

CONCH VENTURE  
中国海螺创业控股有限公司

# 中國海螺創業控股有限公司 2023年環境、社會及管治(ESG)報告

CHINA CONCH VENTURE HOLDINGS LIMITED  
2023 ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE (ESG) REPORT

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

STOCK CODE 股份代號: 586

**CHINA CONCH VENTURE HOLDINGS LIMITED  
2023 ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE (ESG) REPORT**

The background of the page features large, stylized Chinese characters in a light teal color. The characters are 'E', 'S', and 'G', which correspond to the English letters for Environmental, Social, and Governance. The characters are rendered in a traditional, calligraphic style with thick, rounded strokes. They are positioned behind the main title text, creating a layered effect.

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# About the report



## Overview

The Report is the eighth Environmental, Social and Governance Report published by China Conch Venture Holdings Limited ("Conch Venture", "the Company", or "We"), reflecting the environmental, social and governance (the "ESG") strategies, policies, measures and achievements of the Company and its subsidiaries (the "Group") in 2023 and focusing on disclosing the information about the Company's ESG performance.

## Reporting Period

The reporting period is from 1st January 2023 to 31st December 2023 (the "Reporting Period").

## Basis of Preparation

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix C2 to the Listing Rules of The Stock Exchange of Hong Kong Limited ("SEHK").

## Scope of this Report

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

## Data Source and Reliability Assurance

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

## Report Access

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

## Contact Information

Through the publication of this Report, we hope to strengthen communication, cooperation, responsiveness and mutual understanding among all parties, thereby enhancing the alignment in terms of interests, emotions and value, and working together for the sustainability of the enterprises and the society. For any suggestions and comments on this Report, please contact us as follows:

E-mail: [hlcy@conchventure.com](mailto:hlcy@conchventure.com), telephone: 086 0553-8398329

## Verification and Approval

After being verified by the management, the Report was approved by the Board of the Company on 25 March 2024.

## About the report



### Full Names and Shortened Forms of Companies

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

## Chairman's Statement



### All our small efforts have built great achievements, it is the right time to pursue more milestones.

For Conch Venture, 2023 marks a year of forging ahead. With a focus on the major business of energy conservation and environmental protection, the Group moves towards the "new" areas. Leveraging on its development momentum accumulated in excellent environmental, social and corporate governance practices, Conch Venture makes unremitting efforts to become a leading and world-class large-scale integrated environmental protection enterprise group in China.

#### **Consolidate the foundation of governance and practice responsible operation**

Adhering to operation with integrity and compliance, the Group establishes and continuously improves its ESG governance structure and corporate governance system and effectively implements internal control and audit mechanisms, so as to prevent compliance risks in a top-down manner. We will also fulfill our responsibilities and obligations to our stakeholders, steadily facilitate our communication with stakeholders as well as the identification and sorting of material issues, with an aim of giving back to all our stakeholders with excellent corporate governance and fulfilling our corporate ESG responsibilities.

#### **Deepen the culture of sustainability and create a recycling economy**

As a leading enterprise in the environmental protection industry, the Group has always kept in mind the dream of "green mountains and rivers creating a green home". Thus, the Group establishes a scientific and efficient environmental management system, sets and continuously implements environmental objectives and corresponding performance indicators. The Group also actively responds to the potential environmental risks that may exist in the process of operation. By monitoring the emissions of "three types of wastes", building a carbon management platform and improving the efficiency of resource utilization, the Group further explores the potential for sustainability of the enterprises.

## Chairman's Statement



### Adhere to people-oriented and gather strengths from employees

With an open and inclusive attitude, the Group strives to create a diversified and equal employment environment for employees, and empowers its employees through a sound talent training, promotion and assessment system. The Group enhances the sense of happiness among employees with a diversified compensation and welfare system, and achieves the linkage between quality talents and the development of the Group. We also stick to the safety red line by protecting the physical and mental health of our employees through a sound and effective occupational health and safety system, thereby working together with our employees to create brilliance.

### Innovation drives development while quality creates reputation

In line with the concept of "focusing on customer demand and creating reputation with quality", the Group has a sound quality management system and strict quality control measures in place. By widely collecting and responding to the requests from our customers, we enhance the recognition and satisfaction of customers with our products. We also drive the development of the Group with innovative technology, and strive to promote the protection of intellectual property rights and the transformation of innovation achievements. By stimulating the innovation potential of our employees through improved innovation management and innovation incentive mechanisms, we facilitate the continuous improvement of our products and services.

### Fulfill social responsibilities and support the development of industry

Always keeping its original aspiration in mind, the Group insists on maintaining positive interaction with all sectors of society, and demonstrates its corporate image through industry construction and social welfare. We give full play to our own technology and resource advantages, and work together with peers to pursue the sustainability of the environmental protection industry. Meanwhile, we are engaged in public welfare such as education, poverty alleviation and community development. We also fulfill our corporate responsibilities with practical actions, making unremitting efforts to achieve the mission of "creating a better home for the future of mankind".

Looking forward to the future, Conch Venture will continuously maintain a strong development momentum. Leveraging on stronger innovation as well as better products and services, we aim to build a high-end brand of energy-saving and environmental protection. We will also work with our customers, employees and partners to jointly create sustainable value for all sectors of society.

China Conch Venture Holdings Limited  
Chairman of the Board  
Guo Jingbin

# Performance Highlights in 2023



<p><b>Corporate Governance</b></p>	<p> <b>Operating performance</b> Income from the main environmental protection business</p> <p><b>RMB 8,015 million</b></p>	<p> <b>Anti-corruption</b> Coverage of Business Ethics Code of and Conduct among employees</p> <p><b>100%</b> Group-wide internal audits</p> <p><b>23</b></p>
<p><b>Environment</b></p>	<p> <b>13.71</b> million tonnes of domestic waste were disposed of throughout the year</p>	<p> <b>15</b> companies obtained ISO14001 certificates</p> <p><b>15</b> companies obtained ISO 50001 certificates</p>
<p><b>Social responsibility</b></p>	<p> <b>Health and safety</b> Companies obtained ISO 45001 certificates</p> <p><b>15</b> Work injury rate per 1,000 employees</p> <p><b>1.6</b></p> <p> <b>Scientific and technological innovation</b> Patents in total</p> <p><b>396</b></p>	<p> <b>Talent development</b> 2023 Labor Security Law-abiding Integrity Level</p> <p>Level <b>A</b> Physical examination coverage among employees</p> <p><b>100%</b></p> <p> <b>Products and services</b> Customer satisfaction      Percentage of solved complaints</p> <p><b>98%</b>      <b>100%</b></p>
<p><b>Rating performance</b></p>	<p> <b>MSCI ESG rating</b></p> <p><b>A</b></p>	 <p><b>MSCI ESG RATINGS</b></p> <p>CCC   B   BB   BBB   <b>A</b>   AA   AAA</p> <p>RATING ACTION DATE: February 06, 2024 LAST REPORT UPDATE: February 21, 2024</p>



# Performance Highlights in 2023



## Relevant awards



Hong Kong Stock Golden Bull Award



Rated AA in the 2023 Social Responsibility Report of Thousand Outstanding Enterprises by the Ministry of Industry and Information Technology



Member unit of China Association of Environmental Protection Industry



Participating unit in the drafting of the Calculating Standards for Carbon Emission Reduction of Municipal Waste Incineration Power Generation Projects



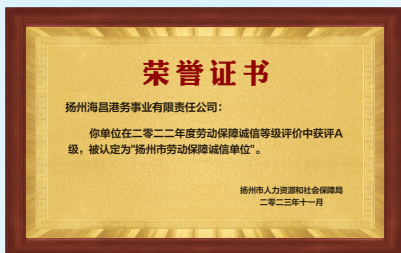
National Outstanding Enterprise in Environmental Science and Technology Innovations - Fuquan Environmental Protection



Regional Outstanding Innovative Enterprise for Science and Technology Development in Zunyi, Guizhou - Suiyang Environmental Protection



Yangzhou Leading Enterprise - Yangzhou Haichang



Labor Protection and Integrity Demonstration Unit of Yangzhou Haichang



Environmental Education and Training Base of the Guangxi Zhuang Autonomous Region - Pingguo Environmental Protection





# Introduction to Conch Venture

As a leading enterprise focus on environmental protection sector for years, Conch Venture has always undertaken the mission of promoting sustainability. We understand that the progression of ecological civilization relates to the future of humanity. Therefore, while actively devoting to pollution prevention and control, we vigorously develop new energy businesses and strive to present clean and effective energy solutions to the community. Through unremitting efforts and innovation, we are committed to making continuous contributions to the progression of ecological civilization, in order to build a green and wonderful future together.

# Introduction to Conch Venture

## 1.1 Company Profile

Listed on the SEHK Main Board on December 19, 2013 (stock code: 00586.HK), the Group focuses on energy conservation and environmental protection and provides "package solutions for customers. As a leading large company in the environmental protection industry, we engaged in extensive businesses, which involve waste disposal, new energy materials, lithium battery recycling, new building materials, port logistics and other industries.

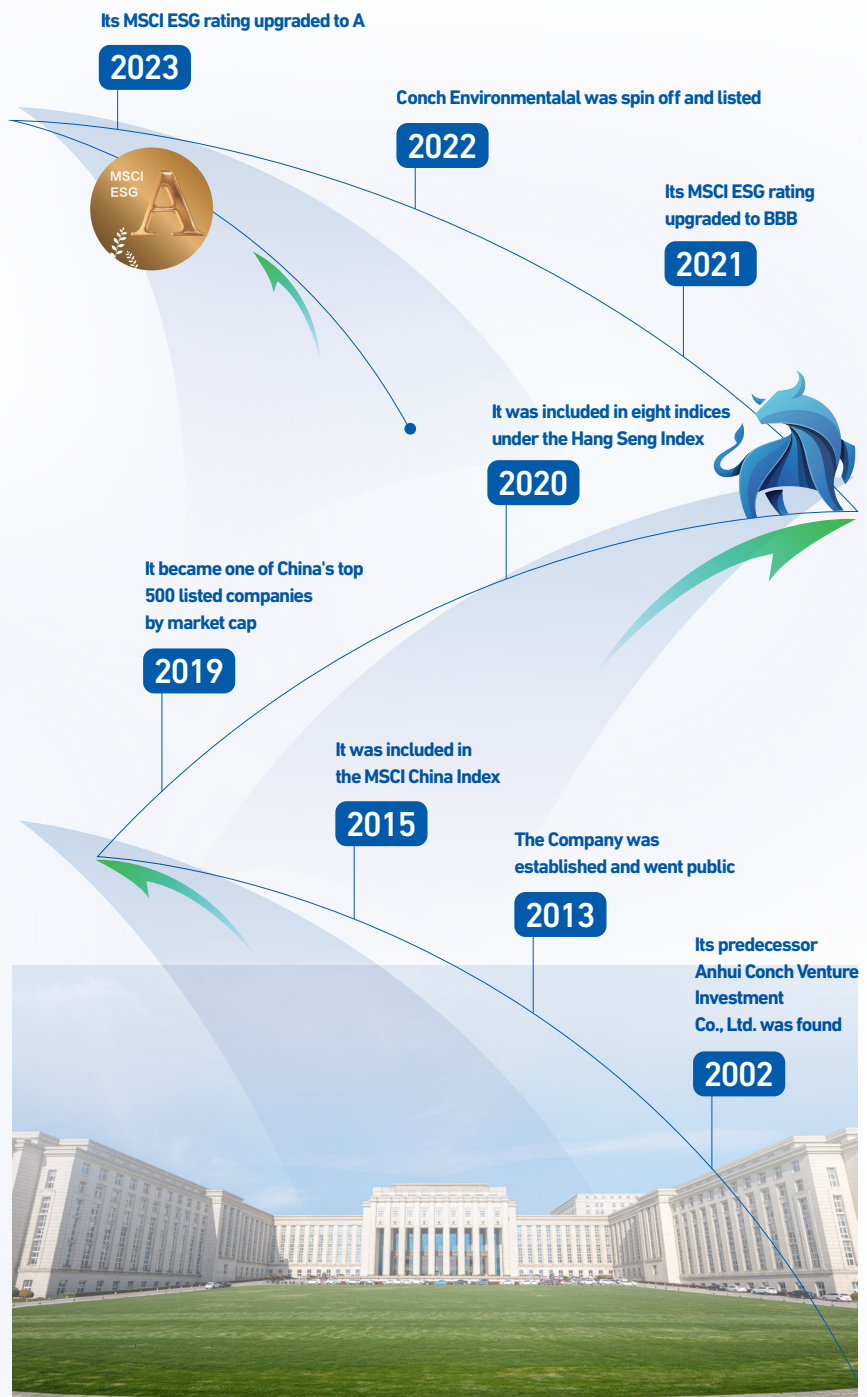
In recent years, Conch Venture seized the historic opportunities arising from China's initiative to promote green and low-carbon development. Through continuous innovation and upgrading, Our main business of environmental protection has taken the lead in the domestic and international environmental protection industry. In the future, we will continue to focus on the development of energy conservation and environmental protection industry, grasp the crucial opportunities arising from the country's vigorous efforts to develop the new energy industry, actively expand to the lithium-ion battery industry, and seek development opportunities in the upstream and downstream material industry chain.

Conch Venture has always actively practiced the philosophy that "clear waters and green mountains are as good as mountains of gold and silver", regarded "creating a better home for the future of mankind" as its mission, and borne in mind the dream of "green living". Through exploration and innovation, we continue to promote industry transformation and upgrading, thus realizing nationwide business presence and gradually expanding to overseas markets.

In 2023, Conch Venture implemented the concept of high-quality development. By promoting refined management, it has reduced unit operating costs, while constantly strengthening technology research and development, striving to build a large environmental protection company with coordinated development in multiple industries. As of the end of the Reporting Period, the Group promoted and signed 132 projects in 25 provinces, municipalities, autonomous regions across the country and Vietnam. Among them, there are 103 projects for domestic waste incineration power generation, two projects for fly ash treatment, two projects for food waste treatment, ten projects for waste treatment by cement kilns, one project for waste transfer, two projects for new energy materials, eight projects for lithium battery recycling and comprehensive utilization, one project for packaging container recycling, two projects for new building materials, and one project for port logistics. As a result, the Company is capable of disposing 21.164 million tonnes of domestic wastes per year (representing approximately 58,990 tonnes/day).

During the Reporting Period, Conch Venture achieved operating revenue of RMB 8.015 billion, with a year-on-year increase of 1.51% in the reve-

nue from continuing operations. Net profit (excluding share of profits of associates) of our main business attributable to equity shareholders of the Group for the year amounted to RMB 801 million, decreased by 12.47% as compared with the corresponding period of the previous year.



# Introduction to Conch Venture

## 1.2 Business Development

**Conch Venture's main business consists of four major sectors: waste disposal, new energy industry, new building materials and port logistics.**

The Group always adheres to the philosophy of green development and focuses on environmental protection as its main business. We have entered the new energy industry at a ripe time and demonstrated strong momentum. With the new five-year development plan as the guideline, the Group will focus on enhancing the quality of industrial development and strive to grasp the opportunity arising from the "carbon peaking and carbon neutrality" strategy to improve quality, increase benefits and stabilize growth. In the two key areas, waste disposal and new energy industry, we will continue to make investment and optimize operation to sharpen the Group's core competency throughout the whole industrial chain, thereby driving the Company's high-quality development and building an environmental protection enterprise group that is "leading in China and first-class in the world".

### Waste Disposal

Conch Venture's waste disposal business has presented a comprehensive national layout with international vision. Since its listing, the Group has always focused on its main business of environmental protection. The waste treatment business has developed from scratch and gradually expanded. The Group signed the first project contract in 2014, while the total contracted capacity reached 21.164 million tonnes/year and the commissioned capacity reached 16.304 million tonnes/year (representing approximately 45,445 tonnes/day) in 2023, both secured a leading position in the industry. Meanwhile, with the goal of improving quality and efficiency and with technological innovation as momentum, the Group steadily promoted the healthy development of the industry through continuously optimizing disposal processes and improving operational quality. During the Reporting Period, Conch Venture signed new contracts for eight projects of waste disposal business.



### New Energy Industry

The Group continued to monitor the market price of new energy raw materials, focused on strengthening the cost control of lithium iron phosphate cathode materials projects, set up a well-established supply and sales system, accelerated certification of customer products, and gradually expanded its market share. Meanwhile, the Group continuously improved the construction plan for the anode materials project and steadily advanced project construction to promote the early commissioning of the project. Besides, the Group continuously optimized the technologies and techniques of the recycling industry and steadily promoted the project development. During the Reporting Period, the Group signed contracts for five lithium battery recycling and comprehensive utilization projects in Shijiazhuang, Hebei Province, Zaozhuan, Shandong Province, Tongchuan, Shaanxi Province, Jingmen, Hubei Province and Zhuzhou, Hunan Province, with a total contracted treatment capacity of approximately 200,000 tonnes/year. The Group also successfully acquired one packaging container recycling project and became the only member unit of the World Federation of Recycled Packaging in China, with a treatment capacity of 430,000 packaging containers/year. After the acquisition, the input volume of waste packaging containers reached 274,600.



### New Building Materials

The Group's new building materials business has always been guided by market demand. The Conch fiber cement sheets made from various recoverable materials feature a combination of excellent performance, such as energy saving and environmental protection, fire retardant, good weather resistance and convenient construction. Besides, the product has a wide range of application and can be used in exterior wall insulation and decoration, interior wall decoration and protection, wall lining, ceiling, flooring, billboards, cabin partitions, fireproof sheet, furniture partitions and post-processing treatments such as painting, perforation and embossing. During the Reporting Period, the Group actively expanded market, enhanced cost control, leveraged product competitive advantages, and strived to increase the market share of its products, thus achieving new building materials product sales of approximately 7.56 million square meters.



### Port Logistics

The Group's port logistics business mainly provides "Sea to River" coal trans-shipment and warehousing services to various coal end-users along the Yangtze River and in the canal basin. Our terminals are equipped with a wide range of advanced and professional equipment and are able to provide value-added services such as coal selection, coal blending and mechanized sampling, which can effectively meet the diversified needs of various types of enterprises. At present, it has become one of the largest professional coal terminals in the Yangtze River Basin. During the Reporting Period, the Group expanded customer base and optimized customer resource structure. Additionally, the Group initiated the construction of an eco-terminal to create an advanced and intelligent port, achieving a port logistics throughput of approximately 30.91 million tonnes.



# 2

# Excellent Governance

A scientific and sound governance structure is the cornerstone for the sound corporate development. Conch Venture is committed to responsible operation, business ethics and integrity, and integrating the concept of sustainability into its daily operations. As a responsible enterprise, Conch Venture attaches great importance to the rights and interests of internal and external stakeholders, and is committed to achieving common development and prosperity together with all parties.

# Excellent Governance

## 2.1 ESG Governance

Conch Venture recognizes that a good ESG governance is an important cornerstone for the Group's sustainability. Throughout our overall operations, we adhere to the concept of ESG development and insist on integrating our ESG development objectives with our business objectives. Conch Venture continuously improves the top-level design to effectively maximize the role and functions of the Board of Directors in ESG governance. By maintaining long-term communication with both internal and external stakeholders, the Group's relentless efforts and remarkable achievements in ESG development will be fully showcased.

### 2.1.1 ESG Governance Structure

Conch Venture upholds the concept of sustainability in the Company's overall operations and takes ESG factors into account in its business decisions and daily management, in order to firmly promote the progress of its sustainability.

Conch Venture attaches great importance to the efforts and effectiveness of internal ESG management and has established a four-tier ESG governance structure with clear responsibilities to collaborate and efficiently carry out ESG governance work. The Board of the Group takes ultimate responsibility for ESG matters and delegates the Strategy, Sustainability and Risk Management Committee to assist in fulfilling its oversight responsibilities. The Group's ESG Working Group comprises the responsible persons of various professional departments, with Mr. Li Daming, the Executive Director, as the responsible person, and works with various functional departments and subsidiaries to implement ESG-related policies so as to jointly promote the execution of various matters.

To improve internal management's awareness of ESG compliance and effectively drive the ESG development process, the Group has integrated ESG-related performance indicators, such as environmental responsibility accidents, environmental penalties, and production safety accidents, into the Company's annual target assessment. These indicators are linked to performance-based remuneration for management at all levels. The Group will provide incentives and penalties to the corresponding personnel based on ESG-related performance.



ESG Governance Structure

# Excellent Governance

## 2.1 ESG Governance

### 2.1.2 Board Statement

#### Board Duties

The Board of Conch Venture is responsible for the Group's ESG governance and serves as the supreme decision-making and management entity for ESG matters. The Board fulfils its responsibility of approving and monitoring ESG policies, strategies and objectives in strict accordance with the regulatory requirements of the SEHK.

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

During the Reporting Period, the Strategy, Sustainability and Risk Management Committee is chaired by Mr. Guo Jingbin, the chairman of the Board, and also Vice-Chairman and Chief Executive Officer Mr. Ji Qinying, the non-executive director Mr. Liu Yan and the independent non-executive director Mr. Chan Chi (alias Derek CHAN) On. For more information on the Strategy, Sustainability and Risk Management Committee, please refer to the ***Terms of Reference of the Strategy, Sustainability and Risk Management Committee of the Board of Directors***<sup>1</sup>.

#### Daily Implementation

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

**ESG System establishment:** The Board and its Strategy, Sustainability and Risk Management Committee reviewed the annual ESG report, and guided the working group to carry out specific work on ESG-related matters. Our ESG Working Group guided the Environmental and Occupational Health and Safety Management Committee in strengthening occupational health and safety management and further enhancing the Company's performance on major ESG issues.

**ESG competence training:** The Board of the Group has consciously enhanced its understanding of ESG concepts. External professional organizations were invited to carry out rating presentations, indicator analyzes, and best practice sharing. This assistance helped the Board and management to understand the inadequacies of their own management status and identify the direction for future improvement, thereby further enhancing the level of the Group's ESG management.

**ESG information disclosure improvement:** To guarantee comprehensive and accurate ESG data, the Group has conducted training sessions on ESG data reporting guidance. These sessions aim to improve the understanding of the indicators among data collectors from different departments and subsidiaries, and to standardize the data approach and definitions. The Group regularly submitted feedback on MSCI ratings and proactively completed the DJSI ratings survey questionnaire to respond to investors' concerns about the Company's ESG matters and to enhance the transparency of the Group's ESG information disclosure.

#### Risk Management

Conch Venture regularly identified and evaluated ESG-related risks based on stakeholder concerns, and incorporated ESG factors into the overall risk control framework of the Company. The Group's Strategy, Sustainability and Risk Management Committee is responsible for overseeing the Group's risk management, providing comprehensive oversight of risk factors, including ESG issues, and regularly reviewing the Group's risk management programme.

