FiberHome

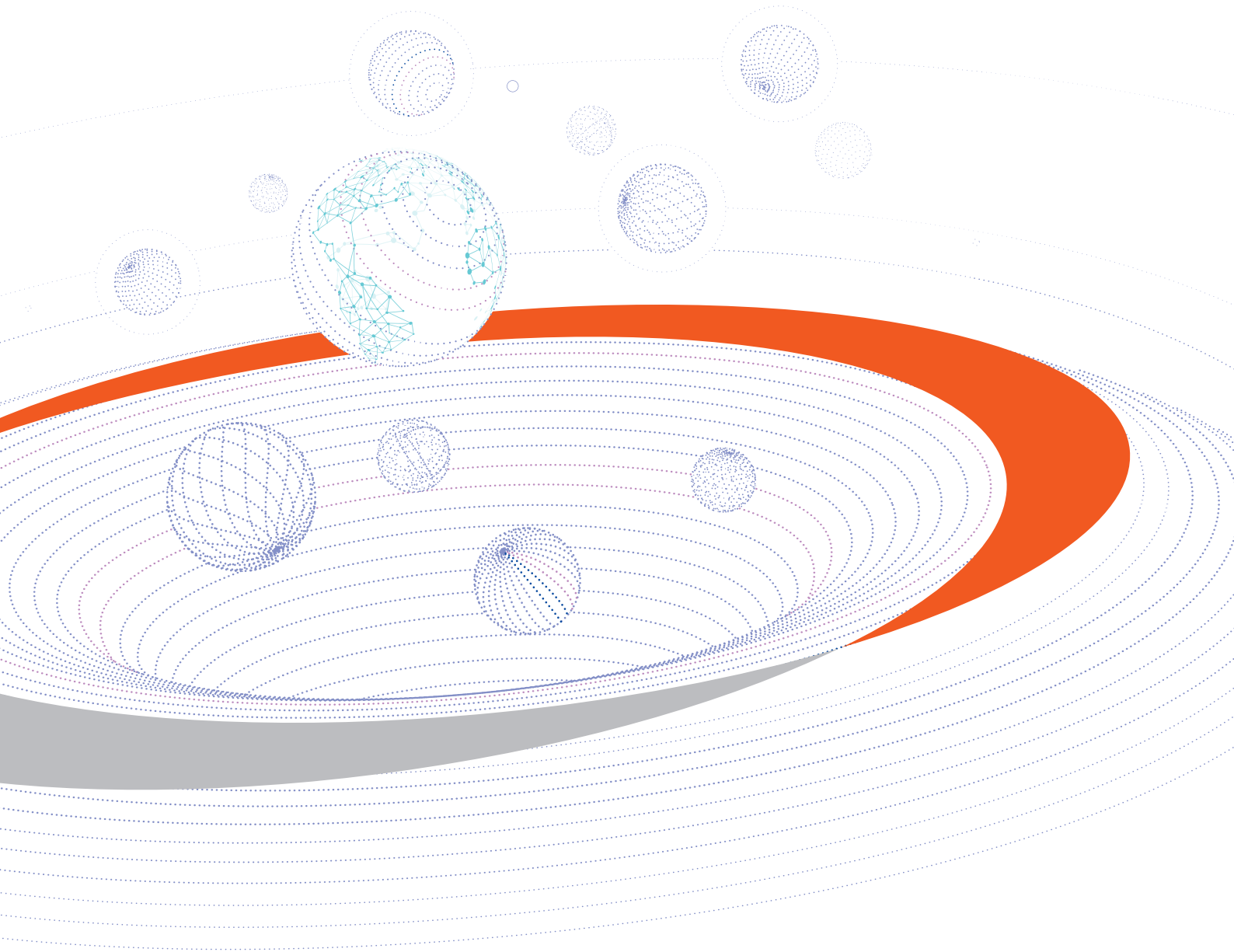# CONNECTING THE BRIGHT DIGITAL FUTURE

ENVIRONMENTAL SOCIAL AND GOVERNANCE REPORT
FiberHome Telecommunication Technologies Co., Ltd. **2022**
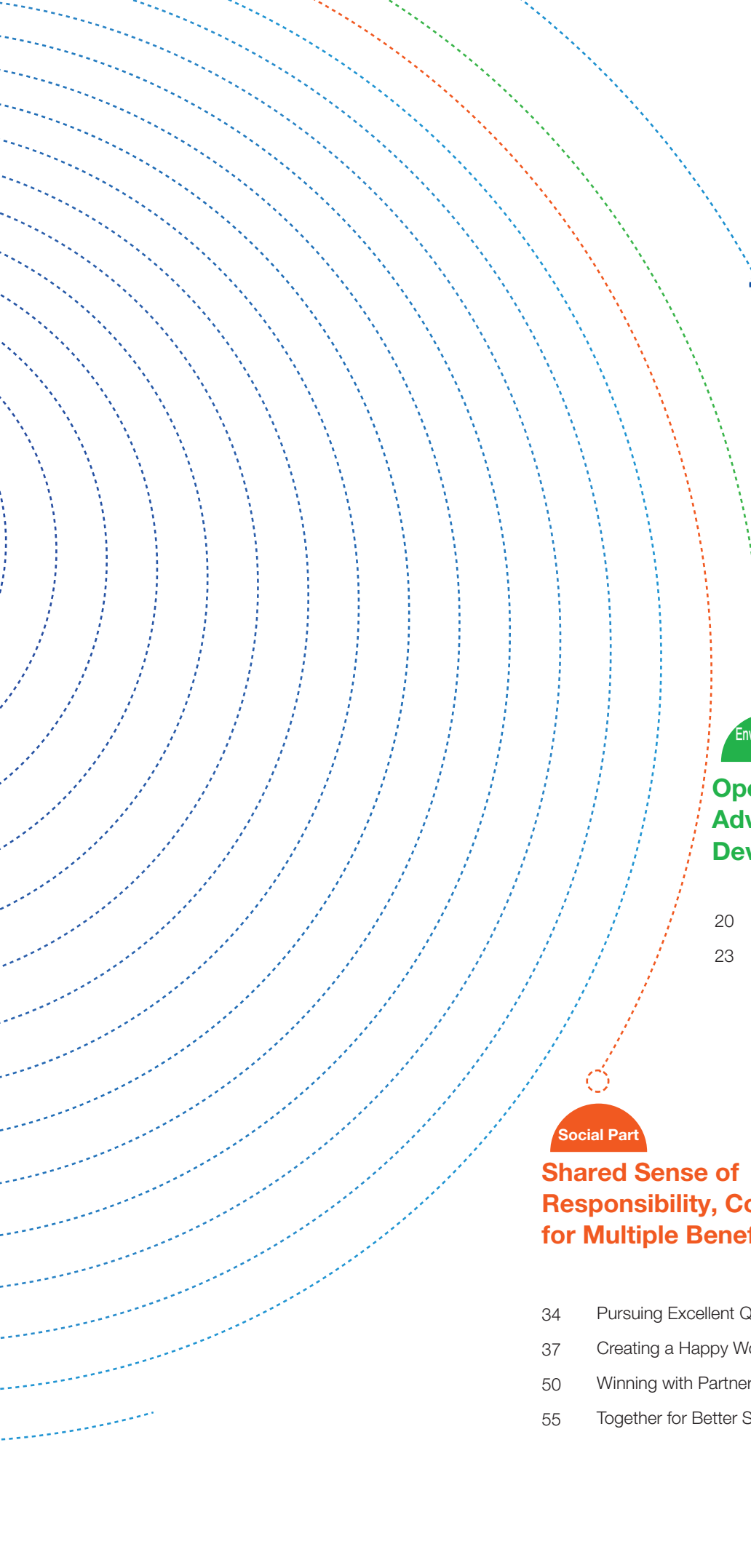
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About the Report

Report Description

This is the first Environmental, Social and Governance Report ("ESG Report") issued by FiberHome Telecommunication Technologies Co., Ltd. (hereinafter referred to as "FiberHome", "the Company", "we", etc.). Previously, the Company has published a sustainability report for 14 consecutive years and is firmly on the path of sustainable development. The purpose of this ESG Report is to regularly and systematically disclose the Company's concepts, methods, practices and performance in environmental, social and governance (ESG) to the Company's stakeholders, including shareholders and investors, local governments and regulators, employees, customers, partners and suppliers, the media and the public, and residents of the local community, to enhance the understanding and awareness of the Company among the various stakeholders, and to accept the community's supervision of the Company.

