

2023 KEDA INDUSTRIAL GROUP

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT



About this Report

Overview

The 2023 Environmental, Social and Governance Report ("the Report") is the 13th social responsibility-related report of Keda Industrial Group Co., Ltd. ("the Company" or "Keda Group"), with an aim to disclose the Company's environmental, social and governance management, measures and outcomes in a transparent and open manner and in response to stakeholders' concern and expectation about the Company's sustainability management.

Scope of Reporting

This is an annual report covering the period from 1 January to 31 December 2023, some parts of which are outside the above scope and are otherwise stated. Specifically, the coverage scope of key economic, social and governance performance indicators disclosed in this Report is consistent with that of consolidated financial statements, and only 13 domestic major business units¹ are included in the coverage scope of environmental performance indicators. As the Company continues to increase sustainable development efforts and improve the internal information collection system, it will gradually expand the breadth and depth of disclosure.

Preparation Basis

This Report is prepared in accordance with relevant guidelines of the Shanghai Stock Exchange on the preparation of social responsibility reports and refers to the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board and other relevant guidelines.

Notes to Titles

For ease of reading, Keda Industrial Group Co., Ltd. is also referred to as "Keda Group", "the Company" or "we" in this Report. "Keda Foshan Industrial" refers to "Keda Foshan Industrial Co., Ltd."; "Anhui Keda Industrial" refers to "Anhui Keda Industrial Co., Ltd."; "HLT" refers to "HLT Industry Co., Ltd."; "Anhui Keda Smart Energy" refers to "Anhui Keda Smart Energy Technology Co., Ltd."; "Anhui New Materials" refers to "Keda (Anhui) New Material Co., Ltd."; "Keda (Anhui) Clean Energy" refers to "Keda (Anhui) Clean Energy Co., Ltd."; "DLT" refers to "DLT Technology Co., Ltd."; "Fujian Keda New Energy" refers to "Fujian Keda New Energy Technology Co., Ltd."; "Guangzhou Agate" refers to "Guangzhou Agate Technology Co., Ltd."; "Sunda Group" refers to "Sunda Group Co., Ltd."; "Lanke Lithium Industry" refers to "Qinghai Yanhu Lanke Lithium Industry Co., Ltd."; "Keda (Turkey)" refers to Keda Turkey Makine Ticaret Limited Şirketi; "Sinocera Materials" refers to "Shandong Sinocera Functional Materials Co., Ltd."; "SinoCera Create-Tide" refers to "Shandong Sinocera Create-Tide New Materials High-Tech Co., Ltd."; "FDS" refers to "F.D.S. Ettmar S.r.l."; "Keda Senegal" refers to "Keda (SN) Ceramics Company Limited"; Keda Zambia refers to "Keda Zambia Ceramics Company Limited"; and "Keda Ghana" refers to "Keda (Ghana) Ceramics Company Limited".

¹ 13 domestic major business units: Keda Industrial Group Co., Ltd., Keda Foshan Industrial Co., Ltd., Shaoguan Keda Machinery Manufacturing Co., Ltd., HLT Industry Co., Ltd., HLT Technology Co., Ltd., DLT Technology Co., Ltd., Anhui Keda Industrial Co., Ltd., Maanshan KEDA-SUREMAKER Industrial Co., Ltd., Fujian Keda New Energy Technology Co., Ltd., Anhui Keda New Materials Co., Ltd., Anhui Keda Platinum Platform Energy Technology Co., Ltd., Anhui Keda Purui Energy Technology Co., Ltd. and Guangdong Keda New Energy Equipment Co., Ltd.

Notes to Data

The data, management mechanisms and cases contained in the Report are derived from the original records or financial reports of the Company's actual operations. Financial data in the Report are in RMB. In case of discrepancies between financial data and the Company's annual financial reports, the latter shall prevail.

Forward-looking Statements

This Report contains forward-looking statements that are based on current expectations, estimates, forecasts, beliefs and assumptions about the business and markets in which the Company and its subsidiaries operate and are not guarantees of future performance. Our performance may be affected by market changes, uncertainties and factors beyond Keda Group's control. As a result, actual results and returns may differ significantly from the assumptions made and the statements contained in this Report.

Reliability Statement

Keda Group undertakes that nothing in the Report contain any false statements, misleading statements or material omissions, and the Board of Directors of the Company assumes individual and joint responsibility for the truthfulness, accuracy and completeness of the information herein.

Report Access

This Report is published in both print and electronic format. The print version is available in the Company's Securities Department.

The electronic version is available on the Company's official website (<http://www.kedachina.com>) and the website of the Shanghai Stock Exchange (<http://www.see.com.cn>).

Contact Us

Keda Group encourages all stakeholders to make advice or comments on the Company's efforts on sustainability and social responsibilities. For any relevant matters, please email to 600499@kedachina.com.cn.

Contents

01

About this Report	1
Chairman's Message	5
About Keda Group	7
ESG Governance System	17

Make Every Effort to Solidify Governance

Corporate Governance System	23
Protecting Shareholder's Rights	25
Risk Management and Internal Control System	28
Integrity and Business Ethics	29

02

Craftsmanship-based Intelligent Manufacturing for Innovative Empowerment

Innovation-driven Development	33
Digital Transformation	38
Products Quality Management	39
Improve the Customer Service	42
Data Security and Privacy Protection	45
Responsible Supply Chain	45

03

Green Development for a Low-carbon Future

Green Goals	49
Provide Green Products and Low-carbon Solutions	50
Enhance Ecological Environmental Governance Capabilities	52
Address and Responding to Climate Change Issues	54
Build and Improve Green Operation System	56

04

Attract Talent and Gather Outstanding Individuals

Employee Employment	63
Employee Compensation and Benefits	65
Employee Training and Development	70
Occupational Health and Safety	74

05

Engage in Public Welfare and Contribute to Society

Rural Revitalisation	83
Promote Community Development	83

Attachment

Key Performance Table	87
Guideline Index	92
Feedback	93

Chairman's Message



A Leader in High-end Manufacturing of Building Materials
An Accompaniment to the Development of Global Urbanisation
A Contributor to the World-class New Energy Industry



2023 is the first year following the 30th anniversary of Keda Group. Amidst the great political and economic changes across the world, we have achieved good results in core business, which reflects our resilience in global operation. We could not achieve such results without the support and trust of our customers as well as the generous assistance from our employees and partners.

Bearing in mind the corporate mission of "Green Solution, Greener Life", we have actively responded to the national strategy of carbon peaking and carbon neutrality, the Belt and Road Initiative and the call for upgrading the manufacturing of high-end intelligent equipment, expanded our global reach across the board, continuously advanced technological innovation and empowerment, and offered solutions for energy saving, emission reduction and digital intelligence in the industry. In 2023, we made remarkable achievements in terms of operating performance and core business development. While focusing on improving the quality of operations, we also take social responsibilities into account. By incorporating these responsibilities into our operation management and activities, we are dedicated to fulfilling our commitment to sustainable development.

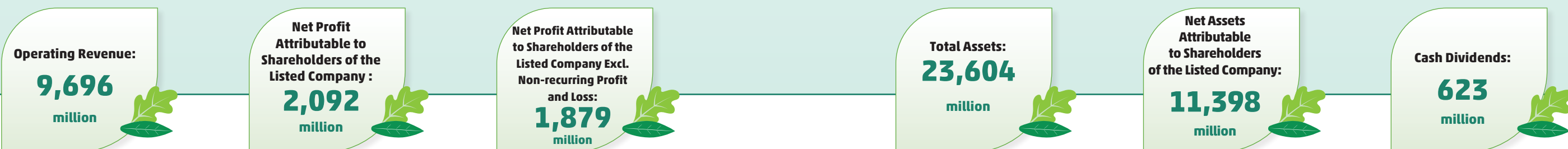
Governance structures and compliance governance was empowered. We make continuous efforts to improve our governance capabilities. Based on our strategic development and actual operation, we continuously upgrade the organisational structure, reinforce internal control, and step up risk prevention. We also strengthen communication with investors, boost investor returns and safeguard the rights and interests of shareholders. In 2023, we further refined the shareholding structure by introducing industrial investors as major shareholders and increased the number of board members from 9 to 12, thereby improving the professionalism and diversity of board members as well as the decision-making and governance capabilities of the Board of Directors. We also adhere to the policy of high return and continuously give back to the shareholders through stable dividends, buybacks and other means. In 2023, our cash dividends and share repurchase accounted for over 45% of net profit attributable to shareholders of the listed company.

Intelligent manufacturing and green transformation were promoted. We actively respond to the national strategy of carbon peaking and carbon neutrality and coordinate green and digital development. With intelligent equipment and leading green technologies, we upgrade existing products and roll out forward-looking products with high added value, thereby fostering our core competitiveness of "leading products and technology" and leading industrial changes. We also perform lean management across the board, gradually apply our lean management practices of building ceramics machinery in other business units and enable various business production processes to improve quality and efficiency and shorten production cycles, thereby enhancing the vitality and competitiveness of our products. In 2023, the pilot production and application demonstration project of ceramic tiles fired with zero-carbon fuel jointly completed by our subsidiary DLT and other relevant institutions passed the appraisal by Guangdong Ceramics Association. The world-leading technologies were applied in the mass production of ceramic plates/tiles of Monalisa Group, fostering a new growth engine and impetus for the high-quality development of zero-carbon manufacturing in the industry. Our subsidiary Anhui Keda Industrial was included in the "2023 Green Manufacturing List" of the Ministry of Industry and Information Technology and recognised as a green factory, which will continue to play an important part in peaking carbon emissions in the industrial sector. We also completed the design or construction of photovoltaic project at several domestic production bases as well as plants in Africa, thereby further improving the use of clean energy and building ourself into an environmentally friendly enterprise.

A people-oriented approach was upheld and a hub for high-calibre personnel was developed. We uphold a people-oriented approach, focus on cultivating and introducing talent, and emphasise equal employment and promotion, in a bid to offer employees a working environment featuring diversity, equality and harmony. In line with the principle that "people gather when wealth is scattered, and people scatter when wealth is gathered", we have worked to establish and improve the benefit sharing mechanism for employees and shareholders. In 2023, we bought back 30 million company shares. Looking forward, we will further develop long-term incentives so that our employees can also benefit from corporate development. We are concerned about the safety, health and benefit of employees. We offer various online and offline courses and organise diverse corporate culture activities to create a sense of belonging and ownership in the workplace and safeguard the rights, interests and growth of employees. During the Reporting Period, we organised a variety of benefit activities for employees, such as summer camps for their children, departmental team building activities and birthday parties, in a bid to enrich their life.

Public welfare undertakings were participated in and social responsibilities were fulfilled. We actively respond to the national strategy of rural revitalisation. Through targeted assistance and charitable donations, we advance the building of beautiful villages. Concerned about social wellbeing, we actively organise blood donation and other public benefit activities and call on employees to participate in these activities and make their contribution. We also promote the development of community and boost local employment. We facilitate local economic and social development by building local infrastructure, stepping up local employment, and creating tax revenues and foreign exchange earnings. We attach importance to improving local health and education. We assist in school construction, offer student subsidies, donate education and health supplies, and carry out first-aid training, in a bid to promote local health and education. In 2023, we worked with our partners to promote urbanisation in Africa. As a private enterprise, our exploration into overseas transformation was included in the "100 Best Practices of Chinese Listed Companies in Promoting the Belt and Road Initiative over the Past Ten Years", demonstrating the recognition of the society for our global expansion and fulfilment of social responsibilities.

We will seize the day and set sail on a new journey. Looking ahead, we will stick to our strategies, build on our development resilience and continuously focus on the main business of manufacturing. Upholding the philosophy of sustainable development, we will seek long-term development featuring "internationalisation, servitization, digitalisation and youngization" and aim higher, so as to create value for our customers, shareholders and the society and fulfil our mission of "Green Solution, Greener Life".



About Keda Group

Company Introduction

Keda Industrial Group Co., Ltd. was founded in 1992 and listed on the Shanghai Stock Exchange in 2002 (stock code: 600499) and on the SIX Swiss Exchange in 2022 (GDR listing code: Keda). The company's main business includes building materials machinery, building materials, lithium-ion Battery Materials and Machinery. Its strategic investment focuses on the lithium salt business through Lanke Lithium Industry. The company's products are sold in nearly 100 countries and regions.



Company name: Keda Industrial Group Co., Ltd.

Stock code: 600499.SH

GDR listing code: KEDA

Head office : No. 1 West Huanzhen Road ,
Guanglong Industrial Park, Chencun Town ,
Shunde District, Foshan, Guangdong

KEDA

HLT 恒力泰
HENGLITAI

DLT 德力泰

Twyford®
Better tiles, Better life

ICF:WELKO
GLOBAL PARTNER FOR INDUSTRY

SureMaker

Global presence and major brands of Keda Group

Business Introduction

Building materials machinery: A global supplier and service provider of green building material solutions

The Company's building materials machinery business mainly focuses on building ceramics machinery and our core products include press, kiln, polishing and squaring machines, etc. With the service-oriented development concept, the Company provides supporting services for the tile production of downstream building ceramic manufacturers, such as manufacturing equipment, accessories and consumables, machinery maintenance and transformation, and digital upgrades, and actively explores cross-industry/field applications of mechanical equipment.

The Company ranks No. 1 in Asia and No. 2 in the world in comprehensive strength and is the only company in Asia that can provide machinery and services for the whole production line of the whole building ceramics plant, as well as a leading enterprise in the world's ceramic machinery industry.

Overseas building materials: An accompaniment to the development of global urbanization

The Company's overseas building materials business is positioned as an overseas building materials group. It has successively operated six production bases in five countries including Kenya, Ghana, Tanzania, Senegal and Zambia. As of the disclosure date of the Report, the Company has operated 17 building ceramics production lines and two sanitary ware production lines; another four overseas building material projects are under construction.

The Company expands its products horizontally from building ceramics to sanitary ware and architectural glass and extends by region from Africa to South America and other markets.

Lithium-ion battery materials and machinery: A contributor to the world-class new energy industry

The Company's lithium-ion battery materials business mainly focuses on self-operated lithium-ion battery anode material. At present, it has two main plants in Fujian and Anhui, and Fujian Phase II and Chongqing anode material projects are under construction.

The lithium-ion battery materials machinery business mainly focuses on the EPC for the whole production line of anode materials, the sintering production line of lithium-ion battery materials, etc.

The company made a strategic investment in Lanke Lithium Industry (holding 43.58%), which has a 40,000 tonnes/year lithium carbonate production capacity and is an important force in lithium extraction from salt lakes in China.

Cultivated business



Hydraulic Pump



Smart Energy

Corporate Culture

Motto

Born in Sorrow, Die in
Ease

Mission

Green Solution,
Greener Life

Core Values

Endless Innovation

Create Value for
Customers

Honesty and
trustworthiness, multi-
win is the win

Quality First, Quality
Determines Success or
Failure



Keda Group's Cultural Concepts

People Gather When Wealth Is Scattered, and People Scatter When Wealth Is Gathered

Gather talents from all over the world, boldly share power and profits, pursue business values and solve social problems.

Corporate Interests above All

Without corporate interests, there is no personal benefit for employees.

Relentless Pursuit of Innovation

Thriving by scientific and technological innovation.

Be Scrupulous in Separating Public from Private Interests

Only if people's moral character is high, the quality of products can be high; only if the culture is righteous, the enterprise can continue to improve. "Integrity" is the prerequisite and power rent-seeking is prohibited.

The Culture of being "Fools"

Stick to the goal, follow the rules, don't be afraid to suffer, don't be afraid of hardship, be responsible to the end, "foolish" is "right".

Keda Group Milestones in 2023 | You Raise Me Up

1 New major shareholder Guangdong Liansu

In February, Guangdong Liansu Technology Industrial Co., Ltd.(Guangdong Liansu) took a formal stake in Keda Group and became the second largest shareholder of the Company, with a shareholding ratio of over 7%. Guangdong Liansu was optimistic about the Company's long-term development and would gradually explore cooperation at the business level.



February

2 Keda Group (Guangdong Base) training programme for potential youth talents started

On 18 February, Keda Group collaborated with Sun Yat-sen University in creating the 2023 training programme for potential youth talents of Keda Group (Guangdong Base), to practice the Company's "youngization" strategy, promote the Company's talent echelon development, and cultivate and reserve management talents.



March

3 The official ground-breaking ceremony of Keda BOZUYUK Factory in Turkey was held

On 18 March, the "Global Hub and Win-Win Future - Official Ground-breaking Ceremony of Keda BOZUYUK Factory in Turkey" was held in Bozuyuk, an important Turkish ceramic town. Keda BOZUYUK Factory in Turkey covers an area of 43,000 ㎡. Its establishment marks an important strategic layout of Keda Group in the European and Asian markets and the Company's overseas market, and accessories and consumables business will be expanded through the forward service and the leap in the production capacity of accessories and consumables.



4 Anhui Base accelerated informatisation

On 19 April, the "working group for information collaboration" of Keda Anhui Base was officially established, and the informatisation work of Anhui base, such as the "integration of industrialisation and informatisation", "integration of business and finance", and "integration of project and enterprise", was accelerated by formulating a three-year master plan for informatisation.



April

May

5 Struggle & Youth-The first "Keda Outstanding Youth" recognition ceremony was held.

In order to practice the Company's "youngization" strategy and discover excellent youth representatives, the Company launched the first "Keda Outstanding Youth" selection and commendation event. After selection level by level, 21 youth representatives from all fronts stood out and won the title of the first "Keda Outstanding Youth". Keda Group held the named commendation of the first "Keda Outstanding Youth" and the meeting between young elite employees and the Board Chairman in Anhui Base and Guangdong Base on 18 and 26 May, respectively.



6 The Company's "globalisation" became the focus of 2023 Foshan Unicermics Expo

The four-day-long Foshan Unicermics Expo drew to an end on 2 June. Merchants from Europe, Asia, America and other countries and regions, as well as employees of overseas subsidiaries of Keda Group and long-term cooperative foreign agents, gathered at the Keda booth and demonstrated to the world the fruitful results achieved with the Company's "globalisation" strategy. Meanwhile, the Company's "Keda" and "HLT/HLT" brands appeared at the Foshan Unicermics Expo with a whole production line featuring higher automation, higher efficiency, more energy conservation and more flexibility, attracting a large number of customers at home and abroad to visit and consult.



June

July

7 Keda Group acquired 40% equity stake in SinoCera Create-Tide

On 5 July, a strategic partnership signing ceremony between Keda Group and Shandong Sinocera Functional Materials Co., Ltd. was held in Dongying, Shandong and Keda Group announced its acquisition of a 40% equity stake in SinoCera Create-Tide, a subsidiary of Shandong Sinocera Functional Materials Co., Ltd. The acquisition of the high-end ceramic ink glaze target SinoCera Create-Tide will empower and extend Keda Group's ceramic machinery business, strength relationship with our customers, and facilitate the development of the ceramic machinery business through the synergistic effect of the industrial chain.



8 Rated on the list of "Top 100 Chinese Globalized Enterprises 2022"

In September, thanks to the achievements in vigorously advancing the Company's "globalisation" process in recent years, Keda Group was rated on the list of "Top 100 Chinese Globalized Enterprises 2022" by the CBN Research Institute based on the authoritative calculation and analysis results of the "China Enterprise Globalisation Evaluation System".

September

10 Building ceramics projects in Cameroon and Côte d'Ivoire of Africa officially commenced

The building ceramics projects invested by Keda Group in the sixth and seventh African countries (Cameroon and Côte d'Ivoire) were successively commenced in March and October. In addition, the International Finance Corporation (IFC) provided EUR200 million of long-term financial support again in July following the financial support of USD165 million in 2020, which was used to help the rapid layout of the overseas building material business in multiple categories and across regions.



October

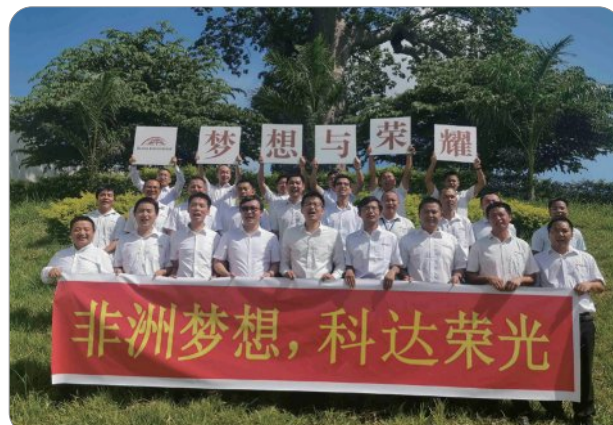
9 Keda Group acquired 70% equity stake in Italian mould company FDS

On 25 September, Keda Group signed a formal contract with the Italian ceramic tile mould manufacturer FDS at the strategic partnership signing banquet in Maranello, Italy and the Company officially acquired a 70% equity stake in FDS. This acquisition would help the Company further develop the European market in the ceramic machinery business, strengthen the resource integration of European bases, and enhance the brand image and comprehensive strength of Keda Group in Europe.



11 Keda Group entered the list of "Top 100 Practice Cases of 'Belt and Road' in Ten Years" along with Sunda Group

On 20 October, on the occasion of the 10th anniversary of the "Belt and Road Initiative", the China Association for Public Companies, along with the relevant parties, comprehensively assessed the top 100 practices with outstanding highlights, strong representativeness and positive response to national development initiatives and thus formed the Top 100 Practice Cases of Chinese Listed Companies Co-building the "Belt and Road" in Ten Years. Keda Group was successfully selected as a practice case of overseas transformation exploration by private enterprises for its collaboration with Sunda Group in boosting urbanisation in Africa.



12 Keda Group first production base in South Africa, Peru Glass Factory officially commenced operations

On 6 December, Keda Group's first architectural glass production line in South America, the Peru Float Glass Production Line Project, held its groundbreaking ceremony. This not only signified Keda Group's first step into the South American market in the architectural glass industry but also marked further steady progress in the "large-scale building materials" strategy. Early in March, the Company's first overseas architectural glass production line, the Tanzania Float Glass Production Line Project, was officially started, marking the Company's official entry into the architectural glass industry.