#### Materiality Analysis

Conch Venture has established a smooth and transparent communication mechanism for internal and external stakeholders, and regularly identifies, discusses and evaluates ESG issues of concern to stakeholders. Based on the developments of the industry in conjunction with the opinions of internal and external stakeholders, the performance of peers and the international ESG development trends, the Board and the Strategy, Sustainability and Risk Management Committee of the Group identifies ESG issues that have a significant impact on the Group to develop ESG strategies, objectives and management guidelines. The materiality analysis results will be expounded in Section 2.1.4 - Materiality Assessment.

<sup>1</sup> [https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0329/2021032901451\\_c.pdf](https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0329/2021032901451_c.pdf)

# Excellent Governance

## 2.1 ESG Governance

### 2.1.3 Stakeholder Engagement

Conch Venture attaches great importance to the concerns and expectations of the stakeholders on the Group's ESG development. We actively seek to understand and pay attention to their concerns on our ESG management and practices, and consider such concerns as a reference for the development of our ESG strategy and objectives. During the Reporting Period, we maintained multi-channel, multi-form and multi-frequency communications with our six major stakeholders, proactively identifying and ascertaining the major issues of concern to our stakeholders, in order to clarify the direction of the Group's ESG management and to further strengthen stakeholders' confidence in the Group's sustainability performance. With a view to enhancing stakeholders' understanding and recognition of the progress of the Group's ESG efforts, we will focus our response to issues of interest to stakeholders in the Report.

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



# Excellent Governance

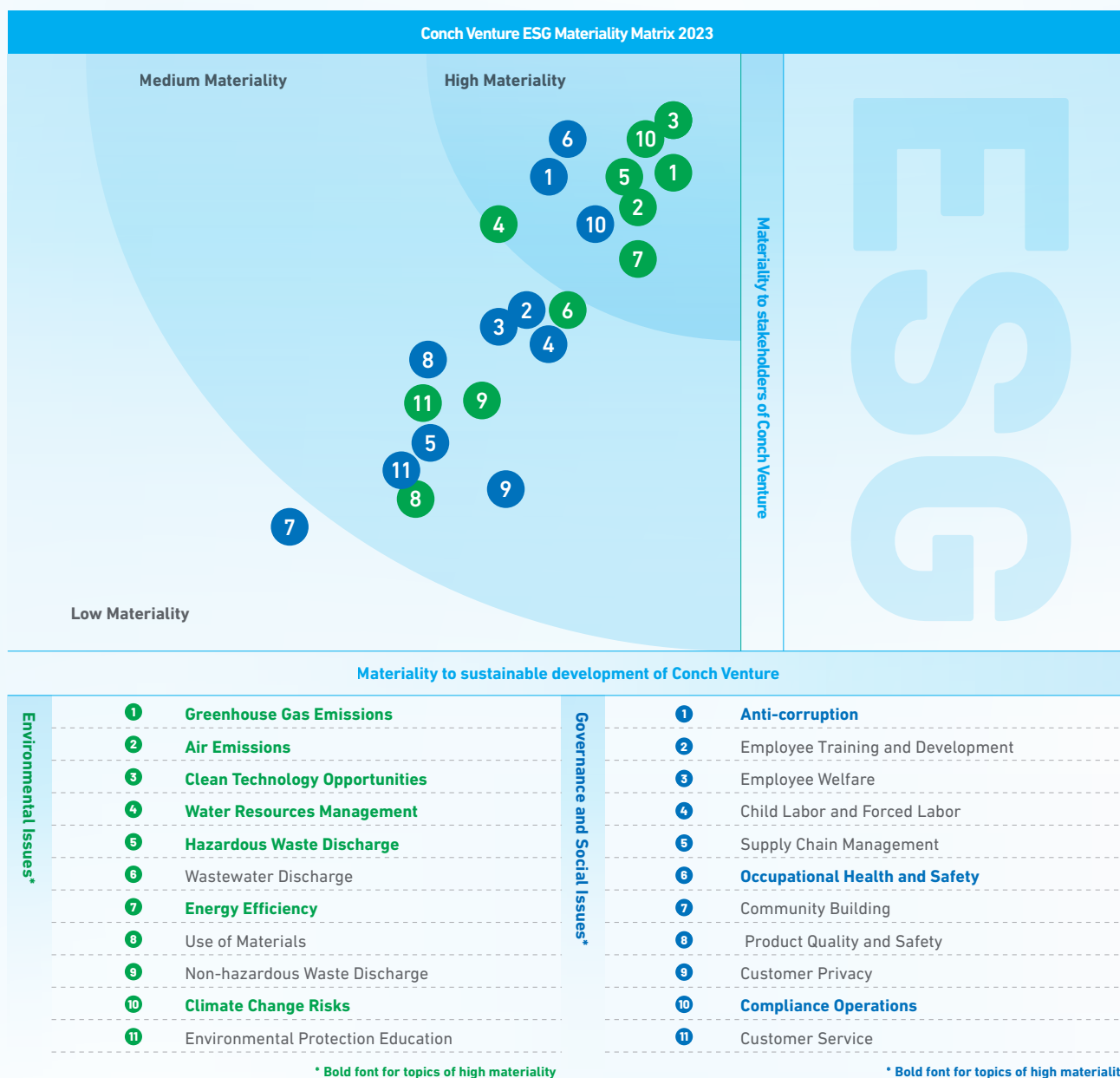
## 2.1 ESG Governance

### 2.1.4 Materiality Assessment

In order to clearly sort out stakeholders' issue of concern of Conch Venture and correspondingly carry out management of each issue, Conch Venture identified a matrix of material issues including 22 ESG issues for the purpose of guiding the direction of ESG practices and extent of information disclosure.

After taking full consideration of the materiality of issues to stakeholders, Conch Venture sorted out the ESG issues that have an impact on the Group's development combined with feedback from various parties, including the performance of peers, consultation with experts and research and discussions of management. After materiality assessment and ranking, we drew a matrix of material issues in accordance with two dimensions including materiality to sustainability of the Group and materiality to stakeholders, and such matrix has been confirmed and approved by the Board.

We identified a total of 10 high-materiality issues, 11 medium-materiality issues and 1 low-materiality issue and will disclose information on these issues in the Report.



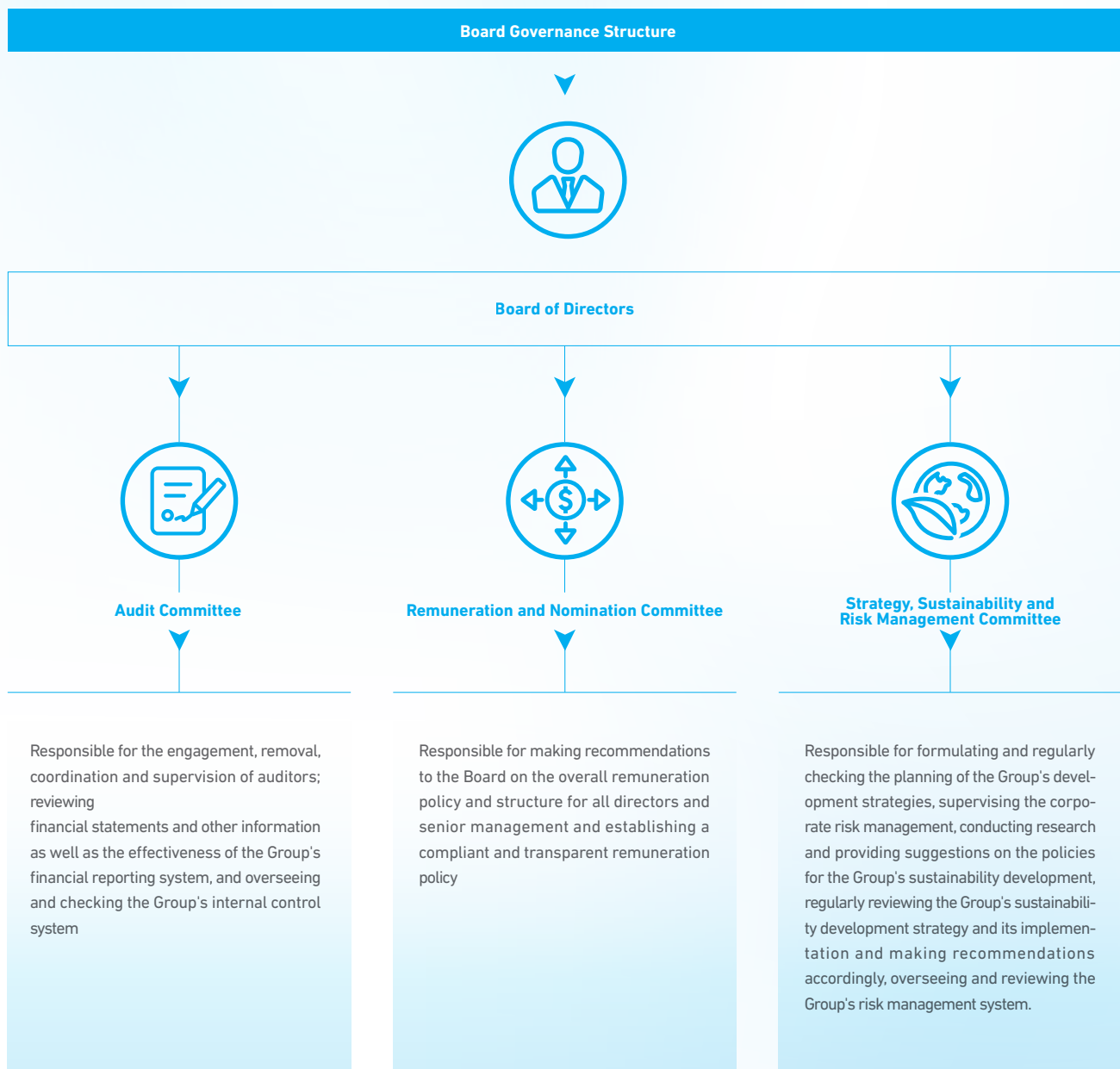
# Excellent Governance

## 2.2 Corporate Governance

Conch Venture continuously optimizes its corporate governance system, strives to maintain the Board's diversity and professionalism, and continues to improve decision-making level and engagement of management. Conch Venture gives high priority to risk control and management in a bid to ensure the stable, orderly and sound operation of the Group through continuously building up lines of defense of risks in internal control and audit mechanism.

### 2.2.1 Board Governance Structure

Conch Venture has established a well-designed governance structure with coordinated operations in strict compliance with regulatory requirements of the **Corporate Governance Code** contained in Appendix C1 of the **Listing Rules**, in order to ensure the compliant and efficient corporate governance. The Board of the Group consists of the Audit Committee, the Remuneration and Nomination Committee and the Strategy, Sustainability and Risk Management Committee. Each of these committees, in accordance with its specific functions, assists the Group in standardizing its orderly management and works together to ensure the sound operation of the Group.



## Excellent Governance

### 2.2 Corporate Governance

#### 2.2.2 Board Diversity

With high priority to diversity and professionalism, Conch Venture has formulated the **Board Diversity Policy**<sup>2</sup> to provide guidance for appointing appropriate members of the Board. To ensure that the Board has ability and experience to provide scientific decisions, Conch Venture takes full consideration of various aspects of members including skills, experience of the industry, culture, independence, and age. Conch Venture strives to build a professional and efficient management team with a diversified background to provide a more comprehensive and integrated view for the decision-making and development planning of the Group.

Name of Director <sup>3</sup>	Committee	Duty	Experience
Guo Jingbin	Strategy, Sustainability and Risk Management Committee	Non-executive Director and Chairman of the Board	Risk Management, Industry Experience
Ji Qinying	Strategy, Sustainability and Risk Management Committee	Executive Director, Vice Chairman of the Board, Chief Executive Officer	Industry Experience
Shu Mao		Executive Director and Executive Deputy General Manager	Industry Experience
Li Jian		Executive Director, Deputy General Manager	Industry Experience
Li Daming		Executive Director	Industry Experience
Liu Yan	Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Non-Executive Director	Industry Experience
Chan Chi On	Audit Committee, Remuneration and Nomination Committee, Strategy, Sustainability and Risk Management Committee	Independent Non-Executive Director	Risk Management, Financial Management
Chan Kai Wing	Audit Committee, Remuneration and Nomination Committee	Independent Non-Executive Director	Risk Management, Financial Management
Peng Suping	Audit Committee, Remuneration and Nomination Committee	Independent Non-Executive Director	Risk Management, Industry Experience

<sup>2</sup> [http://www.conchventure.com/Public/Uploads/uploadfile/files/20191220/20191220145336\\_5dfc6ff01cdca.pdf](http://www.conchventure.com/Public/Uploads/uploadfile/files/20191220/20191220145336_5dfc6ff01cdca.pdf)

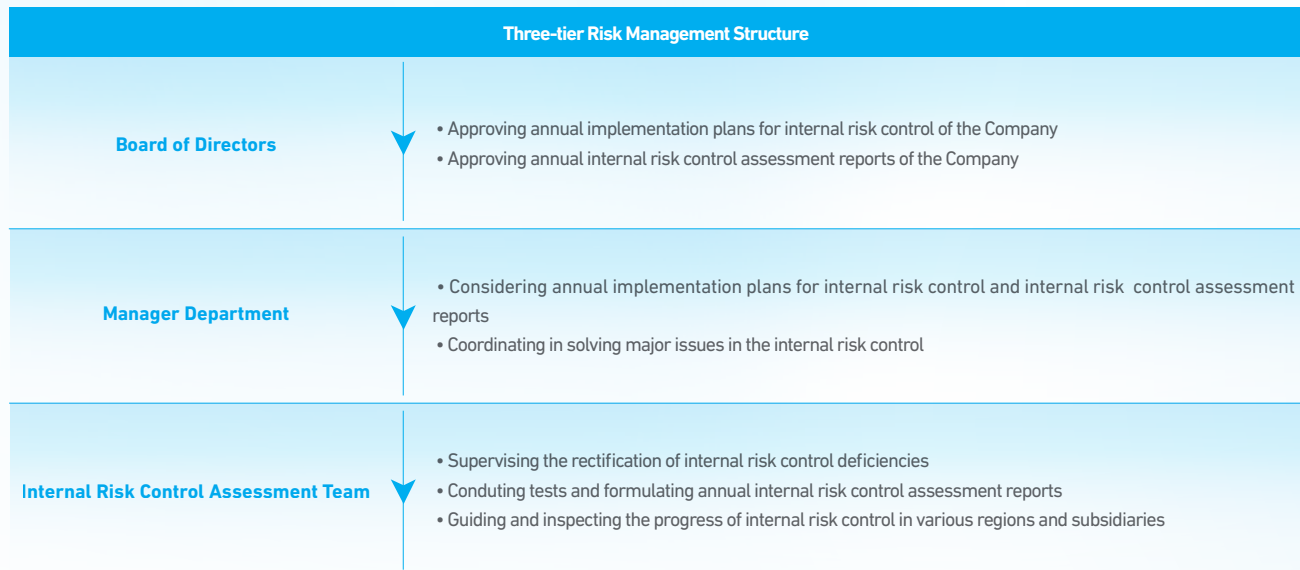
<sup>3</sup> Please refer to Section Eight of the Annual Report for detailed biographies of board members.

# Excellent Governance

## 2.2 Corporate Governance

### 2.2.3 Risk Control and Management

Conch Venture attaches great importance to risk control and provides policy basis for the comprehensive management of risk related to business and operation of the Company in accordance with the Administrative Measures for Comprehensive Risk Management formulated internally, in a bid to identify and duly manage all material risks exposed to the Company. With the principle of "adhering to requirements of the code and provisions, fully utilizing existing resources, continuously improving risk management, enhancing operating quality of the Company and promoting the achievement of development goals", Conch Venture clearly defined the roles and duties between the Board and management in the risk management and internal control system in accordance with the regulatory requirements of listed companies. We established a risk management and internal control system linking from top to down of the Company and its subsidiaries to effectively utilize functions of departments, regional committees and subsidiaries of the Company. In addition, we continuously strengthened measures of risk response and internal monitoring and inspection and fully strengthened the risk management and control to proactively create a culture of awareness of risk and internal control among all employees. During the Reporting Period, the Group further adjusted the division of each department in accordance with the actual development and responsibility division of the Company, and added the Legal Affairs Office, Engineering Audit Department, Office of the Secretary to the Board and General Manager Office, so as to define and refine responsible departments and execution standards of each process in risk and internal control, which in turn increased the efficiency and effectiveness of the risk control.



Conch Venture continuously improves and implements the risk self-assessment and reporting mechanism. The Legal Affairs Office is responsible for regularly carrying out risk identification, forming internal risk control reports and reporting to the Board of Directors and the Audit Committee. During the Reporting Period, Conch Venture continued to monitor major risks and risk change information existing in the operation and management of various departments in charge of risks, supervised and evaluated the effects of risk management carried out by various departments and subsidiaries, and put forward improvement suggestions on the effectiveness of risk management. We comprehensively sorted out and identified possible risks from strategic, operational, financial, market and legal aspects, and formulated response plans for major risks, to strengthen risk control in key fields.

Adhering to the overall objective of internal control to "eliminate and prevent major risks, control and reduce general risks", and the general requirements for internal control of "full coverage, effectiveness, zero accidents", Conch Venture conducted audits in all aspects on a regular basis to effectively control and prevent major operational risks. During the Reporting Period, the Group conducted 20 off-office audits and three special audits, during which 194 problems were found. The rectification completion rate reached 95%.

#### Training on Risk Management and Internal Control Capability

In order to enhance the risk prevention awareness and control capability of internal staff, the Group has conducted special training on risk prevention and control for common legal risks in the production and operation of regional project companies, so as to improve the capability of project companies to manage and respond to business risks. During the Reporting Period, the Group organized training on the preparation of internal audit reports and work procedures of internal financial audit for all departments. We also conducted training on basic internal control knowledge for regional projects, so as to acquaint all employees with internal control standards and establish a long-term and effective internal control mechanism.



## Excellent Governance

### 2.3 Responsible Operation

Sticking to the concept of integrity operation, Conch Venture incorporates business ethics into the daily operational management and decision-making of the Group. Conch Venture continuously improves the business ethics supervision system, promotes the development of integrity and compliance culture, and conducts whistleblower protection, building a clean and honest business environment jointly with employees and partners.

#### 2.3.1 Business Ethics

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 anti-corruption and anti-fraud laws and regulations. The Group has formulated internal systems such as the *Implementation Guidelines for Anti-Fraud Work*, the *Management Measures of Complaints and Whistleblowing* and the *Measures for Resolving Issues of Complaints and Whistleblowing* applicable to all subsidiaries. The management regularly reviews internal anti-corruption policies to ensure their effectiveness, and guarantees relevant staff including formal employees, contractors, suppliers and contract workers can strictly abide by the code of business ethics. Conch Venture continues to improve its business ethics management system, and strengthens anti-corruption and anti-fraud supervision in three aspects, i.e. management structure, audit and supervision, and education and publicity, committed to implementing high business ethics standards throughout the Group. During the Reporting Period, the Group's Code of Business Ethics and Conducts covered 100% of its employees and the Company did not have any lawsuits related to corruption.

#### Management Structure

- The Group's Strategy, Sustainability and Risk Management Committee is responsible for researching and advising anti-corruption policies to strictly supervise the Group's compliance in business ethics. The Board of Directors is responsible for supervising the self-assessment of fraud risks within the Group and coordinating all departments to conduct anti-fraud review in an orderly manner.

#### Audit and Supervision

- The Group conducts annual audits across all its operations, focuses on business ethics and corruption, and monitors compliance operation of relevant personnel and operation. During the Reporting Period, the Group did not find any issues in the business ethics audit among 23 subsidiaries.

#### Education and Publicity

- All employees of the Group have signed the *Letter of Responsibility for Integrity* and the *Letter of Commitment to Integrity*. The Group requires all the suppliers to sign the "Integrity Agreement" when signing the purchase contracts with a view to ensuring the integrity during mutual economic business activities, and protecting the mutual legitimate rights and interests. The Group conducts integrity education on a regular basis and promotes the integrity culture development in forms of theme lectures, case analysis and policy publicity, in order to guarantee all employees well understand and observe integrity in business.

#### Special Training on Integrity and Compliance for Employees

During the Reporting Period, the Group invited external professional lawyers to give training lectures on corporate compliance risks, focusing on anti-corruption and integrity education, which mainly explained the corruption risks among the employees. More than 120 employees from the Company's management, various departments, regions and subsidiaries attended the training seminar.

In order to enhance the integrity and compliance awareness and code of conduct of bidding personnel, the Group carried out risk analysis and integrity education and training for engineering bidding. During the training, risk points in engineering project bidding were analyzed, and the bidding personnel were well acquainted with the compliance procedures and risk prevention and control measures during the whole bidding process.

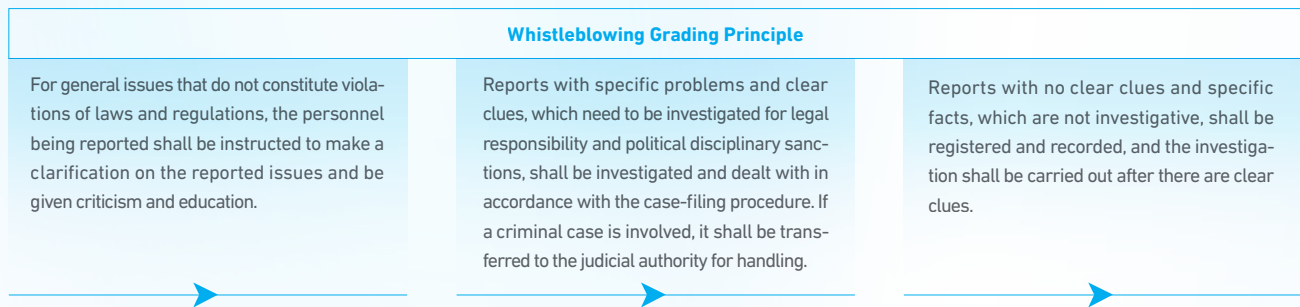


# Excellent Governance

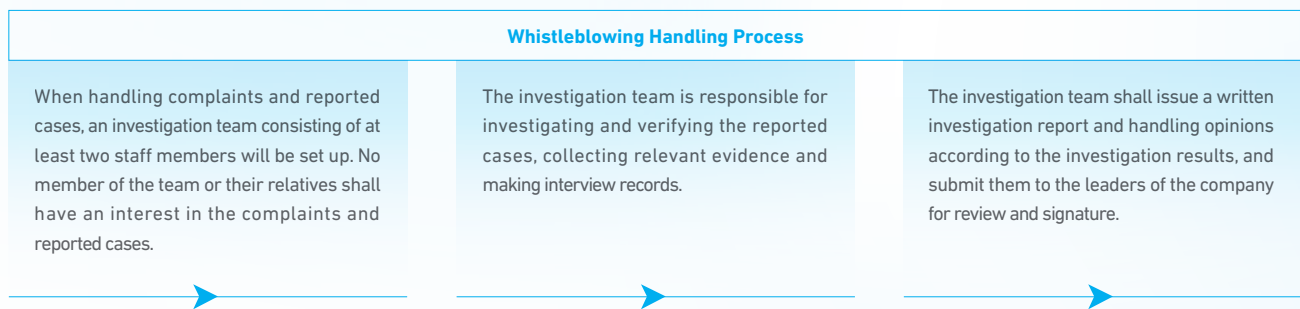
## 2.3 Responsible Operation

### 2.3.2 Whistleblower Protection

In order to implement effective oversight against corruption, Conch Venture has established a whistleblowing mechanism, and strictly deals with various violations of business ethics according to the **Management Measures of Complaints and Whistleblowing**. The Group provides various whistleblowing channels for employees, suppliers, customers and engineering contractors who have business relationships with the Company to ensure that they can report and accuse problems related to corruption, bribery, and fraud involving the staff of the Group in the form of letters, e-mails, faxes, phone calls, text messages, and on-site visits, either anonymously or with real names. Regarding the management of whistleblowing complaints, the Audit Committee of the Group takes the lead in oversight and enforcement, with the Legal Affairs Office tasked with categorizing and handling reports based on the nature of whistleblowing.