Reporting Standards

This report has been prepared in compliance with the Shanghai Stock Exchange's *Self-disciplinary Supervision Guidelines for Listed Companies on the Shanghai Stock Exchange No. 1 – Standardised Operation* and other relevant requirements, and in accordance with the International Organisation for Standardisation's *Standards for Social Responsibility Guidelines (ISO 26000)*, the Global Reporting Initiative's *Sustainability Reporting Guidelines (GRI Standards 2021),* and compiled with reference to the *United Nations Sustainable Development Goals (SDGs),* focusing on the Company's efforts to promote social, environmental and ecological, and economic sustainable development.

Principles of Preparation

The preparation of the report is guided by the principles of materiality, quantifiable, consistency, and balance.

Materiality	The report identifies ESG topics that are of material relevance to the company and provides targeted disclosures on the corresponding topics.
Quantifiable	Information on the criteria, methods, assumptions and/or calculation tools used for reporting emissions/energy consumption (where applicable) and the sources of the conversion factors used are disclosed in the report.
Consistency	The statistical methods used for the disclosure of data within the report are consistent and any changes in the disclosure of statistical methods or key performance indicators or any other reporting elements will be clearly stated in the report.
Balance	The report presents a fair, equitable, objective and balanced picture of the company's environmental, social and governance performance to avoid inappropriate understanding, decision-making and judgment by readers.

Reporting Scope

This report covers FiberHome Telecommunication Technologies Co., Ltd. and all its wholly-owned and controlled subsidiaries. The timeframe of the reported data is from 1 January 2022 to 31 December 2022, unless otherwise stated. Considering the continuity and comparability of the disclosed information, part of the information content may be retrospective outside the reporting period. Unless otherwise stated, the monetary units involved in the report are RMB.

Report Access

This report can be downloaded electronically and further information can be obtained from the website of FiberHome Telecommunication Technologies Co., Ltd. (https://www.fiberhome.com). For further information about us, you may read the Company's annual report or browsing the Company's website.

Contact Information

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Message from Chairman

Jun Zeng

Chairman

Dear followers, thank you for your support of our "Environmental, Social and Governance (ESG) Report". Against the backdrop of deepening pressure on economic growth and energy consumption, addressing global climate change and sustainable development is a proposition that mankind needs to face in the 21st century, and it is also an important issue that every responsible corporate citizen must pay attention to and think about. As an internationally renowned information and communication enterprise, FiberHome knows that only by respecting the environment and caring for society can we achieve sustainable development. As an internationally renowned information and communication enterprise, FiberHome knows that only by respecting the environment, caring for society and strengthening governance can an enterprise grow sustainably and create greater value for all stakeholders. Over the past 20 years, we have always adhered to the customer-centered, sustainable and innovation-driven approach, and blazed a successful one for its own high-quality development road with our characteristics.

Strengthening the foundations of "modern governance", striving for excellence and building corporate order

Under the profound changes unseen in a century, an efficient, mature and standardized modern corporate governance system is the cornerstone of sustainable development. FiberHome has been committed to establishing and maintaining a high level of governance standards to ensure transparency, fairness and accountability in every decision and action. We attach great importance to shareholders' rights and interests, and maintain close communication and cooperation with stakeholders to achieve win-win development. We continue to strengthen risk management and control, and endeavor to do a good job in identifying, evaluating and responding to risks, and keenly capture changes in the market environment. We are firmly opposed to corrupt practices, and are committed to creating a fair and competitive market environment by adhering to the principle of integrity and compliance with the law.

Determined to "green low-carbon" road, innovative technology to build a digital ecosystem

In the face of severe global climate change and environmental pollution, enterprises must root the concept of green development in their hearts and put it into practice. FiberHome is firmly committed to the path of green development, and promotes green supply in the whole process of product design, procurement and manufacturing to reduce pollution to the environment. We continue to strengthen environmental protection investment, improve energy efficiency and reduce carbon footprint; we continue to innovate technology to reduce the environmental cost of the product life cycle. We strictly control the supply chain and require suppliers to follow the principle of sustainability and work together to build a trustworthy green supply network. We continue to promote the digital transformation of the industry, using excellent practices to empower thousands of industries and accelerate the construction of a green and intelligent digital eco-civilization. We continuously promote the digital transformation of industries and use excellent practices to empower thousands of industries to accelerate the construction of a green and intelligent digital ecological civilization.