December

13 YOU RAISE ME UP!

Keda Group Speech Contest and Anniversary Celebration highlighted the phased achievements of "globalisation"

The 2023 Keda Group Speech Contest, themed "You Raise Me Up - Keda's Dream, We Illuminate Together", and the 31st Anniversary Celebration with the theme "You Raise Me Up" took place successively on 6 and 8 December. Local employee representatives from Italy, Turkey, India and Africa actively participated in the contest and attended the above two events, which demonstrated the elegance of Keda Group's "globalisation".



Corporate Honours

Index and ESG Rating (Partial)

Rating/Index	Issued by
SSE 380 Index	Shanghai Stock Exchange
SCI 500 Index	China Securities Index Co., Ltd.
SSE Buyback Index	Shanghai Stock Exchange
MSCI China A Index	Morgan Stanley Capital International (MSCI)
SCI ESG rating "A"	China Securities Index Co., Ltd.
Securities Times ESG Top 100	Shenzhen Securities Times Co., Ltd.

Honours and Awards (Partial)

Comprehensive Strength & Technical R&D:

Honours	Issued by
China Machinery Top 500	China Machinery Enterprise Management Association and Machinery Industry Research Institute
Top 100 Manufacturing Enterprises in Guangdong	Guangdong Provincial Enterprises Confederation
A Leading Enterprise of Scientific and Technological Innovation in Building Materials Machinery Industry for the "13th Five-Year Plan" Period	China Building Material Machinery Association
First and Second Prizes of Science and Technology Award of China Building Material Machinery Association	China Building Material Machinery Association
The China Patent Award	China National Intellectual Property Administration

Green & Digital Transformation:

Honours	Issued by
A Typical Case of Digital Transformation of Intelligent Manufacturing in Building Materials Industry in 2023	Ministry of Industry and Information Technology
An Excellent Practice Case of Green and Low-carbon Development in Building Materials Machinery Industry in 2023	China Building Material Machinery Association
Gold Award for Advanced Low-carbon and Energy-saving Technology	Foshan Ceramic Town Weekly Publishing Co., Ltd.
A National-level Green Factory	Ministry of Industry and Information Technology

Corporate Governance & ESG Governance:

Honours	Issued by
Best Practice of the Board of Directors of Listed Companies in 2023	China Association for Public Companies
Excellent Board of Directors	Directors & Boards Magazine
ESG Top 100 Listed Companies in China in 2023	Securities Times
ESG Model Enterprise Award for Listed Companies in 2023	Times Media



Ceramic Town Weekly - Gold Award for Advanced Low-carbon and Energy-saving Technology



A Leading Enterprise of Scientific and Technological Innovation in Building Materials Machinery Industry for the "13th Five-Year Plan" Period



First Prize of Science and Technology Award for Building Materials Machinery Industry in 2023 - Research and Development and Industrialization of Intelligent Key Technologies for Building Ceramic Polishing Line



The Best Practical Case of the Board of Directors of Listed Company in 2023



The China Patent Award



Second Prize of Building Materials Machinery Science and Technology Award - Research and Development and Industrialization of Intelligent Storage and Transportation System for Ceramic Tiles



China Machinery Top 500

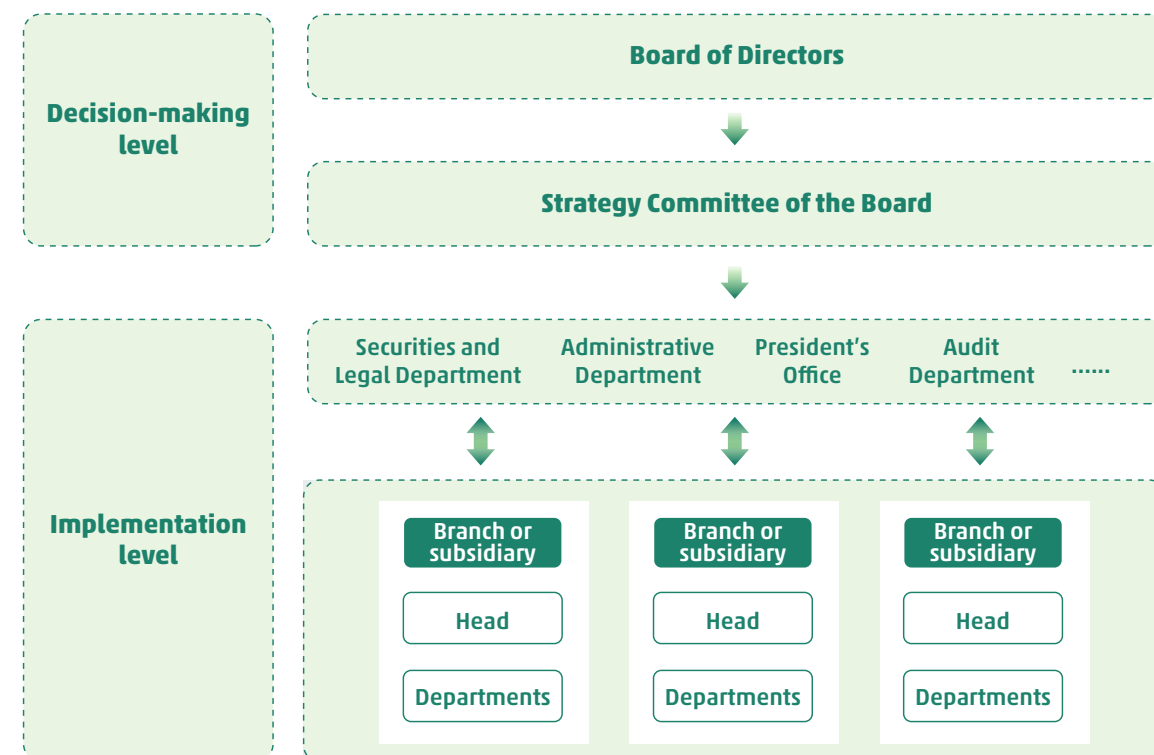


ESG Governance System

Based on its strategic development objectives, Keda Group integrates the ESG concept into the Company's strategy, governance, reform, development and routine operation and attaches importance to the establishment and improvement of the ESG governance system and working mechanism. Meanwhile, Keda Group constantly improves the Company's comprehensive duty performance capacity and consciousness and promotes the Company's sustainable development.

ESG Governance Structure

Keda Group has built an ESG management structure to promote the effective implementation of the Company's ESG work. We have designated the Board of Directors as the highest leading body, Strategy Committee of the Board as the decision-making body, and various functional departments and subsidiaries as the implementing bodies of ESG. Furthermore, we have constantly learned and summarized how to optimize and improve the Company's ESG management during operations.



Concept of Sustainable Development








United Nations' sustainable development goals

The Company actively responded to the United Nations Sustainable Development Goals (SDGs) and contributed to the realization of balanced economic, environmental and social development in the form of business operations and value creation. During the Reporting Period, the Company's key actions and performance in sustainable development are as follows:

ESG Report Chapter	Our Contributions and Measures	SDGs
Make Every Effort to Solidify Governance	<ul style="list-style-type: none"> Build a corporate governance structure with clear power and responsibilities Practice the system of disciplinary whistleblowing and whistleblower protection 	
Craftsmanship-based Intelligent Manufacturing for Innovative Empowerment	<ul style="list-style-type: none"> Attach importance to investment in R&D, strengthen cultivation of R&D talents, and set up an efficient R&D team Establish cooperative relations with reputable universities and research institutions at home and abroad in talent and scientific research and development, and further strengthen innovation capacity Practice transparent procurement by means of signing a commitment letter of integrity Strengthen supplier quality management, and improve the access and assessment management procedures 	
Green Development for a Low-carbon Future	<ul style="list-style-type: none"> Actively respond to the national strategy of "carbon peaking and carbon neutrality", and strive to promote the realisation of the Company's environmental protection and energy goals Provide the industry with green products and low-carbon solutions Reduce pollution and greenhouse gas emissions by optimising and transforming equipment and increasing the use proportion of clean energy Advocate green operation, green office and green production; save water, save energy and reduce consumption; properly dispose of wastewater, waste gas, general industrial solid waste and hazardous waste 	
Attract Talent and Gather Outstanding Individuals	<ul style="list-style-type: none"> Complete social security policies and compensation and benefit systems Ensure equality in recruitment, employment, compensation, promotion and benefits Get the certification of the ISO45001 occupational health and safety management system Care for employees' health and safety through physical examination and safe production training for employees 	
Engage in Public Welfare and Contribute to Society	<ul style="list-style-type: none"> Respond to the rural revitalisation strategy and participate in precise poverty alleviation Improve local infrastructure, drive local employment, and promote community development Enhance local women's health and youth education level by helping school construction and donating health products 	

Communication among Stakeholders

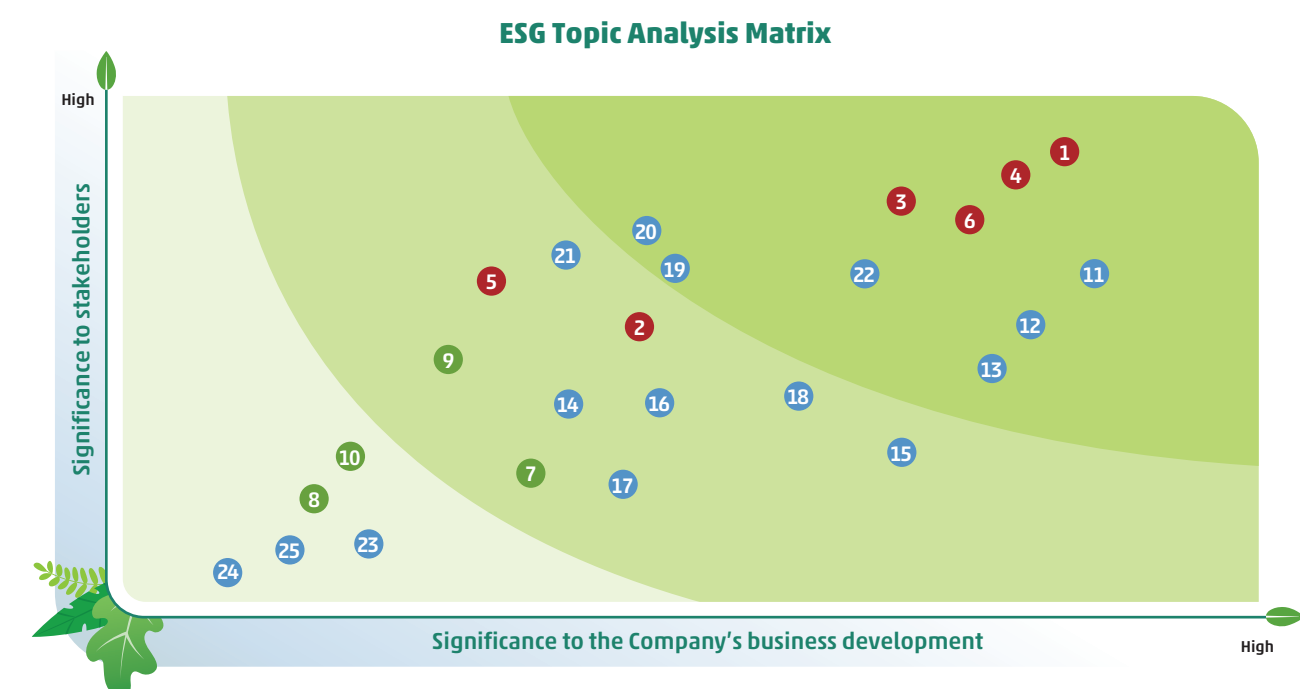
The opinions and expectations of stakeholders can help the Company identify possible risks and opportunities in business operations and are important factors to be considered by the Company when formulating the development strategy. In accordance with international standards and guidelines such as the GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB) and the Sustainability Accounting Standards Board (SASB), the Company has identified eight stakeholder groups, including government and regulatory bodies, shareholders and investors, customers, employees, suppliers, partners, public and communities. In order to establish closer relations with them, the Company is devoted to building a regular communication and exchange mechanism and constantly improving the effectiveness and timeliness of the communication with stakeholders to further learn about their expectations and demands and achieve a multi-win situation.

Category of stakeholders	Topics of Interest	Communication Channel	Our Actions and Measures
Government and regulatory bodies 	Compliant operation Business ethics Pollution prevention and control Water source management Energy management Employment security Tax compliance	Unit inspection Survey questionnaire Official correspondence Policy implementation Information disclosure	Establish an internal control and supervision mechanism Pay attention to environmental protection Strengthen water management Reduce waste discharge Implement energy conservation and emission reduction measures
Shareholders and investors 	Robust operation Information disclosure Sustainable development Corporate governance Risk management	Information disclosure General meeting of shareholders Investor exchanges Strategy meeting	Comply with laws and regulations Issue announcements and hold performance presentation Drive business development Develop a sustainable business strategy
Customers 	Product quality and safety Customer service Research, development and innovation Green products	Product exhibition Satisfaction survey Customer exchanges Customer service and complaint hotline Official website, official WeChat account, etc. Media publicity	Inspect product quality Improve the Customer Service Increase investment in R&D and innovation
Employees 	Protection of employees' rights and interests Occupational health and safety Compensation and Benefits Training and development	Working meeting Employee training Employee incentive mechanism Internal information communication platform Routine exchange and communication	Implement safety production Develop employee training system Provide competitive compensation
Suppliers 	Supply chain management Product quality and safety Information security and privacy protection	General meeting of suppliers Exchanges and mutual visits Bidding negotiation	Establish a fair and transparent supply chain management system Establish a sound procurement system Participate in industry events and exchanges
Partners 	Industrial cooperation and development Research, development and innovation Economic performance Risk management	Industry-university-research cooperation projects Strategic cooperation negotiation Survey questionnaire Information disclosure	Participate in industry events and exchanges Establish risk assessment, risk analysis, and risk response mechanisms
公众及社区 	Community development Charitable donations Rural Revitalisation Job creation Economic performance	Social and public welfare activities Information disclosure Media interviews Exchanges and mutual visits	Make more contributions to communities Actively participate in public services Attach importance to environmental management Improve corporate governance and disclose ESG reports Comply with the law and strengthen corporate awareness Promote corporate social responsibility

Analysis of Substantive Proposals

In 2023, the Company identified 25 material topics with significant impacts on the Company's development, invited shareholders, investors, employees, suppliers, government and regulatory bodies, partners, communities and residents, the media and other stakeholders for a survey, and collected 389 copies of questionnaires. The Board of Directors of the Company formed a ranking of material topics and a matrix diagram based on two dimensions, "Significance to the Company's business development" and "Significance to stakeholders".

Material Topics of Keda Group in 2023



Governance topics	Environmental topics	Social topics	
1 Regulatory governance 2 Business ethics 3 Compliant operation 4 Risk management 5 Information disclosure 6 Economic benefits	7 Energy management 8 Response to climate change 9 Pollution prevention and control 10 Water source management	11 Product quality 12 Customer service 13 Research, development and innovation 14 Opportunities in clean energy 15 Supply chain management 16 Digital transformation 17 Brand publicity 18 Intellectual property protection	19 Protection of employees' rights and interests 20 Occupational health and safety 21 Compensation and benefits 22 Training and development 23 Community development 24 Charitable donations 25 Rural revitalisation

01

Make Every Effort to Solidify Governance

To fortify the foundation for the high-quality development of the Company and solidify corporate governance, KEDA Group continuously refines its corporate governance framework, establishes a sound internal control system, strengthens compliance operations, and risk prevention, forging a highly resilient organisation to navigate economic cycles and industry fluctuations. Meanwhile, the Company enhances information disclosure, values investor communication, and effectively safeguards the legitimate rights and interests of stakeholders.



Key performance:

- External directors account for over **60%**
- The Best Practical Case of the Board of Directors of Listed Company in 2023
- An A rating for information disclosure for 2022-2023 of the Main Board of the Shanghai Stock Exchange
- Dividend Payout Ratio (including amount of shares repurchased in cash) over **45%**
- **100%** response rate on the "SSE E-Interactive" platform

Key points of the chapter:

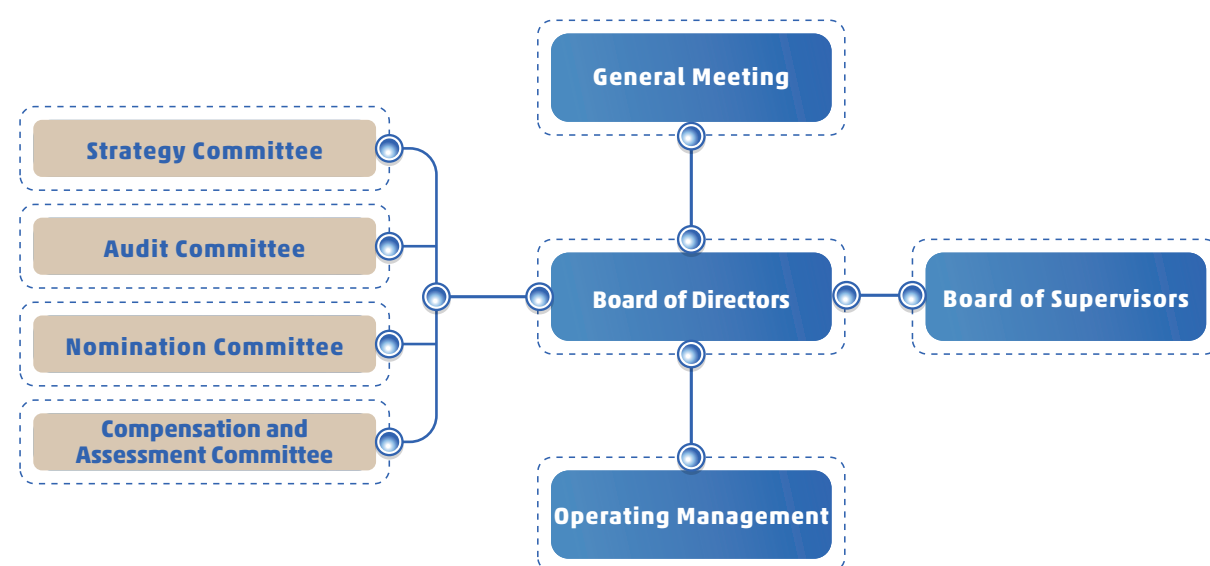
- Corporate governance structure
- Risk Management and Internal Control System
- Protecting Shareholder's Rights
- Integrity and Business Ethics

SDGs answered:



Corporate Governance System

Keda Group strictly adheres to the requirements of the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Code of Corporate Governance of Listed Companies*, *Guidelines No. 1 of the Shanghai Stock Exchange for the Application of the Self-Regulatory Rules for Listed Companies-Standardized Operation*, as well as relevant laws, regulations, and normative documents of the China Securities Regulatory Commission. It has formulated a series of governance systems such as the *Articles of Association*, the *Independent Director System*, and the *Board Secretary System*, establishing a governance structure consisting of the General Meeting of Shareholders, the Board of Directors, the Board of Supervisors and the management. Under the Board of Directors, there are the Audit Committee, the Nomination Committee, the Compensation and Assessment Committee, and the Strategy Committee, to form a scientific and effective segregation of duties and a check-and-balance system.



Organisational Chart of Keda Group

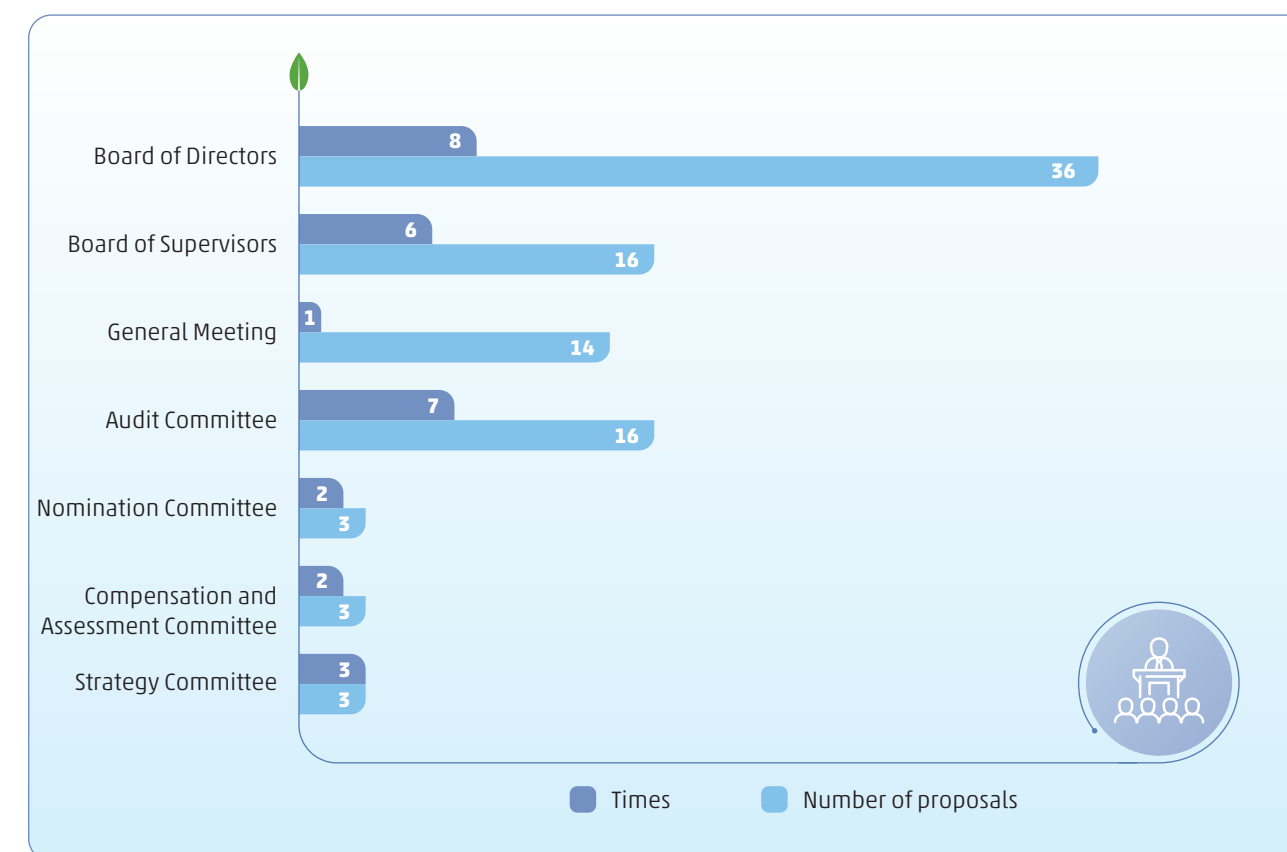
In 2023, in order to further promote the professionalisation and diversification of the Board members, improve the top-level governance structure of the Company, enhance the decision-making ability and governance level of the Board of Directors, the Company optimized the equity structure by introducing industrial investors as major shareholders, and increased the number of Board members from 9 to 12. Thus, the Company formed a structure consisting of 4 executive directors, 4 non-executive directors, and 4 independent directors, with external directors accounting for 67%. Among the newly added directors, there is the CEO of a listed company in the building materials industry, which further enriches the perspective of industrial economy and overseas business; among the supplemented independent directors, there are professors and doctoral supervisors from well-known domestic business schools, bringing strategic macro perspectives to the Company, helping to refine its strategy and business layout, and achieving the leap of revenue from RMB10 billion to RMB30 billion, while providing guidance and advice for further improving the Company's governance level.