Conch Venture supports anonymous reporting and commits to upholding principles of confidentiality and non-retaliation, ensuring full confidentiality of the whistleblower's information and materials throughout the reporting and investigation process. The Group adopts a zero-tolerance attitude against retaliatory actions towards whistleblowers and implements a series of measures to effectively safeguard their rights and interests. It is strictly prohibited for any unit or individual to interfere, hinder or retaliate against the case and the informant, and violators will be held accountable.



### 2.3.3 Information Security

Conch Venture attaches great importance to internal information security and customer information protection, continuously optimizing information security technologies and security operational systems to comprehensively maintain the information security of the Group during its operations. Conch Venture has further updated the **Extranet Publicity Management Measures** based on the **Internal Information Security Management Measures**, ensuring orderly implementation of information protection from the institutional level. Conch Venture also strengthens information security management from both software and hardware protection levels and personnel awareness to effectively reduce the risk of data leakage during system operation and personnel operations. During the Reporting Period, the Group did not experience any significant information security breaches or leaks of business secrets.

<p style="text-align: center;"><b>Enhancing Data Monitoring and Management</b></p> <ul style="list-style-type: none"> <li>The Group adopts internal office platforms and operational monitoring platforms to achieve full cloudification of all production data and office information. Additionally, an archive room is established to offline backup and centrally manage commercial information, further ensuring the confidentiality and stability of the Group's data.</li> </ul>	<p style="text-align: center;"><b>Promoting Awareness of Information Security</b></p> <ul style="list-style-type: none"> <li>The Group conducts information security training for newly recruited employees and explicitly outlines data protection principles and specific measures in the employee handbook. The Group regularly encourages employees to install security software on office computers and guides them to set up unique passwords to enhance the protection of their personal and work-related information.</li> </ul>
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# 3

# Embracing Greenery

Conch Venture has steadfastly embraced the concept of green development, zealously answering the national call for energy conservation and emissions reduction, and is dedicated to realizing a future of low-carbon, circular, and sustainability. Environmental protection is not merely a duty but also an imperative choice driving the Company's enduring prosperity. Hence, as we advance green development, we remain attuned to market dynamics, cultivating diverse business sectors, continuously exploring and innovating to tackle the challenges and seize the opportunities related to climate change. We are committed to propelling the advancement of environmental conservation efforts, contributing to the realization of the vision of "creating green living environments by embracing greenery".

## Embracing Greenery

### 3.1 Green Collaborations

Over the years, Conch Venture has dedicated itself to the traditional environmental protection business, actively implementing a multitude of low-carbon energy-saving environmental initiatives. These efforts have not only propelled society towards a greener, low-carbon future but also led to the continual enhancement of associated technologies. Concurrently, we have remained attentive to market shifts, facilitating the establishment of recycling and disposal infrastructure for the burgeoning new energy industry. This commitment extends to driving the recycling and repurposing of lithium battery resources and nurturing the development of new energy materials, thereby offering concrete and sustainable solutions for resource recycling.

#### 3.1.1 Environmental protection business

Conch Venture has been dedicated to the environmental protection industry for many years. It focuses on the domestic waste treatment business with the aim of solving the social livelihood issues caused by the rapid increase of wastes. We have introduced advanced technologies from overseas and developed a grate furnace-based domestic waste incineration power generation technology in areas without cement plants. The technology needs no waste segregation, no fuel addition, and no special requirements for site selection and has high power generation capacity. In terms of emissions, the grate furnace-based waste incineration technology deploys a closed process and can thoroughly decompose dioxins, avoiding the generation of toxic substances and the spread of odor during the incineration process. According to the scale of waste treatment demand in different regions, the Group has developed a series of application technologies with daily treatment scale ranging from 100 tonnes to 800 tonnes. In addition, the Group has been actively exploring overseas markets to help local areas increase their waste treatment capacity while at the same time meeting their energy demand.

#### Waste incineration power generation project in Bac Ninh Province, Vietnam

The domestic waste incineration power generation project in Bac Ninh Province, Vietnam adopts the world's leading municipal domestic waste incineration technology. It deploys low air-ratio mechanical incinerators, medium-temperature, medium-pressure residual heat boilers, and advanced flue gas purification technologies, resulting in key environmental emission indicators, such as dioxin, far below the EU standards; and achieves automatic control throughout the treatment process.

The project is in line with Vietnam's relevant policies and planning requirements on solid waste treatment. It can facilitate the fulfillment of the objectives of reusing, reducing and recycling domestic waste in Bac Ninh Province, improve the environmental hygiene of cities and villages, and solve serious environmental issues such as "garbage siege", "garbage overflow to rural areas", which is conducive to the economic construction and sustainability of Bei Ninh Province and Luong Tai County.

The project had been put into garbage since 15 September 2023 and is expected to treat 109,500 tonnes of domestic waste and generate 33.6 million kWh of generate electricity annually.



#### 3.1.2 New energy industry

In recent years, relying on its traditional business strengths, Conch Venture has developed specialized recycling projects by combining cement kiln co-disposal technology with waste treatment of lithium batteries. We had been active in implementing the development concept of "greater circulation", realizing the recycling of wastes, striving to improve the efficiency of resource utilization, and contributing to the realization of sustainability goals.

#### Lithium battery recycling industry

As the new energy market thrives, the establishment of a sound waste battery recycling and treatment system has become an imperative. Conch Venture, as a leading enterprise in the environmental protection industry, has been proactively extending the upstream and downstream industrial chain of new energy battery recycling. We have built a complete new energy battery recycling industrial chain by deploying new energy battery recycling service outlets in major markets, and matching with the back-end smelting and extraction industry. By the end of 2032, the production scale of this industry is expected to exceed 1 million tonnes per year.

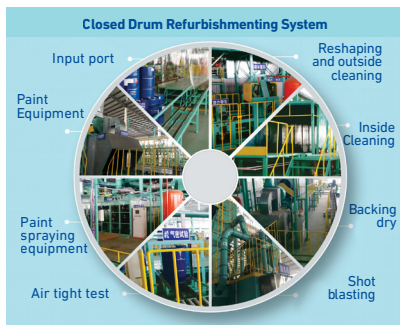


# Embracing Greenery

## 3.1 Green Collaborations

### CKB Lithium battery recycling project in Wuhu City, Anhui Province

The project has made use of the waste heat and flue gas from cement kiln to achieve safe crushing and separation of waste lithium batteries, enabling full recycling of valuable metals such as lithium, copper, iron and aluminum in waste lithium batteries. The project has developed the world's first set of roasting process for the treatment of waste lithium batteries.



### Packaging container recycling industry

During the year, Conch Venture had entered the packaging container recycling industry and actively laid out and developed the recycled drum industry. CV Recycling, a subsidiary of the Group, had introduced advanced packaging container treatment technology from Japan, adopted imported aqueous cleaning agents and used fully automated production lines to repair and refurbish waste steel drums. The production process of the project realizes zero emissions and, based on our current practice experience, the technology is applicable to the repair and refurbishment of waste drums in China. We are committed to leveraging the circular economy business model of recycling and refurbishing packaging containers to effectively form a closed loop of the standardized packaging container recycling industry chain and to provide innovative approaches for the petrochemical and manufacturing industries.

### 3.1.3 New energy battery anode and cathode material industry

Conch Venture has always been tightly grasping the development opportunities of the new energy industry and continuously implementing transformation and upgrading on the basis of its traditional environmental business. In recent years, relying on its technological advantages in the environmental protection industry, the Group had seized the trend of the new energy industry, taken root in the new energy materials industry, and set up a number of anode and cathode material production lines with the production technology of lithium battery anode and cathode materials, in order to further lay out the development opportunities of the material industry in the upstream and downstream industrial chains of lithium-ion batteries and facilitate the rapid development of the waste battery recycling industry.

### Anhui CV New Energy's lithium iron phosphate cathode materials project

It is a new energy material project of Anhui CV New Energy, a subsidiary of Conch Venture, and has a total planned annual production capacity of 500,000 tonnes of high-performance lithium iron phosphate (LFP) cathode materials. The project is located in Wuhu Jiangbei Emerging Industry Concentration Zone, and its phase I has already been put into operation since 2023 with an annual production capacity of 50,000 tonnes.



### Sichuan Conch Venture Shangwei's new energy anode materials project

It is an anode material project of Sichuan Conch Venture Shangwei New Energy Co., Ltd., a subsidiary of Conch Venture, and has a total planned annual production capacity of 200,000 tonnes of battery cathode materials. The project has adopted mature technologies and built a relatively high level of anode material production line, and its phase I project with capacity of 50,000 tonnes is under construction and planned to be put into operation in 2024.



# Embracing Greenery

## 3.2 Environmental Operations

As a leading enterprise in the environmental protection industry, Conch Venture is committed to implementing the concept of green development in its production and operations. With a solid and efficient environmental management system, scientific environmental objectives and key performance indicators, we endeavor to minimize the negative impacts of our operations on the environment and ensure the environmental compliance of our operations.

### 3.2.1 Environmental system management

Conch Venture strictly abides by the *Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Water Pollution, the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, the Law of the People's Republic of China on the Prevention and Control of Environment Pollution by Solid Waste, the Law of the People's Republic of China on Prevention and Control of Soil Pollution, the Environmental Impact Assessment Law of the People's Republic of China*, and other relevant laws and regulations of the places where it operates. In the meantime, we actively follow the development and promulgation of new environmental policies, identify environmental laws and regulations, regularly organize relevant personnel to carry out interpretation, discussion, training and assessment, and timely revise relevant management systems for good planning in the long term.

To ensure the environmental compliance of its daily operations, the Group has formulated internal environmental management systems such as *the Dangerous Waste Management System, the Environmental Facilities Operation Management System, the Standardized Sewage Outfall Management System, the Management System for Environmental Self-monitoring and Supervisory Monitoring, the Pollutant Discharge Management System, the Provisions on Management of Relevant Marks regarding the Automated Monitoring Data of Domestic Waste Incineration Power Plants and the Template for Environmental Management Ledger of Sewage Dischargers*, etc., in accordance with national environmental laws and regulations.

In addition, Conch Venture has continuously improved its environmental management system in order to strengthen the implementation of environmental management. As of the end of the Reporting Period, 15 subsidiaries of Conch Venture had obtained ISO14001 environmental management system certification.

▼	<b>Environmental permit management</b>	▼
<ul style="list-style-type: none"> <li>• A new, renovated or expanded project can't start construction until it receives approval of environmental impact assessment</li> <li>• It shall finish complete the completion check for acceptance of the environmental protection facilities and obtain the discharge permit before it's officially put into operation</li> </ul>		
▼	<b>Daily environmental management</b>	▼
<ul style="list-style-type: none"> <li>• According to the self-monitoring plan, regularly monitor and complete the environmental management ledger</li> <li>• Entrust a qualified third party to deal with solid waste on time and ensure the compliance disposal</li> <li>• Regularly inspect and record the operation status of environmental protection equipment</li> </ul>		
▼	<b>Awareness Training</b>	▼
<ul style="list-style-type: none"> <li>• Regularly conduct environmental awareness training for employees</li> <li>• Provide professional environmental skills training for relevant employees</li> </ul>		

Conch Venture attaches importance to the potential environmental risks that may exist during the course of operations. Therefore, we conduct regular identification to nip in the bud. We have regularly conducted environmental protection inspections, including pre-acceptance of production, departmental supervision and regional-level mutual inspection, on the basis of the established annual environmental objectives. In addition, we have established an accountability system for environmental protection, and connected environmental performance with the assessment and promotion of responsible persons, to supervise management and ensure environmental compliance in the operation process. During the Reporting Period, the Group has identified the four major risk management points in its regular environmental inspection, and has formulated corresponding preventive solutions to minimize the occurrence of risks and the extent of impact on environment.

# Embracing Greenery

## 3.2 Environmental Operations

▼	<b>Risk of waste transportation</b>	▼
<ul style="list-style-type: none"> <li>• Clean up the waste that spills on the ground in time during loading and unloading                             <ul style="list-style-type: none"> <li>• Reasonably plan the transportation route of waste</li> </ul> </li> <li>• Establish an inspection system for waste collection inspection system</li> </ul>		
▼	<b>Risk of waste storage</b>	▼
<ul style="list-style-type: none"> <li>• 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                             <ul style="list-style-type: none"> <li>• Establish waterproof, anti-seepage and anti-corrosion measures in the waste storage pit</li> </ul> </li> <li>• Make timely maintenance and repair of storage pit</li> </ul>		
▼	<b>Risk of flue gas disposal</b>	▼
<ul style="list-style-type: none"> <li>• Make the dosage control of the use of denitrified ammonia to ensure that the amount of ammonia meets denitrification requirements                             <ul style="list-style-type: none"> <li>• Strengthen the maintenance of the injection system during the production process to ensure its normal operation</li> </ul> </li> </ul>		
▼	<b>Risk of leachate disposal</b>	▼
<ul style="list-style-type: none"> <li>• The leachate treatment stations have dual power suppliers. For key equipment, there is one for backup and one for use</li> <li>• Strictly implement the anti-seepage requirements of groundwater zoning and strengthen the groundwater environmental monitoring management                             <ul style="list-style-type: none"> <li>• Regular maintenance of equipment</li> </ul> </li> </ul>		

While paying attention to the environmental management in its operations, Conch Venture is committed to applying the concept of green development to the hearts and minds of each and every one of its employees. We have been actively organizing special training for our employees on environmental protection and energy saving to enhance their attention to environmental protection and to create a green corporate culture.

### "6.5 World Environment Day" Special Training on Environmental Protection Knowledge

On 5 June 2023, CK Equipment launched the event of Environment Day themed around "Modernization That Emphasizes Harmonious Coexistence of Humankind and Nature". CK Equipment launched various publicity and education activities to fully mobilize its employees to support and participate in environmental protection activities. It also organized the "Special Training on Environmental Protection" for employees of various departments to gain an in-depth understanding on the importance of protecting the environment and various types of air emissions generated from on-site production, and required them to carry out on-site inspection and cleaning of environmental protection equipment on time. Besides, CK Equipment organized employees of different departments to watch the "Environmental Protection Education Video", which more deeply embodied the importance of harmonious coexistence between human and nature.



## Embracing Greenery

### 3.3 Green Emission

Conch Venture has always adhered to its initial goal of managing pollutant discharges and is committed to achieving cleaner production and reducing environmental pollution. We believe that every reduction in emissions contributes to the protection of the earth's ecosystem. Therefore, we continue to innovate our technology and strengthen our emissions management to ensure that all emissions comply with environmental standards, and on this basis, we make every effort to minimize our emissions. We hope to contribute to protecting the blue sky, white clouds, clean water and green hills, and we will work tirelessly to do so.

#### 3.3.1 Environmental Impact Regulation

Conch Venture strictly abides by the relevant laws, regulations and local emission standards of pollutants in the place where it operates, and has formulated internal management systems such as *Notice on Further Strengthening the Standardized Management of Environmental Protection*, *Notice on Strengthening the Supervision of Third-party Operation and Maintenance Units of Smoke and Gas CEMS System* and *Notice on the Issuance of Environmental Management Ledger Template of Pollutant Discharge Units* in accordance with the regulations and standards, taking into account its own production, to strictly control the discharge of wastewater, gas air emissions and solid waste, and to minimize the total amount of emission on the basis of compliance with the pollutant discharge requirements. During the Reporting Period, all of the Group's projects had obtained discharge permits, and the compliance rate reached 100%.

#### Self-Monitoring

In order to accurately control and monitor emissions in real time, the Group requires all of its subsidiaries to identify all pollution sources, determine the main sources and the main monitoring indicators, and formulate a monitoring program, so as to achieve stringent monitoring of emissions, and to dispose wastes in a harmless manner without causing other environmental impacts.

#### Conch Venture Pollutant Discharge Self-Monitoring Requirements

- Identifying discharge nodes and potential impacts on the surroundings;
- Identifying monitoring locations (main discharge, treatment facility inlet and outlet, etc.);
- Determining the discharge standards enforced (national, local, specific requirements);
- Determining the monitoring items (national standards, industry standards, local standards, discharge permits, EIA reports and approvals, etc., whichever is the most stringent);
- Determining the frequency of monitoring (in accordance with this system, quantity of pollutants discharged, discharge exceedances, discharge permits, EIA reports and approvals, etc.);
- Determining monitoring methods (discharge standards, technical specifications, etc.).

#### Industry Co-Construction

In addition, as a leader in the environmental protection industry, Conch Venture actively participates in the preparation of various industry standards and promotes the waste incineration industry to move forward in an orderly manner on the way of green development. During the Reporting Period, the Group was involved in the revision of Technical Specification for Application and Issuance of Pollutant Permit on Industrial Noise (draft for comments), General Outline of Technical Guidelines for Environmental Impact Assessment of Construction Projects (revised draft for comments) and Technical Specifications for the Treatment of Flue Gases in Waste Incineration Power Plants.

#### 3.3.2 Control of Air emission

Conch Venture strictly complies with relevant laws and regulations such as the *Pollution Control Standard for Domestic Waste Incineration*, *Pollution Control Standard for Cement Kiln Co-Disposal of Solid Waste and Comprehensive Emission Standard for Air Pollutants*, implements the monitoring requirements of *Technical Self-monitoring of Pollutant Discharge Units---Solid Waste Incineration (HJ 1205-2021)* and other standards, and actively carries out self-monitoring of air emissions. We declare emission permits in a compliant manner to ensure compliant emissions. We have formulated internal management systems such as *Management System of Air Emission*, *Management System of Pollutant Online Monitoring Equipment and Data*, *Management System of Environmental Self-monitoring and Supervisory Monitoring and Management System of Pollutant Discharge* etc., to lay down a solid foundation for emission management and to enhance the effective implementation of relevant measures. In order to meet higher emission reduction requirements, Conch Venture increased its efforts to monitor certain pollutant emissions.

#### Detection of heavy metals in fly ash

- The detection method of heavy metals in stabilised fly ash of domestic waste incineration power plants has been adjusted from Hydrogenide-Atomic Fluorescence to ICP-MS, and the detectability has been increased from  $10^{-4}$ mg/kg to  $10^{-9}$ mg/kg.

#### Flue Gas Particulate Matter Monitoring for Waste to Power Generation

- In order to strengthen the monitoring of flue gas particulate matter in waste power projects, we had 6 on-line flue gas particulate matter monitoring equipment updated, with laser backscattered type replaced by extraction type. On-line monitoring equipment was updated for Baotou and Jing Sheng projects, and ammonia on-line monitoring system was added for Shahe project. In addition, according to the requirements of the latest national standards, some of the Company's data collection instruments and analysers were upgraded.

## Embracing Greenery

### 3.3 Green Emission

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

Type	Unit	Total amount in 2022	Total amount in 2023
Nitrogen oxides (NO <sub>x</sub> ) emissions	Tonne	6,763	7,925
Sulfur dioxide (SO <sub>2</sub> ) emissions	Tonne	1,585	1,968
Particulate matter emissions	Tonne	280	373
Carbon monoxide (CO) emissions	Tonne	618	706
Hydrogen Chloride (HCl) emissions	Tonne	732	882
Hydrogen Fluoride (HF) emissions <sup>4</sup>	Tonne	23	1.8

Our overall flue gas purification system adopts the combined process of "SNCR denitrification + rotary spray semi-dry method + slaked lime injection + activated carbon injection + bag filter". This process is featured by mature technologies, the high removal rate of harmful substances, and low emission concentration of heavy metals and dioxins. At present, Baoshan Environmental Protection and Shuangfeng Environmental Protection explored the optimal denitrification efficiency, adjusted the spray position of ammonia spray gun, and reduced ammonia consumption and ammonia escape under the condition of meeting the emission standards of nitrogen oxides. In order to further strengthen the management of pollutant emissions, Shahe Environmental Protection introduced additional video surveillance to each material warehouse, replaced the air curtains at the entrances and exits of the waste unloading halls, and installed additional spraying facilities at the top of the unloading halls. In addition, in order to minimize emissions to a greater extent, the Group adopted a number of new technologies during the Reporting Period.

#### Emission Reduction Technology of Conch Venture

<b>Use of Dioxin Inhibitors</b>	<ul style="list-style-type: none"> <li>Reduce dioxin generation by consuming chlorine sources (Cl<sub>2</sub>, HCl) or by changing the form of the chlorine source</li> <li>React with metal catalysts and passivate the catalytic effect, thus reducing the catalytic efficiency of metal catalysts for dioxin formation.</li> </ul>
<b>Use of High Quality Activated Carbon</b>	<ul style="list-style-type: none"> <li>Use of high quality activated carbon with an iodine value of 800mg/g and a specific surface area of 800m<sup>2</sup>/g or above, effectively reducing the generation of heavy metals and dioxins in the flue gas.</li> </ul>
<b>Desulfurizing Tower Renovation</b>	<ul style="list-style-type: none"> <li>Foquan and Shuangfeng have modified their desulphurisation towers to increase the efficiency of acid gas treatment.</li> </ul>
<b>PNCr+SNCR Combined Denitrification Technology</b>	<ul style="list-style-type: none"> <li>Companies such as Jinxiang and Chiping Guohuan have adopted the PNCr+SNCR combined denitrification technology, which can handle flue gases in a wider range of temperatures and has a high denitrification efficiency of 80%, which is about twice as high as using SNCR alone.</li> </ul>

#### Energy-Saving Intelligent Green Coating Project for Spray Room of CK Equipment

During 2023, the Company carried out self-inspection and self-correction in accordance with the requirements of national laws and regulations, and improved the relevant procedures of spray room in accordance with the "Three Simultaneities". In the treatment for equipment introduction, in order to reduce the environmental pollution caused by spray coating, the Company carried out intelligent green coating project for spray room and introduced advanced environmental protection treatment equipment, which effectively improved the efficiency of air emissions treatment, and the specific treatment technology is shown below.

