed on accelerating the industrial application of scientific and technological achievements. In the first phase of the Tongcheng New Energy Solar Equipment Photovoltaic Cell Packaging Materials Project, the patented technology of 1,200 t/d ultra-white calendered glass kiln with eight kilns and two wings was used for the first time. The patented technology of kiln stepped wall was used for the first time in the glass kiln. The energy-saving technology of multi-stage bottom was used for the first time in the ultra-large glass kiln. The Hefei New Energy Project adopts self-developed core technology and complete equipment, and is equipped with the industry's first intelligent three-dimensional warehouse, which can achieve fully automatic connected production and big data platform interconnection and at the same time takes the lead to apply glass kiln carbon dioxide capture and purification technology to such production line, helping to create a model for carbon reduction, carbon fixation, and carbon management in the industry. The Company insisted on differentiated operation, led the industry in ultra-thin and large-scale technology, and took the lead to achieve the bulk supply of 1.6mm products and the sales of 2.0mm double-glazed glass components accounting for over 80% of the total sales. In 2022, the Company has invested a total of nearly RMB200 million in research and development, with a research and development intensity of 3.97%; the Company completed a total of 75 patent applications, including 31 invention patents and 44 utility models, and was authorized 18 invention patents and 31 utility models.

Public Relations

The Company and its subsidiaries proactively fulfill their corporate social responsibility for the communities, advocate the establishment of corporate community relations featuring harmonious neighborhood, fair exchange and mutual respect, help and support to create a healthy environment for such communities in terms of traffic safety, personal safety and public health.

The Company resolutely opposes to commercial bribery and industrial monopoly and proactively participates in protection of fair market competition in the principle of building a fair, just and open market competition environment to improve economic operation efficiency, safeguard consumers' interests and social public interests, and promote the healthy development of the industry.

Regarding payment of taxes according to laws as the most basic requirement for fulfilment of social responsibility and repaying the society, the Company has always faithfully declared tax and made payment of taxes in time.

In operating activities, the Company follows the principle of voluntariness, fairness, honesty and credibility, complies with social morality and business ethics, takes the initiative to accept the supervision and inspection by government departments and regulators, and attaches importance to the supervision and comments of the public and news media for the Company, and actively responds to the public's concerns.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GIVING TOP PRIORITY TO ENHANCEMENT OF CORPORATE GOVERNANCE

The Company is proactively committed to achieving and maintaining high standard of corporate governance, and constantly improves corporate governance structure in accordance with the Company Law, the Securities Law, the Code on Governance of Listed Companies and other laws and regulations. A decision-making and operation system has been established based on the Articles of Association and mainly structured with the general meeting, the Board, the Supervisory Committee and the management to establish and improve various internal management systems. An internal control and prevention system has been built, with risk management as the start, clear division of responsibility as the core, improved institutional construction as the guarantee and process streamlining and standardizing as the basis.

Compliance with Corporate Governance Code

The Company has adopted the principles under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code for Securities Transactions set out in Appendix 10 to the Listing Rules.

Having made specific enquiry by the Company, all Directors and supervisors have confirmed that they had fully complied with the Model Code for Securities Transactions during the reporting period.

The changes in shareholdings and remuneration of the existing and resigned Directors, supervisors and senior management during the reporting period are set out in the Corporate Governance of Section IV headed "POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT" in the annual report.

Board

The Board of Directors of the Company is elected by and accountable to the general meeting. The Board, by strictly following the relevant provisions of the Company Law, the Securities Law, the Code on Governance of Listed Companies, the Listing Rules of Shanghai and Hong Kong, the relevant laws and regulations of the CSRC and the Articles of Association, formulates and reviews the Company's governance policies and practices; formulates and approves development strategies and operational decisions; formulates annual budget proposals; continuously reviews and improves the internal management system; reviews and monitors the Company's policies and practices in following laws and regulatory requirements; formulates, reviews and monitors the code of conduct and compliance manual for employees and Directors; reviews and monitors the training and continuous professional development of Directors and senior management personnel.