During the Reporting Period, Keda Group was honored with the "Best Practical Case of the Board of Directors of Listed Company in 2023" by the China Association for Public Companies (CAPCO) and the "Outstanding Board Award" from Directors & Boards Magazine.



The General Meeting, the Board Meetings, the Meetings of the Board of Supervisors held in 2023



Protecting Shareholder's Rights

The Company strictly implements various measures to protect the rights and interests of investors. Adopting an investor-centric approaches, the Company continuously enhances the quality of information disclosure, strengthens investor relations management, facilitates effective communication and interaction with investors, and elevates the Company's investment value and integrity image. In addition, the Company drives value growth through prudent operations and strikes a balance between business development and shareholder returns, thereby genuinely enhancing investors' sense of gain and fulfilling the responsibilities and obligations of a listed company.

Information disclosure

In 2023, the Company revised the *Information Disclosure Management Policy*, upholding the basic principles of truthfulness, accuracy, and completeness, and rigorously fulfilling the disclosure obligations of a listed company. During the Reporting Period, the Company timely completed the disclosure of annual reports and announcements on important matters, with a total of 78 announcements disclosed through the Shanghai Stock Exchange website and designated media outlets, which ensures error-free information disclosure throughout the year, accurately reflects the Company's operational activities, and effectively protects investors' right to know about the Company's operations and significant events. In addition, the Company continuously optimized the disclosure contents and expressions, striving for clarity and simplicity to make the Company's information easily understandable to the public. As a result, the Company received an A-grade rating for its information disclosure for the 2022-2023 period of the Shanghai Stock Exchange's Main Board. Achieving this honour for two consecutive years also reflects the ongoing approval and high evaluation of the regulatory authorities towards the Company's governance operations, information disclosure, and investor relations management.



As one of the first Chinese enterprises to issue Global Depositary Receipts (GDRs) and list on the SIX Swiss Exchange, the Company has hired professional Swiss legal advisors to ensure compliance with regulatory requirements of the SIX Swiss Exchange in terms of information disclosure and regulatory governance. In 2023, the Company disclosed English announcements on the SIX Swiss Exchange and its official website simultaneously, with a total of 14 announcements, including announcements and periodic reports.

Investor relations

In accordance with relevant laws, regulations, and normative documents such as the *Work Guidelines for the Investor Relations Management of Listed Companies*, Keda Group revised its *Investor Relations Management Policy* in 2023 following the principles of "compliance, equality, proactivity, honesty, and trustworthiness" and upholds a sincere attitude, further enriching the content and methods of investor relations management through regulatory policies and daily operations. The Company improves its capital image by strengthening comprehensive communication with investors and enhancing investors' understanding and recognition of the Company, and fully safeguards the rights and interests of investors, especially small and medium-sized investors, to ensure their right to know and other legal rights.



Investor Communication System Construction

Channels	Contents
General Meeting	An investor communication session is set up to share the Company's strategic direction, business layout, operational status, and outlook.
Investor Communication Meetings and Strategy Meetings	Performance presentation are standardized through timely communication with investors via various channels such as communication meetings, roadshows, and strategy meetings, which facilitates the sharing of the Company's strategic planning, operational development status, investment plans, and dissemination of its core values.
Reception of investors	Online and on-site methods, or investor reception days, are implemented to address investors' daily research requirements.
Daily communications	Interactions and communications between the capital market and investors are strengthened through various methods such as hotlines, the Company's website investor column, and SSE E-Interactive.
Media matrix	WeChat public accounts and mini-programmes such as "Keda Group Investor Relations" are set up to regularly post bilingual performance charts, various business operational progress, industry information, etc., in a bid to convey information about the Company's daily work progress, industry focus, etc., to investors on a regular basis. The Company enhances its Chinese and English websites with improved visual design, updated column settings, and establishes new media accounts on international platforms to timely provide information to overseas investors, customers, and partners.



Keda Group held Online Performance Meeting of Q3 2023



Keda Group participated in the 2023 Guangdong Region Listed Companies Investor Reception Day



News and Institutional Research Summary of Keda Group



A Glance of Keda Group's Performance

Key Performance



Briefings on
performance
3 times



"SSE E-Interactive"
platform
104 times
(100% response rate)



Investor
communication
and research
63 times



Keda Group WeChat Official
Account for Investor Relations
Over 100 WeChat posts, covering
company and industry information,
external investments, project
progress, etc.



Risk Management and Internal Control

The Board of Directors continues to improve and strengthen internal control and risk management, comprehensively supervises and evaluates the Company's operations, and safeguards the Company's assets and shareholders' interests, to provide solid guarantees for the healthy development of the Company.

Internal control and compliance management

The Company continuously improves its internal management systems, refines various management measures, and promotes institutionalisation and standardisation within the Company. In accordance with the requirements of the *Basic Standard for Enterprise Internal Control*, the *Guidelines for the Application of Enterprise Internal Control*, and the *Guidelines for the Evaluation of Enterprise Internal Control*, the Company has formulated regulations such as the *Internal Control Management and Appraisal Rules*, *Internal Audit Guidelines*, *Internal Audit Implementation Rules*, *Interim Measures for Internal Audit Management and Penalties*, and *Internal Control Evaluation Guidelines*. These regulations constitute a comprehensive internal control system with a compliance governance structure "led by the Board of Directors and supervised and managed by the Audit Committee, Board of Supervisors, and Audit Department, with execution carried out by various units". Additionally, the Company has established a corresponding internal control supervision system to enhance compliance management.

Implementing Assessment and Penalty Measures	Implementing Audit Supervision	Continuously Improving Self- Assessment	Conducting Compliance Training
The Audit Committee issues assessment policy guidelines, and the Audit Department, as the assessment department, provides assessment and penalty results. The Vice President in charge approves the assessment results, while the human resources departments of various units are responsible for implementing internal control assessments. Through clear measures of reward and punishment, a good compliance atmosphere is fostered.	The Audit Committee and the Board of Supervisors are responsible for supervision and coordination. The Audit Department is responsible for conducting internal control inspections and organizing units to rectify issues identified, thereby reducing non-compliance cases.	The Audit Department leads the specific organization and implementation of the Company's internal control evaluation. It guides various units to establish self-inspection teams for internal control, responsible for self-inspection, testing, and evaluation within their respective units, to effectively enhance their awareness of internal control and compliance.	The Company organizes and promotes courses on the subject of compliance operation and sensitive post specification for various units from time to time, aiming to enhance employees' understanding of internal control management through theoretical interpretation, case analysis, and other measures.

Case Study

"Compliance Safeguarding Development" Special Training

In September 2023, the Company organized the "Compliance Safeguarding Development" special training. On one hand, it invited cooperative law firms and financial PR teams to conduct thematic training on "Behavioral Norms for Subsidiaries' Directors, Supervisors and Officers and Case Sharing" and "Media Relationship Management Exchange" for over a hundred core management and financial personnel of the Company. On the other hand, the Company independently produced compliance training materials and videos, which was uploaded in the "Keda Academy" training platform of the Company, for more colleagues to learn and enhance the overall compliance awareness of the Company.



合规护航发展——媒体关系管理交流
媒体关系管理交流合规培训
战略运营



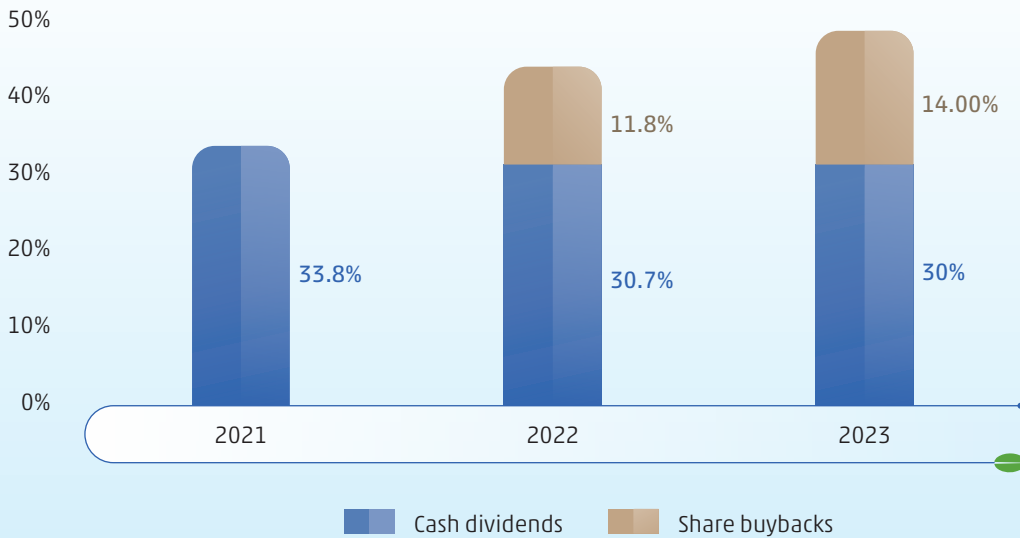
合规护航发展——子公司董监高行为规范及案例分享
战略运营

Shareholder returns

The Company attaches great importance to protecting investor rights and interests. While maintaining timely, fair, and constructive communication with investors, it also focuses on maintaining a robust ability to pay dividends. Through measures such as share buybacks, it actively rewards investors, boosts market confidence, and maintains the Company's investment value.

In 2023, the Company plans to distribute a dividend of RMB3.3 per 10 shares (including tax), totalling RMB623 million in cash dividends. Meanwhile, following the maximum buyback of RMB500 million in 2022, the Company once again repurchased approximately RMB30 million shares in 2023, with the total repurchase amount exceeding RMB300 million during the year, which is a tangible expression of gratitude to shareholders for their support. From 2021 to 2023, the total amount of cash dividends and share buybacks of the Company accounted for no less than 30% of the net profit attributable to shareholders for each year. Since its listing, the Company has distributed approximately RMB3.5 billion in dividends, providing investors with stable and enduring returns.

The Proportion of Cash Dividends and Share Buybacks to the Net Profit for the Year



Risk management

Keda Group actively promotes comprehensive risk management to accurately identify and managing internal and external risks of the Company. Centred around policies such as the *Investor Relations Management Policy*, the Company adheres to the basic principles of "dynamic identification, robust assessment, and proactive control", continuously conducting risk identification and analysis to determine corresponding risk tolerance and promptly adjusting risk response strategies accordingly. At the same time, the Company has established a four-pronged risk management structure of "Board of Directors - Audit Committee - Audit Department - Functional Departments" to identify, manage, supervise and control various risks. ESG risks are integrated into the risk management system to keep a close eye on environmental and social risks.

To prevent and mitigate potential risks of the duty performance by directors, supervisors, and senior management, and to reduce governance and operational risks of the Company, Keda Group has purchased liability insurance for the directors, supervisors and officers. During the Reporting Period, all relevant risks of the Company were comprehensively controlled, and no systemic risk events occurred.



Integrity and Business Ethics

Business ethics and anti-corruption

The Company adheres to business ethics and practices the basic business principles of "integrity, honesty, and trustworthiness". It maintains zero tolerance towards corruption and strictly complies with the *Constitution of the People's Republic of China*, the *Criminal Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, the *Anti-Money Laundering Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery*, as well as other laws and regulations related to corruption, bribery, extortion, fraud, and money laundering.

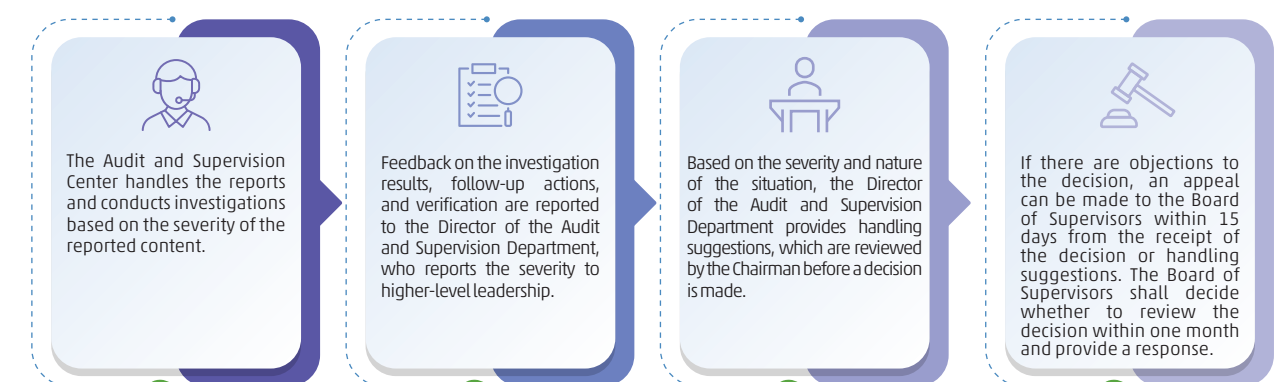
Internally, the Company requires all employees to sign the *Commitment to Integrity and Self-discipline and Declaration of Conflict of Interest*; for core employees, the Company mandates the signing of a *Non-Compete Agreement*, which specifies norms and constraints on employees' business ethics and integrity, and establishing corresponding punishment standards. Externally, the Company mandates that suppliers sign the *Commitment to Honest Partnership*, which integrates integrity management requirements during the entire business process. The Company rigorously evaluates their integrity and internal control measures to prevent instances of commercial bribery and unfair competition. Moreover, the Company takes decisive action against suppliers involved in fraudulent practices, cheating, corruption, and similar misconduct, seeks compensation and holds them accountable for their actions.

During the Reporting Period, the Company did not incur any penalties from competent authorities for violations of laws and regulations related to corruption, bribery, extortion, fraud, and anti-money laundering.

Complaint and reporting handling procedure

The Company improves the complaint and reporting management process to enhance internal integrity, and has formulated the *Complaint and Reporting Policy* to clarify the procedures for receiving complaints and reports. Complainants may report through various channels such as telephone, letter, email, WeChat official account, official website, and in-person. The Audit and Supervision Department serves as the receiving body, tasked with promptly, objectively, and fairly addressing reports and complaints, while ensuring accountability in line with pertinent policies. Serious cases are subject to judicial authorities for further action. At the same time, prioritising such cases for prompt handling and offering timely feedback on investigation outcomes. Whistleblowers who make notable contributions will be eligible for rewards.

Reporting channels



The Company strictly implements the principle of whistleblower protection, ensuring protection for individuals providing report information and maintaining strict confidentiality of the information obtained. At the same time, the Company requires all units and individuals not to retaliate against whistleblowers for any reason and takes proactive measures to address potential retaliatory actions.

- Complaints hotline: +8613929107571
- Email: zengfei@kedachina.com.cn;
- Mailing address: Keda Industrial Group Co., Ltd., 1 West Huanzhen Road, Guanglong Industrial Zone, Chencun Town, Shunde District, Foshan City, Guangdong Province
- WeChat official account: follow "科达制造" in WeChat, click "Contact Us", find "Complaints and Reports", and fill the form
- Official link: <http://ts.kedachina.com.cn/HYPERLINK> "http://ts.kedachina.com.cn/"



02

Craftsmanship - based Intelligent Manufacturing for Innovative Empowerment

“Technology Brings Prosperity” is the innovation gene embedded in the name of Keda Group, and “quality first” is the commitment of KEDA people to the products and customers. The Company attaches great importance to innovative research and development and digital transformation, and continues to stimulate the vitality of innovation and change through institutional construction and system improvement. It proactively introduces lean manufacturing concepts, continuously optimizes product quality management, customer service management and supply chain management processes, and strives to improve product quality.



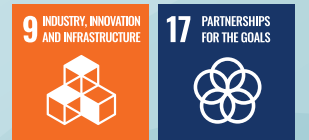
Key performance:

- ISO:9001 Quality Management System Certification
- About **800** R&D team members; R&D expenditure of **292** million
- Total number of **2,977** patents granted
- **4,332** effective proposals for lean management
- **99.8** points from customer satisfaction for the building ceramic machinery brand “KEDA”

Key points of the chapter:

- Innovation-driven Development
- Improve the Customer Service
- Digital Transformation
- Data Security and Privacy Security
- Products Quality Management
- Responsible Supply Chain

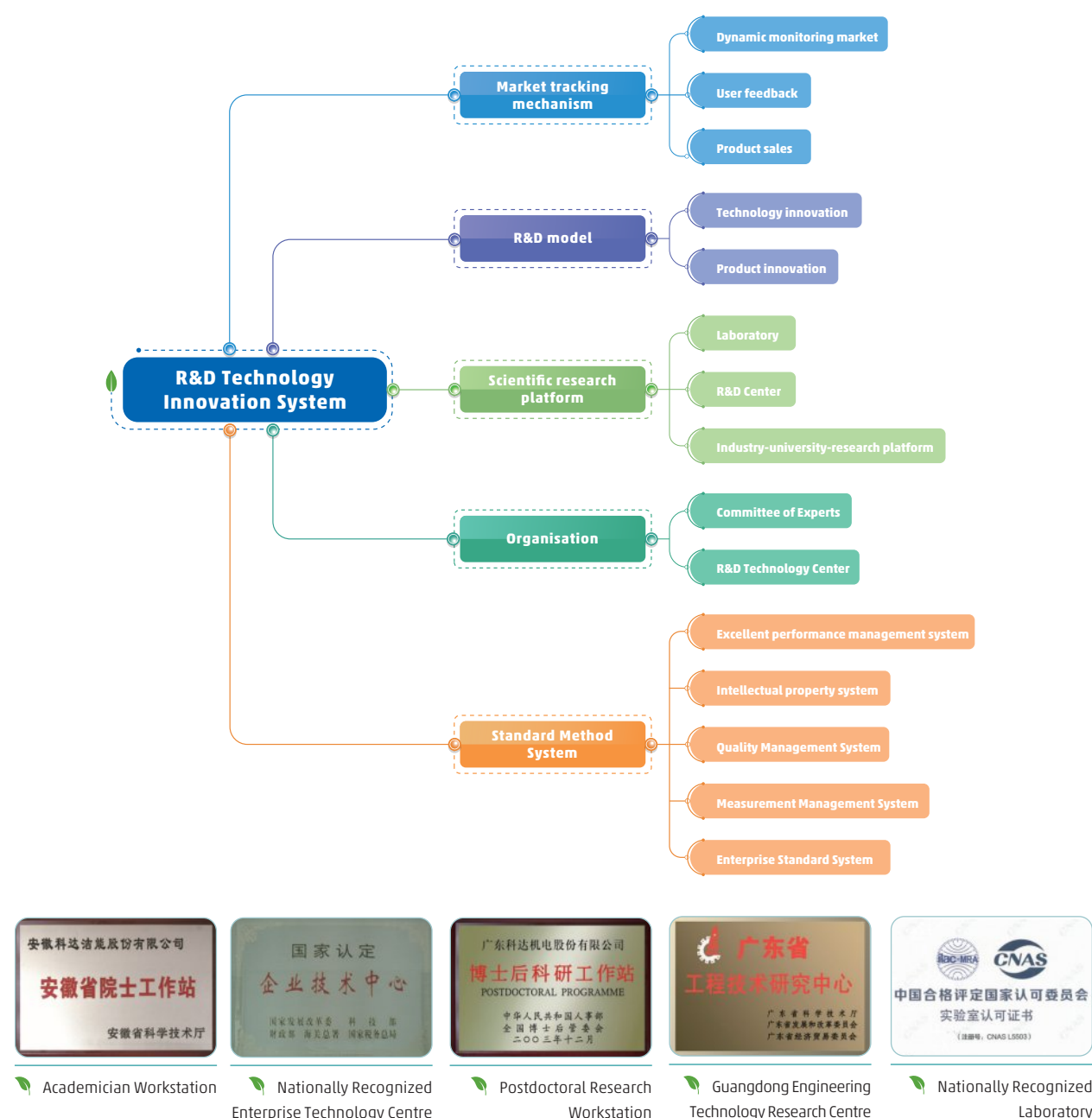
SDGs answered:



Innovation-driven Development

Adhering to the core business philosophy of "Innovation Never Ends", the Company adopts a research and development mechanism that separates technological innovation and product innovation, and achieves a research and development operation status of "launching in one generation, developing in one generation, and conceiving in one generation". Among them, the Company has established a regular consultation mechanism between marketing and R&D department, through timely delivery of customer and market feedback, further improve the development strategy of "Product as the pioneer and technology the leader". At the same time, the Company continues to improve the research and development investment mechanism, incentive mechanism and evaluation mechanism, and established the Keda Group Expert Committee at the headquarters level in 2023, basically establishing a research and development system focusing on market tracking mechanism, organisational system, institutional system and scientific research platform.

