



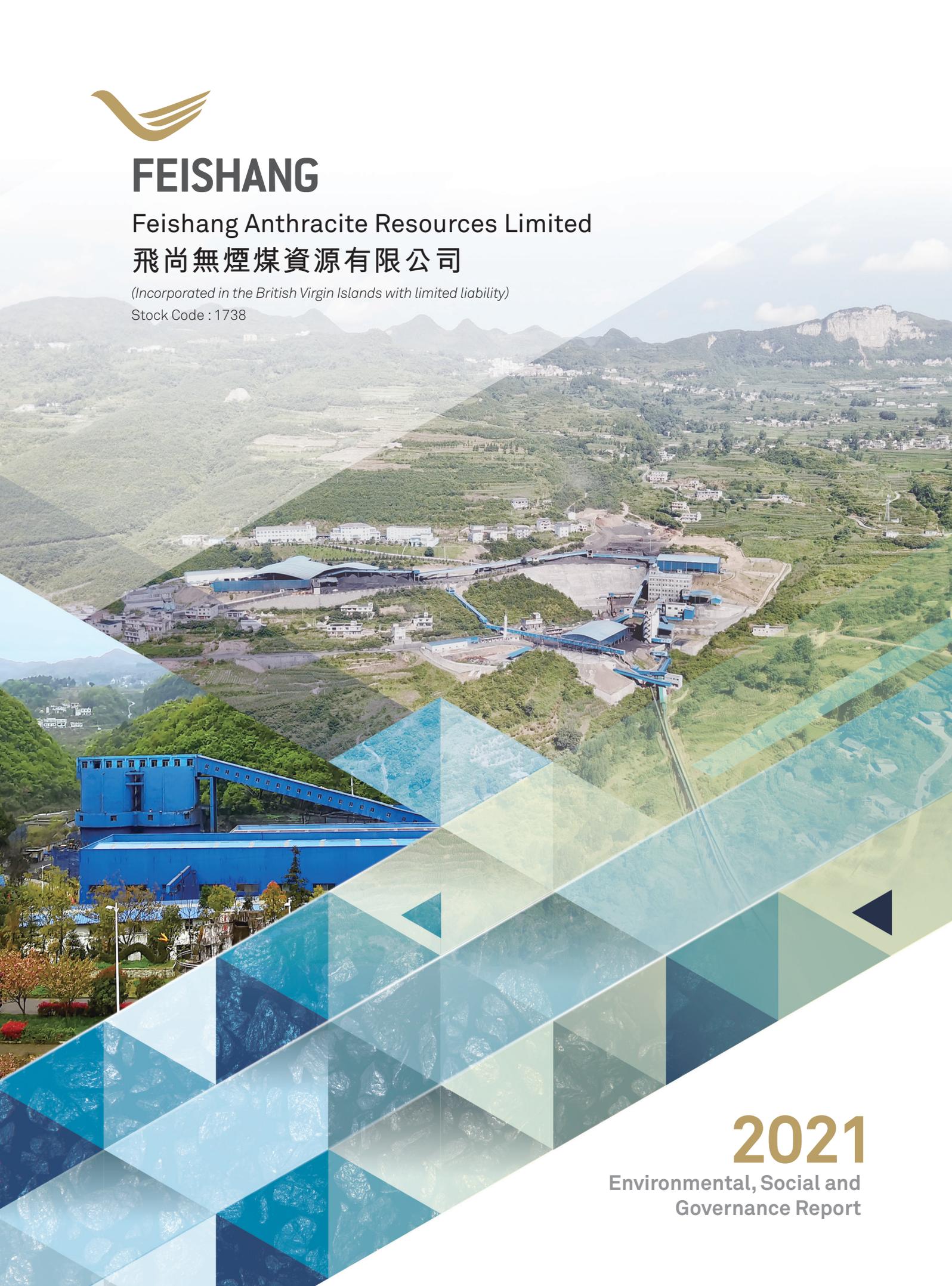
FEISHANG

Feishang Anthracite Resources Limited

飛尚無煙煤資源有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code : 1738



2021

Environmental, Social and
Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

INTRODUCTION

This is the sixth Environmental, Social and Governance (“ESG”) report published by Feishang Anthracite Resources Limited (Stock Code: 1738) (the “Company”, together with its subsidiaries, the “Group”). The contents of this ESG report have been prepared in compliance with the requirements of the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

To operate as a responsible energy corporation has always been a core value of the Company, as we believe that people, community, society and the environment are all precious assets to our life, and we therefore place them in high regard. We strive to maintain outstanding standards and best practices in every aspect, as we believe it is the only key to long-term success, both for us and our future generations.