The organic air emissions to be treated is firstly processed through the dry filter to remove the particles and water in the air emissions through the induced draft fan, and then the treated air emissions enters into the activated carbon adsorption bed, so that the gas can be purified. The purified gas is then discharged to the atmosphere through the fan. When the adsorption bed is saturated, the desorption fan is turned on to desorb the adsorption bed. And the desorption gas passes through the heat exchanger in the catalytic bed, enters the preheater in the catalytic bed, and the gas temperature is increased to about 300°C by electric heater. Then, organic substances in the gas are catalytically combusted by the catalyst, and the gas enters the adsorption bed to desorb the activated carbon.

<sup>4</sup> The HF emission source is CCK

## Embracing Greenery

### 3.3 Green Emission

#### 3.3.3 Wastewater Discharge Management

Conch Venture strictly complies with the requirements of the *Water Pollution Prevention and Control Law of the People's Republic of China* and other relevant laws and regulations to ensure the compliance of wastewater discharge. The wastewater generated by the Group mainly includes landfill leachate, domestic sewage, and flushing wastewater. Measures such as clear liquid reuse of leachate and circulating cooling water, using circulating water for factory road washing, greening, fly ash solidification, and slag cooling, as well as cooling treatment and reuse for circulating cooling water replenishment for boiler wastewater, have been implemented. During the Reporting Period, all Conch Venture factories achieved zero wastewater discharge, with a wastewater reuse rate exceeding 95%.

Moreover, to control scaling and corrosion within the circulating cooling water system, prevent microbial and algae growth, ensure equipment heat exchange efficiency, and extend equipment lifespan for safe operation, energy savings, and water conservation, inhibitors for scaling and corrosion and highly effective algaecides are added to the circulating cooling water. Xianyang Energy has installed electrolytic circulating water treatment equipment to improve water quality and reduce pollution discharge. When the discharge of production wastewater is permitted in the environmental impact assessment approval, we strictly require pretreatment before wastewater discharge into the municipal pipe network and conduct real-time online monitoring of wastewater factors (such as chemical oxygen demand, ammonia nitrogen, pH, etc.). In addition, we engage with cooperative partners to conduct regular wastewater testing to ensure that the discharged wastewater is in compliance with local standards. During the Reporting Period, the types and total amount of wastewater generated by Conch Venture are as follows:

Type	Unit	Total amount in 2022	Total amount in 2023
Total wastewater discharged	Tonne	595,317	483,136
Wastewater discharged per unit of revenue	Tonne/RMB 1,000,000	75.39	60.28

#### 3.3.4 Solid Waste Management

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 and the Hazardous Waste Storage and Pollution Control Standard (GB 18597-2001)*, and manages the whole process of waste generated in the course of living and production operations. Pursuant to the waste management procedures, we have conducted strict supervision and management of the generation, collection, classification, labeling, recording, storage, transportation, and disposal of waste, and signed disposal contracts with qualified cooperative partners. For solid waste that can be comprehensively utilized, we adopt recycling measures to promote resource utilization of waste.

For hazardous waste, Conch Venture has established strict management systems and rigorous management measures. During the Reporting Period, Conch Venture has successively completed the informatization management of hazardous waste for 13 waste incineration power generation projects in accordance with the requirements of the *Hazardous Waste Storage and Pollution Control Standard (GB 18597-2023)*, installing hazardous waste on-site management terminals to achieve information management. Additionally, to enhance the management of bulk material transportation, Zhoukou Environmental Energy has installed an environmental access control system to monitor and informatize the entire process of hazardous waste management for traceability.

While solidifying waste management, the Group actively implements various waste reduction and resource utilization measures. The solid waste generated by the garbage power generation project mainly consists of fly ash and slag, which we process to facilitate resource utilization.

#### Fly ash and slag resource utilization

Fly ash contains harmful components such as chlorides, sodium salts, heavy metals, and dioxins. In some regional subsidiaries, there is a fly ash water washing process, which includes the following main steps: Fly ash stored in fly ash silos is pneumatically conveyed to fly ash tankers, then undergoes water washing to remove salts before being sent for co-disposal in cement kilns. After high-temperature harmless treatment in cement kilns, the fly ash is used as cement clinker products. The complete handling process of fly ash involves enclosed transportation, effectively achieving the utilization of resources and safe treatment. In subsidiaries without fly ash water washing, after being solidified by special chelating agents, water, cement, and other materials in specific proportions, the chelated fly ash that meets standards is then disposed of in municipal solid waste landfills.

#### Diversifying Fly Ash Resource Utilization Methods

During the Reporting Period, Tongren Engineering and Guizhou Weining Company entrusts Guizhou Oma Ceramics Co., Ltd. to manufacture ceramic tiles using fly ash. The fly ash calcined at high temperature and raw materials such as clay, shale, talc, feldspar, water, and other materials are mixed in specific proportions, then pressed, dried, and fired at high temperatures to produce ceramic tiles. These tiles can be widely used in the construction materials industry, effectively achieving the reduction, resource utilization, and harmless disposal of hazardous waste.

## Embracing Greenery

### 3.3 Green Emission

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

Non-hazardous wastes types	Unit	Total amount in 2022	Total amount in 2023
Amount of general solid wastes generated (recyclable)	Tonne	2,779,900	2,823,694
Amount of general solid wastes generated (non-recyclable)	Tonne	3,664	5,974
Total amount of general solid wastes generated	Tonne	2,783,564	2,829,688
Amount of general solid wastes generated per unit of revenue	Tonne/RMB 10,000	3.5	3.5

Non-hazardous wastes types	Unit	Total amount in 2022	Total amount in 2023
Total amount of hazardous wastes generated	Tonne	452,808	476,808
Amount of hazardous wastes generated per unit of revenue	Tonne/RMB 10,000	0.6	0.59

#### 3.3.5 Construction Dust and Noise Management

Construction activities often generate significant amounts of dust and noise, which not only pollutes the surrounding environment and affects the quality of residents' lives but may also have negative impacts on ecosystems and climate change. Therefore, Conch Venture pays special attention to dust and noise management during construction processes, conducting comprehensive planning and analysis during the project design phase to incorporate pollution prevention and control into consideration. By adopting advanced technologies, using clean energy, and environmentally friendly raw materials, we control the environmental impact of projects at the source, achieve environmentally friendly construction operations, and minimize or eliminate the harmful effects of pollutant emissions during construction on the surrounding environment.

Conch Venture complies with all relevant laws, regulations, and local standards related to construction environmental management, requiring all projects to strictly implement measures such as dust suppression through sprinkling water, road cleaning, and closed transportation during the construction period in accordance with environmental impact assessments and construction environmental management requirements to mitigate the impact of construction dust. Regarding noise, we require projects to schedule construction times reasonably, adopt staggered construction as much as possible to reduce noise from overlapping construction, and avoid nighttime construction to minimize the impact on surrounding residents. Construction machinery selected for construction operations is low-noise and meets emission requirements, and noise is reduced by adding enclosures at construction sites. Regarding emissions, we require that construction wastewater be treated and reused after sedimentation. Construction site waste must be promptly cleared and transported in accordance with relevant laws and regulations, and random dumping that pollutes the environment is not allowed. Additionally, during project construction, relevant units are entrusted to conduct environmental supervision during the construction period, regularly monitoring dust, wastewater, noise, and environmental impacts such as ecological damage at construction sites to ensure compliance with construction protection requirements and avoid environmental impacts on the surrounding area.

#### Water sprays to reduce and prevent dust at the port logistics project

During the Reporting Period, Conch Venture's port logistics project achieved zero discharge of rainwater and sewage, and reused 180,000 square meters of rainwater through sewage treatment devices, all of which were used for spraying to reduce dust in the storage yard. At the same time, the wet operation method was fully implemented, and the method of reducing dust by water sprays was adopted for transportation belts and loading and unloading operations, so as to effectively reduce dust in the process of material transportation operations. Municipal sweepers were also used to clean the roads in the factory area on a 24-hour basis. In addition, the wind and dust suppression net with a total length of 2,000 meters and a height of 18 meters and the green windbreaks in the plant, combined with water sprays in the storage yard, can effectively control the on-site unorganized discharge of dust.

During the construction of temporary facilities, there is a possibility of soil and water loss, and it is necessary to take targeted protective measures in respect of soil and water conservation of temporary facilities. During the Reporting Period, Conch Venture organized all the construction team members to take part in several soil and water conservation promotions, aiming to enhance on-site personnel's awareness of soil and water conservation.

## Embracing Greenery

### 3.4 Climate Change

As the issue of global climate change becomes increasingly severe, the risks and challenges of climate change facing economic and social development are also growing, and actively responding to climate change has become the key to achieving sustainability of enterprises. Conch Venture is committed to developing in a low-carbon and green way, actively implementing climate change mitigation and response measures, and actively fulfilling corporate social responsibility to support global climate governance.

#### 3.4.1 Greenhouse Gas Emissions

As a benchmark enterprise in the environmental protection industry, Conch Venture attaches great importance to the management of greenhouse gas emissions generated by its own operations, and constantly monitors and promotes the reduction of greenhouse gas emissions by improving internal management policies.

As a responsible company, adhering to the concept of green and low-carbon development, Conch Venture is committed to reducing its greenhouse gas emissions, and promotes the decoupling of economy growth from climate impacts in a practical way, so as to contribute to the global action on climate change. The Group's direct carbon emissions (Scope 1) mainly come from the use of diesel machinery, boilers, free vehicles, and natural gas; The Group's indirect carbon emissions (Scope 2) mainly come from purchased electricity and steam. The purchased electricity accounts for 59% of total carbon emissions, and therefore energy saving and efficiency improvement is the core of our efforts to reduce carbon emissions. During the Reporting Period, Conch Venture actively explored the possibility of energy saving and carbon reduction by setting short-term goals for electricity and energy consumption, and implemented the operational concept of green and low-carbon development through energy-saving technical transformation and process optimization.

#### Electricity consumption targets

- In 2024, the total electricity consumption of the plant will be less than 1.09 billion kWh, and the electricity consumption rate of the plant will be less than 16.9%.
- As the end of the Reporting Period, the actual electricity consumption rate of the plant was 16.4%, and the electricity consumption targets had been partially achieved.

#### Other energy consumption targets

- We will control the diesel and natural gas consumption of each company, and in 2024, the furnace waste diesel consumption per unit will not be higher than 0.5kg/t, and the natural gas consumption per unit will not be higher than 0.65 m<sup>3</sup>/t.
- So far, the diesel consumption per unit is 0.7kg/t and the natural gas consumption per unit is 0.74 m<sup>3</sup>/t, which are steadily declining.

#### Efficient Use of Energy

Energy consumption is the main source of greenhouse gas emissions of Conch Venture, so we pay special attention to the efficient use of energy. By following the internal energy management system, strengthening energy management, and setting the Group's energy strategy and energy efficiency improvement targets, we are making steady progress on the path of energy conservation and carbon reduction.

As of the end of the Reporting Period, 15 subsidiaries of Conch Venture have obtained ISO 50001 energy management system certification. System audits covering all certified factories are regularly carried out to supervise the effective operation of the energy management system and analyze the current situation and gap, so as to continue to consolidate the energy management system.

In the process of operation, Conch Venture has launched a number of energy-saving and efficiency-enhancing technical transformations, and actively explored the possibility of reducing energy consumption and improving energy efficiency. During the Reporting Period, we implemented the goal of efficient use of energy through various ways such as energy-saving technical transformation and process optimization, and practiced the concept of energy saving and low carbon in actual operations.

#### Energy-saving technical transformation for waste power generation projects

During the Reporting Period, Conch Venture implemented a number of technical transformations in waste-to-energy projects, such as the air compressor inverter technical transformation, leachate magnetic suspension blowers, and the direct combustion of biogas. Practice has proved that these technical transformations can effectively reduce the electricity consumption of the plant and improve the power generation efficiency of the system.

In particular, the technical transformation of air compressor inverters can save electricity of 1,000 kWh /day, the technical transformation of magnetic suspension blowers can save electricity of 600 kWh /day, and the direct combustion of biogas can increase the power generation of 1,500 kWh /day.

#### Energy-saving measures for new building materials projects

**Anhui Conch Venture Green has achieved the purpose of energy conservation and efficiency improvement through a number of technical transformations:**

- By optimizing the internal process and the fineness index of quartz sand, the production of the grinding tables has increased from ten tonnes/hour in the early stage to 20 tonnes/hour at present, and the energy consumption of the ball mills has decreased by approximately 50%.
- By promoting the trial of pulp with low percussion index, and reducing grinding time, the energy consumption of paper grinding has decreased from 0.55 kWh /m<sup>2</sup> in the early stage to 0.49 kWh /m<sup>2</sup>.
- Improved the technical transformation of equipment by effectively blocking vacuum panels to improve the vacuum degree and reduce the use of vacuum pumps, and carrying out the energy-saving technical transformation of air compressor inverters.



## Embracing Greenery

### 3.4 Climate Change

Conch Venture upholds the concept of energy conservation and emission reduction, and implements it in all aspects of enterprise production and operation. While improving energy efficiency, we are vigorously developing renewable energy projects, optimizing the energy structure, and increasing the share of renewable energy. During the Reporting Period, the Group built a photovoltaic power generation system.

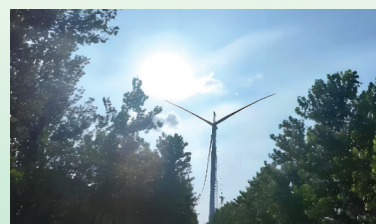
#### Anhui CV New Energy's photovoltaic power generation system

In order to reduce energy consumption, Anhui CV New Energy, a subsidiary of Conch Venture, built a photovoltaic power generation system and put it into operation simultaneously with the production line. As of the end of the Reporting Period, 3,829,200 kWh of electricity had been generated, of which self-use accounted for about 98%, and the remaining 2% of electricity generation was connected to the grid. The photovoltaic power generation system further improved the company's green electricity usage.

#### Yangzhou Haichang Company's wind power project

In order to actively respond to the national "carbon peaking and carbon neutrality" policy, expand the use of green energy, and take the lead in achieving the goal of "low-carbon" ports, Yangzhou Haichang Company launched the wind power project in early 2022 after full investigation. This project built a 5.27MW wind turbine with advanced hybrid tower technology. The tower will be 140 meters high and the impeller diameter will be 191 meters. It will be operated in the mode of "self-generation and self-consumption, and the surplus electricity being not connected to the grid". It is estimated that the available electricity is about 9 million kWh /year, and the annual electricity cost can be saved by about RMB 5.6 million.

As the first wind power project of CV Group, Yangzhou Haichang Company, under the support and guidance of the Group's departments and offices, planned ahead and actively coordinated, made efforts to overcome difficulties in the process of approval, construction and acceptance, and successfully realized grid-connected trial operation on 8 October 2023. The operation of the project has effectively promoted the cost reduction and efficiency increase of Yangzhou Haichang Company.



During the Reporting Period, the Group's energy consumption is as follows:

Energy Consumption	Unit	Total amount in 2022	Total amount in 2023
Direct energy consumption	Tonnes of standard coal equivalent	26,522	16,047
Indirect energy consumption	Tonnes of standard coal equivalent	8,379	13,819
Total energy consumption	Tonnes of standard coal equivalent	34,901	29,866
Energy consumption per unit of revenue	Tonnes of standard coal equivalent /RMB1,000,000	4.4	3.7

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

Greenhouse Gas Emission	Unit	Total amount in 2022	Total amount in 2023
Scope 1 <sup>5</sup>	Tonnes of CO <sub>2</sub> e	61,188	49,305
Scope 2 <sup>6</sup>	Tonnes of CO <sub>2</sub> e	44,417	62,926
Total Greenhouse Gas Emissions	Tonnes of CO <sub>2</sub> e	105,605	112,231
Greenhouse gas emissions per unit of revenue	Tonnes of CO <sub>2</sub> e/RMB 1,000,000	13.4	14.0

<sup>5</sup> 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 Sustainability (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.

<sup>6</sup> 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.

# Embracing Greenery

## 3.4 Climate Change

### Carbon management and carbon trading

For a large-scale enterprise like Conch Venture, relying solely on manual collection of carbon emissions and carbon asset data from all of its subsidiaries will cost too much in expenses, time and management efforts. In order to help the Group comprehensively and accurately manage the carbon emissions data of various subsidiaries, Conch Venture attempted to build a carbon management platform, which would significantly improve the accuracy and timeliness of data statistics and analysis.

### CarbonSmart Cloud Platform of Lujiang Environmental Protection

During the Reporting Period, Lujiang Environmental Protection built a smart management factory and established the "CarbonSmart Cloud Platform of Lujiang Environmental Protection". This real-time online platform achieves precise automated monitoring of carbon sources, conversion processes, and emissions, calculates and predicts the carbon assets of Lujiang Environmental Protection using scientific and accurate calculation methods and by industry standards, with the characteristics of scientificity, standardization, and foresight, which would help the Company to make contribution to the national strategic policy of carbon neutrality and carbon peak.



In addition, Conch Venture follows the cutting edge of environmental protection, actively responds to the national carbon peak and carbon neutrality policies, and conducts in-depth research on the trend of carbon trading policies. During the Reporting Period, we promoted the CCER application for 6 projects and the VCS application for two projects.

### 3.4.2 Climate Change Risk

The increasingly serious issue of global climate change is becoming a key factor for companies to achieve positive development. During the Reporting Period, Conch Venture continually improved its internal management policies and regulated greenhouse gas emissions management. The Group systematically identified climate-related risks and opportunities in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), and formulated response measures.

#### Governance

In order to seize the opportunities and address the climate-related risks, Conch Venture has established a comprehensive governance system for climate change. The Board of the Group has a Risk Management Committee that is responsible for formulating and regularly checking the planning of the Group's development strategies, supervising the corporate risk management, conducting research and providing suggestions on the policies for the Group's sustainability, regularly overseeing and reviewing the Group's risk sustainability strategy and its implementation and providing advice. It also oversees and considers on the risk management system of the Group. The Risk Management Committee coordinates various departments to collaborate on ESG-related work, with the Strategic Development Department responsible for researching climate change policies, guiding the identification of climate-related risks and opportunities, and developing response plans.

#### Strategy

A comprehensive risk identification process is the key factor in accurately assessing climate-related risks and opportunities in the business operations. Conch Venture follows three steps, i.e. identification, assessment, and tracking of risks and opportunities, to identify multiple physical risks and transitional risks, and further analyze the corresponding impacts on operating by referring to different climate change scenarios and combining the characteristics of business operations. According to the identified climate-related risks and opportunities, the Group formulated response measures to actively prepare response plans for extreme weather to ensure smooth business operations, and promoted green transformation from multi-dimensions, being a doer in tackling climate change.

# Embracing Greenery

## 3.4 Climate Change

Climate-Related Risks Identification of Conch Venture

Type	Identification of risks and opportunities			Assessment of risks and opportunities		Response for risks and opportunities	Implementation	
	Category	External factors and description of stakeholders	Risks and opportunities	The possibility of occurrence × seriousness	Level		Responsible department	Period
External factors	Regulatory requirements	Changes in laws, regulations, and industry standards	<p><b>Risks:</b> Whether the Company collected and assessed legal provisions, regulations, and industry standards in a comprehensive manner at the national and local levels, and whether they had been reflected in corporate systems for implementation to comply with legal requirements.</p> <p><b>Opportunities:</b> To adjust the Company's strategic development direction timely to seize the potential market investment opportunities</p>	4×4=16	High	<p>1. Establishing a system for identifying, acquiring, reviewing, and updating laws and regulations related to safety and environmental protection and improving continuously, and update the latest laws and regulations to relevant employees.</p> <p>2. The development department shall strengthen the efforts in market expansion based on the Company's environmental protection business sector and strive for more orders</p>	Strategic Planning Department Safety and Environmental Protection Department Human Resources Department	Full year
	Requirements of stakeholders	Requirements of government	<p><b>Risks:</b> The government may increasingly tighten the environmental standards and rise expectations for environmental protection during project negotiation, imposing new requirements for project development.</p> <p><b>Opportunities:</b> The improvement of our negotiation power for environmental project will bring potential development opportunities to the Company</p>	4×4=16	High	Fully understanding and strictly abiding by national environmental protection policies and regulations, improving the employees capabilities in project development, and strengthening communication and coordination with the government.	Strategic Planning Department	Full year
		Requirements of third parties	<p><b>Risks:</b> The operation of the Company may have potential adverse impact on third parties and it may unable to satisfy their demands for now, resulting in risks.</p> <p><b>Opportunities:</b> The demands of third parties will enhance the Company's management level</p>	2×3=6	Normal	Strengthening communication with the local authorities, handling requests from third parties promptly, and if necessary, submitting to the company leadership for the allocation of relevant resources to reduce the impact of third parties on project expansion	All departments of the Company	Full year
	Economic factors	Market competitiveness	<p><b>Risks:</b> The market share of the Company in areas as waste incineration and solid waste is not high currently, with weak competitiveness, thus leading to big risks in competition with large enterprises in the industry</p> <p><b>Opportunities:</b> Market intensified competition brings not only pressure but also new opportunities for development.</p>	4×3=12	Normal	<p>1. Monitoring the market share of the Company's projects timely and collecting relevant information for adjustment rapidly to enhance the competitiveness of the Company's energy-saving and environmental protection project</p> <p>2. The Strategic Planning Department strengthens the exploration in new markets and evaluates trends in mature markets to timely identify new development opportunities for the Company</p>	Strategic Planning Department Operation Management Department	Full year
Internal factors	Pre-project management	Management processes	<p><b>Risks:</b> The current project management process basically covers the daily work of the departments, but the execution of project work is not fully satisfactory, which will bring certain risks to the operation of the Company</p> <p><b>Opportunities:</b> To improve environmental processes and work execution, and improve the management of the department</p>	2×3=6	Normal	<p>1. Strictly carry out daily work in accordance with the requirements of the environmental protection project development process, make timely adjustments to non-compliance with the environmental protection, and maintain the operability of the project development process;</p> <p>2. Regularly organize the review on environmental protection projects.</p>	Strategic Planning Department	Full year
		Project location	<p><b>Risks:</b> Sites for waste power generation and solid waste projects need to be fully considered in terms of site selection and the surrounding environment, or else there will be neighborhood effects and investment risks</p> <p><b>Opportunities:</b> To improve the scientificity of project site selection through adequate research and discussion of the geographic environment and social conditions of the project site</p>	4×4=16	High	Before entering into a contract for a project, all relevant departments of the Company shall conduct site visits to the pre-selected location of the project address, and fully collect the views of all parties to carry out discussion for the selection of the project site	Strategic Planning Department	Full year
		Feasibility study of project	<p><b>Risks:</b> The feasibility study report of the environmental protection project plays an important role in guiding the development of the project, but the department lacks information collection and discussion of the feasibility study of the project</p> <p><b>Opportunities:</b> A detailed and comprehensive feasibility study report of project will bring more scientific guidance to the Company's decision-making</p>	2×3=6	Normal	Collect information from various parties in the pre-project stage, conduct thorough investigation and study on the feasibility of the project, and engage a third party to conduct a feasibility study on the project if necessary	Strategic Planning Department	Full year
		Terms of agreement	<p><b>Risks:</b> The terms and conditions of the agreement on cooperation for a project will be drawn up and entered into in strict accordance with the Company's regulations, but the background of partners of the project and the complexity of regional policies and regulations may bring risks to the fulfillment of the contract</p> <p><b>Opportunities:</b> To improve the Company's ability to prevent risks by developing a more comprehensive approval process</p>	3×4=12	Normal	<p>1. Investigate the creditworthiness of the counterparties through various means and channels before entering into the contract to understand the counterparties' ability to fulfill the contract</p> <p>2. Organize contract approval in strict accordance with the Company's contract signing process</p>	Strategic Planning Department	Full year

## Embracing Greenery

### 3.5 Cherish Resources

Conch Venture is well aware that the natural resources are precious and limited, thus we cherish every resource and are committed to their efficient utilization and recycling. In business development, we adhere to the use of eco-friendly materials and technologies to reduce resource waste and consumption.