R&D Technology Innovation System



R&D Innovation Management Measures

Management Measures	Specifics
Investment in R&D	The Company pays attention to the continuous and stable investment in research and development, and in recent years, it has invested about 3% of the total revenue as the fund for scientific research and innovation activities, providing strong support for the development of technological innovation activities. In 2023, the Company's R&D investment is RMB292 million, and the proportion of R&D investment in operating income is 3.01%.
R&D team	<p>Special Training: By sending technical backbones to Tsinghua University and other institutions for training, and regularly hiring industry experts to give lectures at the Company, we provide technical talents with opportunities for inspection and exchange.</p> <p>Rank evaluation: Link the promotion of professional and technical personnel to scientific research and innovation performance.</p> <p>Scientific research awards: Reward outstanding scientific research projects (including new products, new technologies, new materials, new processes, authorized patents, standard revisions, etc.) to activate innovation momentum.</p> <p>Talent introduction: The Company regards recruiting talents as the Company's "number one project", and breaks through limitations in the recruitment of R&D talents in the technical department, providing policy preferences for over-allocation and high-allocation in terms of quantity and quality.</p>
Scientific research platform	<p>R&D platform: The Company has high-level R&D platforms such as "Nationally Recognized Enterprise Technology Center", "National Engineering Technology Center" and "Nationally Recognized Laboratory". Among them, Anhui New Materials has a testing center and has been approved by CNAS certification.</p> <p>Industry-university-research platform: Actively carry out industry-university-research cooperation with universities and research institutes such as Tsinghua University and South China University of Technology. Currently, high-level industry-university-research platforms such as "Academician Workstation" and "Postdoctoral Research Station" have been established.</p> <p>R&D Technology Center: Each unit of the Company has a technology R&D center to establish an open innovation and entrepreneurship platform to carry out product and technology innovation under the guidance of the Company's expert committee.</p>
Leading the development of the industry	Actively participate in the formulation of industry standards and promote high-quality development of the industry. As of 31 December, 2023, the Company has participated in the formulation of 12 national standard building, 52 industrial standard building and 29 group standar building.

Case Study

2023 Keda Group (Shunde Base) R&D Talent Special Training Camp

In 2023, in order to better support the Company's technological innovation and product management, and promote R&D talent training and echelon construction, the Company launched the 2023 Keda Group (Shunde Base) R&D Talent Special Training Camp, which lasted for 6 months. This project focuses on the R&D pain points of technical personnel and the improvement of product management capabilities. It adopts a combination of offline and online learning methods to help students go from "knowing" to "doing" and create a "understand innovation, good management" R&D team.



R&D innovation results

Relying on a complete R&D system and continuous R&D investment, Keda Group has accumulated a large number of innovative R&D results in business sectors such as building materials machinery, lithium-ion battery materials and machinery, and launched more high value-added products that meet new market demands, constantly consolidating the Company's competitive advantage position.

Key technological innovation results in 2023 (part)

Product/Innovation	Innovation Results
KEDA KING series of polishing line	<ul style="list-style-type: none">Keda Group has successfully developed KING series intelligent grinding machines, KING series multi-section swing intelligent polishing machine and intelligent super clean polishing lines, which comply with Industry 4.0 standards and fully comply with European standards and CE safety requirements.During the research and development period of the project, a total of 21 patents were applied for and authorized, including 19 utility model patents, and 3 invention patents were accepted.
"4.0 Energy Efficiency Benchmark Smart Era" Large-output firing kiln	<ul style="list-style-type: none">DLT's "4.0 Energy Efficiency Benchmark Smart Era" large-capacity firing kiln (W3150/L480.9M) and DHD-EM 6-layer energy-saving self-circulating dryer (W3200/L179.2M) are optimized and combined. By giving full play to the maximum benefits of the new production system, combined with the advantages of large-scale production, we can not only achieve a highly automated, intelligent, and digitally managed production model, but also demonstrate the advantages of low energy consumption, high efficiency, large output, and strong stability, ranking at the forefront of the industry in terms of single-line output.
High performance ceramic plate continuous roll forming equipment	<ul style="list-style-type: none">Breaking through the traditional forming process of ceramic plates, we developed continuous roll forming technology to achieve flexible and efficient forming of the green body without moulds, realize powder partition distribution, flexible adjustment of product specifications and rapid production line conversion; it has the advantages of light weight of equipment and low forming and pressing force, low manufacturing, installation and maintenance costs, stable operating performance and other advantages, significantly reduce production energy consumption and greatly improve production efficiency and capacity.During the research and development period, 1 invention patent, 18 utility model patents, 1 software copyright were authorized, and 1 group standard was formulated.It has successfully passed the scientific and technological achievement certification of the Guangdong Mechanical Engineering Society, and its overall technical level is at the leading international level.
High performance industrial aluminum-profile extrusion machine	<ul style="list-style-type: none">The YPL2000, YPL4000, YPL4500 and other series of extrusion machines developed by the project are compact in structure, energy-saving and efficient, and intelligently controlled. Among them, YPL2000 is used in the extrusion of photovoltaic frame profiles, achieving 4-out extrusion in one die. The maximum daily output of a single machine is more than 30 tons, which is significantly ahead of similar domestic extrusion press products. YPL4500 is used in the first automotive aluminium profile extrusion production line designed by HLT. It is the first complete line project of a domestic automotive OEM. It is equipped with a highly automated complete line production logistics and data system and has passed the high standards of the automotive industry test.

Product/Innovation

Innovation Results

Research and industrialization of key technologies for high-efficiency energy-saving and intelligent control of lithium mica calcination tunnel kilns

- Keda Foshan Industrial has innovatively introduced tunnel kiln full-salt solid-phase roasting technology in the process of roasting low-grade lithium ores such as lepidolite, and optimized the kiln structure based on the roasting mechanism of lepidolite, significantly improving lithium conversion rate, reducing energy consumption, Extend the service life of the kiln.
- The project has been authorized 1 invention patent, 8 utility model patents, 2 software copyrights, and has independent intellectual property rights.
- It has been unanimously recognized by the appraisal committee composed of the Guangdong Building Materials Industry Association and the Guangdong Ceramics Association, and has reached the international leading level.

Battery recycling equipment for full component reutilisation

- Anhui Keda Industrial has innovatively developed a full-component recycling equipment for retired power batteries. This equipment targets industry pain points and improves the production efficiency and automation level in the field of retired battery disassembly and recycling. It not only improves recycling efficiency, but also reduces environmental pollution. In the future, it will gradually promote the application.



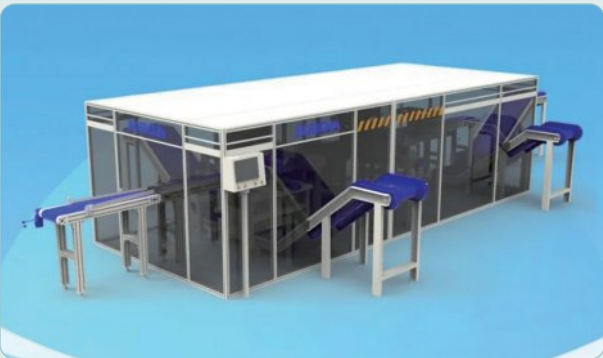
KEDA's "Engine" Series of High-efficiency Intelligent Edge Grinding Machines



YPL4500 Aluminum Profile Extrusion Machine



Lepidolite Roasting Tunnel Kiln



Square Shell Battery Shell Cutting Machine

Intellectual Property Protection

The Company strictly abides by laws and regulations such as the *Copyright Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Patent Law of the People's Republic of China*, and has formulated and formed the *Intellectual Property Manual*, *Intellectual Property Acquisition Control Procedure*, *Intellectual Property Protection and Risk Avoidance Guidelines*, etc., and have established a comprehensive intellectual property management system for intellectual property application, rights protection, risk control, and dispute handling. At the same time, the Company has formulated the *Intellectual Property Reward Measures* to encourage the creation of patents and stimulate employees' initiative in innovation and intellectual property declaration.

In terms of protecting intellectual property rights, the Company's Science and Technology Management Department, as the coordinating department for intellectual property-related work, is responsible for the acquisition, change, renewal, licensing, pledge, transfer, cancellation, monitoring and other matters of the Company's intellectual property rights, and is responsible for guidance, supervision and management Intellectual property protection and rights protection work in each unit, and regular education and training on intellectual property laws, regulations and rules are organized to enhance the Company's employees' awareness of intellectual property protection. At the same time, the Company also organized personnel, legal affairs, procurement outsourcing and other departments to establish a knowledge protection response process. When technical or R&D employees join the Company, the human resources department needs to sign an intellectual property-related agreement with them to implement the ownership of intellectual property rights and avoid the risk of infringement during work. Regarding the Company's foreign-related processed products, the Company's procurement outsourcing department is responsible for the protection of its intellectual property rights and technical secrets. In addition, the legal department is responsible for guiding, supervising and assisting various departments in intellectual property protection and rights protection as well as risk avoidance.

We also fully respect the intellectual property rights of our partners, strictly abide by the license scope, and assist our partners in resisting infringements. During the Reporting Period, the Company did not receive any penalties from the competent authorities for violating laws and regulations related to intellectual property rights.

During the Reporting Period, subsidiary Anhui New Materials won the titles of "National Intellectual Property Advantage Enterprise" and "Ma'anshan City Intellectual Property and Trade Secrets Two-in-One Protection Site".

Case Study Keda Group Sued a Company for Infringement and Won a Compensation of RMB1 Million



On 8 December, 2023, Keda Group received a civil judgment from the Supreme People's Court, making a final judgment on the case of Keda Group suing a company in Guangdong for infringement of utility model patents. The Supreme Court made the final ruling: 1. A certain company stopped manufacturing, selling, and promising to sell products that infringed upon the plaintiff's utility model patent from the date the judgment became legally effective; 2. A certain company compensated Keda Group for economic loss and reasonable expenses totaling RMB1 million within 10 days from the date of the judgment.

Key Performance



Number of patents granted	Patents	Utility model patents	Design patents	Patent authorisation during the year
2,977	624	2,252	99	254

Digital Transformation

Keda Group firmly implements the "digital" strategy and continuously lays a solid foundation for digital transformation. Internally, the Company has increased investment in manufacturing to upgrade manufacturing, and through informatisation and digital empowerment, it has realized intelligent manufacturing and flexible manufacturing, consolidated the foundation of advanced manufacturing, and improved production efficiency and quality. At the same time, the Company has promoted the construction of a financial digital platform and other measures to orderly promote the integration of business and finance, corporate resources and group management and control to empower its business.

Externally, the Company is committed to providing professional, implementable, and highly reliable digital manufacturing solutions to the industry, making production smarter and management smarter, helping enterprises improve quality and efficiency, bringing management model changes to the industry, and promoting industrial informatisation and Intelligentisation enables digital transformation and upgrading of enterprises.

Case Study Keda Group was Selected as a Typical Case of Digital Transformation of Intelligent Manufacturing in the Building Materials Industry in 2023



In November 2023, the Department of Raw Materials Industry released 50 typical cases of intelligent manufacturing digital transformation in the building materials industry in 2023 after recommendations from local industry and information technology departments and central enterprises and expert reviews. The "R&D and Industrialization of Architectural Ceramics Intelligent Complete Production Equipment" case manufactured by Keda Group was selected in the "Smart Equipment" category. This selection is a full recognition of the effectiveness of Keda Group's digital transformation work, and also fully demonstrates Keda Group's investment and persistence in continuous innovation in the field of intelligent manufacturing in the building materials industry.

Case Study KEDA ZhenTao MOM Went Online in Guangdong Xinruncheng Ceramics



In 2023, the Keda ZhenTao MOM, which Keda Group participated in the research and development, had been launched in Guangdong Xinruncheng Ceramics Co.,Ltd. This digital solution realizes the full digital management of all process sections from the raw material workshop to packaging and warehousing, making production management more refined, industrial chain collaboration transparent and efficient, and production line intelligence significantly improved, helping the Guangdong Xinruncheng Ceramics Co.,Ltd. to be successfully selected for the 2023 Foshan Digital Intelligent Demonstration Factory.



Products Quality Management

The Company strictly abides by the *Product Quality Law of the People's Republic of China* and other laws and regulations as well as various standards related to its own products, practices the core value of "Quality first, quality determines success or failure", and regards quality as a key factor in improving the core competitiveness of products. Keda Group focuses on the management and improvement of product quality through lean management and building a high-quality supply chain.

Full life cycle quality management system

The Company takes "continuous innovation, customer satisfaction, rapid improvement, and innovation by all employees" as its quality policy and formulates the *Quality Manual*, *Outsourcing Sub-Supplier Quality Management Regulations*, *Production Process Control Procedures and Identification and Traceability Management Procedures*, *Continuous Improvement Control Procedures*, *Unqualified Output Control Procedures* and other systems and control procedures, and formed a system of regulations and standards including processes at all levels, standardized guidance and template forms, to complete product research and development, procurement, production, market services and other links. The whole life cycle quality management system covers.

In 2023, the quality management system of the Company and its many subsidiaries was certified to comply with the relevant requirements of ISO 9001:2015 and other industry standards, and obtained corresponding certification certificates. During the Reporting Period, the Company had no violations of laws and regulations related to product and service quality and safety and was punished by the competent authorities, and no product recalls occurred.

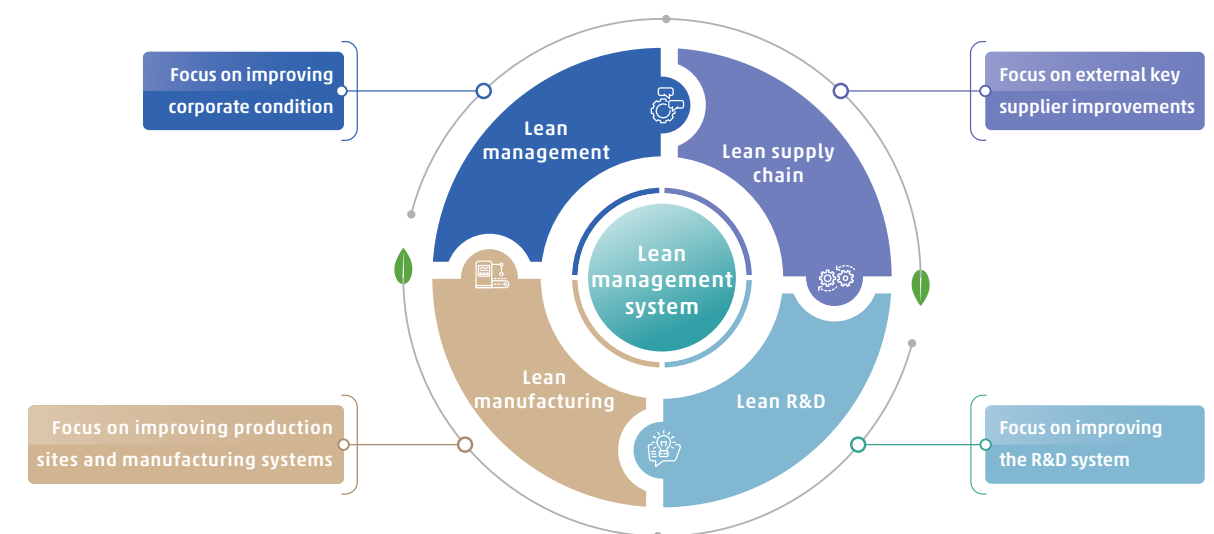
The Company's Quality System Certification

Business Segments	Quality Certification
Building ceramic machinery	<ul style="list-style-type: none"> Keda Group passed ISO 9001 quality management system certification Keda Foshan Industrial passed ISO 9001 quality management system certification HLT passed ISO 9001 quality management system certification DLT passed ISO 9001 quality management system certification and EU, CE certification, and won the Foshan Sanshui District Government Quality Award
Building materials	<ul style="list-style-type: none"> Obtained the "Diamond" label product issued by the Kenya Quality Inspection Bureau
Lithium battery materials and machinery	<ul style="list-style-type: none"> Anhui New Materials passed IATF 16949 quality management system certification Anhui KEDA New Energy Equipment Co., Ltd. passed ISO 9001 quality management system certification
Other Business	<ul style="list-style-type: none"> Keda Hydraulic passed ISO 9001 quality management system certification Keda (Anhui) Clean Energy passed ISO 9001 quality management system certification Jiangsu Kehang Environmental Protection Co., Ltd. passed ISO 9001 quality management system certification Henan KDNEU International Engineering Co., Ltd. passed ISO 9001 quality management system certification Guangdong Keda New Energy Equipment Co., Ltd passed ISO 9001 quality management system certification Guangzhou Agate passed ISO 9001 quality management system certification

3.2 Lean management

The Company compiled the *Rules for the Implementation of Lean Management System KBS for KEDA Ceramics Machinery* to actively promote the lean management of the building ceramic machine business. At the same time, the Company has gradually extended its lean manufacturing management experience in the building ceramic machine business to other businesses, fully implementing the Company's lean manufacturing philosophy.

Lean management system



Measures for Lean Management

	Lean Advancement of the Organisation	<ul style="list-style-type: none"> Management + business unit level, clear positioning Establish three major collaborative groups: "Value Chain-Pull", "Efficiency Increase and Cost Reduction" and "Proposal Improvement" to promote the lean improvement work in depth and systematically
	Lean Effectiveness Evaluation Indicators	<ul style="list-style-type: none"> The Lean Management took the initiative in visiting the general managers of major business units to understand the current difficulties, pain points, congestion points and demand points of the business units Develop plans such as lean layout planning for factories and workshops, on-site management and standard operations, and integrated production and precision planning
	Restrictions for Lean Management	<ul style="list-style-type: none"> Moderately control the process to ensure the results are controllable Enhancement of employee competition in Lean Management practices and periodic notification of results Clarify the project operation mechanism: Improvement week is the main focus, external guidance is combined with internal autonomy
	Cultivation of Lean Talent	<ul style="list-style-type: none"> Carry out the "Lean Golden Seed Manpower" training project, organize employee improvement training, and cultivate precise and efficient management talents Adopt a combination of theoretical knowledge learning and practical training for training, so to pick out the talents needed during this period



Lean Improvement Tools

- Based on cost structure analysis - BPD breakthrough product development
- Based on value stream analysis - SW standardized operations
- Based on all-employee improvement activation & atmosphere creation - all employee self-improvement



Lean Culture Cultivation

- Promote the creation of an atmosphere for all employees through public accounts, video accounts, KEDA newspapers, etc
- Establish and improve the "pre-work meeting system", actively carry out "reading clubs", and promote the creation of a precise and efficient cultural atmosphere

In 2023, more than 1,000 people from Keda Group's building ceramic machinery brand "KEDA" participated in improvement proposals, and the number of valid proposals in the system was 4,332. Through measures such as reuse of dead materials, technology cost reduction, procurement cost reduction, and production efficiency improvement, the costs of being precise and efficient were reduced. The effect is remarkable through the promotion of standardized operations, the production cycle has been shortened by 26%. Among them, the Smart Transportation & Storage Division, Polishing Division, Spare Parts Service Division and Electrical Cabinet Production Centre have a system working hour efficiency of over 160% year-on-year. In addition, the Company has cultivated a group of lean talents by combining monthly theoretical knowledge learning with practical implementation in improvement week implementation projects.



Key Performance



Building ceramic machinery
"KEDA" brand Lean Improvement
Week coverage number

711

Number of people covered by
Independent Improvement
Activities for all employees

1,060



KEDA Lean Transformation Project (Phase II) & Lean Leadership Camp Training



Corporate Management Department - Improvement training for all employees in the Accessories Division



Improve the Customer Service

The Company adheres to the business philosophy of "customer-centred, serving customers and consumers", adopts domestic direct sales, foreign direct sales or distribution and other sales models, and establishes a full-process sales management system of sales planning management, sales execution management and sales customer management.

Building Ceramic Machinery Business Customer Service Management



After the contract is concluded, we actively track the production and delivery progress and provide theoretical knowledge training to customers. After the equipment arrives at the factory, mechanical, electrical and debugging engineers are arranged to go to the customer's factory for installation, debugging and trial production.



Collect customer information, place product advertisements through newspapers, magazines, industry websites and other channels, and participate in domestic and foreign exhibitions to publicize and promote the Company's products. Communicate with customers before sales about the entire plant and line project planning, and provide Know-How services.



Installation and debugging guidance, operation and troubleshooting training, parts supply services, engineer on-site service and visits, marketers customer return visits and other services will be provided.



In Chinese mainland:

The marketing centre provides 24-hour service and collaborates with business departments to propose solutions in a timely manner.

Overseas:

Customers can make complaints by phone or email. The marketing centre will understand the situation in a timely manner and provide targeted responses. If necessary, technicians will be sent to the customer site.



Case Study

Keda Group Debuts at the 2023 India International Ceramics Industry Exhibition

On 15 February, the 2023 India International Ceramics Industry Exhibition opened grandly at the Gandhi Nagar Exhibition Center in Gujarat, India. At the exhibition, Keda Group highlighted the KEDA Tile Storage System After Kiln, which became a highlight of the exhibition. It focused on the KEDA Kiln Back Intelligent Brick Storage System, Multi-stage Pendulum Intelligent Polishing Machine, second-generation CNC Intelligent Grinding Machine Edge Machines, Fast and Fully Compatible Direct-connected Automatic Packaging Lines, and KEDA Fully Automatic Cutting and Processing Equipment, which attracted customers to stop at KEDA's booth for consultation and negotiation.



Satisfaction survey

The Company has formulated *Customer Satisfaction Information Control Procedures*, *Measuring Customer Satisfaction Management Procedures* and related customer satisfaction questionnaires, etc., to conduct multi-dimensional regular customer satisfaction surveys for customers who order and use the Company's products and the departments that use the Company's measurement equipment. Conduct surveys and continuously improve satisfaction measurement methods based on the Company's strategic planning and development direction.

Customer Satisfaction Management System

Conduct research through multiple channels

The Company conducts multi-dimensional customer satisfaction surveys through visits, interactions, phone calls, the Internet, symposiums, etc.

Satisfaction analysis and evaluation

The customer satisfaction survey results are passed to the corresponding responsible units of the Company, and each unit analyses and evaluates them to understand customer needs and expectations.

Closed-loop sales problem solving

Through the analysis results, the Company conducts quarterly regional customer inspections to assist customers in training product knowledge, on-site maintenance guidance, and eliminating equipment hazards. It has also established a remote service support centre to respond quickly 24 hours a day and remotely support customers in handling equipment problems.