In terms of ensuring the Board to obtain independent suggestions, the Board has formulated the Work System for Independent Directors to ensure that the independent non-executive Directors (independent Directors) can effectively exercise their powers and functions, to give full play to their supervisory functions and decision-making functions, to facilitate their participation in daily affairs of the Company and the access to information, and to fully listen to their prior approval opinions and give full play to their independent and objective judgment position in respect of major issues such as connected transactions, external guarantees, use of raised proceeds, protection of public shareholders, mergers and acquisitions, major investment and financing activities, financial management, executive remuneration, profit distribution and information disclosure. In addition, the secretary of the Board is responsible for providing assistance for the independent Directors, such as briefing and providing materials, regularly informing them the Company's operational circumstances and organising a field trip for independent Directors when necessary. During the reporting period, the Company disclosed a total of 12 prior approval opinions and independent opinions of the independent Directors.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In terms of the composition of the Board, the Company considers the diversity of board members from various perspectives, including but not limited to regulatory requirements, gender, age, cultural and educational background, professional experience, knowledge and skills, and the term of office. At the same time, the Company pays attention to the checks and balances of different interests to enhance the balance of decision-making. During the reporting period, among the 11 members of the tenth session of the Board, 6 new Directors were appointed, accounting for more than one-half of the Board member. There were 2 female Directors, accounting for approximately one-fifth of the Board members. There are 4 independent Directors, including one professional majoring in accounting, accounting for more than one-third of the Board members. Non-executive Directors and independent Directors make up the majority of the Board.

The Board convenes meetings on a regular basis and also calls upon irregular meetings depending on actual conditions. During the reporting period, the Board convened 12 meetings and all Directors proactively attended the meetings in person or by way of videoconference. The attendance of Board meetings and the meetings of special committees are set out in the section headed "CORPORATE GOVERNANCE" in the annual report.

As at the end of the reporting period, the tenth session of the Board was composed of 11 Directors, including five executive Directors, i.e. Mr. Xie Jun, Mr. Ma Yan, Mr. Zhang Rong, Mr. Liu Yuquan and Ms. Wang Leilei; two non-executive Directors, i.e. Mr. Zhang Chong and Mr. Sun Shizhong; and four independent non-executive Directors, i.e. Mr. Chen Qisuo, Mr. Zhao Hulin, Mr. Fan Baoqun and Ms. Zhang Yajuan. The personal information of the relevant Directors is set out in the section IV of "CORPORATE GOVERNANCE" headed "POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT" in the annual report.

Members of the tenth session of the Board and composition of special committees

Committees of the Board Members	Strategic Committee	Nomination Committee	Remuneration and Review Committee	Compliance Committee	Audit Committee
Executive Directors					
Mr. Xie Jun (<i>Chairman</i>)	Chairman	Member	Member		
Mr. Ma Yan (<i>President</i>)	Member			Member	
Mr. Zhang Rong (<i>Executive president</i>)	Member				
Mr. Liu Yuquan					
Ms. Wang Leilei (<i>Secretary of the Board</i>)				Member	
Non-executive Directors					
Mr. Zhang Chong	Member				
Mr. Sun Shizhong					
Independent Non-executive Directors					
Mr. Chen Qisuo		Member			Chairman
Mr. Zhao Hulin			Chairman		Member
Mr. Fan Baoqun	Member	Chairman			
Ms. Zhang Yajuan			Member	Chairman	Member

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Special Committees of the Board

Five special committees under the Board of the Company are established, i.e. the Audit Committee, the Strategic Committee, the Nomination Committee, the Remuneration and Review Committee and the Compliance Committee. Each of them fulfilled their duties according to the working rules of such committees, concretely and effectively helped the Board to perform the duties as set out in Appendix 14 D3.1 to the Listing Rules.

The work and meetings of the special committees in 2022 are set out in "SPECIAL COMMITTEES UNDER THE BOARD OF DIRECTORS" of Section IV headed "CORPORATE GOVERNANCE" in the annual report.

Term of Office of Non-executive Directors and Independence Confirmation of Independent Non-executive Directors

In accordance with the Articles of Association, the non-executive Directors shall be elected by the shareholders at a general meeting for a term of three years and shall be eligible for re-election upon expiry of the term. The term of office of the independent non-executive Directors is the same as that of the other Directors of the Company, and they are eligible for re-election upon expiry of their term of office, provided that the period of re-election shall not exceed six years.