During 2020, in order to combat Covid-19 pandemic, a dedicated Task Force led by the senior management was formed after the Chinese New Year. The Task Force organised and implemented various measures to safeguard the health of our employees and ensure the operations were not interrupted during the pandemic. This Task Force remained in operations during 2021 to safeguard the health of our employees.

In 2021, we have established an ESG (Environmental, Social and Governance) Committee whose primary purpose is to assist the board of directors (the “Directors”) of the Company (the “Board”) with reviewing and overseeing the policies and issues surrounding the ESG issues of the Group. Our ESG Committee comprises two executive Directors, Mr. Yang Guohua and Mr. Han Weibing, one independent non-executive Director, Mr. Wang Xiufeng, the deputy general manager of Guizhou Puxin Energy Co., Ltd. (“Guizhou Puxin”), Mr. Lin Quanlong, and the head of human resources of Guizhou Puxin, Ms. Qin Lu. Mr. Yang Guohua is the chairman of the Committee.

Based on the comments from the ESG Committee, the Board has evaluated the ESG risks to be low, as the Group has complied with all relevant laws and regulations in all material aspects. The Board is determined to continuously improve the ESG performance and reporting. Stakeholder engagement took place by means of questionnaires designed to assess the substance of the ESG risks from the stakeholders’ perspective. Furthermore, comparative figures and explanations are given in the environmental data. The Board is determined to strengthen the internal control systems to ensure that a high standard of ESG performance is achieved.

ESG Governance Structure

The Group acknowledges the need to have effective and strong ESG governance in place. Good governance ensures accountability and a balance of authority by clearly defining the roles and responsibilities of different parties within the Group. The Board has the overall responsibility for the Group’s ESG strategy and reporting. An ESG Committee has been set up in 2021 and its Terms of Reference was approved by board resolution. The Committee is to focus on the sustainability issues at board level and comprises two executive Directors, Mr. Yang Guohua and Mr. Han Weibing, one independent non-executive Director, Mr. Wang Xiufeng, the deputy general manager of Guizhou Puxin, Mr. Lin Quanlong, and the head of human resources of Guizhou Puxin, Ms. Qin Lu. Mr. Yang Guohua is the chairman of the Committee. A Board Statement has been approved to guide

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our strategy to achieve a better ESG performance in different areas of works, such as the process used to evaluate, prioritise and manage material ESG-related risks to our business. The Board will continue to review the progress made against the ESG-related goals and the targets related to our business in the regular board meetings. In addition, the Committee is required to provide a follow-up action plan to address any shortfall in the ESG-related goals and the targets to the Board. If necessary, an interim report on the progress of the follow-up action plan will also be submitted to the Board.

REPORTING PERIOD AND SCOPE

The scope of this report includes the activities and data from our offices in Hong Kong and Shenzhen, and our manufacturing facilities in Guizhou, the People's Republic of China (the "PRC"). The reporting period is from 1 January 2021 to 31 December 2021 (the "Reporting Period"), corresponding to the financial period covered in our Annual Report 2021. In relation to the information regarding corporate governance, please refer to the Corporate Governance Report contained in the Annual Report 2021.

STAKEHOLDER ENGAGEMENT

In order to better understand the preferences of our stakeholders, we have asked several major stakeholders about their priorities on the reporting items in the ESG report. The stakeholders selected included our customers, suppliers and employees at various levels, who were asked to provide their comments by means of questionnaires. The questionnaires set out 11 aspects of the ESG report and the stakeholders were asked to rank the aspects that concerned them the most and provide their reasoning. The results show that "Environmental Protection", "Product Liability", "Employee Benefits" and "Anti-corruption" are of the most concern to the stakeholders as these are the fundamental elements for sustainable business. The Company aims to continue improving these areas to satisfy the stakeholders' needs.