#### 3.5.1 Efficient Use of Water Resources

As the material basis for the existence of Earth's organisms, water resources are essential for sustaining the sustainability of the Earth's ecological environment. Therefore, Conch Venture pays high attention to water resource management, striving to minimize the impact of operations on water resources as much as possible. The Group strictly abides by the *Water Law of the People's Republic of China, the Regulations on Water Abstraction Permits and Water Resources Fee Collection*, and other laws and regulations and related systems, prepares the Project Water Resources Certification Report and obtains approval every year, and reasonably takes water sources.

The primary water sources of the Group include municipal water, reclaimed water, and surface water treated by sewage treatment plants. Among them, municipal water is mainly used for daily office operation and boiler water, the reclaimed water and surface water treated by the sewage treatment plant is mainly used for circulating cooling water of the garbage power generation project and fire-fighting water. In some operational areas where seasonal droughts lead to water shortages and require groundwater extraction, all efforts are coordinated to obtain water extraction permits from local government departments.

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

Types of water resources	Unit	Total amount in 2022	Total amount in 2023
Recycled water consumption	Tonne	29,605,218	9,649,383
Total water consumption	Tonne	16,234,168	26,992,291
Water consumption per unit of revenue	Tonne/RMB 1,000,000	2,056	3,367

To achieve water conservation goals, Conch Venture continuously promotes measures such as improving metering facilities, conducting regular inspections, and upgrading water-saving equipment. During the Reporting Period, we actively implemented various water resource reuse projects to continuously improve water resource utilization efficiency.

#### Reuse of pressurized water by CK Equipment

In order to reduce resource consumption and minimize water wastage, CK Equipment has optimized and upgraded the pressurized area of pressurized vessel equipment. The original pressurized water is integrated and collected, then transported through pipelines to sewage treatment equipment for sedimentation and purification to achieve harmlessness. Subsequently, the treated water is discharged and stored in a fixed water storage tank through newly arranged pipelines. When there is a demand for pressurized workpieces, the treated water is conveyed to the pressurized equipment for the pressurized process. After the pressurized process is completed, the water inside the equipment is recycled, reintroduced into the sewage treatment equipment for further treatment, and the processed water resources are retained for the next pressurized operation.

#### 3.5.2 Reduction of Material Use

Natural resources are finite and essential for human survival. In its production and operations, Conch Venture adheres to the principles of green development, aiming to reduce unnecessary material consumption and ensure the sustainable use of resources, thus leaving sufficient resource foundation for future generations.

##### Reducing the Use of Production Materials

Conch Venture is committed to protecting natural resources, maintaining ecological balance, and promoting sustainability. Therefore, we strictly control material consumption during production and operations. During the Reporting Period, we achieved significant reductions in material consumption through technological innovation in our production operations.

#### Technology upgrades for reduction of material consumption in new building materials projects

Bozhou Conch Venture, through industry visits and exchanges, implemented technological upgrades by adding vibrating screen devices to reduce the entry of raw materials and hard materials into the plates during the production process. By utilizing different application varieties, it reduced ineffective waste discharge and lowered material consumption.

# Embracing Greenery

## 3.5 Cherish Resources

### Rational Use of Packaging Materials

Conch Venture values sustainable management of packaging materials, as they often require significant resources and energy during production and usage, while also generating waste. During the Reporting Period, Conch Venture continuously promoted the reduction, lightweighting, and substitution of packaging materials, striving to minimize their impact on the ecological environment.

Types of packaging materials	Unitt	Total amount in 2022	Total amount in 2023
Plastic	Tonne	18	44
Carton	Tonne	6	7
Wood	Tonne	374	735
Other	Tonne	9	28
Total amount of packaging materials used	Tonne	407	814
Amount of packaging materials used per unit of revenue	Tonne/RMB 1,000,000	0.05	0.10



# 4

# Uniting Strengths

Conch Venture always adheres to the people-oriented concept for talents, effectively safeguarding the legitimate rights and interests of every employee and creating a diverse talent pool through a comprehensive talent development system. Conch Venture continuously conveys corporate care for humanity, sincerely safeguards the health and safety of employees, provides satisfactory welfare and benefits, striving to create a harmonious, healthy and safe working atmosphere.

# Uniting Strengths

## 4.1 Diverse Talents

Conch Venture regards talent as the Company's most precious asset. We actively implement talent reserve strategies that match business planning to steadily improve human resource management capabilities and build a competitive talent team. Conch Venture is committed to compliance with employment regulations, working with all employees to create an equal, harmonious, vibrant, and creative workplace.

### 4.1.1 Talent Reserve

High-quality talent is the cornerstone of corporate development. Conch Venture values the construction of its talent team and insists on building a talent pool that conforms to business development trends and matches job characteristics. To ensure the rationality of talent selection and reserve, Conch Venture formulates employment plans to clarify talent reserve strategies, actively deploys talent acquisition channels, implements scientific personnel allocation mechanisms, and maximizes the advantages of the talent team.

#### Employment plan management

- Continue to deepen the employment plan management system, insist on linking the Group's strategic development, production and operation status with the talent reserve demand, and regularly adjust the annual employment plan according to indicators such as employee introduction, turnover rate and salary level.
- Follow up and urge all units to implement the employment plan, carry out the concept of matching people and posts, strengthen the optimization of post and labor combination, give full play to the value of talents on the basis of controlling labor costs, and continuously enhance labor production efficiency.

#### Personnel selection and recruitment management

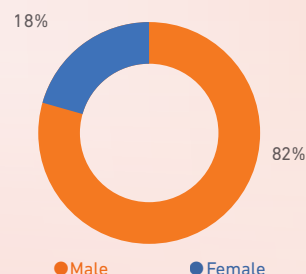
- Based on the annual professional and technical personnel reserve needs of each department and subsidiary, explore diversified and professional talents through campus recruitment and social recruitment channels, and with the help of specialized recruitment agencies.
- The Group lays stress on the waste disposal and new energy sectors. Therefore, we pay more attention to and attract talents from universities at home and abroad to match the Group's development strategy planning.
- During the reporting period, we further optimized the recruitment process. While improving the recruitment efficiency and standardization, we paid attention to improving the recruitment experience of candidates and preventing employment risks.
- Improve the internal selection and promotion mechanism, smooth the channels of job transfer and selection between departments, guarantee the principles of open selection and fair competition, and promote the circulation of human resources within the Group.

#### Personnel transfer management

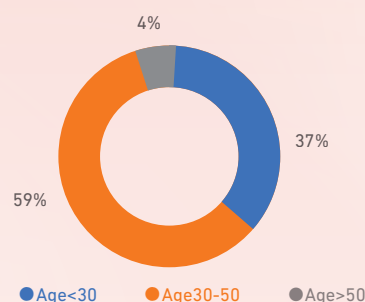
- According to the development needs of various businesses and regions, implement qualitative transfer and special training of talents to ensure the compliance of personnel allocation with production rhythm and coordinate development of each sector.
- Improve the internal personnel transfer mechanism, timely follow up and standardize the examination and approval of internal personnel transfer procedures and the transfer process of employment, salary, social security, organization, and archives, so as to ensure the natural connection of business relations.
- Comb the employee relations of each subsidiary from time to time, and timely make internal transfer and adjustment of unreasonable business relations to completely eradicate unreasonable employment.

Conch Venture continuously absorbs high-quality talents based on the principle of diversification and insists on localized employment, providing strong talent support for the Group's business development. As of the end of the reporting period, Conch Venture owned 6,225 employees, including 6,137 full-time employees, 88 laborers and 89% localized employees. Full-time employees are classified as follows:

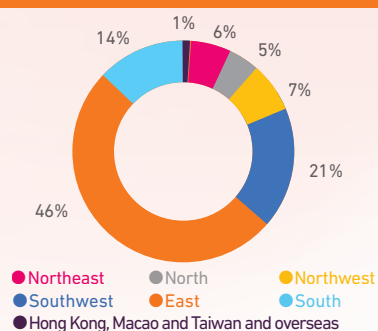
Full-time employees by gender



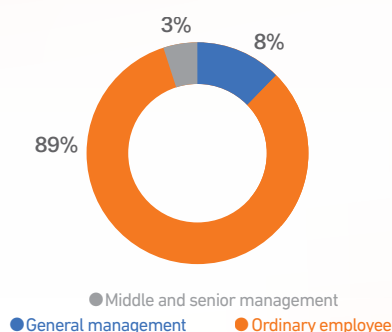
Full-time employees by age



Full-time employees by region



Full-time employees by class of position



## Uniting Strengths

### 4.1 Diverse Talents

#### 4.1.2 Protection of Rights and Interests

Conch Venture always adheres to the legal employment and protects the legitimate rights and interests of employees. We strictly abide by the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, the *Employment Promotion Law of the People's Republic of China*, *Special Rules on the Labor 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 Labor*, and other relevant laws and regulations in the place where it operates to carry out human resource management. We are guided by internal regulations such as the *Company Employment Selection Management Measures* and clarify workplace regulations and internal *management principles in the employee handbook to ensure that all employees can understand and comply with the relevant provisions*.

We hold a zero-tolerance attitude towards the employment of child labor and forced labor, prohibit all forms of discrimination and harassment, uphold the principle of equality and fairness to keep workplace in order, and effectively protect the legal rights and interests of every employee. During the Reporting Period, we conducted various professional inspections, regional mutual inspections, interim and final inspections in human resource management, and strengthened personnel management compliance through special personnel and administrative training.

#### Prohibition of forced labor

- We prohibit any form of forced labor, 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 labor

- We prohibit the employment of child labors and use our human resources information management platform to eliminate child labor from being entered into the system. Once found, we will promptly report to the relevant authorities and take relevant measures to ensure compliance in employment.

#### Prohibition of discrimination and sexual harassment in the workplace

- We provide fair development opportunities and treatment for our employees. We uphold a zero-tolerance attitude towards any discrimination against employees based on factors such as their gender, age, ethnicity, region, religion, and physical condition, and respect and protect the rights and interests of minority employees such as women and disadvantaged employees.

#### Protection of legal rights and interests

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

During the Reporting Period, Conch Venture didn't identify any instances of child labor and forced labor, with a proportion of female employees at 18% and a proportion of female in the management at 9%. The Company also received Grade-A annual credit rating in the annual labor audit.



# Uniting Strengths

## 4.2 Talent Cultivation

Conch Venture adheres to the concept of growth with talents and provides sufficient room for all employees to play through transparent performance evaluation and promotion management mechanisms. Based on a comprehensive training system, Conch Venture is committed to comprehensively stimulate employees' potential and creativity, providing a platform for their free growth, helping them continuously improve themselves and realize their self-worth.

### 4.2.1 Performance Management

Conch Venture has established a scientific and clear performance management mechanism to guide the orderly performance appraisal of employees and continuously promote the overall performance improvement of the team. In terms of employee promotion, based on the performance appraisal results of employees, Conch Venture takes full account of the principles of "with both virtue and ability, virtue before ability", "merit based selection after fair and open competition", and "full deliberation, democratic centralism", and publicly discloses promotion requirements and selection plans for each position and level to ensure fairness and impartiality in the selection and promotion process.

#### Performance appraisal

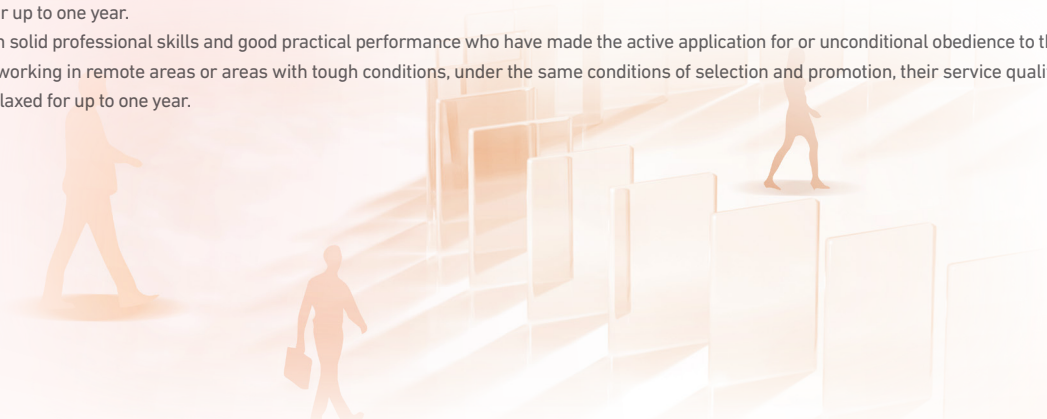
- Formulate the performance appraisal and inspection plans according to the Company's annual business plan and performance appraisal standards.
- Make the scientific decomposition of assessment indicators of employees at all levels, and conduct comprehensive evaluation of employees to help them realize self-understanding and improvement through timely feedback on evaluation results.
- Refine the requirements for key personnel assessment indicators, clarify the required level of key personnel, and implement incentive measures for performance qualification.
- Organize the Company's annual evaluation of outstanding employees and set excellent performance personnel as example to follow, creating a management atmosphere of striving for excellence.

#### Promotion channel

- Five major career development paths are laid for employees, including key management personnel positions, professional technical positions, operation positions, auxiliary business positions, and logistics service positions. For each type of development path, a promotion channel of 'subsidiary employees-subsidiary middle management-subsidiary departments-subsidiary team members' is set up.
- In order to stimulate the enthusiasm of employees and enhance their service awareness, we have also established a special promotion channel, through which employees with outstanding performance and contribution can have their qualifications relaxed as appropriate.

#### Special promotion channel

- Candidates who have won at least one Party and government commendation at the company level or above over the past two years, or two or more Party and government commendations from various units over the past three years and have had good performance in actual work, under the same conditions of selection and promotion, their service qualifications can be relaxed for up to one year.
- The newly promoted personnel who have been sent to work in remote areas for more than three years on end, or the promoted personnel who have been sent to work in remote areas for more than five years on end, under the same conditions of selection and promotion, their service qualifications can be relaxed for up to one year.
- Candidates with solid professional skills and good practical performance who have made the active application for or unconditional obedience to the arrangement of working in remote areas or areas with tough conditions, under the same conditions of selection and promotion, their service qualifications can be relaxed for up to one year.



## Uniting Strengths

### 4.2 Talent Cultivation

#### 4.2.2 Employee Training

Conch Venture attaches great importance to the growth and development of talents, and provides diversified, all-round learning resources and training support according to employees needs for career development. Conch Venture has established a training system covering multiple levels, all positions and all regions in accordance with internal management systems such as the *Implementation Rules for Employee Training Management* and the *Interim Measures for Employee Training Management*, empowering employees to continuously improve themselves and realize their career values. During the Reporting Period, we had continued to standardize the management of the training process by providing information for training lectures, organizing basic tasks such as check-in for trainees and exam papers for assessment tests, so as to ensure the quality of training courses.

#### Training for new employees

For new graduates and other new employees, we provide them with systematic trainings including corporate culture, business segments, product knowledge, and essential skills for positions, in order to help new employees quickly integrate into the Company's atmosphere and business team, and to enhance their adaptability and sense of belonging in new positions.

#### Training for all employees

For all employees, Conch Venture regularly organizes online and offline trainings focusing on topics such as business ethics, occupational health and safety, information security, and corporate development planning, in order to emphasize the Company's requirements for employees to comply with professional ethical standards, to ensure their familiarity with and implementation of the basic code of conduct, to help them keep abreast of industry dynamics and the Company's business planning, and to promote a shared set of values among all employees.

#### All regions learn from each other

In order to coordinate the complementary resources and synchronous development of each region, Conch Venture encourages and advocates the organization of joint exchange training courses between regions, aiming at promoting the learning of excellent management experience by the backbones of each region through smooth sharing of learning materials. In addition, each region regularly carries out cross-site inspections and conducts on-site guidance and trainings in response to issues identified, which is conducive to promoting the identification of management deficiencies in each region and the continuous improvements in the level of management.

#### Professional skills trainings

Conch Venture encourages employees to proactively improve their professional skills by customizing training and upgrading courses to meet their needs in respect of personnel administration, engineering, technology, design, machinery and other positions, as well as by providing targeted counseling for them to obtain external qualifications. We support employees in pursuing continuous development and progress, guide them to apply their knowledge to positions, and improve the standardization and safety of their on-the-job operations.

#### External exchange and training

Conch Venture provides employees with external exchange and learning opportunities and encourages its senior management talents to participate in regional exchange and training for applying their absorbed excellent management experience to internal management practice. During the Reporting Period, Conch Venture had issued the *Implementation Opinions on Encouraging Employees' Re-learning and Education*, which clearly states salary subsidies and tuition fee reimbursement for employees' qualification certifications and academic upgrading to stimulate professional and technical staff's initiative and motivation to improve their own business capability. Conch Venture encourages all employees to apply for engineer title accreditation covering all kinds of skills, and actively cooperates with employees to complete their title accreditation works.

During the Reporting Period, the coverage rate of trained employees in Conch Venture reached 100%. The total training time of employees was 938,730 hours, and the average training time per employee was 150.8 hours.

# Uniting Strengths

## 4.3 Safety First

Conch Venture takes the protection of employees' health and safety as its priority and endeavors to build a sound and effective occupational health management system to effectively safeguard employees' physical and mental health. Conch Venture has formulated and refined various management mechanisms for production safety, strictly implemented safety management initiatives, and vigorously promoted the construction of a safety culture, in a bid to enhance employees' awareness and ability in taking safety precautions and to work together with them towards the creation of a healthy, safe and orderly working environment.

### 4.3.1 Safety Production Management

#### Reinforcing the safety management system

Conch Venture takes 'comprehensive management with safety and prevention first' as its production safety policy, and strictly abides by 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*, the *Measures for the Management of Emergency Response Plans for Production Safety Accidents* and other applicable laws and regulations of where it operates. Conch Venture implements production safety principles in accordance with a series of safety production systems developed internally, such as the *On-site Operation Safety Management System*, the *Equipment and Facilities Safety Management System* and the *Fire Safety Management System*.

Conch Venture also attaches great importance to the safety management of contractors. By formulating *the Relevant Party Safety Management System* in accordance with its production safety policy, the Company strictly reviews the safety qualifications and production safety guarantee systems of contractors and urges contractors to formulate and implement safety objectives, so as to ensure that the Company's safety responsibilities are passed on to the relevant parties.

Qualification
<ul style="list-style-type: none"> <li>• Verify safety production license and other qualifications</li> <li>• Check whether safety measures are in place</li> <li>• Evaluate whether the safety production guarantee system is sound or not</li> </ul>
Signing contracts
<ul style="list-style-type: none"> <li>• After confirming that the contractor's safety guarantee conditions are up to standard, the Company and the contractor sign the terms of the contract reflecting safety management to clarify the safety management responsibilities of both parties.</li> </ul>
Pre-construction filing
<ul style="list-style-type: none"> <li>• The Company stipulates that the contractor must implement the construction plan, select personnel, stipulate safety measures, develop project quality standards, and establish inspection system before starting the construction, and report the construction plan to the Company's safety management department for filing.</li> </ul>
Implementation during operation
<ul style="list-style-type: none"> <li>• The Company requires contractors to review the qualifications of the operators before entering the operation site, inform and educate the operators on safety, and record the education for filing.</li> </ul>



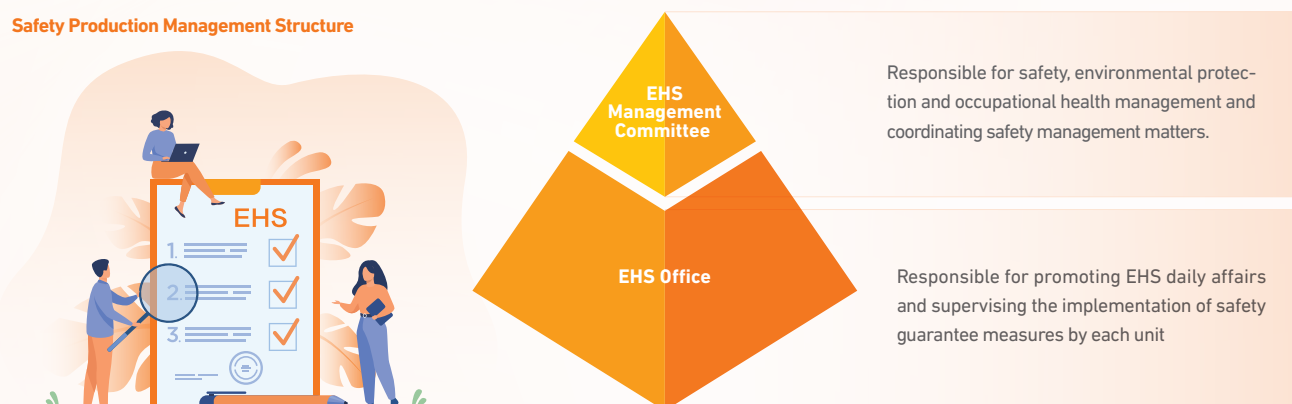
# Uniting Strengths

## 4.3 Safety First

### Contractor Safety Production Management Procedure

Conch Venture has established a safety production management structure to specify the safety management responsibilities at all levels and ensure the implementation of safety production standards throughout the Company. The Environmental and Occupational Health Safety Management Committee (hereinafter referred to as the "EHS Management Committee"), the Company's highest organization responsible for safety, undertakes the ultimate responsibilities of the environmental and occupational health safety management of all units. It sets up the EHS Office in charge of managing daily matters of the Company's EHS and supervising the implementation of various safety standards. In terms of safety accident reporting, Conch Venture ensures the timeliness and effectiveness of accident reporting and management under the guidance and supervision of the safety production management structure of all levels based on internal systems such as the **Production Safety Accident Reporting and Investigation Management Measures** and the **Safety and Environmental Protection Information Reporting Management Measures**.