The tenth session of the Board has four independent non-executive Directors. Among them, Mr. Zhao Hulin, Mr. Chen Qisuo and Mr. Fan Baoqun are newly appointed Directors; Ms. Zhang Yajuan is a re-elected Director whose re-election period has not exceeded six years.

The Company has received annual performance reports from all the independent non-executive Directors, who have confirmed in writing their respective independence pursuant to Rule 3.13 of the Listing Rules of the Stock Exchange. The Company is of the opinion that all the independent non-executive Directors are independent and meet the various requirements of independence as set out in Rule 3.13 of the Listing Rules of the Stock Exchange.

Risk Management and Internal Control

The Board is responsible for the risk management and internal control system and the review of the effectiveness thereof. The Supervisory Committee supervises the establishment and implementation of internal control by the Board.

The Audit Committee of the Board is responsible for reviewing the Company's financial position, implementation and effects of internal control system, and risk management and control as well as the communication, supervision and inspection in respect of internal and external audit of the Company.

The management is in charge of organizing and leading the daily operation of risk management and internal control and the Audit Department of the Company is responsible for the specific implementation, supervision and inspection of the risk management and internal control system. The Company has engaged Grant Thornton LLP to audit the effectiveness of internal control of annual financial statements of the Company, who issued the audit report and disclosure.

The Board, through the Audit Committee, reviewed the adequacy and effectiveness of the Company's risk management and internal control. During the reporting period, the Company prepared the Report on Comprehensive Risk Management for 2022. At the same time, it organized and conducted comprehensive monitoring and evaluation for the internal control management system of all functional departments and its subsidiaries in accordance with the Measures for Management of Internal Control Evaluation and the Plan on Implementation of Self Evaluation for 2022, and prepared the Report on Evaluation of Internal Control for 2022 of the Company. On 29 March 2023, the report was published on the websites of the Hong Kong Stock Exchange, Shanghai Stock Exchange and the Company.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Relationship with Shareholders

The Board considers that it is very important to engage in effective communication with shareholders, strengthen management of investor relations and facilitate them to have an understanding of the Company's business and development prospects. The Company has established the Investor Relations Management System and has been enhancing communication with investors and potential investors through facilitating the exercise of shareholders' rights, information disclosure, interactive communication and handling of requests to increase investors' understanding and recognition of the Company, with a view to improve the standard of corporate governance and overall value. The Secretariat of the Board is the functional department and the day-to-day working body of the Company's investor relations management, and is responsible for the implementation of the Company's investor relations management affairs and activities under the leadership of the Secretary to the Board.

The Company also communicates and negotiates fully with its shareholders and investors through various means. The main channels include the Company's official website, investor contact telephone, fax and e-mail, etc. Websites and new media platforms include the website of the Shanghai Stock Exchange, the SSE e-interactive platform and securities registration and settlement institutions and other public online infrastructure platforms. Regular means of communication include convening shareholders' meetings, results presentations, road shows, analyst meetings, receiving visitors and organizing seminars and exchanges, etc.

During the reporting period, the Company held results presentation meetings in a timely manner after the disclosure of the annual report and half-year report, and issued results presentation announcements in accordance with the relevant requirements, which were open to all investors, analysts, media and other relevant parties both at home and abroad. The results presentations were held on the platform of the SSE Roadshow Centre in the form of "live video broadcast + interactive webcast". The Company also regularly conducts interactive exchanges with industry analysts, either on-site or by telephone, and held more than 60 investor conferences during the reporting period, receiving nearly 1,500 institutional investors and individual shareholders.

The Company's files, annual reports, half-year reports, quarterly reports, temporary announcements, circulars, etc. were publicized on the website of the Company so that shareholders and investors could obtain updated information about the Company in a timely manner.