Quantitative Assessment

Our assessment standards, methodologies, calculation tools, source of conversion factors used are mainly based on the document "How to prepare an ESG Report" issued by the Stock Exchange. The environmental KPIs are calculated based on its Appendix 2 "Reporting Guidance on Environmental KPIs", while the social KPIs are calculated based on its Appendix 3 "Reporting Guidance on Social KPIs".

Consistency Assessment

In this ESG report, there is no change to the methods or key performance indicators used or any other relevant factors affecting a meaningful comparison of this ESG report with previous reports.

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A. ENVIRONMENTAL

The Group believes that environmental conservation and protection is necessary and endeavours to comply with environmental laws, rules and regulations relating to, among others, gas and water emissions, hazardous substances and waste management. Those laws, rules and regulations include Environmental Protection Law of the PRC, Mineral Resources Law of the PRC, and the Procedures for the Registration of Mining of Mineral Resources, etc. The Group also promotes awareness of environmental protection to its employees.

The Group is also committed to environmental protection in its operations and has made financial commitments towards the construction of environmental protection facilities and the establishment of an environmental protection management and monitoring system.

The system for managing environmental issues should include: (i) measuring and reporting on the Group's environmental impact; (ii) seeking to reduce the impact of our operations on the environment; and (iii) taking a precautionary approach to environmental matters such as conserving natural resources and reducing energy consumption and waste.

A1 Emissions

It is our policy that air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterised, monitored, controlled and treated as required prior to discharge.

All types of waste of resources, including water and energy, should be reduced or eliminated at source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be monitored, controlled and treated as required prior to discharge or disposal.

Chemical and other materials posing a hazard if released to the environment are to be avoided if possible. If this is not possible, they are to be identified and managed to ensure their safe handling, storage, recycling or reuse and disposal.

Starting from 2017, the Group has built a sewage treatment system and a domestic water treatment system. The Group also purchased equipment for noise reduction and dust removal.

The Group has not been subjected to any material claim or penalty in relation to air and greenhouse gas emissions, discharges into water and land, and the generation of hazardous and non-hazardous waste. The Group has been in compliance with relevant PRC and Hong Kong laws and regulations, such as Atmospheric Pollution Prevention and Control Law of the PRC and Air Pollution Control Ordinance of Hong Kong, in all material aspects during the Reporting Period.

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For the year ended 31 December 2021, air emissions, including nitrogen oxides, sulphur oxides and particulate matter, were mainly produced from the Company's vehicles many of which weighing 2.5 tonnes. The overall air emissions remained stable.

Air Emissions	2020 (approx.)	2021 (approx.)
Nitrogen Oxides (NO _x)	56.8 kg	50.04kg
Sulphur Oxides (SO _x)	1.66 kg	1.23 kg
Particulate Matter (PM)	4.18 kg	3.68 kg

For the total greenhouse gas emissions, the emission from Scope 1 (direct emissions from both the stationery and the mobile combustion sources) and Scope 2 (indirect energy emissions from the acquired electricity) are set out below:

Scope 1 CO₂ equivalent emissions:

	2020 (approx.)	2021 (approx.)
Carbon dioxide (CO ₂)	3,350 tonnes	2,587 tonnes
Methane (CH ₄)	1,190 kg	1,055 kg
Nitrous oxide (N ₂ O)	41,280 kg	30,470 kg

Total Greenhouse Gas Emissions and intensity:

	2020 (approx.)	2021 (approx.)
Scope 1	3,392 tonnes	2,619 tonnes
Intensity (per ton of coal produced)	1.48 kg	1.53 kg
Scope 2	53,087 tonnes	43,767 tonnes
Intensity (per ton of coal produced)	23.18 kg	25.59 kg

Scope 1 and Scope 2 emissions improved in 2021 mainly due to reduced production of coals, and their respective intensity figures remained stable.

There was no major hazardous and non-hazardous waste in our production. In 2021, in order to meet the demands of power plants and other customers with lower requirement on coal specifications, the Group blended raw coal, lignite (the by-product of coal washing), middling coal and coal residue stone. Almost all the products were sold, and there was no major non-hazardous waste in our production.

In 2021, we set a 10% reduction targets for each of the air emissions (intensity) and the greenhouse gas emissions (intensity) over the five-year period from the year 2021. Group-wide energy saving measures will be implemented in all our mining sites and offices to reduce the use of vehicles and electricity. The measures include increasing the reminders to the staff members to conserve energy and increasing adoption of online meetings/visits instead of physical meetings/visits to reduce air emissions and greenhouse gas emissions generated from transportation.