### Safety Production Management Structure



In order to clarify the direction of annual safety management, Conch Venture formulated safety production targets every year under the guidance of the safety production management structure. We linked the safety performance of each unit and contractor with the performance of the person in charge of each unit, to urge all levels to achieve annual safety management targets. During the Reporting Period, Conch Venture achieved all of its annual safety and environmental protection management targets.

2023 annual safety production targets	Achievement status of safety targets
Work death liability accidents: 0	Work death liability accidents →0
New occupational disease cases: 0	New occupational disease cases →0
Larger and above safety accidents: 0	Larger and above safety accidents →0
Major and above traffic accidents: 0	Major and above traffic accidents →0
General and above environmental emergencies: 0	General and above environmental emergencies →0
1,000-person injury rate: not more than 2	1,000-person injury rate →1.6
Rate of fire accidents: not more than 5%	Rate of fire accidents →3.7%

### Implementing Safety Management Initiatives

Conch Venture recognizes that the implementation of safety management measures is the most effective and direct means to ensure the occupational health and safety of employees. Conch Venture continuously improves the safety and security conditions, and builds a solid line of defense for the Company's occupational safety in an all-round way through the implementation of physical protection, personnel supervision, hidden danger investigation, risk management and control, and related party management, so as to effectively avoid and control potential safety risks in the working environment.

## Uniting Strengths

### 4.3 Safety First

<b>Improve protective facilities</b>
<ul style="list-style-type: none"> <li>• Set up safety guardrails, regularly overhaul and maintain safety protective devices, and ensure that safety facilities can effectively play an emergency role.</li> <li>• Set up safety reminders in eye-catching places, provide safety alarm devices, and warn of irregular and safety-risky operations.</li> <li>• Unblock emergency response channels, arrange multiple safe channels and post clear guidance signs.</li> </ul>
<b>Strengthen personnel supervision</b>
<ul style="list-style-type: none"> <li>• Hold EHS Management Committee meetings regularly to summarize the safety status and make safety instructions and management requirements.</li> <li>• Sign a safety agreement, clarify the main body of safety responsibility, and reserve safety measure fees before project implementation to provide financial guarantee for safe production.</li> <li>• Purchase work-related injury insurance for construction workers, issue safety labor protection supplies, and regularly supervise the situation of on-site personnel and equipment.</li> <li>• Professional safety management personnel are assigned on site to supervise the safety implementation of the project.</li> </ul>
<b>Identify safety hazards</b>
<ul style="list-style-type: none"> <li>• Actively carry out the identification of potential safety hazards, timely report the hidden dangers and violations identified, and effectively avoid major safety hazards. The Company eliminated potential safety hazards on site in a timely manner through daily inspections, comprehensive inspections, comprehensive inspections on holidays, and special inspections such as special equipment, fire-fighting facilities, and approval of limited space operations. During the Reporting Period, Conch Venture carried out a total of 36 daily safety inspections and 14 monthly special safety comprehensive inspections, and found and timely organized rectification of 182 potential safety hazards.</li> </ul>
<b>Risk classification management and control</b>
<ul style="list-style-type: none"> <li>• According to the <b>Safety Risk Classification and Control System</b>, implement safety risk point confirmation, hazard source identification, risk classification, risk control and continuous improvement measures, and divide the rights and responsibilities of all parties on graded risk management and control in the form of system.</li> <li>• Promot all employees to know and participate in safety risk management and control, and enhance relevant personnel's familiarity with accident hidden dangers, accident consequences, management and control measures, emergency procedures, etc., to ensure the minimization of safety risks.</li> </ul>
<b>Relevant party safety management</b>
<ul style="list-style-type: none"> <li>• Formulate the <b>Relevant Party Safety Management System</b>, include the relevant parties into the unified management, require relevant parties to sign a written safety commitment and publicize the safety management system and requirements to relevant parties;</li> <li>• Carefully check and examine the relevant parties' corporate qualifications, including special equipment safety and operating personnel qualifications, urge them to handle all kinds of dangerous operation approval sheet, and establish and improve the relevant party management files.</li> <li>• Regularly inspect the safety operation site of relevant parties, carry out safety notification education and training for relevant parties, improve the daily management information reporting mechanism, and require units involved in maintenance and high-risk work to upload the on-site operation situation to the Company's safety and environmental protection work exchange group for reporting.</li> </ul>

#### Enhancing Occupational Health Management

Conch Venture attaches great importance to the prevention and control of occupational diseases of employees and is committed to guaranteeing the physical and mental safety of employees under the premise of ensuring the safety of employees. Based on our adherence to the laws and regulations such as the **Law of the People's Republic of China on Prevention and Control of Occupational Diseases** and the **Supervision and Administration of Occupational Health Supervision by Employers**, we developed internal occupational health management systems such as the **Occupational Disease Hazards Prevention and Control Responsibility System and the System on the Warning and Notification of Occupational Disease Hazards**, so as to clarify the code of conduct and management process on employees' occupational health and safety. The Group integrates occupational health management into its daily operations, continuously introduces new equipment and improves the existing equipment to cut the employees' risk of occupational disease exposure from the source. Furthermore, we invite the third party to conduct the inspections and tests on occupational hazard factors every year, comprehensively investigate and rectify potential factors that endanger occupational health, and effectively reduce the impact of the working environment on employees' occupational health.

# Uniting Strengths

## 4.3 Safety First

### A series of measures to protect occupational health

- **Reducing odor:** Garbage pit fire and leachate leakage treatment systems are designed with airtight treatment to avoid the leakage of toxic and harmful gases and odors to the greatest extent. The leachate leakage collection tanks and garbage pits are equipped with 24-hour exhaust fans and blowers to ensure that they are in a state of micro-negative pressure and further protect the occupational health and safety of employees.
- **Realize noise reduction:** Sound insulation design is adopted between production areas, and hollow bricks are mainly used for the construction of rest rooms and control rooms to further absorb noise. All fans are equipped with shock absorbers to prevent vibration transmission and noise generation. The insulation layer of high-temperature steam pipelines is made of sound-absorbing materials to reduce the impact of noise on the physical and mental health of employees.
- **Strengthen warnings:** Set up corresponding warning signs and emergency response signs in prominent positions at the entrance of workplaces, work positions, equipment packaging, and storage areas where there are occupational hazards, to remind employees of potential occupational hazards and disposal methods in their respective areas.
- **Provision of materials:** Provide emergency rescue materials, and regularly conduct spot inspections on scheduled emergency rescue materials to ensure that they can be put into rescue as soon as an occupational hazard accident occurs.

### Improve emergency management mechanism

In accordance with the *Emergency Response Law of the People's Republic of China*, Conch Venture has established an emergency response system and treatment procedures with clear responsibilities, procedures and rapid response. We issued the *Measures for the Management of Safety Production Accident Reporting and Investigation* and the *Notice on Strengthening the Management of Work-related Injury Insurance* to all employees to ensure that all employees are aware of the Company's work-related injury treatment procedures and identification rules, ensure that work-related injury incidents are handled in a timely and proper manner, effectively safeguarding the legitimate rights and interests of every employee.

### Industrial injury reporting

After an industrial injury occurs in any project company, the relevant personnel shall report it truthfully according to the relevant rules and regulations. The Company seriously controls any delayed reporting, false reporting and concealment, the relevant personnel shall be held accountable.

### Identification of industrial injury

After an industrial injury occurs, the subsidiary shall promptly notify the social insurance administrative department for industrial injury recognition and provide application form for industrial injury recognition, certificate of medical diagnosis and others.

### Compensation for industrial injury

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

Based on the sound safety management system and unremitting efforts, 15 subsidiaries of Conch Venture have obtained ISO 45001 Occupational Health and Safety Management System certification. During the Reporting Period, 13 safety accidents occurred in Conch Venture, leading to 0 work-related deaths and 10 work-related injuries. The 10 work-related injuries all belonged to minor injury accidents, with the industrial injury rate of 1.6 ‰, and about 563 working days were lost due to the work-related injuries.

### ISO 45001 occupational health and safety management system certification certificates of Conch Venture's subsidiaries (Partial example)

 <p><b>CQM</b> China Quality Mark 职业健康安全管理体系认证证书 安徽涛创新能源材料有限公司</p>	 <p><b>职业健康安全管理体系认证</b> 江西景圣环保有限公司 GB/T 45001-2020 / ISO 45001:2018 标准</p>	 <p><b>WSF</b> 国际认证 国际标准化认证证书 吉林省双重环保能源利用有限公司 GB/T 19001-2016 / ISO 9001:2015</p>
<p><b>Anhui CV New Energy</b></p>	<p><b>Jiangxi Jingsheng</b></p>	<p><b>Jilin Shuangjia</b></p>

# Uniting Strengths

## 4.3 Safety First

### 4.3.2 Safety Culture Construction

With the goal of cultivating safety culture, Conch Venture continues to promote the construction of safety culture throughout the Company and establishes a multi-level safety training system through regular safety education for employees and contractors, so as to form a working environment in which all employees attach importance to safe production, implement safety standards and comply with safe operation norms.

#### Safety Training System for Internal and External Personnel

##### Safety training for internal employees

- Develop the annual training plan, organize the EHS Management Committee, all subsidiary and department heads and safety officers to participate in all kinds of special safety training on a quarterly basis, publicize and implement the latest safety precautions, and guide the study of occupational health management methods.
- Conduct continuing education on safety for the main persons in charge of the Group's operation management, relevant leaders and safety production management personnel, and ensure that they have obtained relevant certificates before taking up their posts in strict accordance with the **Safety Production Law** so as to implement the safety inspection mechanism.

##### Safety training for external personnel

- Specially organize each subsidiary to shoot the Entry Safety Notification Film for on-site publicity and notification of the project, issue the entry safety notification, and provide safety notification and entry safety training for all external personnel;
- All units shall conduct targeted training and safety disclosure to relevant parties according to the **Relevant Party Safety Management System**.

Conch Venture vigorously carried out safety culture construction activities, and organized training, inspections, drills and other activities through the Safety Production Month, Fire Safety Month, Week of Publicizing Occupational Disease Prevention and Control Law, Safety Production Law Publicity Week, etc., to convey the concept of safety culture and improve the safety production awareness of all employees and the ability to prevent and control occupational diseases.

#### Cultivate the atmosphere of occupational health and safety education

##### Occupational health and safety training for all employees

According to the occupational health training plan, we carry out occupational health knowledge education for all employees in terms of the use of labor products and occupational hazards in places, so as to enhance employees' understanding of the importance of occupational hazard prevention and control.



##### Occupational health and safety emergency drills

Regularly organize safety drills simulating occupational health hazard scenarios, explain relevant knowledge and drill plans before drills, and summarize deficiencies in a timely manner after drills, so that employees are familiar with and master the methods of dealing with occupational hazards and emergency rescue, and improve their occupational health emergency response and disposal capabilities.



##### Joint prevention of occupational diseases

The Company continuously optimizes occupational health management according to actual production conditions and seasonal characteristics to provide workers with a better working environment. During the high-temperature period in summer, ice drinks were distributed to front-line employees to relieve their fatigue; heatstroke prevention medicines such as cooling oil and liquid were distributed on a team-by-team basis to reduce the risk of heatstroke among employees. The Company provides qualified labor protective equipment for employees and urges employees to use protective equipment correctly.

##### Diversified promotion of health and safety knowledge

By signing publicity banners, watching videos, distributing brochures, and providing first aid knowledge training, the Company fully mobilizes the enthusi-

asm of employees to participate in occupational health education. While guiding employees to sign occupational hazard notices, the Company helps employees establish the concept of occupational health protection, understand the occupational hazards of their positions, and take proper occupational health protection.



## Uniting Strengths

### 4.3 Safety First

Conch Venture formulated emergency plans for various safety incidents, and organized emergency drills for all employees in an orderly manner to strengthen employees' ability to respond to and deal with emergency safety incidents, striving to reduce the impact of safety incidents on personnel health. The Company carried out emergency drills with a variety of topics, including emergency safety incidents in chemical analysis operations, radiation accidents, electric shock injuries, high-temperature heatstroke, limited space accidents, lithium battery spontaneous combustion emergencies, mechanical injuries, lifting injuries, high-temperature burns, etc.

In addition to building an internal safety culture, Conch Venture has also actively participated in the exchange of external safety technical specifications and accumulated safety guidance experience to improve the overall safety operation level of the industry.

#### Drafting and compiling the Safety Technical Specification for Enterprises Engaging in Comprehensive Utilization of Waste Lithium Batteries

During the Reporting Period, Conch Venture was responsible for drafting and compiling the Safety Technical Specification for Enterprises Engaging in Comprehensive Utilization of Waste Lithium Batteries, which was designed to guide operators to correctly identify the safety risks and hazard sources of all system equipment of lithium batteries and improve their own safety awareness. By the end of the Reporting Period, Conch Venture had completed the project approval of the specification, and cooperated with external industry experts to streamline and improve the safety requirements of each aspect. Subsequently, we will invite leading enterprises in the waste lithium battery recycling industry to participate in the improvement of the standard, and carry out external review and standard release as soon as possible.

The atmosphere of safety and environmental protection created by Conch Venture has won external appreciations and recognitions. Specifically, Liuzhou Environmental Technology was awarded the title of Municipal Health Enterprise and Health Expert; Zongyang Environmental Protection won the title of Municipal Environmental Protection and Integrity Enterprise, Advanced Worker of County Safety Production; and Du'an Environmental Technology won the title of Municipal and County Health Enterprise and Municipal and County Health Expert.

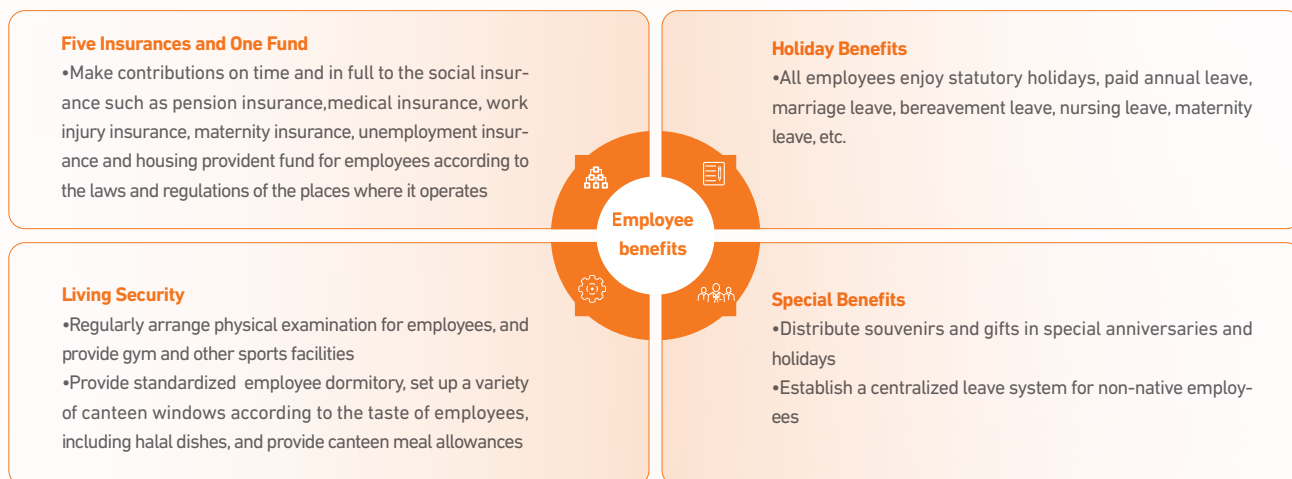
### 4.4 Care for Talents

Conch Venture fully recognizes and appreciates the efforts made by employees. We are committed to creating a competitive compensation and welfare system for our employees, with an aim to enable every employee to obtain a sense of happiness and belonging. Conch Venture actively maintains unimpeded communication channels, narrows the distance between employees by carrying out colorful activities for employees, and hugs each employee with love.

#### 4.4.1 Remuneration and Welfare

Conch Venture values the efforts of every employee. By complying with the *Social Insurance Law of the People's Republic of China*, the *Labor Law of the People's Republic of China* and other applicable laws and regulations of the places where it operates, Conch Venture provides competitive and attractive salaries and benefits for employees. Based on internal systems such as the *Implementation Plan for Salary Assessment of Departments and Offices* and the *Interim Measures for the Management of Gross Payroll Withdrawal*, Conch Venture has continuously improved its employee salary system. On the basis of the implementation plan and standard of annual salary assessment of all departments and offices, the Company takes the initiative to optimize the management mode of gross payroll withdrawal, so as to motivate the employees who have made significant contributions to the development of the Company and truly share the fruits of development with them.

Conch Venture has always stood in the position of employees to provide help and care for them, and regards meeting the needs of employees as the goal to create a multi-level welfare system. In addition, Conch Venture provides diversified and customized benefits exclusively for female employees, employees with disabilities and employees with special needs, so that each employee has a greater sense of gain and happiness.





# Uniting Strengths

## 4.4 Care for Talents

In addition to providing diversified benefits, Conch Venture promotes employees to balance their work and life, and guides all employees to participate in various outdoor interactions to enrich their spare time life, so as to improve team cohesion and enhance employees' sense of participation and belonging.

### Team building activities



In order to promote the interaction between employees, enhance the spirit of team cooperation and cohesive force in enterprise, all units of Conch Venture organize interesting and novel recreational activities on holidays and traditional festivals. The employees mobilized their intelligence and sweated in teamwork, felt the fun of games and the power of the team, and were fully immersed in the relaxed atmosphere of the team building activities.

### The 10th anniversary celebration of listing

In order to celebrate the 10th anniversary of Conch venture's listing, stimulate the passion of employees to create remarkable achievements with the Company, and create a good and harmonious atmosphere, the Company organized a gala evening with wonderful content, benefits and fun, creating a visual, auditory and taste feast for employees. Employees fully enjoyed the happy atmosphere of the gala and felt the warm care of the Company in a series of quiz, funny games and singing interactive activities.



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# Uniting Strengths

## 4.4 Care for Talents

### 4.4.2 Employee Communication

Conch Venture fully attaches importance to employees' suggestions and opinions, and actively maintains smooth feedback channels for employees, including suggestion box, rationalization suggestion wall, feedback channel of the Human Resources Department, feedback channel of the trade union, employee symposium, feedback channel of the Logistics Management Committee and other communication channels. Conch Venture strives to create a platform where employees can speak freely, regularly collects their voices and appeals and timely follows up and resolves.

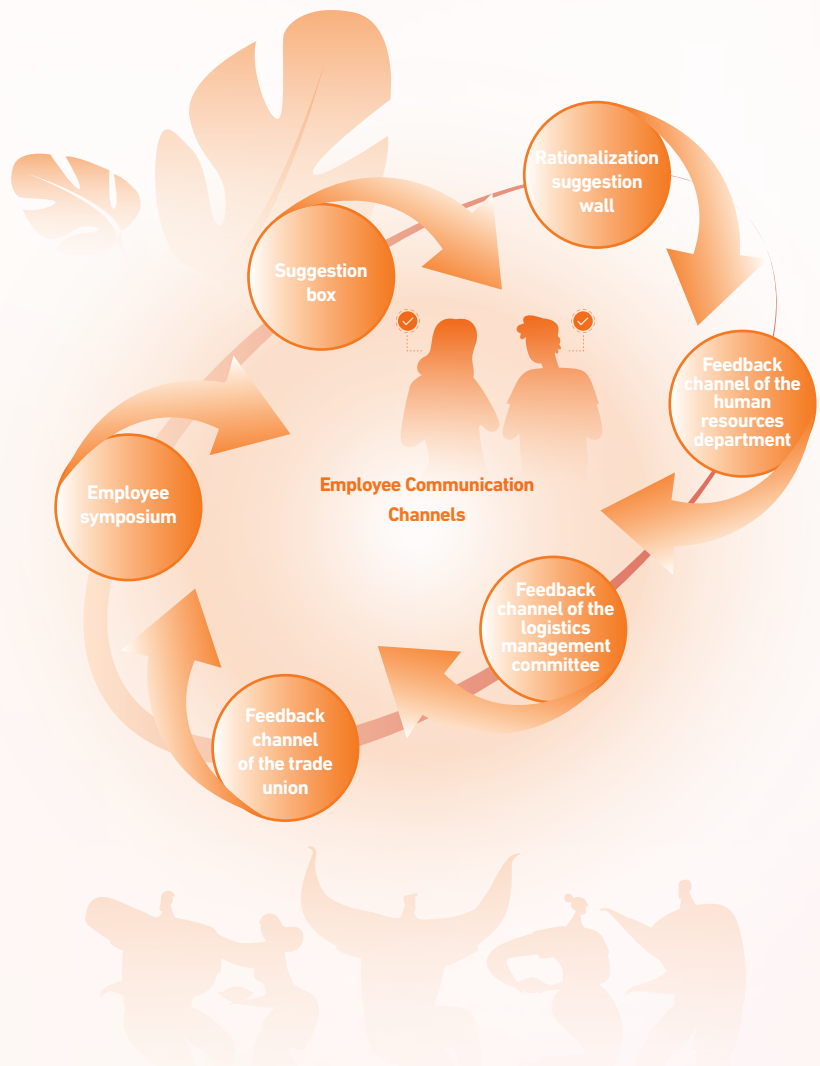
In order to more comprehensively and fully understand the needs of employees, Conch Venture regularly carries out satisfaction surveys on aspects such as employee dormitory and dining conditions, so as to continuously improve employees' experience of the life security services offered by the Company. Conch Venture advocates employees to put forward reasonable suggestions for the Company's operation and management, encourages more employees to participate in the collective management and construction. During the Reporting Period, we released brochures and videos for the 10th anniversary of Conch Venture's listing, and shared the fruits and achievements of the Company with employees, so as to inspire employees to have more sense of identity with the Company, and develop a solid relationship featuring with mutual understanding, mutual promotion and mutual benefit.