Key Performance

Customer Satisfaction



Number of valid questionnaires returned for the Building ceramic machinery brand "KEDA"

732

Customer satisfaction rate

99.8%

Case Study

Return Visits from Some Overseas Customers of the Polishing Division of the building Ceramic Machinery Business in 2023

In 2023, KEDA Building Ceramic Machinery Polishing Division conducted a satisfaction survey on customers in Turkey, Saudi Arabia and other regions, and visited 12 customers in total. Customers are very satisfied with the Company's equipment performance, and all after-sales feedback problems are solved in a timely manner, with 100% customer satisfaction.



Data Security and Privacy Protection

The Company attaches great importance to protecting the data security and privacy of itself and its customers, strictly abides by the *Data Security Law of the People's Republic of China*, *Cybersecurity Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China* and other legal and regulatory requirements, and formulates and implements the *Computer Information Security Management System*, *Information Security Incident Emergency Response System* and *Information Security Management Procedures for the Integration of Information Security* and other systems and control procedures to promote the integration of information security into business processes and the implementation of data security and privacy protection work standards.

During the Reporting Period, the Company was not punished by the competent authorities for violating laws and regulations related to data security and privacy protection.

Responsible Supply Chain

Adhering to the concept of "Honesty and trustworthiness, multi-win is the win", the Company is committed to building a high-quality and efficient supply chain system and establishing long-term strategic cooperative relationships with suppliers. Under the guidance of the *Supplier Access Management Measures* and other systems, factors such as environmental, social and corporate governance are incorporated into the supplier assessment system to empower partners and allow both parties to grow together.

Key Performance

Supplier Management



Number of
suppliers

4,136



Number of suppliers by region:

Mainland China

3,745

Outside mainland China

391



Supplier life cycle management



Supplier access management

The purchasing unit initiates supplier sourcing work according to the demand department, and convenes the technical department and the process quality assurance department to form a joint review group in accordance with the provisions of the *Supplier Access Management Measures*. The joint review team conducts offline/online joint reviews of suppliers based on their importance.

In order to ensure the scientific nature of supplier admission, the Company formulates and implements the *Supplier On-site Evaluation Form* and conducts evaluations in strict accordance with the scoring standards to ensure the objectivity of the evaluation.

If the first on-site review fails, re-examination after rectification is allowed. The supplier must submit a written rectification report within 15 days for feedback to the evaluation team for confirmation. If the rectification is not completed within 3 months, access will be suspended.



Supplier maintenance

The Company regularly conducts on-site visits and communication with suppliers to listen to their opinions on Keda Group's procurement system and strengthen the cooperative relationship between the two parties.

Supplier units that have passed the assessment, regardless of size, can equally participate in the bidding activities of Keda Group. The bidding/auction is conducted fairly and equitably under the supervision of the audit department.

The Company has established strategic cooperative relationships with long-term core suppliers, promoted exchanges of high-level visits between the two parties, and promoted the management teams of both parties to learn from each other and improve together.



Supplier training

Before bidding, provide suppliers with bidding operation training to ensure that suppliers are proficient in the bidding system.

Focus on the quality control capabilities of suppliers. For suppliers whose quality fluctuates, we send quality engineers to the supplier's factory to assist the supplier in formulating inspection procedures, improving inspection equipment, and improving the supplier's quality control capabilities.

Case Study

Refractory Brick Procurement Project



Refractory bricks are an important component of the Company's product kiln equipment. When selecting refractory bricks, the Company prefers suppliers with lower unit energy consumption and more advanced processes. In 2023, the Company promoted two refractory brick suppliers to upgrade their production equipment or iterate their production lines, further reducing the unit energy consumption of producing refractory bricks, becoming more environmentally friendly, and fulfilling the Company's social responsibility.



03

Green Development for a Low-carbon Future

Keda Group strictly complies with the *Environmental Protection Law of the People’s Republic of China*, the *Water Pollution Prevention and Control Law of the People’s Republic of China*, the *Solid Waste Pollution Prevention and Control Law of the People’s Republic of China*, and other relevant laws and regulations, respond to the action requirements such as the *White Paper on China’s Policies and Actions for Addressing Climate Change*, adhere to leading green development through technological innovation, promote the efficient and intensive utilization of natural resources, and jointly promote green and low-carbon development, advancing on the path of environmentally friendly and sustainable development.



Key performance:

- Environmental management system certification
- Environmental protection investment: RMB**15.98** million
- Domestic production base photovoltaic power generation:**8,307,700** kWh
- Anhui Keda Industrial was designated as a “National Green Factory”

Key points of the chapter:

- Green Goals
- Provide Green Products and Low-carbon Solutions
- Enhance Ecological Environmental Governance Capabilities
- Concern about and Responding to Climate Change Issues
- Build and Improve Green Operation System



SDGs answered:



Green Goals

The Company sets medium and long-term environmental and energy objectives, organizes, implements, and maintains each objective and indicator on an annual basis, covering relevant functions, levels, processes, or implementation aspects, and ensures through performance appraisal that all management tasks are effectively executed.

Environmental goals

1. The emission of exhaust pollutants complies with the Class II standards in Table 2 of Comprehensive Emission Standards for Air Pollutants (GB16297-1996) and Emission Standards for Volatile Organic Compounds from Surface Coating (Automobile Manufacturing Industry) (DB44/816-2010).
2. Implementing classified collection, comprehensive utilization, and reduction of solid waste emissions to achieve a 100% compliance rate in solid waste disposal.
3. Wastewater discharge complies with the Class I standards in Integrated Wastewater Discharge Standards (GB8978-1996), Discharge Limits for Water Pollutants (DB44/26-2011), Emission Standards for Electroplating Wastewater (DB44/1579-2015).
4. Reduce and control accident risks, achieving zero major fire and explosion accidents and zero major hazardous chemical leakage accidents.
5. Factory boundary noise complies with the Class 3 standards in Industrial Enterprises Boundary Environmental Noise Emission Standards (GB12348-2008).

Annual progress

1. Post-permit maintenance work is conducted in accordance with the maintenance management requirements of national pollution discharge permits, and qualified units are commissioned to carry out self-monitoring work.
2. Efforts are made to promote sewage diversion reconstruction work and waste gas treatment facility upgrades. Within the year, Guanglong, Dadu, and Xianyong factory areas have completed rain and sewage diversion reconstruction work, as well as upgrades to six sets of VOCs waste gas treatment facilities, with a total investment of approximately RMB3.5 million.
3. Additional hazardous waste storage facilities are established, and qualified units are commissioned to dispose of hazardous waste.
4. Occupational hazard factor inspections were carried out in accordance with the requirements of the Occupational Disease Prevention and Control Law. For areas where noise intensity reaches the limit requirements (such as cutting, welding, and shot blasting), "Noise Special Assessment and Control" work was conducted. This includes adding sound insulation and shock absorption measures to noise sources, regulating proper use of noise-reducing earplugs by employees, and enhancing training on noise pollution-related matters.
5. Throughout the year, there were no major fire or explosion accidents, nor were there any significant leaks of hazardous chemicals.



Energy goals

1. Through energy management, vigorously developing energy-saving, emission-reducing, and green manufacturing, thereby enhancing the competitiveness of enterprises in the market.
2. According to national laws and regulations, kick out outdated processes and equipment.
3. Effectively integrate energy management into various aspects of overall enterprise management, comprehensively promote energy management throughout the process, encourage innovation, mobilize all staff participation, and establish and continuously improve an energy consumption management system.

Annual progress

1. Promote technological innovation, focusing on the two major areas of "green building materials" and "new energy", to introduce green, energy-efficient, and high-performance green products, as well as low-carbon solutions.
2. Commencement of photovoltaic construction works at various sites including Phase One of the Fujian Base, the Sanshui Base, and the Kisumu Base in Kenya, Africa.
3. Promote green office and green production, strictly regulate the use of equipment in office and production areas, and promote the coverage of high-efficiency energy-saving equipment. Throughout the year, the Company has been encouraging employees to use air conditioning responsibly and to use electricity wisely, while conducting regular inspections. During the same period, a total of 847 LED lamps were replaced in the Guanglong, Dadu, and Xianyong factory areas, resulting in a total electricity saving of over 110,000 kWh.
4. Enhance the training efforts for energy managers, achieving a 100% pass rate in training.
5. Throughout the year, there were no significant energy accidents.




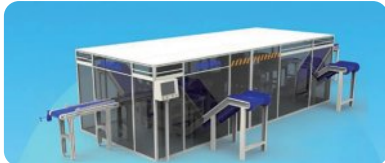



Provide Green Products and Low-carbon Solutions

Under the guidance of the "dual carbon" strategy, Keda Group is committed to becoming a "resource-saving and environmentally-friendly" enterprise. Fully embracing clean technologies, it focuses on the two major areas of "green building materials" and "new energy". Through measures such as reducing pollutant emissions from the source and improving resource and energy utilization efficiency, Keda Group provides customers with green, energy-saving, and efficient low-carbon products and solutions. At the same time, the Company consistently prioritises energy conservation, efficiency enhancement, and intelligent management as its innovation focus. It innovatively integrates the concept of low-carbon energy saving and green environmental protection into process development, thereby not only advancing its own development but also supporting the implementation of low-carbon practices across the entire industry chain.



Research on Low-carbon Environmental Protection Technologies

Low-carbon Environmental Protection Technology Achievements	Specifics	Images
Ammonia hydrogen zero-carbon combustion technology	In order to explore a new direction for achieving the "dual carbon" targets in China's ceramic industry, the subsidiary DLT jointly initiated the "Advanced Zero-Carbon Combustion Technology Joint Innovation Research and Development Center". This centre has developed the "Ammonia Hydrogen Zero-Carbon Combustion Technology", achieving zero carbon dioxide emissions in the ceramic tile firing process. In December 2023, the demonstration project, as the first in the country to adopt ammonia hydrogen zero-carbon combustion technology and achieve mass production of ceramic tiles with zero carbon emissions, was officially launched at Monalisa Group. This milestone signifies a significant step forward in the industrial application of carbon neutrality technology in China's building ceramics industry, contributing significantly to accelerating the industry's transformation towards green and low-carbon development.	 <p>In December 2023, the "Advanced Ammonia Hydrogen Zero-Carbon Combustion Technology Demonstration Project for Ceramic Tile Production Lines" was officially launched.</p>
Foamed ceramic solutions	Keda Group provides a complete set of foamed ceramic production line solutions. Foamed ceramics are made from industrial solid waste materials such as discarded tiles, coal ash, coal slag, coal gangue, and stone waste, and have been widely applied in industries such as real estate and the chemical industry. In 2023, the Company's highly efficient and energy-saving foamed ceramic roller kiln was awarded the First Prize of the Guangdong Province Building Materials Science and Technology Award (Technological Progress Award).	 <p>Exterior Wall Insulation and Decoration Integrated Panels</p>
Holistic autoclaved aerated concrete plant solution	The Holistic autoclaved aerated concrete plant solution provided by Anhui Keda Industrial uses materials such as fly ash and industrial waste to produce products that replace traditional red bricks and cement, serving as the primary raw materials for prefabricated buildings. In May 2023, the Company's green preparation process technology and digitised complete equipment for autoclaved aerated concrete panels were listed in the National Catalogue of Advanced Applicable Process Technology and Equipment for Comprehensive Utilisation of Industrial Resources.	 <p>ACC internal wall panels</p>
Battery recycling equipment for full component reutilisation	Anhui Keda Industrial has innovatively developed equipment for the full component recycling of retired electric vehicle batteries, providing an efficient and environmentally friendly solution for the dismantling and recycling of retired electric vehicle batteries. This equipment will be gradually promoted and applied in the future.	 <p>Core Equipment: Square Battery Cutter</p>
Smart energy	The subsidiary Anhui Keda Smart Energy specialises in providing comprehensive solutions for distributed photovoltaic power stations throughout their lifecycle, including system design, EPC (Engineering, Procurement, and Construction), investment operation, and maintenance management. Serving over 3,000 customers with an annual traded electricity volume exceeding 15 billion kilowatt-hours, the Company is committed to offering green energy, reducing electricity costs, and increasing asset returns for its clients. In 2023, the Company completed and grid-connected 29 projects, with a total grid-connected capacity of 49.05MW. It made its first foray into overseas markets, providing solar storage project construction or design for the Company's overseas building materials business at its plants in Kenyan Kisumu, Senegal, Tanzania, and Kenya.	 <p>Keda Group has installed photovoltaic panels on the headquarters building, production workshops, and parking lots</p>

Enhance Ecological Environmental Governance Capabilities

Keda Group adheres to the environmental management philosophy of "reasonable energy use, green production," with a basic policy of "prevention first, combined prevention and control." Environmental-related systems such as the *Environmental Manual*, *Environmental Protection Management Regulations* and *Environmental and Safety Emergency Response Plan* have been established to reinforce ecological responsibility.

The Company has established a clear environmental management organisational structure, with the General Manager serving as the primary person in charge of corporate environmental protection, coordinating and arranging the Company's environmental protection management work. The heads of each production operation unit, production department/workshop are responsible as the primary environmental officers for their respective areas, bearing the main responsibility for environmental work in those areas. The administrative department serves as the Company's environmental supervision and regulatory department, responsible for penalising individuals or departmental/environmental officers of production workshops who violate relevant environmental regulations.



Structure of the Environmental Protection Management

Several subsidiaries including HLT, DLT, and Anhui New Materials have obtained ISO 14001:2015 certification for their environmental management systems.



The Company strengthens ecological and environmental risk management by strictly implementing the “three simultaneous” system for environmental protection in construction projects. This ensures that pollution prevention and control facilities (environmental facilities) are designed, constructed, and put into use simultaneously with the main project, thereby preventing adverse impacts on the ecological environment caused by project planning, construction, and implementation. Additionally, the Company actively responds to environmental pollution emergencies by conducting same-day investigations and analyses of the time and location of the environmental incidents, pollution sources and substances, degree of environmental impact, economic losses, etc., and promptly taking effective measures. Additionally, each of the Company's factory sites conducts annual emergency drills for sudden environmental pollution incidents.



Emergency drill for sudden environmental incidents at the Guanglong Plant sewage treatment station in 2023.

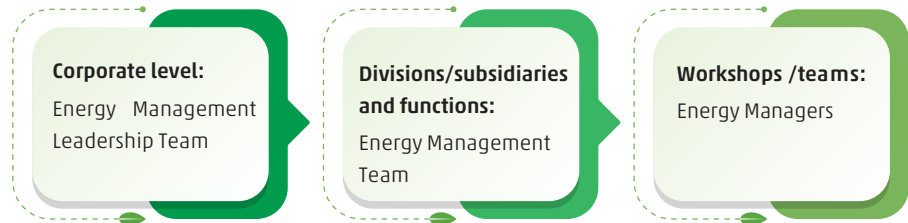
Environmental
protection investment
RMB15.98 million



Address and Responding to Climate Change Issues

In response to the national call for building a resource-conserving society, the Company has developed and refined energy management systems and control procedures, including the *Energy Management System Manual*, *Regulations on the Use of Energy Resources*, *Energy Material Monitoring and Management Procedures*, and *Energy Target, Indicator, and Management Plan Control Procedures*. These energy management systems and control procedures regulate energy consumption across various departments, establishing a comprehensive energy management network covering the entire Company. At the same time, the Company is increasing the use of clean energy. This is achieved by installing photovoltaic power generation at production bases, increasing the proportion of hydropower, and optimising the Company's energy usage structure. These actions not only contribute to the Company's economic goals but also serve as a response to climate change.

The Company adheres to the energy policy of “scientific management, energy conservation and consumption reduction, continuous improvement, and full participation” and implements a three-tier management system comprising the Company, divisions/subsidiaries, and workshops/teams. The Company's Energy Leadership Team is chaired by the Vice President of the Company, with General Managers of each division/subsidiary serving as members, to implement the principle of “utilising energy, conserving energy, reducing consumption, and enhancing efficiency.”



Structure of the Three-level Energy Management

In 2023, due to outstanding performance in green manufacturing and dual carbon areas, Anhui Keda Industrial was designated as a “National Green Factory” by the Ministry of Industry and Information Technology.

Energy management measure

Energy Management Measure	Contents
Clean energy utilization	As a professional equipment manufacturing Company, the primary energy consumption of the Company is electricity. To reduce environmental pollution, the Company has installed solar photovoltaic panels on the roof, adopting photovoltaic green power generation to increase the proportion of clean energy.
Enhanced energy-saving awareness	Through various forms such as notice boards and employee meetings, the Company advocates for energy conservation, embedding the concept of “saving every unit of electricity and every drop of water” into the hearts of all.
Selection of energy-saving equipment	The Company stipulates that when conducting technical or process improvements, priority should be given to selecting equipment and processes with low energy consumption and material usage while ensuring quality. Additionally, the Company actively engages in technological innovation to reduce energy consumption.

Key Performance

Domestic production
base photovoltaic
power generation
8,307,700 kWh

Reduce carbon
dioxide emissions
4,080 tons

Energy Usage

Indicator	Unit	2023
Outsourced electricity	kWh	171,203,043
Steam consumption	KJ	34,257,168,000
Gasoline	L	313,133
Gas oil	L	441,827
Natural gas	m ³	187,732
Liquefied petroleum gas	Kg	2,166,736
Propane	Kg	78,335

Scope of statistics: 13 major domestic business units

Case Study

Successful Grid Connection of Keda Group’s 4MWp Photovoltaic Power Station Project at Kenya Kisumu Sanitaryware Factory



On February 22, 2024, the 4MWp photovoltaic power station project at Keda Group’s Kenya Kisumu Sanitary ware Factory, developed by Anhui Keda Smart Energy, was successfully connected to the grid and commenced electricity generation. The power station project is expected to generate a total electricity output of approximately 130 million kWh over a period of 20 years. During operation, it is estimated to save approximately RMB56 million in electricity costs for Keda Group’s Kenya Kisumu Sanitary ware Factory, reduce carbon emissions by 83,650 t, and replace the equivalent of 30,596 t of standard coal.



Build and Improve Green Operation System

Keda Group conscientiously fulfils and assumes its social responsibility for environmental protection by integrating green production into its corporate operational management processes. It aims to reduce or prevent environmental pollution during production and advocates for the implementation of green development concepts in daily life, thereby promoting continuous improvement in ecological environmental quality.

Discharge and Waste Management

Keda Group actively responds to the call for deepening the fight against pollution and promoting the improvement of ecological environmental quality. It has formulated management regulations such as the General Waste Management Regulations and the Hazardous Waste Management Regulations. These regulations scientifically and effectively regulate the management of major pollutants such as wastewater, exhaust gas, industrial solid waste, and noise, aiming to prevent environmental pollution and improve working conditions. Keda Group strives to synchronize the planning, implementation, and development of production construction and environmental protection, achieving the organic unity of economic benefits, social benefits, and environmental benefits.

Emission and Waste Disposal Methods

Wastewater

Domestic wastewater
Indirectly discharged after pretreatment through three-stage septic tanks, grease traps, etc.

Industrial wastewater
After treatment in the Company’s self-built sewage treatment facilities, the effluent is discharged into the municipal sewage network after meeting the emission limits required by the Guangdong Province for water pollutants.

Exhaust gas

Industrial exhaust gas
The Company’s exhaust gas mainly comes from surface treatments of workpieces (shot blasting, cleaning, painting, etc.). The exhaust gas must be uniformly treated through VOCs exhaust gas treatment equipment to strictly meet compliance emission requirements.

Solid waste

General waste
The Company’s disposal of general waste follows the principles of harmless treatment, resource utilisation, and reduction. It is supervised throughout the entire process from waste generation, classification, collection, storage to commissioned disposal. Recyclable waste is given priority for secondary use within the Company, while the rest is disposed of by third-party units with the necessary processing qualifications.

Hazardous waste
The Company has established regulated storage facilities for hazardous waste and annually formulates a hazardous waste management plan at the beginning of the year. According to the plan requirements, annual commission contracts are signed with qualified units. Qualified units are entrusted with the cleaning and utilisation of waste paint barrels, while other hazardous wastes such as waste organic solvents, waste mineral oils, waste emulsions, waste activated carbon, waste filter cotton, etc., are entrusted to qualified units for incineration or physicochemical treatment.

Noise
The Company implements soundproofing, sound absorption, vibration reduction, and other measures based on the different characteristics of noise and sound sources to ensure that the boundary of the factory meets emission standards.

Indicator	Unit	Data
Wastewater	Tons	466,377.63
VOCs (volatile organic compounds)	Tons	8.33
Harmless waste	Tons	576.18
Harmful waste	Tons	8,651.86

Scope of statistics: 13 major domestic business units

During the Reporting Period, Keda Group's subsidiaries, Fujian Keda New Energy and Keda Foshan Industrial, were listed as key pollution-emitting units for the year 2023. The Company strictly discloses emission information in accordance with relevant laws and regulations. Specific emission details can be found in the attachment titled "Emission Situation of Key Polluting Units in 2023."

To further improve emission control, Fujian Keda New Energy has established facilities for treating exhaust gases from incinerators and exhaust gases from crushing and screening. Keda Foshan Industrial has facilities for treating incineration exhaust gases, pre-treatment and storage of exhaust gases, as well as facilities for treating paint and combustion exhaust gases. Through these treatment facilities, emissions of exhaust gases are ensured to meet standards. Furthermore, the aforementioned key polluting units have signed contracts with qualified third-party testing companies to conduct regular supervision and testing on the emissions of treated exhaust gases. During the Reporting Period, the emissions of the aforementioned pollutants were tested by a professional Company, and all emission levels complied with relevant environmental standards.

Case Study

Keda Group's Guanglong Plant Actively Implements Pollution Prevention Measures



To actively respond to Shunde District's call for building a city with water and beautifying the city with water, Keda Group's Guanglong Plant commissioned a professional design unit to provide a rainwater and sewage diversion design scheme. In accordance with the requirements of the scheme, a new domestic sewage pipeline network was constructed, and the renovation was completed in December 2023. Subsequently, the plant successfully obtained the drainage permit. After the renovation, wastewater from hand sinks, toilets, and canteen oily wastewater within the plant area is pre-treated and discharged into the plant's sewage pipeline network, ultimately entering the municipal sewage pipeline network for discharge.