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A2 Use of Resources

The Group aims to follow the principle of “Recycling and Reducing”, has set up an “Energy Saving and Waste Reduction Team”, which is led by the General Manager of Guizhou Puxin and the chief of each coal mine, and communicates the policy to the employees in order to raise their awareness of resource conservation.

The Group has implemented green office practices such as encouraging double-sided printing and copying, promoting the usage of recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances.

In the production facilities, around 90% of the light bulbs have been changed to LED light bulbs for electricity saving purposes. In addition, variable-frequency conveyor belts are being used and the Group has installed energy saving equipment in the power supply system of the coal mines.

There is no issue in sourcing water. As water is essential to communities, we actively promote water conservation in our daily operations. There is routine checking of pipes and tanks to avoid leakage, and employees are encouraged to report any such cases for prompt repair actions.

Use of resources	Unit	2020 (approx.)	2021 (approx.)
Electricity	kWh	88,774,777	71,737,296
Electricity intensity	kWh per ton of coal produced	38.77	41.95
Water	Cubic meter	569,200	599,000
Water intensity	Cubic meter per ton of coal produced	0.25	0.35

The consumption of water in 2020 increased because of the temporary deterioration in coal quality caused by geological complexities of current mining faces. More water resource for processing was needed to remove the rise of gangue in the raw coal (However, water used in coal mines was from river and fully recycled). In 2021, the temporary deterioration in coal quality caused by geological complexities of current mining faces continued.

Since the majority of our products in 2021 was raw coal for direct sales, no packaging material was used.

The direct and indirect energy consumption

	Energy Consumption (kWh)
Petrol	811,536
Diesel	9,783,524
Electricity	71,737,296
Total	82,332,356
Intensity (kWh per million revenue)	48.15

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A3 The Environment and Natural Resources

Our mining operations seek to ensure that waste gas, wastewater and industrial residue are disposed of in accordance with relevant legal requirements of the PRC, such as the Law of the PRC on the Prevention and Control of Water Pollution, to minimise the impact on the environment. In addition, we are required by PRC law to reclaim and restore mining sites to their prior condition after the completion of mining operations. Reclamation activity typically involves the removal of buildings, equipment, machinery and other physical remnants of mining; the restoration of land features in mined-out areas, dumping sites and other mining areas; and the contouring, covering and re-vegetation of waste rock piles and other disturbed areas.

For pollution prevention and control, it is our policy that domestic and industrial wastewater at the coal mines be treated to meet the national required standards before discharge, which are the Class II Standard as per the “Wastewater Discharge Standard” (GB8978-1996) and “Coal Industry Pollutant Discharge Standard” (GB20426-2006) respectively. Such treated water will also be used for suppressing dust in the mines and for other purposes such as watering plants.

Any collection of solid waste and hazardous materials shall be carried out in a centralised way following an internal procedure with the approval of the department head and handled by specific personnel.

As for the procurement of supplies, materials and equipment, the procurement manager shall consider the following factors, where appropriate, to minimise the impact on the environment:

- minimal use of virgin material in the product
- replacement of disposables with reusables or recyclables
- minimal environmental impact from the entire product or service life cycle
- minimal packaging or elimination of packaging
- reduced energy/water consumption
- toxicity reduction or elimination
- avoiding single-use of disposable items
- preference given to materials of high recyclability

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A4 Climate Change

Climate change may impact our core business when the mining activities are disrupted due to adverse and extreme weather such as more frequent and intense heavy rainfall, flooding and typhoons. Our policies on identification and mitigation of significant climate related issues which may impact the Group include, but are not limited to, adopting more stringent flooding prevention measures and advance monitoring of weather for contingency plans. Adverse and extreme weather brought by climate change may hinder the transportation and travelling of our employees commuting to the mines and offices. As a result, production loss may be incurred. In addition, the facilities and equipment at the mines may be damaged by climate and weather conditions. To minimise the impact of climate change, more regular monitoring and maintenance works have been carried out for reducing the damage due to extreme weather. In view of all these measures, the impact on our revenue due to the risk of climate change is estimated to be less than 5% on average.