The Company ensures that all shareholders, in particular medium and small shareholders, enjoy equal rights and that all shareholders are able to exercise their rights to the full extent of their shareholdings. The Articles of Association sets out that, the Shareholders individually or jointly holding more than 10% shares of the Company, have right to request the Board to convene the extraordinary general meeting; the Shareholders individually or jointly holding more than 3% (including 3%) of the shares of the Company are entitled to submit a provisional proposal in writing to the Company 10 days prior to the date of the general meeting. The Board shall issue a supplementary notice of the general meeting within 2 days after receiving the proposal and submit the provisional proposal to the general meeting for consideration. During the reporting period, the relevant procedures for convening, holding and voting at general meetings were carried out in strict accordance with the relevant laws and the provisions of the Articles of Association and the Rules of Procedure of the Company for General Meetings.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Articles of Association also clearly stipulate that shareholders have the right to make suggestions or raise questions on the supervision and management of the Company's business operations, to enquire about relevant information and to be informed of and participate in important matters, etc. The relevant inquiry procedures and methods are set out in Articles of Association. When giving notice of a general meeting, the Board shall provide shareholders with the information and explanations necessary to enable them to make an informed decision on the matters to be discussed, and provide contact details for shareholders to make inquiries on such matters. During the course of a general meeting, shareholders may ask questions or make suggestions on motions in doubt, and Directors present at the meeting are responsible for answering and taking notes, and providing further details where necessary. Copies of minutes of general meetings are available for inspection by shareholders free of charge during the Company's office hours. The Company shall send a copy of such minutes to any shareholder requesting a copy of the same within 7 days of receipt of a reasonable fees.

During the reporting period, the Company convened the 2022 First Extraordinary General Meeting, the 2022 Second Extraordinary General Meeting, the 2021 Annual General Meeting, and the 2022 Third Extraordinary General Meeting. Information on the general meetings of the Company and inquiry index are as follows:

Session	Date	Inquiry index on the website on which the resolutions are publicized	Date of disclosure
The 2022 First Extraordinary General Meeting	25 January 2022	http://www.sse.com.cn , http://www.hkexnews.hk	25 January 2022
The 2022 Second Extraordinary General Meeting	26 May 2022	http://www.sse.com.cn , http://www.hkexnews.hk	26 May 2022
The 2021 Annual General Meeting	28 June 2022	http://www.sse.com.cn , http://www.hkexnews.hk	28 June 2022
The 2022 Third Extraordinary General Meeting	30 December 2022	http://www.sse.com.cn , http://www.hkexnews.hk	30 December 2022

Amendments to the Articles of Association

Amendments were made to the Articles of Association of the Company during the reporting period pursuant to the applicable laws and regulations in the PRC as well as the requirements of the Listing Rules. In order to better reflect the current business situation of the Company and its future development direction, the Board proposed to change the Chinese name of the Company from “洛陽玻璃股份有限公司” to “凱盛新能源股份有限公司” and the English name of the Company from “Luoyang Glass Company Limited” to “Triumph New Energy Company Limited”. The Articles of Association were also amended to reflect the change of the name of the Company. The change of name and amendments to the Articles of Association were approved by a special resolution of the Shareholders at the 2022 Third Extraordinary General Meeting held on 30 December 2022 and details of the amendments to the Articles are set out in the circular of the Company dated 13 December 2022.

Please refer to the websites of the Company, the Shanghai Stock Exchange and the Hong Kong Stock Exchange for the latest text of the Articles of Association of the Company.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Auditors' Remuneration

The Audit Committee of the Board is responsible for check of the independence of external auditors and the non-audit work undertaken by them. Grant Thornton LLP was appointed as the external auditors for the year upon approval by Shareholders at the 2021 Annual General Meeting. The auditors' remuneration is set out in the section headed "SIGNIFICANT EVENTS" in the annual report.

Company Secretary

During the reporting period, the Company Secretary was Mr. Ip Pui Sum from Sum, Arthur & Co. in Hong Kong. The Company Secretary reported the corporate governance of the Company to the Chairman, ensured smooth information exchange among Directors and between Directors and Shareholders, and complied with the policies and procedures of the Board. In 2022, Mr. Ip accepted no less than 15 hours of professional training to update his skills and knowledge.

Ms. Wang Leilei, Secretary to the Board, serves as the principal liaison of the Company with the Company Secretary. For her detailed contact information, please refer to the section headed "COMPANY PROFILE AND MAJOR FINANCIAL INDICATORS" in the annual report.

General Matters

For further discussion and analysis of financial performance, corporate governance and environmental and social responsibility of the Company, please refer to the 2022 Annual Report of the Company. This Environmental, Social and Governance Report forms a part of the 2022 Annual Report.

April 2023

* For identification purposes only