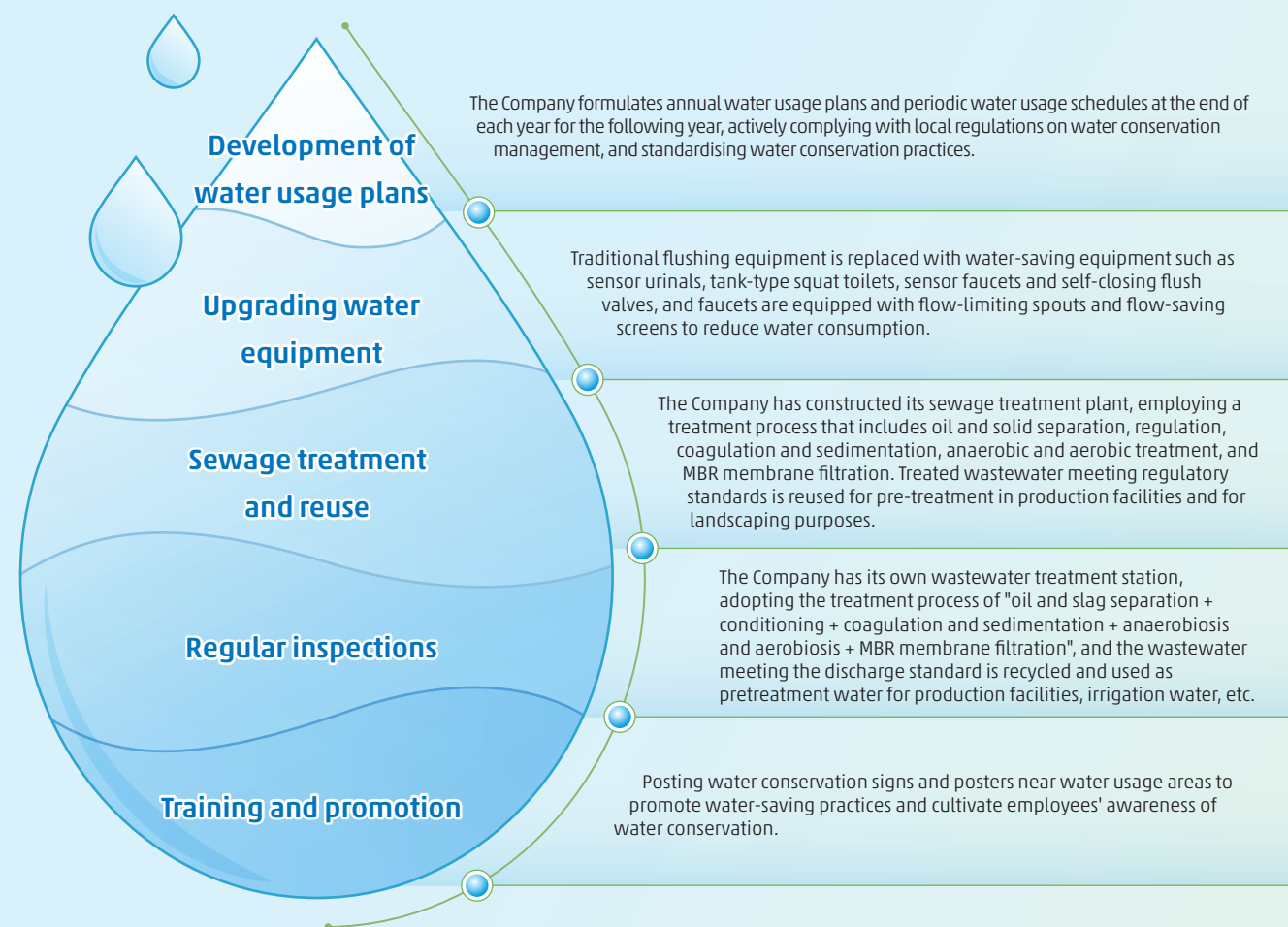
The original exhaust gas treatment facilities outside the Guanglong plant's 12th workshop mobile spray paint room consisted of water spray, primary dry filtration, UV oxidation, and primary activated carbon, which are considered as low-efficiency treatment facilities. In December 2023, the Company carried out a process upgrade for this facility, transforming it into a system with secondary dry filtration and secondary activated carbon. This upgrade not only conserves water resources and reduces safety risks but also enhances the efficiency of exhaust gas treatment.

Additionally, in accordance with the *Technical Specification for Hazardous Waste Identification Sign Installation (HJ1276-2022)* and the *Pollution Control Standard for Hazardous Waste Storage (GB 18597-2023)*, the Guanglong plant has repurposed two old toilets into hazardous waste storage facilities. Inside these storage facilities, backflow gutters and collection pools have been installed, along with measures for anti-seepage and anti-corrosion. A gentle slope has been constructed at the entrance, and various warning signs have been placed outside the doors to meet requirements for wind protection, rain protection, and leakage prevention, thereby mitigating the environmental risks associated with the storage of hazardous waste.

Water Source Management

Keda Group has established a sound water conservation management system and issued the *Energy and Resource Management and Usage Regulations* document, fostering green, healthy, and water-saving concepts. Continuous efforts are made to strengthen both industrial and domestic water management. This is achieved through initiatives such as drafting water usage plans, upgrading water equipment, increasing the frequency of water recycling, enhancing equipment maintenance, and raising staff awareness of water conservation. These measures aim to improve water resource utilization efficiency, promote the Company's green transformation, and facilitate high-quality development.

Water resource management measures



Water
consumption

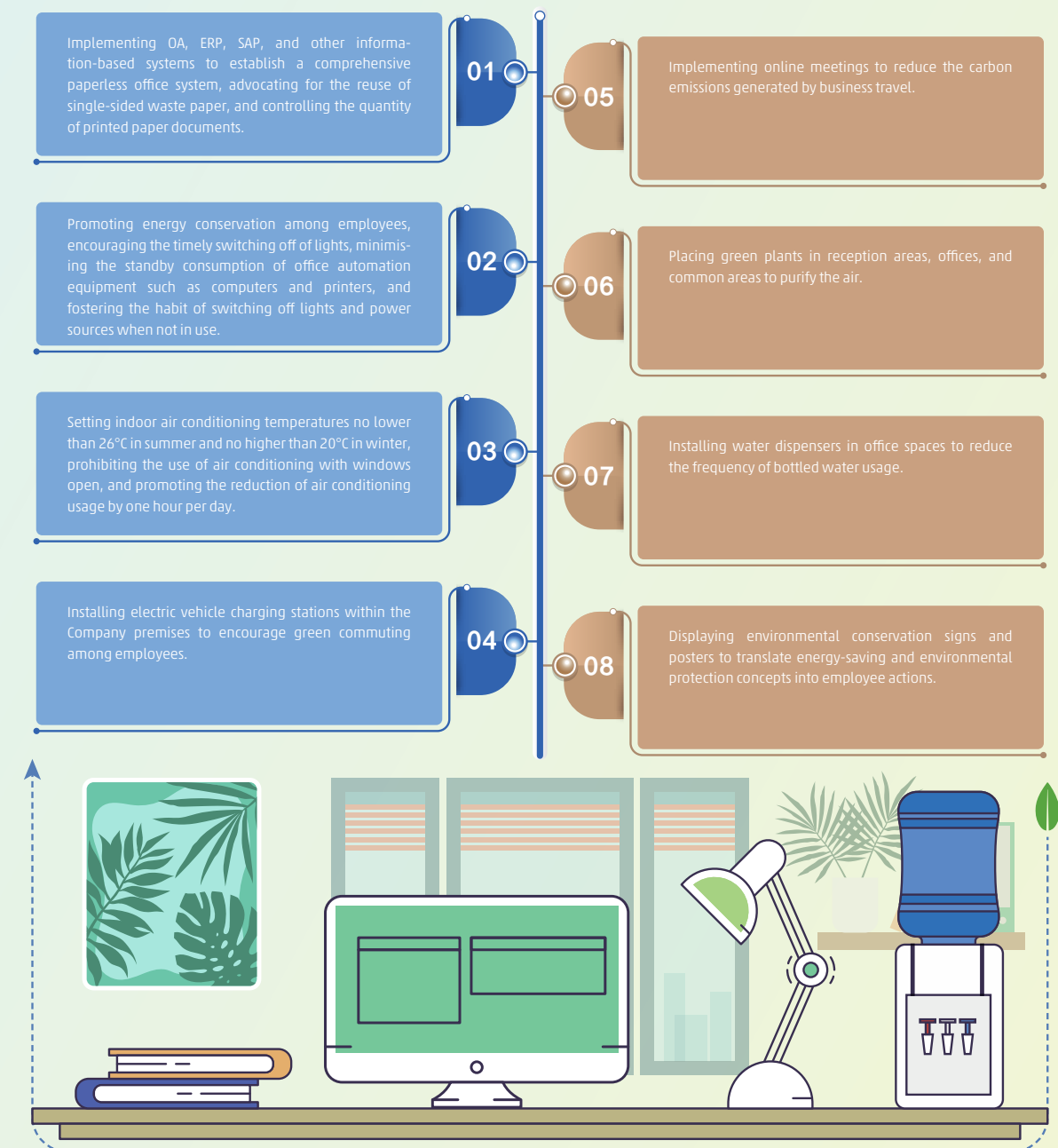
1,115,590.68 tons

Scope of statistics: 13 major domestic business units

Green office

The Company actively promotes the concept of green offices, intensifying efforts in green office publicity. By refining relevant systems and adopting corresponding measures, the Company further reduces pollution emissions and energy waste generated during office operations, thereby achieving environmentally friendly development in harmony with corporate objectives. The green office initiatives implemented by the Company include, but are not limited to:

Green low-carbon living



04

Attract Talent and Gather Outstanding Individuals

As a core competitiveness of Keda Group, Talent serves as an important support for the transition to a global enterprise. Upholding the concept that “ When money scatters, people gather and when money gathers, people scatter”, we have improved systems for performance appraisal, employee benefits and training and development. By establishing a sound human resources management system, we are committed to shaping an equal, open and comfortable working environment. Meanwhile, we attach great importance to the feedback of employees in pursuit of employee’s development and the Company’s growth.



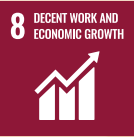
Key performance:

- Average training hours of employees: **15.27** hours
- Occupational Health and Safety Management System Certification
- Investment in safety production: **4.17** million

Key points of the chapter:

- Employee Employment
- Employee Compensation and Benefits
- Employee Training and Development
- Occupational Health and Safety
- In Pursuit of Zero Safety Incidents
- Employee Communication

SDGs answered:



Employee Employment

The Company formulated and implemented the *Human Resources Planning Management System*, *Management of Human Resources Recruitment*, *Management of Basic Human Resources Recruitment* and other relevant regulations. Management plans and business requirements were prepared according to employees' conditions. To recruit talent, the Company carried out online cooperation with many national and regional recruitment platforms on the one hand, used multiple channels such as on-site talent market, job fair and internal recommendation on the other hand. Additionally, the Company actively responded to the *Regulations on Prohibition of Child Labor*, *UN Global Compact*, *Employment Discrimination Convention* and relevant international conventions and Chinese laws and regulations. We are against child labour and discrimination on employees on the basis of gender, age, nation, religion or beliefs, and marital status. These efforts will bring diversified employees and gender equality.

Case Study

"You are the Wave in a Diverse World" - Keda Group 2024 Campus Recruitment



In 2023, the Company officially launched its 2024 campus recruitment. Through multiple channels such as online recruitment platforms, university campus recruitment websites, its own media matrix, and c on-site job fairs held by major universities, the Company accurately identify targets. The recruitment was carried out smoothly at campus by improving interview process as students can choose online or offline interview according to their own conditions.



Recruitment talk at Jingdezhen Ceramic University

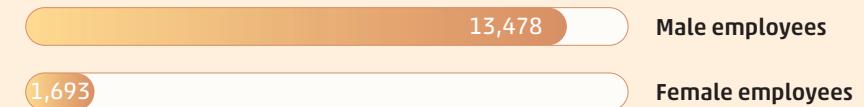


Recruitment talk at SouthWest Petroleum University

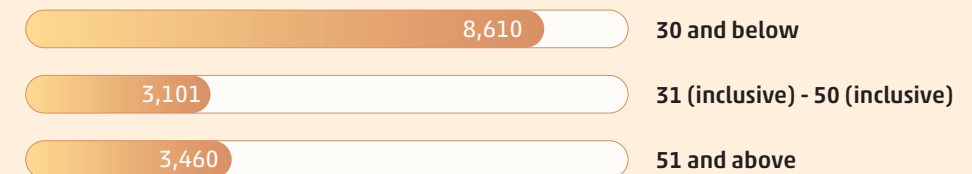
Adhering to the principles of transparent, fair and preferential recruitment, the Company selects employees based on the recruitment criteria set down in advance, and conducts comprehensive assessment in the aspects of professional quality, working skills and civic morality. For middle and senior management positions, key personnel, sensitive roles, and suspicious resume evaluations, the Human Resources Department conducts background checks on prospective candidates, taking into account the actual circumstances. Furthermore, we strictly manage internal referral channels and adhere to position-specific avoidance principles to prevent any instances of recruitment fraud.

As at 31 December 2023, the Company has 15,171 employees, which are categorized based on gender, age groups, business types, and regions as follows:

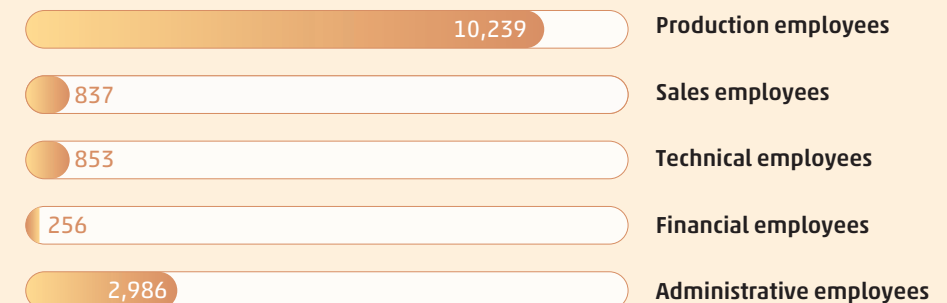
By gender



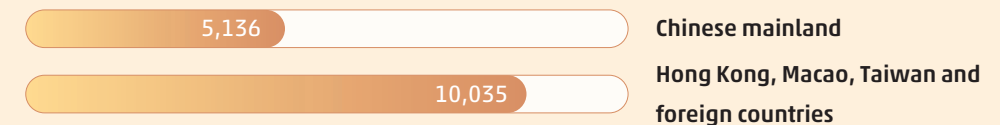
By age



By function



By geography

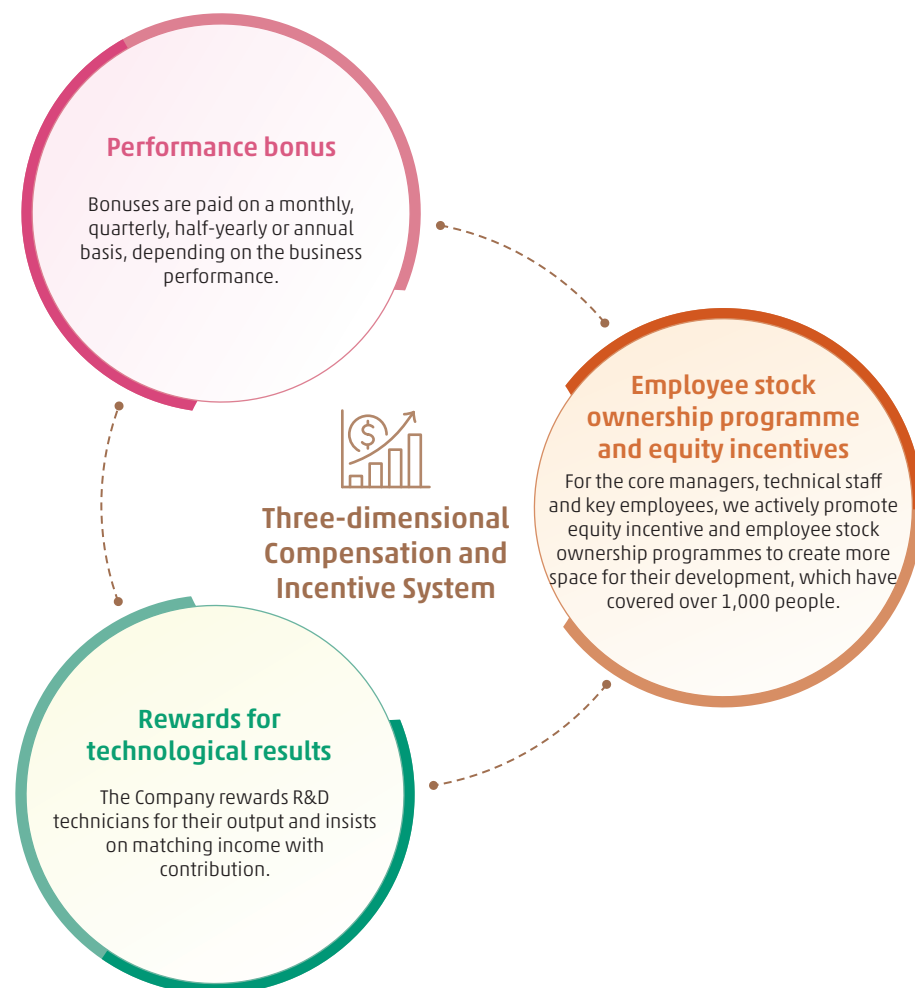


Compensation and Benefits

Motivate talents through career, retain talents through income, and enable talents to realise the common career of Keda Group. The Company values and safeguards the legitimate rights and interests of employees. We also provide competitive compensation and a diverse range of welfare benefits to enhance employee satisfaction and well-being. Our goal is to foster a sense of belonging and identity among employees, working together to build a harmonious enterprise.

Compensation and incentive system

The Company has established regulations and systems such as the *Employee Compensation and Benefits Management System*. We adhere to the principle of equal pay for equal work and respect for the labour input and achievements in our compensation distribution philosophy. We conduct research and develop a compensation system that aligns with the characteristics of the enterprise, following the principle of "salary determined by position, with salary adjustments based on position changes". This ensures that employee income is commensurate with their job performance, skills, and contributions. The Company also establishes a compensation adjustment mechanism to regularly adjust the salary level based on market conditions, business performance, and individual employee performance. The Company also adopts a three-dimensional compensation and incentive system, providing employees with competitive market salaries and fully leveraging the role of compensation to motivate and guide employees.

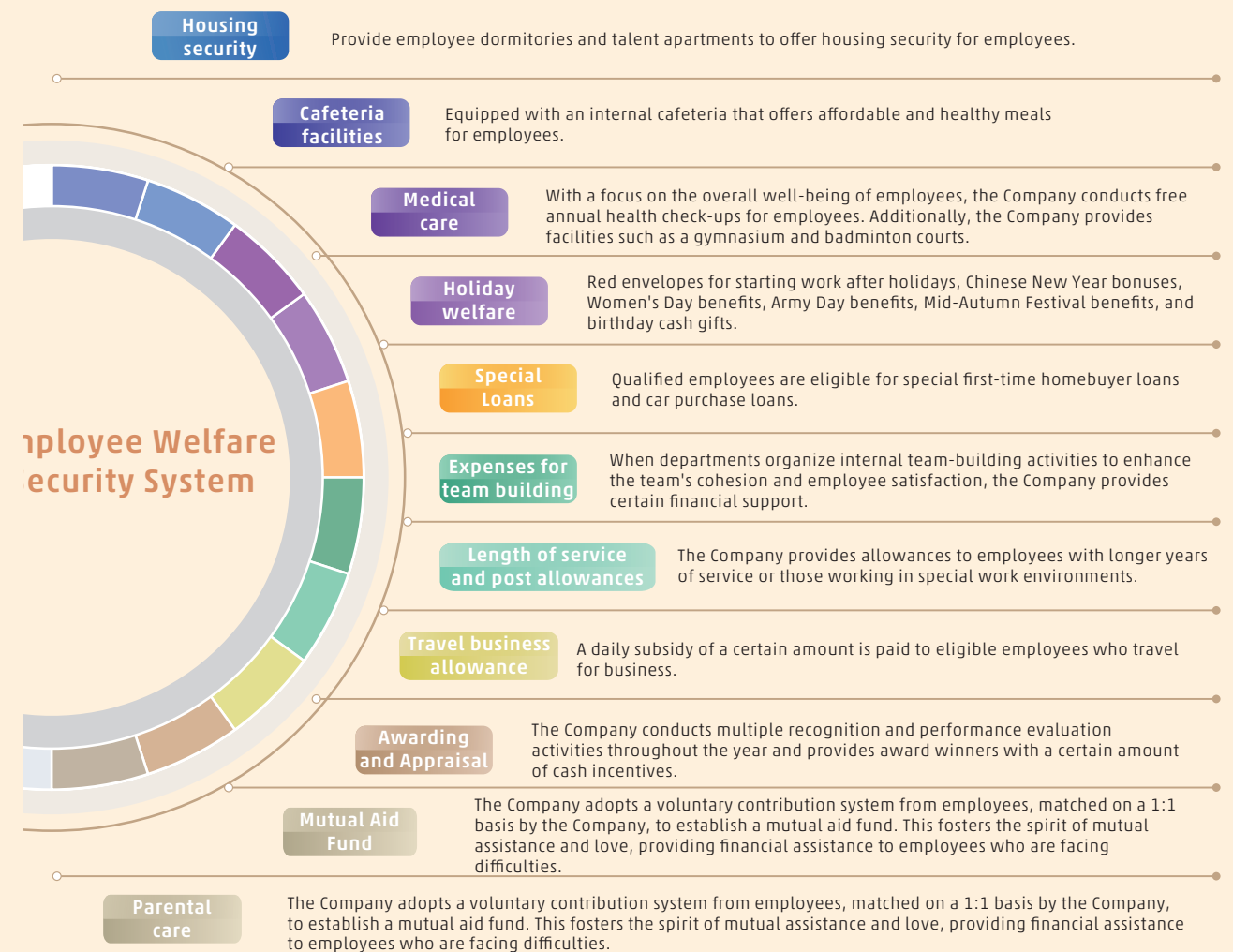


Welfare security system

The Company always puts people first and emphasizes human care, aiming to make employees feel more happy. The Company has established a comprehensive and diversified welfare system, paying all insurance premiums for employees in strict accordance with national policies. Additionally, the KEDA Employee Mutual Aid Fund has been set up to provide financial assistance to those facing difficulties. The Company actively organizes various distinctive corporate culture activities to foster a positive and positive cultural atmosphere.