B. SOCIAL

EMPLOYMENT AND LABOUR PRACTICES

B1 Employment

Employment data

	Number of employees	Turnover rate
Male	870	37%
Female	235	17%
* Total number of employees: 1,105		Total turnover rate: 33%

* Only one part-time employee

	Number of employees	Turnover rate
Age below 30	159	31%
Age 30 – 50	767	28%
Age above 50	179	54%

	Number of employees	Turnover rate
Guizhou	1,099	33%
Shenzhen	4	25%
Hong Kong	2	0

Compensation, benefits and dismissal

We recruit our employees based on a number of factors such as their industry experience in the coal mining industry, their educational background, and capabilities.

Our employees are employed under employment contracts that set forth, among other things, the employee's responsibilities, remuneration and grounds for termination of employment.

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It is the Group's policy that all employees must have written employment contracts as per the PRC Labour Contract Law. We provide each employee with at least the local minimum wage and benefits and pay employees promptly, regularly, on time and fairly in respect of work performance.

The Group recognises the importance of retaining high calibre and competent staff and continues to provide remuneration packages to employees with reference to prevailing market practices and individual performance. Other benefits, such as medical and retirement benefits, are also provided. In addition, share options may be granted to eligible employees of the Group in accordance with the terms of the approved share option scheme.

The emolument policy for the employees of the Group is based on merit, their qualifications and competence. The emoluments of the Directors are determined by taking into account the Group's operating results, individual performance and comparable market statistics.

We maintain systematic procedures to conduct performance appraisals annually. Employees' seniority and performance are the two foundations for promoting staff members, which reflects an objective and fair process to retain our talents.

Working hours, rest periods and paid leaves

It is our policy that working hours must not exceed the legal limit and should be modified where relevant to reflect any particular hazards or risks of the work being done. Employees should be properly compensated for overtime according to the law and within legal working hour limits. There is rest period in each work day. Employees are granted their stipulated annual leave, sick leave, maternity or paternity leave and other types of leave in accordance with relevant laws and regulations.

Anti-Discrimination, Equal Opportunity and Diversity

The Group actively promotes a diverse workplace where people from diverse backgrounds are valued and respected. Our policy is non-discriminatory on the basis of race, colour, national or ethnic origin, gender, sexual orientation, religion, disability, age, cultural background, social group, marital status, family status or other factors conforming to applicable labour laws.

We have complied with the PRC Labour Law and the PRC Labour Contract Law in all material aspects during the Reporting Period.

B2 Health and Safety

Safety of our employees is always the Group's central concern and is the core of our mission. One of our approaches is to create a strong culture of safety by implementing high safety standards and by providing appropriate training and education to our employees. We care about our employees and their families and therefore strive to protect them by providing a safe and healthy working environment. During the Reporting Period, we fully complied with the Work Safety Law of the PRC and the Regulations on Occupational Injury Insurance.

The key points from our policies are:

- to promote the general health of employees.
- to reduce work-related injury and illness.
- to ensure information regarding health and safety systems and standards are made readily available to employees in appropriate language(s).
- to ensure that employees are aware, through newsletters, training, or other effective and frequent means of communication, of our obligations with regard to site safety and their own obligations of ensuring the safety of themselves and other employees.

Safety Measures

The Group is committed to maintaining high safety standards at the coal mines by providing a safe working environment at coal mines; providing appropriate protective gear at work; conducting regular safety training sessions for employees, including mine managers, methane inspectors, blasters, electricians, coal miners and other workers, to improve their safety awareness and knowledge; and arranging annual occupational health examinations, periodic job rotations and annual leave for employees.

The Group has implemented a six-part safety system at operating coal mines which consists of the following components: an electronic safety monitoring system; a wireless tracking system that tracks the location of underground workers; emergency exits; emergency water supplies; emergency underground communication equipment; and compressed air stations that provide emergency underground oxygen supplies.

The Group has not been subjected to any material claim or penalty in relation to health and work safety and has been in compliance with the relevant PRC and Hong Kong laws and regulations in all material aspects during the Reporting Period. Those laws and regulations include the Work Safety Law, the Mine Safety Law and the Regulations on Occupational Injury Insurance of the PRC and the Occupational Safety and Health Ordinance of Hong Kong.