Brochure for the 10th Anniversary of Conch Venture and Listing



Promotion video for the 10th anniversary of Conch Venture and listing



Conch Venture resolutely safeguards and guarantees employees' right to join in the trade union, gradually promotes the signing of collective agreements, and fully provides employees with opportunities for freedom of association and freedom of speech. During the Reporting Period, we further expanded the size of the trade union, achieving the employee coverage rate of the trade union reaching 15%.

5

# Quality First

Conch Venture, with closely following the pace of the Carbon Peaking and Carbon Neutrality strategic requirements, insists on exploring the development opportunities in the field of environmental protection and new energy, comprehensively consolidates the product quality capability, continuously improves the level of customer service, and facilitates to achieve high-quality development while pursuing the improvement of research and development capacity.

# Quality First

## 5.1 Sustainable Innovation

### 5.1.1 R&D Management and Innovation Results

Conch Venture has always believed that product and technological innovation is the first driving force of enterprise development. We continue to recruit industry talents, improve the professional ability of our R&D team, optimize the existing technological processes, and promote advanced technology innovation, in bid to create a high standard and high efficiency R&D innovation platform.

With the perfect innovation management and innovation incentive mechanism, we fully tap into the innovation potential of professionals and employees, and leverage our own technology and resource advantages to actively cooperate with external universities and institutions to carry out technical cooperation and research project. During the Reporting Period, the Group and its subsidiaries carried out a total of 16 technical research projects, with a total R&D investment of RMB 57.85 million.

#### Project cooperation on lithium battery materials

In order to further enhance the height and depth of the research, Anhui CV New Energy cooperated with the relevant lithium materials research institutes of Shanghai Jiao Tong University and University of Shanghai for Science and Technology in 2023. This project is designed to produce lithium iron phosphate positive electrode material by using iron phosphate and lithium carbonate as raw materials, and adopts high temperature solid phase method to prepare lithium iron phosphate positive electrode material, which not only has scale production economy and stability, but also ensures the friendly production process to the environment. In the production process, nano technology, bulk phase doping technology and surface coating technology are adopted to effectively improve the first charge and discharge efficiency of the material, achieving high temperature, high pressure and high rate performance, recycling performance and battery grade sheet compaction density, as well as preparing lithium iron phosphate cathode material with excellent electrical and processing performance and low production cost.

In addition, we continue to pay attention to existing procedures and processes, combine advanced technologies in the industry and field, analyze and explore process improvement opportunities, and promote the continuous progress of products and services.

#### Optimization of waste incineration boilers

In order to reduce the environmental impact of waste incineration equipment and improve the quality of waste incineration treatment, CK Equipment optimized the equipment of SUN-type waste incineration boiler in 2023 and improved it into STP-type waste incineration boiler. Such optimization expanded the coverage of waste treatment types, effectively reduced the amount of dust falling from the grate gap, and improved the stability of waste combustion by achieving even air distribution. In addition, as the optimized incineration boiler grate sections are not inclined, the incinerator height is reduced, further reducing the boiler construction cost.

Conch Venture is a pioneer in CKB lithium battery recycling technologies in China. By actively responding to the Carbon Peaking and Carbon Neutrality strategy, we promote our deployment in the new energy industry in a stable manner. In recent years, we have made significant headway in R&D and innovation in CKB projects. During the Reporting Period, CV Recycling and Anhui CV New Energy enhanced the relevant technologies and processes of CKB projects, which helped to further improve the production efficiency and product quality.

#### Highlights of the CKB Project of CV Recycling

Automated battery feeding by installation of robot	Converting the crushing and sorting system from a hammer to a single shaft crusher
<ul style="list-style-type: none"> <li>By installing the robot automatic feeding system, batteries in the storage area are automatically grabbed and put on the conveyor belt, which effectively improves the efficiency of material feeding, save personnel input and reduce safety risks</li> </ul>	<ul style="list-style-type: none"> <li>By changing the form of material crushing from utilizing a hammer to a single shaft crusher to further reduce the generation of tiny particles in the crushing process and improve the purity of black powder</li> </ul>
Optimizing the size of material inlets and outlets for battery disposal	Negative pressure suction in place of positive pressure suction
<ul style="list-style-type: none"> <li>In order to further respond to the market and to broaden the range of sizes of used batteries to be processed, the material inlets and outlets are improved by adding guide plates and adjustable blocking devices</li> </ul>	<ul style="list-style-type: none"> <li>The use of negative pressure suction can avoid the touch of black powder with fan blades and shell, which can effectively reduce wear and tear to improve the service life of equipment</li> </ul>

# Quality First

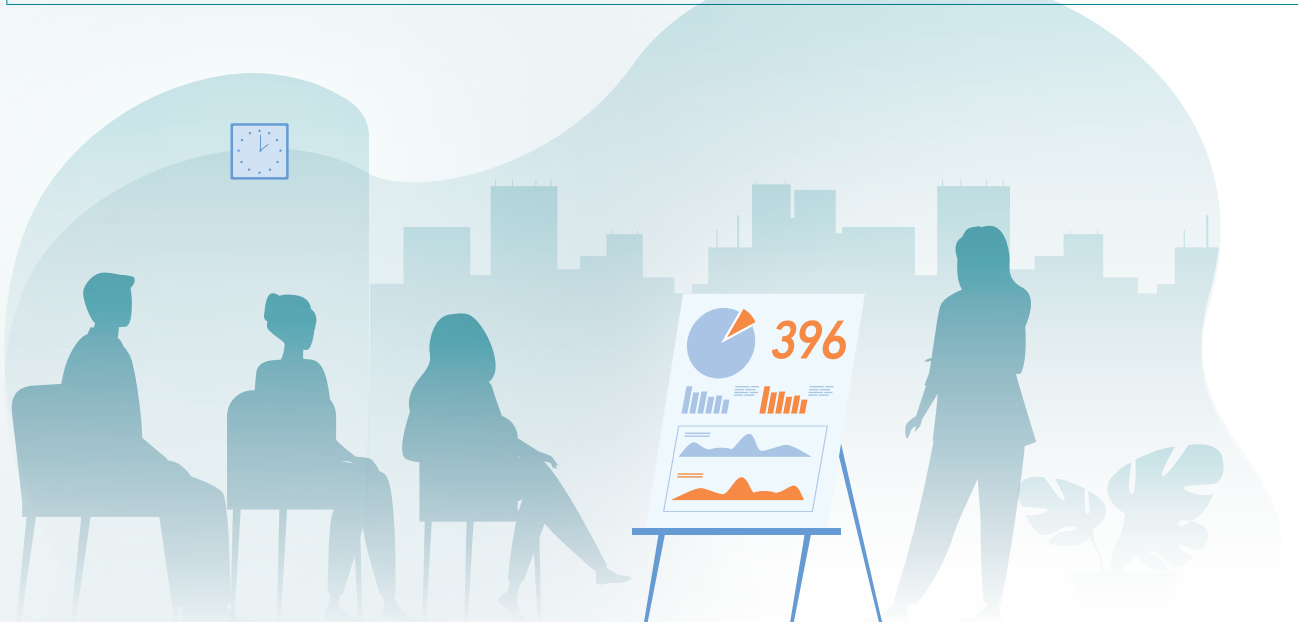
## 5.1 Sustainable Innovation

Highlights of the CKB Project of Anhui CV New Energy	
<b>Digital and smart production and management plant construction</b>	
<ul style="list-style-type: none"> <li>Establishing an EMS production and management system to optimize the management of the whole production process from order placement to product completion through information transfer</li> <li>Real-time monitoring the production process to respond and report in a timely manner and instructing and handling the production based on current accurate data, which can effectively guide the production and operation of the plant. In this way, timely delivery capacity of factory and material circulation can be improved while the yield on production will be greatly elevated</li> </ul>	
<b>Automatic technical transformation of post-processing system to reduce energy, consumption and improve quality</b>	
<ul style="list-style-type: none"> <li>Implementing technical transformation to the high clean constant temperature vacuum packaging workshop. Based on the existing packaging workshop, two sets of air-cooled modules was added for clean air processing and constant temperature and humidity control of the workshop, so as to realize the automatic control of vacuum temperature while achieving the whole-process automation of vacuuming and sealing</li> </ul>	

### 5.1.2 Protection of Intellectual Property Rights

Conch Venture highly values the protection and management of intellectual property rights in strict compliance 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 to prevent and prohibit any form of infringement. We have formulated internal regulations and systems such as the Provisional Measures for the Management of Intellectual Property Rights for Conch Environmental, which clearly define the management processes for patents and trademarks, etc. to build up intellectual property protection barriers and effectively protect our intellectual property rights. Conch Venture is committed to promoting the transformation of technological innovations into intellectual property rights, and enriching it through sustained effort. In 2023, the highlights of our patents are listed below:

Highlights of Patent Application		
Patent applications submitted <span style="font-size: 2em;"><b>62</b></span>	New patents awarded <span style="font-size: 2em;"><b>38</b></span>	Total Patents Awarded <span style="font-size: 2em;"><b>396</b></span>



# Quality First

## 5.1 Sustainable Innovation

### Highlight patent 1: high compaction density lithium iron phosphate (LFP) cathode material and its preparation method

In order to further improve the energy density of lithium iron phosphate (LFP) batteries, Anhui CV New Energy carried out the technical research on the preparation of high compaction density lithium iron phosphate (LFP) cathode materials during the Reporting Period and obtained the corresponding invention patent.

- Through in-situ polymerization, the composite organic carbon source is coated on the surface of  $\text{LiFePO}_4$ , and the composite material of  $\text{LiFePO}_4$  and carbon is obtained through high-temperature carbon process, which utilizes the different cracking temperatures of different carbon sources to realize the double-layer dense carbon coating to improve the graphitization degree of the material and reduce the resistance of the powder
- Fe doping helps to weaken Li-O bonds and increase the lattice volume, and Fe doping can expand the  $\text{Li}^+$  transport channel and suppresses Li/Fe antisite defects, which contributes to the improvement of the electrochemical performance
- D3 element in the  $\text{LiFePO}_4$  structure replaces part of the P sites and Fe sites at the same time, which promotes the production of  $\text{Li}^+$  vacancies and changes in the crystalline structure, increases the  $\text{Li}^+$  diffusion rate, and thus improves the multiplicity performance of the material

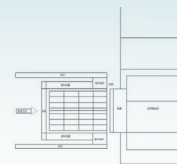
Based on the above methods and characteristics, the compaction density of lithium iron phosphate (LFP) materials has been increased with the highest compaction density increased from the past 2.3~2.4g/cm<sup>3</sup> to 2.6g/cm<sup>3</sup>, which met the need of improving the energy density of batteries.

### Highlight Patent 2: the preparation method of the covalent organic frameworks - carbon-coated cathode material and its application

Leveraging on the characteristics of covalent organic frameworks (COFs) materials, such as precise atomic positions, adjustable chemical compositions and specific pore structures, Anhui CV New Energy succeeded in suppressing the growth of lithium iron phosphate particles and obtained three-dimensional covalent organic frameworks materials with homogeneous morphology - carbon-coated lithium iron phosphate cathode materials, which improve the multiplicity performance and cycling performance of products. The cathode materials produced support 3C charging and discharging with cycling life reaching 5,000 times.

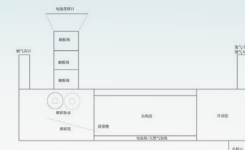
### Highlight Patent 3: An automatic feeding device for the recycling process of used lithium batteries

In order to realize the systematic and efficient processing, the used lithium batteries need to be sent on the conveyor belt in an orderly manner and by batches when they are sent to the production line. By automatically identifying the height of the battery layer, such equipment developed by CV Recycling can automatically lift and control the reciprocating movement of the feeding device to achieve a stable and orderly transfer of batteries from the battery pile to the conveyor belt, solving the efficiency problems that exist in the current industry characterized by manual feeding methods.



### Highlight Patent 4: A lithium battery heated rotary kiln with crusher

Disposal of used lithium batteries generally requires pre-treatment through "discharge + nitrogen protection crushing". The equipment developed by CV Recycling can directly crush used lithium batteries under low oxygen environment and conduct heat treatment to evaporate the electrolyte, solving the risks and hidden dangers of batteries crushing under electricity and realizing the process of evaporation of electrolyte by direct crushing heat treatment of complete batteries.



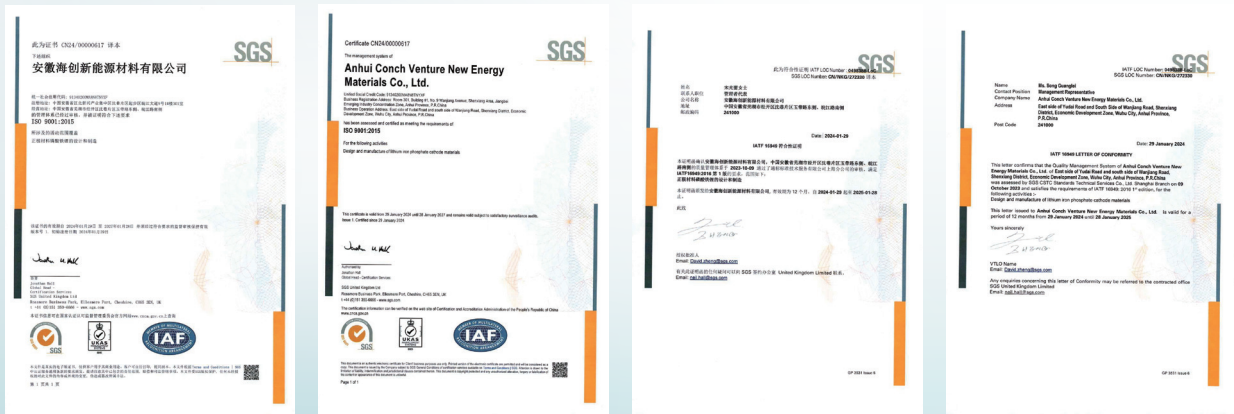
# Quality First

## 5.2 Quality Control

### 5.2.1 Quality Management System

Conch Venture is fully aware of the importance of sound quality control and quality safety to the sustainability of enterprises. We attach great importance to the quality management capability of project operations and the quality of products delivered by continuously monitoring the potential operation and product quality risks through the well-established safety operation management system and standardized quality management process, in order to build up the bottom line of product quality. We actively pursued quality management system certifications, with higher and more stringent quality management standards and requirements serving as the important guidelines for the Group's quality control work. 2023 saw the addition of a new subsidiary of the Group obtaining the IATF 16949 automotive quality system certification. As of the end of the Reporting Period, a total of 15 subsidiaries of the Group had obtained ISO 9001 quality management system certification.

IATF 16949 automotive quality system certification certificates of Anhui CV New Energy



### 5.2.2 Strict Quality Control

In order to effectively prevent, track and solve quality-related problems, we strictly implement relevant requirements of the Quality Management System to standardize the quality management in project operations and the whole cycle of product production. We also incorporate the quality performance into the performance assessment of the relevant responsible units and persons to strengthen the assessment of quality management, so as to build up an efficient and stable quality management team. During the Reporting Period, we applied KPS (Kawasaki Production System) in our quality management and took quality inspection as an important part in standardized work. To be specific, through the form of quality visualized display board, we continue to publicize quality cases and promote quality awareness to on-site personnel. At the same time, we make public the on-site quality assessment and quality briefings based on the actual situation, and compile the Quality Problem Aggregation Confirmation Sheet to urge the relevant personnel to strictly carry out quality management, comprehensively analyze the quality problems, and circumvent the quality risks.



Visualized Display Board of Quality Management

For production projects, we strictly control the quality management before, during and after the production, and continuously improve the quality of products through robust measures such as production staff handover, analysis of difficult points on product drawings, and product-specific reviews.

### Key measures of quality control in product production

- 1 • Analyze and summarize the problems of the previous products that have occurred, and provide the staff with instructions before the production of the products.
- 2 • Absorb and digest product drawings in advance to prevent making mistakes and manage difficulties in the production process
- 3 • Arranging personnel to conduct special reviews again during product completion inspections to prevent the recurrence of the same problems
- 4 • Focusing on the key processes by advancing the timing of inspection from the completion inspection to the production process, and controlling the key links by increasing video inspection and other means, in order to change the supervision method from conducting supervision and assessment after the production to carrying out supervision in the course of production

# Quality First

## 5.2 Quality Control

In addition, during the Reporting Period, we strengthened the quality inspection of production equipment to ensure that the daily inspection and routine inspection of equipment were carried out on time, so as to timely detect and prevent quality problems in the process of equipment production, and to ensure the quality and safety of the production and the operation. For the problems found in patrol inspections, we resort to repair review & validation and spare parts cross-reserve plans to follow up the handling of quality problems to ensure that such problems are completely solved.

Ways to address equipment quality problems	
<b>Spare parts cross-reserve</b>	<b>Repair review &amp; validation</b>
<ul style="list-style-type: none"> <li>Develop the spare parts cross-reserve plan to ensure system abnormalities to be effectively resolved.</li> </ul>	<ul style="list-style-type: none"> <li>Review and analyze proposed repair items, and validate the results of repair to ensure repair quality.</li> </ul>

Based on the complete quality management system and strict quality control measures, during the Reporting Period, Conch Venture saw each subsidiary operate steadily; no reported active or passive product recalls due to product safety or health related quality problems.

### 5.2.3 Quality Awareness Improvement

Through quality and cases study meetings, skill training and various training activities on quality improvement, Conch Venture actively promotes the construction of quality culture and the improvement of employees' quality awareness, and is committed to creating a high standard and penetrating quality culture atmosphere for all employees.

Quality summary meetings	Case study meetings	Skill training
Regularly organize quality improvement meetings to review quality work at different departments, analyze existing problems and risks and develop prevention measures.	Sort and distribute past cases, and organize employees to study the cases to prevent occurrence of accidents.	Carry out technical training for project staff to reinforce their professional skills and ensure production quality.

### Quality Awareness Improvement Training



### Anhui CV New Energy conducts quality awareness training for new employees

To ensure production safety and product quality, Anhui CV New Energy conducts quality awareness training for all new employees every year. The training revolves around "what is quality, what are the characteristics of quality, the specific manifestations of quality awareness, how to improve our quality awareness and self-reflection" and other aspects. Each new employee is required to participate in quality examination and evaluation. Only employees who pass the examination can receive subsequent professional training. Employees who fail the examination will be retrained for make-up exams. Those who fail the make-up exams will be re-assigned or dissuaded. In addition, during the Reporting Period, Anhui CV New Energy conducted a total of 11 quality awareness trainings for the supply department, quality department and management personnel of various departments, strictly implementing quality management requirements to ensure the penetration and transmission of quality culture across the company.





# Quality First

## 5.2 Quality Control

### CV Recycling carried out whole-process quality management and production control process training

During the Reporting Period, to further improve the production practical skills of employees and ensure production safety and product quality, CV Recycling carried out production quality training for different types of employees. The training covers the fields of process, quality, machinery, electrical, safety and environmental protection, and makes detail explanation and analysis focusing on the control and improvement measures of the parameters related to the recycling and utilization of lithium battery, the introduction of air retrieval control system, the operation guidance and operation control of preheater, and the summer operation of electrical equipment, and other key aspects. This training has greatly improved the quality awareness of employees and built a solid quality foundation for the whole process management of production. In addition, in 2023, CV Recycling conducted a total of 9 quality awareness improvement trainings for the safety production, engineering management, marketing management and other relevant departments, comprehensively improving quality management levels and cultivating a quality culture involved by all employees.



## 5.3 Service-Led Development

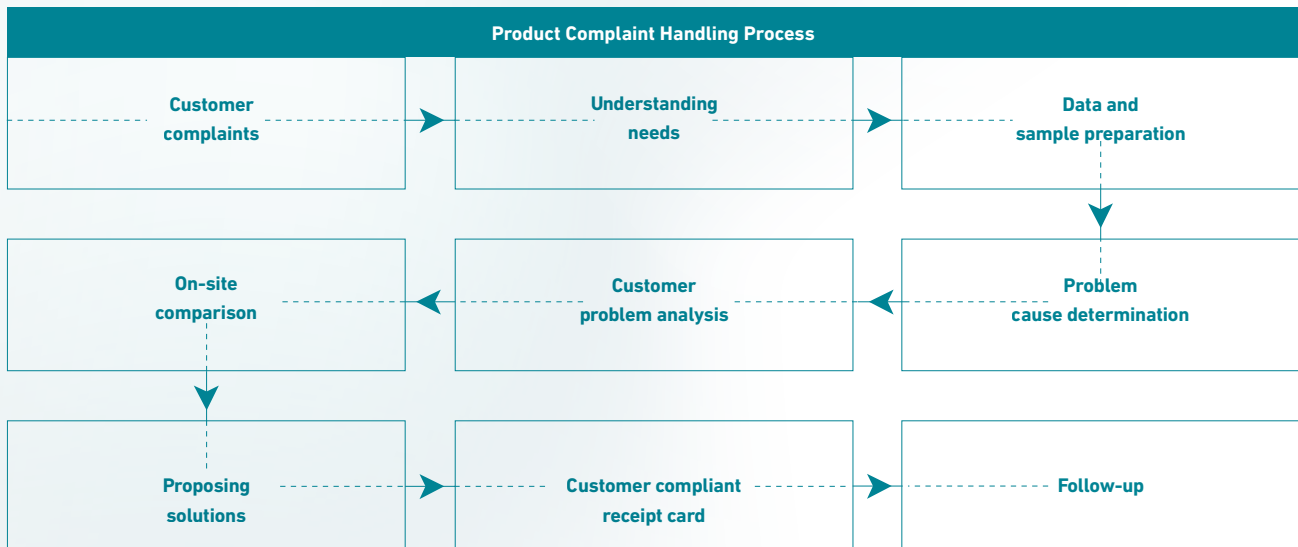
### 5.3.1 Customer Experience

Adhering to the "customer-centric" service philosophy, Conch Venture constantly improves and optimizes customer service processes and mechanisms, develops feedback channels that meet the needs of customers, and is committed to providing customers with industry-leading service and protecting their rights and interests.