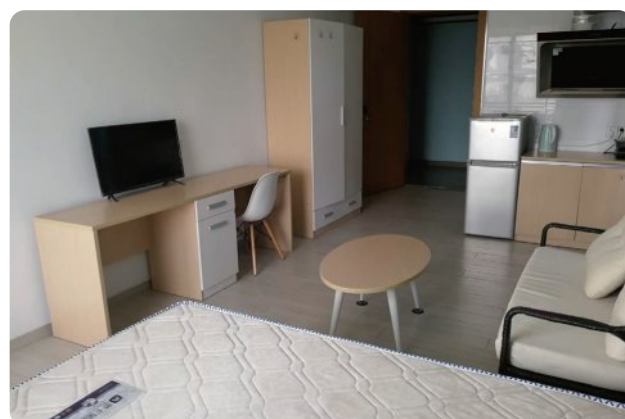
In consideration of the specific needs of female employees, the Company has established mother-and-baby rooms to provide a comfortable working environment for them. Additionally, on International Women's Day, female employees will enjoy a half-day off and exclusive gifts, and engage in various celebration activities such as flower arrangement workshops, spring outings, movie screenings. These efforts show our respect and care for female employees.

Employee Welfare Security System

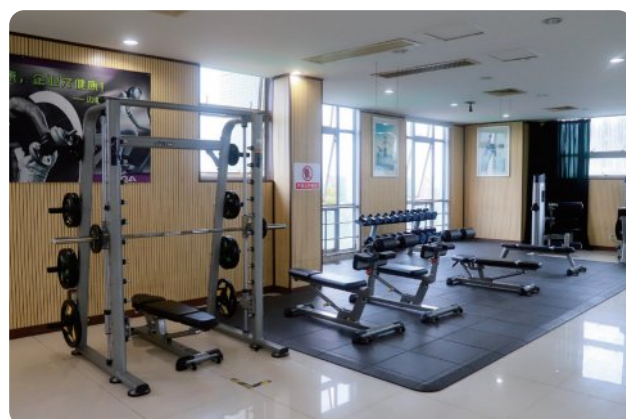




Keda Group offers a high-quality cafeteria with a self-service buffet format, catering to the diverse dining preferences of employees



Keda Group provides employee apartments equipped with amenities such as Wireless network, air conditioning, water heaters, and washing machines.



Keda Group provides a fitness gym to meet the exercise needs of its employees.



Keda Group offers indoor badminton facilities for employees.

Case Study

Providing Loans for Employees' Home and Car Purchases

To further improve the Company's employee compensation and benefits system and alleviate the life pressures of core talent, in 2023, after deliberation and approval by the Board of Directors and the Board of Supervisors, the Company plans to utilize up to RMB40 million of its own funds, without affecting daily operations, to provide interest-free loans for home and car purchases to eligible employees (excluding directors, supervisors and officers, and major shareholders) with a maximum repayment period of 8 years. This initiative aims to support the long-term development of outstanding talent within the Company.

Case Study

Keda Zambia Plant Held 2023 Excellent Local Employee Recognition Conference and New Year Tea Party

To fully leverage the exemplary role of pioneers in business operations and production, and to motivate local employees to strive for excellence and make significant contributions, Keda Zambia held the 2023 Excellent Local Employee Recognition Conference and New Year Tea Party in January 2024. During the conference, advanced employees, production pacesetters, and advanced individual in safety production were recognized and awarded. Each award recipient was presented with a bicycle as a prize.



Case Study

2023 Keda Group Annual Honor Commendation Ceremony

On 8 December 2023, Keda Group celebrated its 31st anniversary with a grand ceremony. During the event, exemplary individuals and advanced benchmarks for the year 2023 were announced, recognising their outstanding contributions to Keda Group's development. During this ceremony, the Company established multiple honors including the KEDA Pride Award and KEDA Globalization Vanguard Team Award, based on strategic planning and business performance. Corresponding monetary incentives were provided to inspire Keda Group's employees worldwide to make significant contributions and support the Company's globalization strategy.



Case Study

Summer Camp for Employee's Children



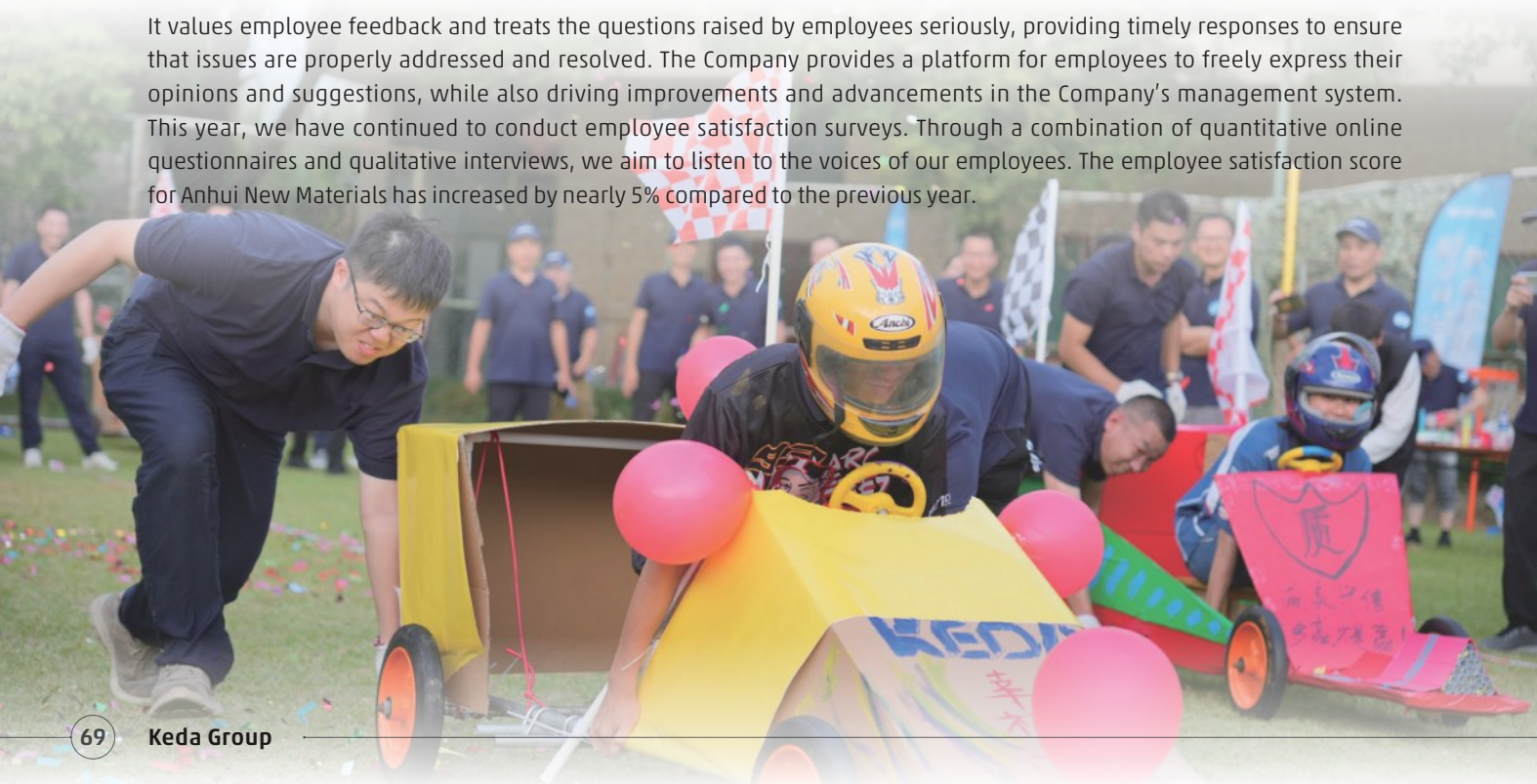
On 31 July 2023, Guangdong base organized the "Happy KEDA, Joyful Growth" Summer Camp for the children of employees. With a focus on core keywords such as "fun" and "happiness", the summer camp features a variety of enriching courses, including language, mathematics, English, general knowledge of aerospace, general knowledge of computers, general knowledge of Go (a board game), and science experiments. The classes were taught by teachers from Beihang University, along with teaching assistants. Through a wide range of class contents and practical activities, the camp broadened the children's knowledge and horizons, cultivated their focus, perseverance, and patience, and ignited their interest and enthusiasm for science and aerospace.



Employee communication

The Company encourages employees to strengthen communication and dialogue with the management through various communication platforms such as a WeChat public account, corporate website, reporting hotline, reporting email, and postal mailbox.

It values employee feedback and treats the questions raised by employees seriously, providing timely responses to ensure that issues are properly addressed and resolved. The Company provides a platform for employees to freely express their opinions and suggestions, while also driving improvements and advancements in the Company's management system. This year, we have continued to conduct employee satisfaction surveys. Through a combination of quantitative online questionnaires and qualitative interviews, we aim to listen to the voices of our employees. The employee satisfaction score for Anhui New Materials has increased by nearly 5% compared to the previous year.



Training and Development

The Company places great emphasis on the construction and development of its internal talent team. Oriented by the strategic planning and business direction, the Company incorporates employee training and development into its core values and cultural philosophy. By refining and clarifying training programmes and career planning for employees of all levels, the Company strives to build a talent pool that shares the same aspirations and goals as the Company.

Employee Training

The Company has formulated and implemented the *Employee Learning Platform Management Measures* and *Training Coordinator Management Measures* to continuously improve the talent development system. In terms of building ceramics machinery business, the Company has formulated the *Management Measures for Keda building Ceramics Machinery Internal Training Course Development and Internal Trainer*. This Measures, combined with the annual learning requirements of employees and the implementation requirements of daily training work, aims to fully utilize internal trainer resources, promote the internalisation and consolidation of knowledge and experience within the Company, and enhance employees' professional competence and overall quality.

During the Reporting Period



Total training hours
161,168 hours



Total number of
employees trained
10,555 person



Average training
hours
15.27 hours

The Company launched the "KEDA Academy" online learning platform for employees, with the aim of efficiently accumulating and sharing experiential knowledge and learning resources from both internal and external sources. This digital learning platform facilitates convenient access to knowledge for all employees, promoting the development of a learning organization within the Company and the implementation of strategic goals. By the end of 2023, the online platform has uploaded 604 internal training courseware, with a total of 187,880 learning hours generated by 2,685 users. On average, each user has spent approximately 70 hours on the platform.

Employee Training System

This year, the Company has launched specific training programmes tailored the respective needs of the five key talent teams: management talent, R&D technical talent, international talent, critical skills talent, and young talent. By selecting and nurturing a group of outstanding young talent with broad vision, strong practical abilities, and sense of responsibility, the Company aims to improve the construction of talent echelon, and empower talent to inject new energy into the enterprise.

Targeted Employees	Training Topic	Contents
New employees	Induction training	To help new employees quickly adapt to the workplace with the necessary knowledge and skills, we have launched the new employee onboarding training courses on the "Keda Academy" online learning platform, covering essential topics such as corporate culture, management systems, office systems, safety production, quality awareness, and intellectual property protection.
	New force of Keda Group	The Company tracks the training of campus-enrolled employees by providing a specialized onboarding training camp, frontline rotational internships, and probation positions, with an aim to helping them to set up their new social identity smoothly. Additionally, the Company offers a fresh graduate training programme with Keda Group's characteristics, including professional quality courses, communicating with senior employees, face-to-face sessions with executives, and one-on-one mentorship, all aimed at cultivating workplace competencies among fresh graduates.
Core employees	Build a team of talented young professionals.	Keda Group has worked with the Sun Yat-sen University to create a specialized talent development programme called the "Keda Group (Guangdong base) Young Talent Training Project". The objective of this programme is to cultivate a talent pipeline of core, critical, and scarce professionals required for the Company's future development. It aims to build a team of outstanding talent who possess extensive business knowledge and skills, have comprehensive practical experience, and understand business management.
	Research and development talent training camp	The Company selects outstanding R&D talents and systematically conducts specialized training programmes such as the "Keda Building Ceramic Machinery Electrical Engineering Technical Training" and the "Keda Group (Shunde Base) R&D Talent Training Camp." These programmes cover seven key steps, including "Lean Design," "Cost Reduction," "Product Design Quality," "Product Innovation," and "Project Management." By combining online and offline courses, a comprehensive learning experience is provided over a six-month period, aiming to build a highly skilled and capable R&D team.
	Interdisciplinary young skilled personnels	Keda Group has embarked on innovative explorations through collaborative partnerships with institutions such as Foshan Polytechnic and F+U Education Group, adopting a school-enterprise cooperation model. Drawing on Germany's dual education system, the collaboration involves jointly developing curricula, nurturing talent, and solving problems. The aim is to cultivate a greater number of high-quality skilled professionals with an innovative spirit and practical abilities.
	Empower new middle-level management cadres	At the group level, a group of young middle-level management cadres are selected, and the "Keda Group (Shunde Base) Middle-Level Management Training Camp" is organized. This training camp aims to pin out the management pain points and improve core competency of newly promoted middle-level managers. By launching team-building activities, online core courses like "Excellence Managerial Journey," and offline flipped classrooms that integrate internal and external resources, the camp will help participants enhance their team management awareness and abilities, creating a high-performance middle-level management team that understands management and excels in execution.
Management team	Empower the top leaders of management team	The Company initiates the "Management Team Training Camp" programme, aiming to enhance the strategic management thinking and capabilities of the core management team through the study of scientific and effective methods. This programme supports business transformation and development. Additionally, annual team-building activities are conducted to strengthen team cohesion, inject youthful energy, and contribute to the successful implementation of strategic business goals.

Case Study

2023 Keda Group (Shunde Base) Middle-Level Management Training Camp



This training camp, spanning four months, successfully concluded on 12 August 2023. The camp aims to pin out the management pain points and improve core competency of newly promoted middle-level managers. By launching team-building activities, online core courses like "Excellence Managerial Journey," and offline flipped classrooms that integrate internal and external resources, the camp will help participants enhance their team management awareness and abilities, creating a high-performance middle-level management team that understands management and excels in execution.



Case Study

Four Outstanding Chinese Language Learners of Keda Ghana Are Awarded with "Chinese Ambassador Scholarship"



On 8 February 2024, Keda Ghana, in collaboration with the Confucius Institute at the University of Cape Coast (UCC), held the award ceremony for the 2024 Chinese language course. Four outstanding learners from Keda Ghana were awarded the Ambassador Scholarship provided by the Chinese Embassy. In the context of economic globalisation, the importance of learning foreign languages for work communication and team collaboration is undeniable. Keda Ghana recognizes this significance and actively introduces Chinese language courses in collaboration with the Confucius Institute, providing local African employees a convenient access to Chinese learning.



Employee career development

Talent is the most important resource for the development of a company. The Company is committed to creating a development ladder for employees. A multi-level and interconnected position system has been set up to break the career development barriers for employees, enhance their professional value. By doing so, it facilitates the rapid development of various professionals and promotes incubation of talent within the Company.

As the Company expands its overseas operations and workforce, the development of an overseas talent pipeline becomes a top priority. To this end, the Company actively implements a local talent strategy by investing in the training and development of local employees. The goal is to gradually increase the proportion of local employees, particularly in middle management positions, key technical roles, and even senior management positions.

On a regular basis

Every year, the Company carries out rank evaluation, which is organized and implemented through a unified approach based on organisational structure evaluation and talent review. Staff promotion is carried out in an open and transparent manner.



On an irregular basis

When there is a vacancy in the position, if there are suitable candidates who meet the promotion criteria, the Company can initiate the promotion process in a timely manner.

Forms of staff promotion

Case Study

Keda Group Conducted Organization and Talent Review

To further strengthen talent development and improve the accuracy of talent identification and matching, Anhui Base initiated a pilot project for organization and talent review by the end of November 2023. The HR Department began to refine the talent standards and establish talent assessment programmes. They utilized scientifically validated talent assessment tools and conducted one-on-one interviews to identify high-performing and high-potential individuals within the Company.



Occupational Health and Safety

The Company adheres to the management philosophy of "people-oriented, health-focused, scientific management, and continuous improvement". It upholds the safety policy of "safety first, prevention-oriented, comprehensive governance" and continuously strengthens the occupational health system. The Company also actively enhances safety production management, fosters a safety culture, and continuously improves the rationality and effectiveness of the management system. By doing this, we are committed to achieving the development goal of "zero work-related injuries and accidents" in safety production, ensuring comprehensive protection of employee health and safety.

Occupational health system

The Company places great importance on employee occupational health management. Guided by the principle of "prevention-oriented, combining prevention with control" in occupational hazard prevention and control, the Company strengthens occupational health management through various measures. These include identifying hazardous factors, installing alarm devices, conducting regular medical examinations, regulating the use of personal protective equipment, and providing specialized training on relevant topics. Several subsidiaries, including HLT, DLT, Anhui New Materials, and Keda (Anhui) Clean Energy, have obtained the ISO45001:2018 Occupational Health and Safety Management System Certification.



During the Reporting Period, the Company did not encounter any incidents where it was penalized by regulatory authorities for violating occupational health and safety-related laws and regulations.

Key Performance

Occupational Health Management

Employees undergoing annual health checks

6,786

Occupational health and safety training

403 times

Employees participating in occupational health and safety training:

8,035 person-times

Occupational health management measures

Measures	Specific Content
Identification of hazard factors	According to the Hazard Sources Identification and Risk Assessment Control Procedure, the Company identifies and summarizes the hazard sources and related risks in its activities, products, and services. The identification process takes into consideration the actual operational conditions of the Company, and the hazard sources are dynamically updated accordingly
Safety alarm devices	<ul style="list-style-type: none">Medium and high risk premises are equipped with safety alarm devices.PPE wearing tips and surveillance system are set up in relevant workshops.Fire alarm devices are installed in places and buildings with a high concentration of people.
Regular health checks	<ul style="list-style-type: none">Health checks for new employees to avoid occupational contraindications.Annual occupational health checks for serving employees.Occupational health checks for personnel involved in occupational hazards upon resignation from the Company.
Standardisation of PPE use	Training on the provision and use of PPE is conduct-ed, and the use of PPE is inspected on a regular basis to ensure the accuracy of the scope, type and quantity of PPE issued.
Thematic training	Occupational Health Week publicity activities are carried out to strengthen staff awareness of occupational health management, focusing on emergency response and handling, the consequences of activities and behaviours that trigger occupational health and safety risks, and potential consequences of violating process discipline, equipment operating practices and product usage instructions.

Case Study

Occupational Health and Emergency Assistance for Accidental Injury Training

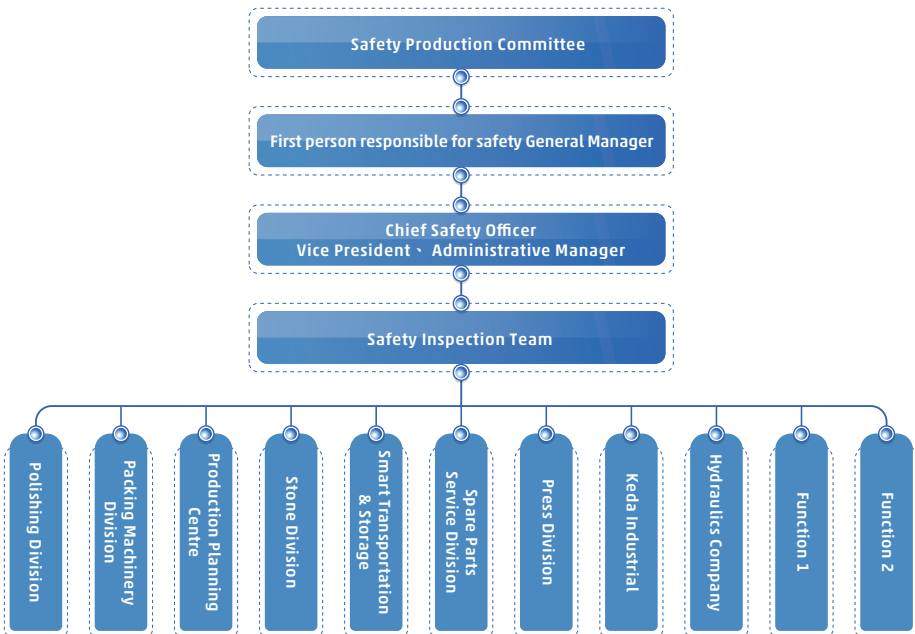
In April 2023, Keda Group organized its employees to participate in the "Occupational Health and Emergency Assistance for Accidental Injury" training. Through the training, Keda Group enhanced the occupational disease hazard education for the operational staff, increased their awareness of occupational disease hazards, and equipped them with the correct methods for prevention and control of occupational diseases. The occurrence of occupational disease hazards and accidents were prevented and controlled.



Safety production management

The Company adheres to the safety management philosophy of " Safety-oriented, Happiness for a Long Time" and strictly complies with the *Work Safety Law of the People’s Republic of China*, the *Fire Prevention Law of the People’s Republic of China*, and other relevant laws and regulations. It has established safety management systems, safety operating procedures, and emergency plans such as the *Production Safety Management Regulations*, the *6S Management Regulations*, the *Safety Work Assessment and Incentive Measures* and the *Safety and Environmental Accident Emergency Response Plan*. The Company clearly defines safety responsibilities, promotes three-level assessments, strengthens daily inspections and corrections, solidifies the safety foundation, intensifies accountability for accidents, fosters a sense of red-line awareness, and creates a cultural atmosphere of "safety production is everyone’s responsibility." These efforts aim to ensure the safety of the Company’s production and the physical and mental well-being of all employees.

In addition, the Company has established a Safety Production Committee and regularly convenes safety production meetings to summarize and deploy safety production work. It continually improves the safety production management system and strives to enhance the level of safety production management.



Structure of the Safety Production Committee of Domestic Ceramics Machinery Business

Production Safety Measures



Safety management policies

- More than 30 production safety policies have been developed, including the Production safety Management Regulations, the Safety Work Assessment and Incentive Measures, the Education and Training Management Regulations and the Safety Accident Emergency Response Plan.