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In the Reporting Period, sufficient masks were in place for use in response to the Covid-19 pandemic. Temperature check was conducted with each employee on a daily basis. In addition, high standard of hygiene was maintained by frequent cleaning and sanitization. The Group strictly complied with the regulations related to the pandemic. There were no work-related fatalities in each of the past years including this Reporting Period. The number of lost days due to work injury in terms of the number of hours came to 1,200 in 2021.

B3 Development and Training

To ensure the quality of our employees at all levels, employees of the Group are encouraged to attend training and development courses to acquire more knowledge and skills.

Our mining employees receive training through orientation training sessions as well as on-the-job training by our more experienced technical personnel. Moreover, our coal mine managers receive additional technical and managerial training, and we offer certain employees the opportunity to attend external training sessions held by colleges and governmental organisations.

Training includes:

- periodic safety training for all employees.
- periodic training, examinations and certifications for special skilled workers at the mines.
- periodic safety training provided by the provincial government. The attendees are the legal representative of the company (公司法人) and “The Five Chiefs of the Mine” (五職礦長), who are the chief of the coal mine, the chief engineer, deputy chief of mine safety, deputy chief of production and deputy chief of electrical and mechanical engineering. After passing the examinations, the attendees will be awarded the “Certificate in Safe Production” by the provincial government.

Starting from 2019, the Group has organized new training programmes at both office level and mine level. Five professional teams were set up for implementation, and the Safety Training Team paid site visits to different mines to understand their current situations and needs. Totally 32 training programmes were run across the Group in different aspects, such as corporate culture, leadership, taxation, health and safety and other technical skills. In 2019, nine internal staff members completed the Train-the-Trainer programme and received the relevant accreditation. In 2021, 100% of employees in terms of gender and employee category took part in training.

	All employees	Male	Female	Senior management	Middle management	General staff
The average training hours per person	89	89	89	4	90	90

B4 Labour Standards

We believe in a no forced labour and no child labour policy.

It is the Group's policy not to use forced, coerced, bonded, indentured, or involuntary prison labour in any form. All work, including overtime work, shall be voluntary. Employees are free to leave employment upon giving reasonable notice. We do not require employees to hand over government-issued identification, passports or work permits as a condition of employment.

It is our policy not to employ any person under the local legal minimum employment age, or employ any person in a manner which conflicts with completion of their compulsory schooling, or employ any person below the age of 16 years on a full-time basis (unless part of a professional apprenticeship programme approved by local laws). Additionally, all young employees must be protected from performing any work that is likely to be hazardous, or likely to interfere with the employees' education, or that may be harmful to the employees' health or development. It is the Group's policy to adhere to legitimate workplace apprenticeship programmes and comply with all laws and regulations governing apprenticeship programmes.

The Group has been in compliance with the PRC Labour Law and the Regulations on the Administration of Housing Fund, and has not been assessed for any fines or penalties with regard to child labour and forced labour during the Reporting Period.

OPERATING PRACTICES

B5 Supply Chain Management

We all have a responsibility to look after the natural environment both for the present and the future. All stages in our supply chain comply with and preferably exceed applicable national and legal environmental requirements.

The major suppliers for the Group's mining operations include third party contractors and suppliers of machinery, equipment and ancillary materials used in the mining operations.

It is our policy that preference should be given to suppliers which have:

- a policy stating their sustainability values and commitments.
- sustainability certificates or awards.
- sustainability management systems or quality management systems that incorporate environmental and social considerations.
- full compliance with the Group's supplier code of conduct (the "Code") and all applicable environmental and social regulations and legislation.

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We work with our own service providers and subcontractors to ensure that they also strive to meet the principles of the Code and/or have their own supplier code of conduct. In the Reporting Period, the total number of Tier 1 suppliers was 56, and among which 8 were in Hong Kong and 48 in the PRC.

B6 Product Responsibility

Superior performance and stable quality of our products are our commitment to our customers, enabling us to strengthen the Group's reputation, maintain a good relationship with our customers and ensure our leading position in the industry.

It is the Group's policy to comply with all relevant laws and regulations to ensure consistency of our products. The Group applies strict quality control at all stages of coal production, beneficiation and distribution. To ensure that the Group's anthracite coal meets the requirements of the customers, the Group has established three laboratories to test coal quality. The staff in the laboratories are responsible for monitoring the anthracite coal production process, carrying out inspections and testing of anthracite coal, and performing onsite inspections at our coal mines.