We have established systems to strictly implement the requirements of customer service and after-sales treatment, clarify the standard process of customer management, and regulate customer management behavior. For example, for the sales of new panel products, we have formulated internal rules and regulations 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*, etc. to provide effective guidance for sales and waiting services.

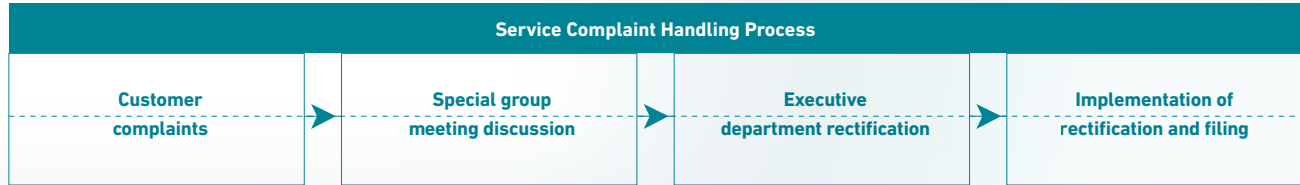
In addition, we provide customers with a variety of feedback and communication channels, including hotline, fax, email and WeChat, to meet customer demands in time and hear every feedback and suggestion from them, thereby constantly improving our service.

For every customer feedback and complaints, we have established an efficient and timely complaint handling mechanism. After receiving customer complaints, we will give a response within 24 hours, and start the investigation, verification, settlement and follow-up at the earliest time possible to ensure every complaining customer can receive satisfactory and timely response and treatment.



# Quality First

## 5.3 Service-Led Development



To measure the Group's customer service ability and customer management effectiveness, Conch Venture has formulated a scientific and sound customer satisfaction management and control system and a satisfaction survey plan according to the type and scale of products sold, which provide a strong basis for continuous improvement and enhancement of customer services. During the Reporting Period, among various business segments of Conch Venture, the customer satisfaction of CK Equipment, CK Engineering, CK Shanghai, port logistics, and new building materials business all exceeded 98%.

### 5.3.2 Customer Privacy Protection

Conch Venture strictly abides by the relevant requirements for consumer privacy protection in the *Protection of Consumer Rights and Interests of the People's Republic of China* and other laws and regulations, fully respects customers' rights to privacy, and continuously strengthens customer privacy and information protection. During the Reporting Period, the Group saw no data or privacy leakage accidents.

Conch Venture's Measures Related to Information Security and Privacy Protection		
We carry out basic knowledge training on commercial confidentiality, compliance obligations and legal responsibilities for all employees to improve their awareness of customer privacy protection.	In the signing of the business cooperation agreements, we make clear the obligations and responsibilities of each party in data protection to avoid improper infringement.	We store data through encrypted storage, and set permissions on the information system to safeguard customer privacy security.



# Quality First

## 5.4 Supply Chain Management

Conch Venture is committed to building a standardized, stable, efficient and responsible supply chain system. We always regard supply chain management as an important factor in sustainability management. Through a sound supplier lifecycle management process and a scientific supplier evaluation and assessment mechanism, we constantly consolidate the win-win cooperation between the Group and suppliers and promote the high-quality development of the value chain.

### 5.4.1 Supplier Access

The Group has formulated internal management systems such as *the Procurement Management Measures and the Agreement on Safety Production Management of Construction Projects* to clarify the access criteria for suppliers and contractors, and standardize the procurement of raw materials for products. Meanwhile, we carry out multi-dimensional screening and inspection of suppliers to ensure that the qualification, supply ability, product and service quality of suppliers can meet the standards required by the relevant systems of the Group.

Supplier Access 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

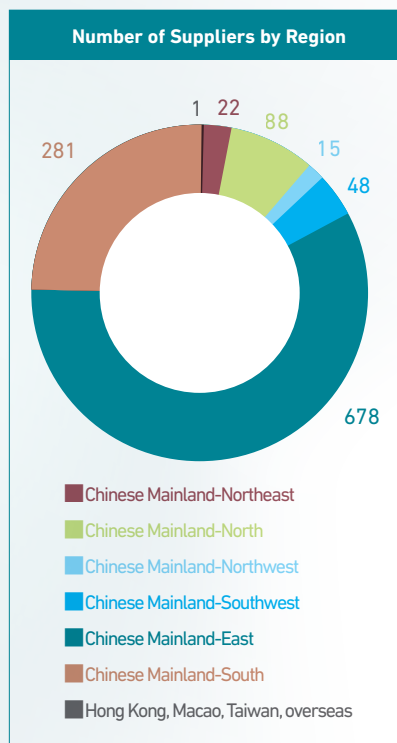
In the process of supplier qualification review, we give priority to suppliers who have obtained relevant qualification certificates in terms of environment, safety, health and quality, and urge suppliers with incomplete certificates to obtain the relevant certification as soon as possible.

In addition to qualification screening, Conch Venture is highly concerned about the social and environmental risks of suppliers in the supplier access process, and takes pre-emptive measures to regulate supplier behavior. For example, in the bidding stage, we made it clear that the contractor should purchase the "construction project safety production liability insurance" with the compensation of no less than RMB 1 million per person for work-related fatality, require the contractor to set up a special deposit account for the workers' wages in the local bank in accordance with the requirements of the Ministry of Human Resources and Social Security, and urge the construction unit to implement the human rights protection of employees. In addition, we require suppliers and contractors to sign the "Safety and Environmental Protection Agreement" to ensure that the products meet the environmental requirements and regulate the contractor's post-execution behavior.

Conch Venture holds a "zero tolerance" attitude towards all corrupt practices. We adhere to the ethical bottom line of integrity and implement the integrity requirements for relevant parties. We include anti-corruption and other related requirements in the supplier contract terms or add an integrity initiative letter in the sales contract to

ensure that all suppliers sign integrity agreements, constrain their business behavior, and regularly communicate integrity thought to suppliers.

As at the end of the Reporting Period, Conch Venture had a total of 1,133 suppliers of various kinds and the distribution is as follows:



### 5.4.2 Supplier Evaluation and Assessment

To strengthen supplier supervision and improve suppliers' service and product quality, Conch Venture has established a complete evaluation and assessment mechanism. We regularly assess suppliers in multi-dimensional scoring, and eliminate suppliers that fail to meet the average target score, and constantly urge suppliers to solve problems and make improvement to achieve mutual benefits for each other.

Supplier Rating and Elimination Mechanism
<p><b>Supplier rating mechanism</b></p> <ul style="list-style-type: none"> <li>Company departments rate suppliers in terms of delivery timeliness, product quality, product prices and service quality, etc.</li> </ul>
<p><b>Supplier elimination mechanism</b></p> <ul style="list-style-type: none"> <li>Eliminate the suppliers with an average score of less than 60</li> </ul>

# Quality First

## 5.4 Supply Chain Management

### 5.4.3 Supplier Support

Leveraging its own technical and resource advantages, Conch Venture has put in place a long-term mechanism for regular communication with and an empowerment program for suppliers. We actively fulfill our corporate social responsibility, tutor suppliers in all aspects through joint discussions, special training and other diversified communication channels, and work to build partnership on a mutual-trust, win-win and benefits-sharing basis to promote the common growth of suppliers and the Group.

#### CK Equipment Carried Out Technical Guidance for Suppliers

In order to solve the problems of delivery difficulties and repeated rework caused by inadequate experience of some contractors in assembling water cooling wall, in July 2023, CK Equipment carried out technical guidance for the projects contractors in Gengma, Yunnan Province and Zhuanglang, Gansu Province, and sent professional technicians to the production site in time for on-site supervision, drawing review and quality inspection in the production process. Finally, the informed amount of product delivery was successfully completed.



Installation of Water Cooling Wall on Site



Installing Four Screens on Left and Right Walls of the Flue

In September 2023, CK Equipment sent quality inspectors to inspect the quality of the boiler steel structure at the site, and found that the production experience of the outsourcing company was poor and their product quality was not under control. Accordingly, CK Equipment designated a specialized quality inspector to inspect the product quality every day, so as to avoid quality problems and help the outsourcing company improve quality control.



Boiler Steel Structure

# 6

# Community Engagement

While pursuing steady development, Conch Venture recognizes its social responsibility as a "corporate citizen" and strives to devote itself to industry development and social welfare undertakings. We continue to pay attention to the social needs of education, poverty alleviation, environmental protection and other social welfare areas, and give back to society with practical actions by utilizing its own technical and resource advantages.

# Community Engagement

## 6.1 Industry Co-construction

As a leading integrated environmental protection enterprise group in China, Conch Venture is committed to exploring, researching and addressing critical and forward-looking technical difficulties in the fields of environmental protection and new energy together with outstanding peers. While promoting technological progress and product innovation, we actively participate in influential industry activities at home and abroad and gain insight into advanced technologies and concepts in the industry, so as to share the development achievements with the industry and realize win-win situation for all parties.

### CV Green Energy Participated in the ASEAN Waste to Energy Week 2023 in Thailand

To better develop Thailand's waste-to-energy market, CV Green Energy was invited to participate in the ASEAN Waste to Energy Week 2023 from October 18 to 20, 2023. CK Shanghai, a company engaged in overseas business of CV Green Energy, dispatched sales employees to participate in the exhibition together with the employees from the development department of CV Green Energy. The exhibition enabled us to further understand the policies of Thailand and other ASEAN countries on waste-to-energy projects, potential project information and the development of the existing waste treatment market. It also demonstrated the strong strength, extensive experience and advanced technology of CV Green Energy in providing waste-to-energy one-stop services from investment, EPC construction and operation, which contributes to accelerate the overseas strategic expansion of the Group.



### CK Engineering Participated in the 24th IE EXPO China 2023

On April 19, 2023, representatives of CK Engineering attended the 24th IE EXPO China held at Shanghai New International Expo Center (SNIEC). The EXPO attracted 2,407 exhibitors from 25 countries and regions, which displayed the latest environmental solutions including sewage treatment, waste treatment, air treatment, site remediation, and environmental monitoring. The EXPO also demonstrated the innovation capability of China's environmental protection industry in terms of materials, equipment, technologies and complete solutions, providing a good exchange and communication platform for environmental protection companies in various fields, and promoting the development of environmental protection technology in Asia and the world at large.



### Anhui CV New Energy Attended the 8th China International New Energy Conference and Industry Expo and the 15th China International Battery Fair (CIBF2023) Held by SMM

The 8th China International New Energy Conference and Industry Expo and the 15th China International Battery Fair (CIBF2023) held by SMM were held in Changsha from May 8 to 10, 2023 and Shenzhen from May 16 to 18, 2023, respectively. In order to better understand customers, increase information communication and accelerate market development, Anhui CV New Energy was invited to participate in the conferences. By participating in the conferences, we further understood the development status of battery industry, cutting-edge technologies in battery and its upstream and downstream materials, as well as application markets and development prospects and trends of batteries. Besides, we publicized and displayed the technological strength and market service standard of Anhui CV New Energy through on-site exchanges, communication and negotiation, and reserved a number of high-quality potential customers, which facilitated the Group to accelerate the development of the new energy materials market.



### CV Recycling Attended China Lithium Recycling Industry Summit Forum

To learn about the latest industry dynamics, CV Recycling attended China Lithium Recycling Industry Summit Forum in Hefei from September 14 to 15, 2023. A total of approximately 400 company representatives participated in the recycling summit and had an exchange on the waste battery recycling industry. At the forum, several experts shared their valuable experience and insights, and made a profound analysis of the lithium recycling industry.



# Community Engagement

## 6.2 Giving Back to Society

Staying true to our original aspiration and keeping in mind the mission of "creating a better home for the future of mankind", Conch Venture continues to create value for the society, contribute to the society, and feed back to the society through diversified forms of public welfare such as public environmental protection education, fund donations and rural poverty alleviation. During the Reporting Period, the subsidiaries of the Group received a total of 5,680 social visits, with a total of 34,590 visitors, and the total investment in public welfare reached RMB105,000.

### Baoshan Environment Launched the Environmental Protection Facility Visit Activity

With the increasing efforts on public visits, "zero distance" understanding of environmental protection process has become a new trend of environmental protection. On February 19, 2023, Baoshan Environment welcomed the first visiting team this year – "Sanitation Delegation from Youwang Town, Shidian County", which consisted of 18 members, including village and community secretaries of Youwang Town, Shidian County, the chairman of Wang Town Sanitation Integration Company, and sanitation workers' representatives. Baoshan Environment all departments actively cooperated with the visit in accordance with the established visit plan by introducing the technology and principle of power generation projects for the visiting team, thus successfully popularising the public science on waste treatment process.



### Lujiang No. 2 Middle School Jointly Launched the Waste Classification Education Activity with Lujiang Environmental Protection

On the afternoon of April 6, 2023, the 10th grade students of Lujiang No. 2 Middle School came to Lujiang Environmental Protection for visit and study. The students felt the magical technology of "turning waste into treasure" through on-site exchanges and studies. This activity enhanced students' environmental awareness of waste classification and effectively enhanced their environmental protection awareness.

### Tongren Engineering Carried out Assistance Activities in Xinzhuang Village

In active response to the requirements of the government for in-depth rural revitalization assistance, and to strengthen rural revitalization assistance, on the afternoon of May 30, 2023, the leaders of Tongren Engineering visited Xinzhuang Village and provided assistance to the poverty alleviation industry of "immortal grass" cultivation in Bijiang District, Tongren City. After receiving the asking-for-help from the Party secretary of Xinzhuang Village where the company is located, and learning about the funds shortage of the local poverty alleviation industry of "immortal grass" cultivation, Tongren Engineering responded positively and immediately visited Xinzhuang Village to help it solve the urgent difficulty.



### Pingguo Environmental Launched Action on Caring for the Elderly at Chung Yeung Festival

In order to further demonstrate its corporate social responsibility, Pingguo Environmental and the representatives of the surrounding enterprises jointly launched a warm-hearted condolence activity named "Blessing in Autumn, Love in Chung Yeung" on the special day of the traditional Chung Yeung Festival. In the morning of October 23, 2023, under the leadership of the village party secretary and other cadres of the Nali Community Party Branch in Matou Town, Pingguo City, Pingguo Haichuang Company went to Wai Sangtun, Nali Community, visited and condolences to the elderly in the community, sent condolences and warm blessings, expressed its care about their living conditions and physical conditions, fully demonstrated the responsibility of the enterprise for social responsibility, and made the elderly feel the warmth and care from the society.



Going forward, Conch Venture will adhere to the dedication spirit of "benefiting the public when in abundance", shoulder the corporate responsibility, continue to pay attention to and actively respond to the needs of the society, and continue to promote the common progress and sustainability of the society.

## Appendix I - HKEx Guide

### Content Index of HKEx ESG Reporting Guide

ESG Areas, General Disclosures and KPIs			Section
<b>Environmental</b>			
<b>A1:Emissions</b>	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.	3.3 Green Emission 3.4 Climate Change
	KPI A1.1	The types of emissions and respective emissions data.	3.3 Green Emission
	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).	3.4 Climate Changes
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3 Green Emission
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	3.3 Green Emission
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	3.3 Green Emission
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and description of reduction target (s) set and steps taken to achieve them.	3.3 Green Emission
<b>A2:Use of Resources</b>	General Disclosures	Policies on the efficient use of resources, including energy, water and other raw materials.	3.5 Cherish Resources
	KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	3.5 Cherish Resources
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	3.5 Cherish Resources
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	3.5 Cherish Resources
	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.	3.5 Cherish Resources
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	3.5 Cherish Resources
<b>A3: The Environment and Natural Resources</b>	General Disclosures	Policies on minimising the issuer's significant impacts on the environment and natural resources.	3.2 Environmental Operation 3.5 Cherish Resources
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3.2 Environmental Operation 3.5 Cherish Resources
<b>A4: Climate Change</b>	General Disclosures	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	3.4 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.	3.4 Climate Change
<b>Social</b>			
<b>B1: Employment</b>	General Disclosures	Information on:(a) The policies; and(b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal recruitment and promotion, working hours, rest periods, equal opportunity, diversity anti-discrimination and other benefits and welfare.	4.1 Diverse Talents
	KPI B1.1	Total workforce by gender, employment type (for example, full-time or part-time), age group and geographical region.	4.1 Diverse Talents
	KPI B1.2	Employee turnover rate by gender, age group and geographical region	4.1 Diverse Talents
<b>B2: Health and safety</b>	General Disclosures	Information on:(a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	4.3 Safety First
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years, including the reporting year.	4.3 Safety First
	KPI B2.2	Lost days due to work injury.	4.3 Safety First



## Appendix I - HKEx Guide

### Content Index of HKEx ESG Reporting Guide

	KPI B2.3	Description of occupational health and safety measures adopted and how they are implemented and monitored.	4.3 Safety First
<b>B3: Development and Training</b>	General Disclosures	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	4.2 Talents Development
	KPI B3.1	The percentage of employees trained by gender and employee category(e.g. senior management, middle management).	4.2 Talents Development
	KPI B3.2	The average training hours completed per employee by gender and employee category.	4.2 Talents Development
<b>B4: Labour Standards</b>	General Disclosures	Information on:(a) The policies; and(b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4.1 Diverse Talents
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	4.1 Diverse Talents
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	4.1 Diverse Talents
<b>B5: Supply Chain Management</b>	General Disclosures	Policies on managing environmental and social risks of the supply chain.	5.4. Supply Chain Management
	KPI B5.1	Number of suppliers by geographical region.	5.4 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.	5.4 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.	5.4 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.	5.4 Supplier Management
<b>B6: Product Responsibility</b>	General Disclosures	Information on:(a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	5.3 Service-Led Development
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.2 Quality Control
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	5.3 Service-Led Development
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	5.1 Sustainable Innovation
	KPI B6.4	Description of quality assurance process and recall procedures.	5.2 Quality Control
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	5.3 Service-Led Development
<b>B7: Anti-corruption</b>	General Disclosures	Information on: (a) The policies; and(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	2.3 Responsible Operation
	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.	2.3 Responsible Operation
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	2.3 Responsible Operation
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	2.3 Responsible Operation
<b>B8: Community Investment</b>	General Disclosures	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.2 Giving Back to Society
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.2 Giving Back to Society
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.2 Giving Back to Society

## Appendix II - ESG data

### Environmental data

All performance indicators	Unit	Performance indicator data
Main business revenue	RMB 1,000,000	8,015
Nitrogen oxides (NO <sub>x</sub> ) emissions	Tonne	7,925
Sulfur dioxide (SO <sub>2</sub> ) emissions	Tonne	1,968
Particulate matter emissions	Tonne	373
Carbon monoxide (CO) emissions	Tonne	706
Hydrogen Chloride (HCl) emissions	Tonne	882
Hydrogen Fluoride (HF) emissions	Tonne	1.8
Greenhouse gas direct emissions (Scope 1)	Tonne of CO <sub>2</sub> e	49,305
Greenhouse gas indirect emissions (Scope 2)	Tonne of CO <sub>2</sub> e	62,926
Total greenhouse gas emissions (Scope 1 + Scope 2)	Tonne of CO <sub>2</sub> e	112,231
Greenhouse gas emissions per unit of revenue	Tonne of CO <sub>2</sub> e / RMB 1,000,000	14.0
Direct energy consumption	Tonne of standard coal equivalent	16,047
Indirect energy consumption	Tonne of standard coal equivalent	13,819
Total energy consumption (Direct + Indirect)	Tonne of standard coal equivalent	29,866
Energy consumption per unit of revenue	Tonne of standard coal equivalent / RMB 1,000,000	3.7
Total amount of hazardous wastes generated	Tonne	476,808
Amount of hazardous wastes generated per unit of revenue	Tonne of hazardous waste / RMB 10,000	0.59
Total amount of general solid wastes generated	Tonne	2,829,688
Amount of general solid wastes generated per unit of revenue	Tonne of non-hazardous waste / RMB 10,000	3.5
Total amount of wastewater discharged	Tonne	483,136
Wastewater discharged per unit of revenue	Tonne / RMB 1,000,000	60.28
Total water consumption	Tonne	26,992,291
Water consumption per unit of revenue	Tonne / RMB 1,000,000	3,367
Total amount of packaging materials used	Tonne	814
Amount of packaging materials used per unit of revenue	Tonne / RMB 1,000,000	0.10

### Social data

All performance indicators	Unit	Performance indicator data
Total number of employees	People	6,225
Full-time employees	People	6,137
By gender	Male	5,009
	Female	1,128
By rank	Senior management	10
	Middle management	192
	General management	510
	General staff	5,425
By age	Under 30	2,253
	30-50 years old	3,641
	Over 50	243
By region	Northeast region	345
	North China region	342
	Northwest Region	441
	Southwest region	1,269
	East China region	2,822
	South China region	846
	Hong Kong, Macao, and Taiwan	3
Overseas area	69	
Employee turnover rate	%	11.70
By gender	Male	11.78

## Appendix II - ESG data

### Social data

All performance indicators		單位	績效指標數據
By gender	Female	%	9.22
By age	Under 30	%	24.63
	30-50 years old	%	3.82
	Over 50	%	0
By region	Northeast region	%	9.28
	North China region	%	15.50
	Northwest Region	%	14.74
	Southwest region	%	12.84
	East China region	%	11.55
	South China region	%	5.67
	Hong Kong, Macao and Taiwan	%	0
	Overseas area	%	10.14
Number and rate of work-related fatalities	2021	People	0
		% <sub>00</sub>	0
	2022	People	0
		% <sub>00</sub>	0
	2023	People	0
		% <sub>00</sub>	0
Number of lost days due to work injury		Day	563
Total employee training time		Hour	938,730
Percentage of employees get trained		%	100
By gender	Male	%	81.62
	Female	%	18.38
By rank	Senior management	%	0.16
	Middle management	%	3.13
	General management	%	8.31
	General staff	%	88.40
Average length of employee training		Hour	150.8
By gender	Male	Hour	150.8
	Female	Hour	150.8
By rank	Senior management	Hour	150.8
	Middle management	Hour	150.8
	General management	Hour	150.8
	General staff	Hour	150.8
Number of Suppliers		/	1,133
By region	Northeast region	/	22
	North China	/	88
	Northwest China	/	15
	Southwest China	/	48
	East China	/	678
	South China	/	281
	Hong Kong, Macao, Taiwan, and overseas area	/	1
Percentage of products recalled for safety and health reasons		%	0
Number of complaints about services and products		/	0
Number of corruption cases		/	0
Anti-corruption training for board members		Number of people	9
		Hour	28
Employee anti-corruption training		Person-time	360
		Hour	28

如中英文版有差異，以中文版本為準。

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





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## 2023年環境、社會及管治(ESG)報告

2023 ENVIRONMENTAL,  
SOCIAL AND GOVERNANCE  
(ESG) REPORT