Safety management system

- A "three-level responsibility system" for production safety is in place, i.e. operating unit level, workshop level and team level.
- The production safety "closed-loop" management is adopted to promote the standardisation of production safety.
- According to the principle of "one post, two responsibilities" and the principle of "three controls, three musts", the whole staff is responsible for the safety work.



Three-level safety performance assessment system

- The head of safety of the operating unit, the head of safety of the workshop, the team and the person involved in the accident are assessed and held accountable on a quarterly basis. Penalties are imposed on the head of each of the three levels for work-related injuries exceeding RMB 5,000 in treatment costs, with higher levels of responsibility receiving more severe penalties.
- Monthly notifications are made to those involved in safety violations during daily inspections, so that "everyone is responsible for his or her own safety".
- The introduction of a safety assessment reward and punishment mechanism has resulted in a significant reduction in safety violations.

Identify risks and hazards of production safety

- A production safety inspection team has been set up to conduct regular inspections of hazards and implement their rectification.
- When employees find safety hazards in the plant, they can scan the QR code to give feedback on their findings in the applet provided by the emergency response office for timely hazard identification and remediation.

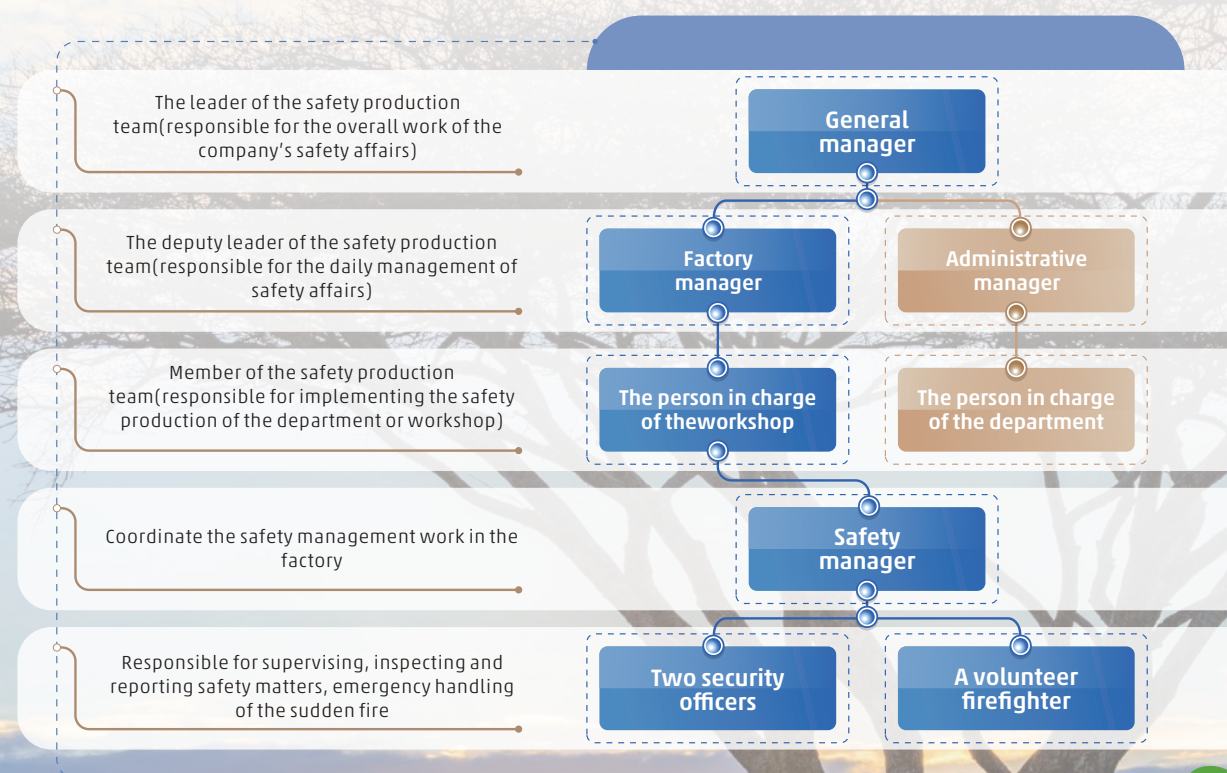


Enhance the professional level

- The Safety Production Committee has formed a team of more than 20 safety supervisors to assist the workshop heads in carrying out safety inspections and supervision.

Third-party management

- Any outsourcing construction team must provide special work permit, which shall be filed at the Company, to ensure third-party safety management.



Structure of the African Security and Safety Commission

Building of the safety culture

Building the safety culture is an important part of production safety management. Keda Group helps employees establish and strengthen their awareness of production safety through safety training, safety inspection, emergency drills and safety knowledge publicity, aiming to strengthen the safety awareness that "everyone is responsible for his or her own safety".

Key Performance



Number of safety production training conducted

306 times



Safety production invested

RMB4.17 million



Safety training

- **Job training:** training on six topics, including post-holiday back-to-work training, pre-job safety education, safety training at overseas sites, special equipment safety training, "three types" of personnel certification training, and training on laws and regulations.
- **Fire safety training:** focusing on fire awareness, evacuation and escape methods and use of fire fighting equipment.

Measures to Build the Safety Culture

Emergency drills

- Regular fire drills are conducted, including escape and evacuation and fire-fighting exercises.
- Regular emergency rescue drills are conducted and kept records.



Safety inspection

- The Safety Production Committee formulates and publishes an annual safety production plan each year, and implements monthly safety, fire-fighting and environmental inspections, weekly 6S safety inspections, special safety inspections of cranes, special inspections of production equipment and safety inspections of pressure vessels in strict accordance with the plan.



Safety knowledge publicity

- Quiz on safety knowledge "Safety Production Month" and quiz on fire safety knowledge "Fire Prevention Awareness Month" are conducted.
- Promotional activities are conducted, such as National Disaster Prevention and Mitigation Day, summer heat and typhoon prevention, safe crane operation and helmet wearing.

Case Study

Building Ceramics Machinery Brand "KEDA" Conducted Safety Production Drill in 2023



Enhance response capabilities through exercises, implement multiple measures for safety. In 2023, Keda Group organized a total of 45 safety production drills, with 2,013 participants. Among them, there were 12 fire drills with 500 participants. The Company effectively enhances employees' safety awareness and emergency response capabilities through inspections and exercises, fostering a culture of continuous learning. This solid foundation ensures the protection of employees' lives and supports safe production and operations.



05

Engage in Public Welfare and Contribute to Society

Keda Group has always been fulfilling the mission of “Green Solution, Greener Life” and closely associating its own business with social value. It keeps in line with the state’s strategic demands, actively participates in rural revitalisation, and engages in public welfare and philanthropy to promote community development, demonstrating corporate responsibility and commitment.



Key performance:

- A total of RMB**0.57** million was invested in poverty relief and rural revitalisation
- A total of RMB**3.87** million was donated
- HLT and DLT were granted the title of “Philanthropic Enterprise”.

Key points of the chapter:

- Rural Revitalisation
- Promote Community Development



Rural revitalisation

The Company has always been upholding the concept of "gratitude for the source of benefit", who firmly fulfils its social responsibility as a national enterprise while creating social wealth. The Company actively responds to the state's rural revitalisation strategy and vigorously consolidates and expands the state's achievements in poverty alleviation. It takes numerous measures including targeted assistance, regular sympathy and charitable donations to improve living standards of local villagers, contributing Keda Group power to the development of beautiful countryside featuring sustainable development.

In 2023, the Company conducted donations by participating in contracted assistance for Wuliu Village, Jianhe County, Nanzhou City, Eastern Guizhou and "30 June" rural revitalisation promotion event held in Shunde, Guangdong for 2023, and practiced the rural revitalisation campaign through survey, festival condolence and other methods.

Key Performance



A total of
RMB0.57 million
was invested in
poverty relief and
rural revitalisation

Case Study

Spring Festival Condolence for Poverty-stricken Masses in Xining Village

In order to let poverty-stricken masses have a warm Spring Festival, Anhui Keda Industrial actively responded to the government's call for assistance, and conducted condolence activities during Spring Festival. In January 2023, representatives of Anhui Keda Industrial arrived in Ningxi Village, Taibai Town, Dangtu County, who presented their sincere greetings and wishes for the festival while providing the poverty-stricken masses in the village with material aid and mental support through the visit and condolence.



Promote community development

The Company is dedicated to the development of harmonious community relations and plays a constructive role in refinement of infrastructure, promotion of social employment, improvement of education and healthcare and other aspects. Meanwhile, it bravely takes on responsibilities in such aspects as volunteer service, being highly praised by all parties.

Key Performance



Donation and
public welfare
project

Total Investment
RMB3.87 million

Fund
RMB3.31 million

Price of goods and
materials donated
RMB0.56 million

Build harmonious communities in China

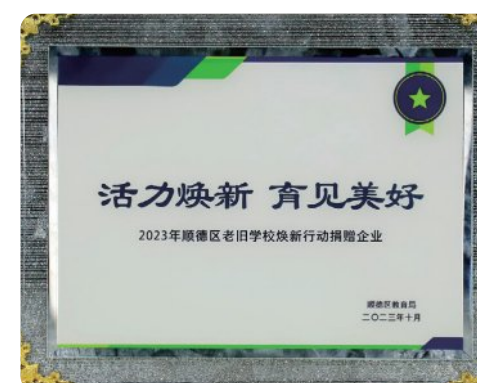
The Company has always been upholding the concept of "gratitude for the source of benefit", who firmly fulfils its social responsibility as a national enterprise while creating social wealth. The Company is concerned with well-being of the general public in society, actively organises volunteer activities for public welfare, and calls on its employees to participate such activities, contributing its own power to the society. Meanwhile, the Company has long focused on investment in science and education, actively promoted the philanthropic activities to help impoverished students in mountainous areas accomplish their study, and supported development of local education cause via foundations related to education development. During this Reporting Period, the subsidiaries, HLT and DLT, were granted the title of "Philanthropic Enterprise" by Leping Philanthropy Association of Sanshui District, Foshan City as a commendation for their excellent performance in disaster relief, poverty alleviation, cultural education and other aspects.



Case Study

"Campus Renovation Campaign" in Chencun Town

Approximately 51% of school buildings in Shunde District were built before 2000, the majority of which were faced with the problems of backward space layout, aging infrastructure and monotonous functional structure. In order to better meet students and teachers' demand for learning and teaching, the Company responded to the "Outdated School Renovation Campaign" of Shunde District in October 2023 by donating RMB2 million to relevant institutions of Chuncun Town. The fund was spent on renovation of more outdated schools to spur new driver and boost high-quality development of education in Shunde.



Case Study

Volunteer Blood Donation among Keda Group Employees



To carry forward the spirit of selfless contribution themed by "Volunteer Blood Donation and Care about Life", Keda Group organised a volunteer blood donation activity in August 2023, during which Keda Group employees actively and voluntarily participated in the activity and fulfilled the social responsibility with their blood and actual practical action. On the site of activity, blood donors performed registration, blood pressure measurement, chemical examination, blood collection and other steps under the guidance of relevant personnel who also popularized knowledge related to blood collection and health among employees present.



Demonstrate corporate responsibility and commitment worldwide

The Company respected cultures, traditions and beliefs of local communities, sincerely participated in community activities, and responded to social needs through philanthropy, public welfare and volunteer activities for numerous times. In the meantime, the Company paid attention to the living standards of local communities. In light of findings in investigations, it built numerous wells and roads for local communities to improve local infrastructure and improve living quality of local residents. In addition, the Company paid attention to health of local women and education of local adolescents. It donated female supplies, funded cervical cancer screening activities and facilitated the construction of local schools and the adolescent culture centre, thereby improving the development of sanitation and education in local communities.

The Company actively boosted local economic and social development. By expanding production scale, increasing the number of investment projects and elevating the proportion of local employees, it created more jobs and cultivated more professional talents for local people, enabling local communities to share the results of corporate development. In addition, the Company provided native customers with greener products and services by elevating the proportion of clean energy consumed in African plants, and displayed the green actions of "Chinese enterprises".

Case Study

Assistance in Construction of Schools in Kafue County, Lusaka, Zambia



Keda Zambia responded to local need for ceramic tiles and actively assisted in improvement and construction of school-related infrastructure in Kafue County. In June 2023, Keda Zambia delivered ceramic tiles to schools in Kafue County one box after another to help the schools improve the campus environment and the living environment for teachers and students, and to create better conditions for local students' learning in their campus.



Case Study

Vigorous Assistance in the Construction of Palmarin Adolescent Cultural Education Centre in Fatick Region, Senegal



Keda Senegal has always paid attention to healthy growth of local adolescents. In December 2023 when the Company learned about the rural communities of Palmarin, Senegal, were planning to build an adolescent cultural education centre, it donated ceramic tiles, paint and other building materials to institutions in charge as its contributions to healthy development of local juvenile cause.



Case Study

Assistance in Improvement of Female Health in Kafue County, Lusaka, Zambia



Keda Zambia has always paid attention to health of local women. In June 2023 when the Company learned about that the majority of women in Kafue County, Lusaka, Zambia were plagued by scarcity of hygienic products, whose physiological health was in desperate need of attention, it donated 143 boxes of sanitary towels immediately to meet the urgent need of local women.



Attachment

Key Performance Table

Governance Performance

The coverage scope of governance performance indicators is consistent with that of consolidated financial statements

Convening of the General Meeting, the Board of Directors Meetings, and the Board of Supervisors Meetings

Indicator	Times	Number (Items) of Proposals Reviewed
Board of Directors	8	36
Board of Supervisors	6	16
General Meeting	1	14
Audit Committee	7	16
Nomination Committee	2	3
Compensation and Assessment Committee	2	3
Strategy Committee	3	3

Communication with Investors

Indicator	Unit	2023
Earnings communication conferences	time	3
"SSE E-Interactive" platform	Pieces	104
Investor exchange and research	time	63
Keda Group WeChat Official Account for Investor Relations	Articles	>100

Social Performance

The coverage scope of social performance indicators is consistent with that of consolidated financial statements

Research, Development and Innovation

Indicator	Unit	2023
Investment in R&D	RMB'00 million	2.92
Percentage of investment in research and development	%	3.01
Personnel engaging in research and development	Persons	797
Percentage of personnel engaging in research and development	%	5.25

Intellectual Property Rights

Indicator	Unit	2023
Number of Patents Applied For	Items	280
Number of patents granted	Items	254
Accumulated number of patents applied for	Items	3,844
Accumulated number of patents granted	Items	2,977

Employee Employment

Indicator	Unit	2023
Total number of employees	Persons	15,171
By gender		
Male employees	Persons	13,478
Female employees	Persons	1,693
By age		
30 and below	Persons	8,610
31 (inclusive) - 50 (inclusive)	Persons	3,101
51 and above	Persons	3,460
By function		
Production employees	Persons	10,239
Sales employees	Persons	837
Technical employees	Persons	853
Financial employees	Persons	256
Administrative employees	Persons	2,986
By geography		
Chinese mainland	Persons	5,136
Hong Kong, Macao, Taiwan and foreign countries	Persons	10,035

Employee Turnover Rate

Indicator	Unit	2023
Turnover rate ²	%	23.9

Employee Training

Indicator	Unit	2023
Total training hours	Hours	161,168
Total number of employees trained	Persons	10,555
Average training hours	Hours/Person	15.27

Supply Chain Management

Indicator	Unit	2023
Total number of suppliers	/	4,136
By geography		
Chinese mainland	/	3,745
Hong Kong, Macao, Taiwan and foreign countries	/	391

Philanthropy and Public Welfare

Indicator	Unit	2023
Total investment in poverty relief and rural revitalisation	RMB'0,000	57.08
Total investment in donation and public welfare	RMB'0,000	386.78

Environmental Performance

Only 13 domestic major business units are included in the coverage scope of environmental performance indicators

Energy Management

Indicator	Unit	2023
Outsourced electricity	kWh	171,203,043
Photovoltaic power generation	kWh	7,153,467
Steam consumption	KJ	34,257,168,000
Gasoline	L	313,133
Gas oil	L	441,827
Natural gas	m ³	187,732
Liquefied petroleum gas	Kg	2,166,736
Propane	Kg	78,335

Water Source Management

Indicator	Unit	2023
Water consumption	Tons	1,115,590.68

² Turnover rate = total number of resignations in 2023/(number of employees at the end of 2023 + number of resignations in 2023)

Discharge and Waste Management

Indicator	Unit	2023
Effluent discharge	Tons	466,377.63
Harmful waste	Tons	576.18
Harmless waste	Tons	8,651.86
VOCs (volatile organic compounds)	Tons	8.33

Discharge of Major Pollutants from Key Pollutant Discharging Units in 2023

Company Name	Position of Pollutant Discharge Port	Number of Major Discharge Ports	Pollutant Name	Discharge method	Discharge Concentration (mg/m³)	Limited Value of Indicator (mg/m³)	Total Discharge in 2023 (t)	Permissible Discharge (t/a)	Executive Standard	Excess Discharge
Fujian Keda New Energy	Discharge ports for ordinary waste gas generated from calcination, graphitisation or other procedures	16	Particulate matter	Systematic discharge	≤2.71	≤120	5.249	5.784	GB18484-2020	None
			SO ₂		≤85	≤200	14.2789	17.559		None
			NOx		≤13	≤300	8.5938	14.861		None
Keda Foshan Industrial	Discharge ports for waste gas generated from incineration	1	Particulate matter	Systematic discharge	1.9	30	0.0027	1.998	GB18484-2020	None
			SO ₂		ND	100	/	3.501		None
			NOx		89	300	0.1324	14.718		None
	Discharge ports for ordinary waste gas generated from painting, incineration or other procedures	8	Particulate matter	Systematic discharge	ND	120	/	/	DB44/26-2001 DB44/816-2010	None
			SO ₂		ND	425	/	0.009		None
			NOx		15	/	0.0531	0.422		None
			VOCs		10.7	90	0.463	1.52		None

Note: "ND" represents "non-detected".

Index of Indicators

GRI Standards	Contents of Disclosure Items	Positions of Corresponding Reports
The organization and its Reporting Practices		
G2-1	Organizational details	About Keda Group
G2-2	Entities included in the organization's sustainability report	About this Report
G2-3	Reporting period, frequency and contact point	About this Report
Activities and Workers		
G2-6	Activities, value chain and other business relationships	About Keda Group Responsible Supply Chain
G2-7	Employees	Employee Employment Key Performance Table
Governance		
G2-9	Governance structure and composition	ESG Governance Structure Corporate Governance System
G2-12	Role of the highest governance body in overseeing the management of impacts	Governance Structure Corporate Governance System
G2-14	Role of the highest governance body in sustainability reporting	ESG Governance Structure Analysis of substantive proposals
G2-16	Communication of critical concerns	Communication among Stakeholders
G2-17	Collective knowledge of the highest governance body	Concept of Sustainable Development
Strategy, Policies and Practices		
G2-22	Statement on sustainable development strategy	Green Goals
G2-23	Policy commitments	Employee Employment Employee Compensation and Benefits
G2-24	Integrated policy commitments	Responsible Supply Chain Employee Employment Employee Compensation and Benefits
G2-25	Procedures to remedy negative impacts	Improve the Customer Service
G2-26	Mechanism for pursuing negotiation and proposing concerns	Integrity and Business Ethics
Participation of stakeholders		
G2-29	Approach to stakeholder engagement	Communication among Stakeholders Protect Shareholder's Rights and Interests
Substantive proposal		
G3-1	Process to determine material topics	Analysis of Substantive Proposals
G3-2	List of material topics	Analysis of Substantive Proposals
Economic performance		
G201-1	Direct economic value generated and distributed	Protect Shareholder's Rights and Interests Employee Compensation and Benefits
G201-3	Defined benefit plan obligations and other retirement plans	Employee Compensation and Benefits
Indirect economic influence		
G203-1	Infrastructure investments and services supported	Promote Community Development
G203-2	Significant indirect economic impacts	Innovation-driven Development Promote Community Development
Anti-corruption		
G205-2	Communication and training about anti-corruption policies and procedures	Integrity and Business Ethics
Energy		
G302-1	Energy consumption within the organisation	Keep an Eye on and Respond to Climate Change Key Performance Table
G302-4	Reduction of energy consumption	Green Goals Address and Responding to Climate Change Issues

GRI Standards	Contents of Disclosure Items	Positions of Corresponding Reports
Water and Effluents		
G303-1	Interactions with water as a shared resource	Build and Improve Green Operation System
G303-2	Management of water discharge-related impacts	Build and Improve Green Operation System
G303-3	Water withdrawal	Build and Improve Green Operation System Key Performance Table
Waste		
G306-1	Waste generation and significant waste-related impacts	Build and Improve Green Operation System
G306-2	Management of significant waste-related impacts	Build and Improve Green Operation System
G306-3	Waste generated	Build and Improve Green Operation System Key Performance Table
Supplier Environmental Assessment		
G308-1	New suppliers that were screened using environmental criteria	Responsible Supply Chain
Employment		
G401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Compensation and Benefits
Occupational Health and Safety		
G403-1	Occupational health and safety management system	Occupational Health and Safety
G403-2	Hazard identification, risk assessment and accident investigation	Occupational Health and Safety
G403-3	Occupational health service	Occupational Health and Safety
G403-5	Worker training on occupational health and safety	Occupational Health and Safety
G403-6	Promotion of worker health	Occupational Health and Safety
G403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
G403-9	Work-related injuries	Occupational Health and Safety
G403-10	Work-related ill health	Occupational Health and Safety
Training and Education		
G404-1	Average hours of training per year per employee	Employee Training and Development Key Performance Table
G404-2	Programs for upgrading employee skills and transition assistance programs	Employee Training and Development
Diversity and Equal Opportunity		
G405-1	Diversity of governance bodies and employees	Employee Employment Key Performance Table
Local Communities		
G413-2	Operations with local community engagement, impact assessments, and development programs	Promote Community Development
Customer Health and Safety		
G416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Products Quality Management

XII. Feedback Form

Thank you for reading the Keda Group 2023 Environmental, Social and Governance Report. In order to provide you and other stakeholders with more valuable information and to enhance our ability and capacity to fulfil our social responsibility and sustainability management, please feel free to make comments and suggestions on the Report.



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