As for advertising and marketing policies, we are committed to a responsible approach to communication. It is the Group's policy to adhere to an internal verification process for information used in advertising and promotion and to ensure that our advertising and promotional materials are backed by past performance and relevant data based on customer feedback or laboratory results.

The Group has been in compliance with the PRC Product Quality Law and has not been subjected to any fines or penalties with regard to product safety, advertising, labelling and privacy matters relating to our products during the Reporting Period.

B7 Anti-Bribery and Anti-Corruption

The Group is committed to ethical conduct when doing business. It is our policy that all forms of corruption, extortion, fraud and bribery must be prohibited, including those for our own benefit or for the benefit of our stakeholders.

In January 2014, the Group established an internal anti-fraud policy, codes of conduct and procedures to prevent all forms of bribery, corruption and fraud. This internal policy provided a clear definition of the concept of fraud and the scope of fraudulent activities, including but not limited to, accepting bribes and rebates and expenditure for improper purposes such as payment of bribes and rebates.

It is our policy that anti-fraud policies and procedures and related measures shall be communicated in a variety of ways within the Group (through employee handbooks, company rules and regulations, public or local area networks) to ensure that employees have access to relevant laws and regulations, receive business ethics training, understand the concepts involved in the code of conduct, and be able to differentiate between illegal and ethically-sound behaviours. All employees must be aware of the Company's serious attitude towards fraud prevention and the employees' own responsibility for anti-fraud.

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The Group assesses the risk of fraud and has established specific control mechanisms to reduce the occurrence of fraud, mainly through the following means:

- 1) fraud risk assessment is included when management conducts an enterprise risk assessment at the beginning of each year. Management is required to identify and assess fraud risks at the corporate level, business unit level, and major account level, and to assess the importance and likelihood of fraud, including risk. These assessments also include false financial reports, misappropriation of company assets and unauthorised or inappropriate revenues or expenses, and an assessment of the risk of fraud, including senior management and the Board.
- 2) the audit committee assists the Board in monitoring the risk exposures, the design and operating effectiveness of the relevant risk management and internal control systems, and will then report to the Board after properly reviewing the effectiveness of the Group's risk management and internal control systems. The Group does not maintain its own internal audit team for cost-saving reasons but the internal audit team of the Group's related party is shared with the Group to assist the audit committee with reviewing the effectiveness of the Group's risk management and internal control systems.
- 3) training programmes are provided to raise awareness and reduce the occurrence of fraud, such as integrity and anti-fraud training to new employees as well as updated training to existing employees.
- 4) a channel for real-name or anonymous reporting on fraudulent activities has been established.
- 5) our suppliers are required to disclose to us immediately any situation that may appear as a potential material conflict of interest. They are also expected to disclose if any of our officials or consultants working with the Group has a material interest of any kind in the supplier's business or any kind of economic ties with the supplier.

Employees are expected to observe a high standard of ethical and professional conduct and integrity. The Group has adopted a whistle-blowing policy. The audit committee meets regularly with the Company's senior management to consider the effectiveness of internal controls and risk management of the Company. As far as the Group is aware, there were no fraudulent practices brought to the Group's attention during the Reporting Period.

The Group abides by the Anti-Unfair Competition Law of the PRC, the Interim Provisions on Prohibiting Commercial Briberies, the Anti-Money Laundering Law of the PRC and other laws and regulations that call for integrity and ethical conduct in operating a business.

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B8 Community Investment

We are keen to nurture strong and long-lasting relationships with the communities in our neighbourhoods. On the one hand, we aim to minimise the negative environmental and social impact of our operations on our neighbourhoods; and on the other, we proactively seek opportunities to contribute to them by supporting a wide range of social projects and activities that mutually benefit our Company and the local communities. The Group cares about the disadvantaged groups and supports charity work.

In 2021, we made donations totalling approximately CNY3,235,043 (2020: CNY1,538,000) and we took part in community work as detailed below:

- Sale of coal at discount (equivalent to CNY3.14 million) to the villagers in winter in Bayi Village, Jinqiao Village, Gaoping Village and Lianhe Village
- Donations totalling CNY63,000 towards supporting purchase of primary and secondary schools' furniture and air-conditioning
- Donation of CNY10,000 to Jinsha County Wulong Wuguan Villagers' Specialized Planting Cooperative for poverty alleviation work