Digging deep into the value of "social responsibility", and sharing a better future hand in hand

Enterprises are not only the main body of economic activities, but also an important bearer of social responsibility. FiberHome responds to the needs of society with practical actions and joins hands with all parties to create and share a better future. We pursue excellence in quality, integrate quality management activities into business processes, achieve end-to-end quality control, and provide high-quality products and services in all aspects. We uphold the values of equality and tolerance and are committed to creating a safe, healthy and upward working environment, to create a happy workplace, so that employees feel at home. We interpret the enterprise's commitment to the community through action, actively participate in public welfare, and pay attention to disadvantaged groups. We take action to interpret the enterprise's commitment to society, actively participate in public welfare undertakings and pay attention to disadvantaged groups. We have traveled all over the world to promote local economic take-off, and actively contribute to building a community of shared future for mankind.

In this era full of challenges and opportunities, FiberHome has its mission on its shoulders and firm goals. We will pursue great dreams with unceasing struggle; cope with heavy difficulties with tenacity; lead the development of the industry with innovative wisdom; and create brilliance with all parties with win-win concept. On the road ahead, we will practice the strategy of sustainable development just as in the past, contribute to the progress of society with scientific and technological innovation, let technology change life, and let dreams light up the future!

About FiberHome

Company Profile

FiberHome Telecommunication Technologies Co., Ltd. is a listed company under China Information and Communication Technology Group (stock code: SH600498), an internationally renowned provider of information and communication network products and solutions, and an important participant in the National Science and Technology Ministry's "863" Program, "973" Program and National Key Research and Development Programs. FiberHome is an internationally renowned provider of information and communication network products and solutions, and an important participant in the "863" program of the Ministry of Science and Technology of China, the "973" program, and the National Key Research and Development Program.

FiberHome Telecommunication Technologies Co., Ltd. was established in 1999, is a scientific research and industrial entity integrating three strategic technologies in the field of optical communication in China, and the core enterprise of the State Key Laboratory of Optical Fiber Communication Technology and Network, the National Engineering Research Center of Optical Fiber Communication Technology, and the National Innovation Center of Information Optoelectronics, and it has a unique strategic position in promoting the research of information technology, industrial development and national security in China.
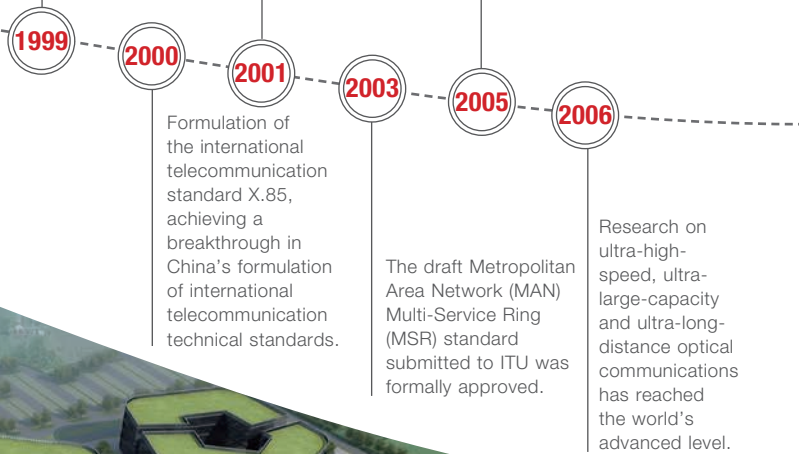
In February 2023, FiberHome Telecommunication Technologies Co., Ltd. was ranked first among the top 100 high-tech enterprises in Hubei Province. This is the second time in 2023 that FiberHome has topped the list of the top 100 enterprises after winning the crown in 2022.

Milestones

1999
FiberHome Telecommunication Technologies Co., Ltd. was established.

2000
Formulation of the international telecommunication standard X.85, achieving a breakthrough in China's formulation of international telecommunication technical standards.

2001
The OXC and OADM equipment of China's high-speed information demonstration network, a major national "863" project, passed acceptance, and the world's first optical network capable of interconnecting equipment from different manufacturers and achieving unified network management was born.

2003
The draft Metropolitan Area Network (MAN) Multi-Service Ring (MSR) standard submitted to ITU was formally approved.

2005
The "Tenth Five-Year" National Science and Technology Tackling Plan Project "40Gb/s SDH Optical Fibre Communication Equipment and System" has promoted a major breakthrough in China's optical communication technology.

2006
Research on ultra-high-speed, ultra-large-capacity and ultra-long-distance optical communications has reached the world's advanced level.

2008 — Leading the establishment of FTTH industry alliance; a full set of FTTH solutions striding into the international market, achieving leapfrog growth of PON equipment and ODN products overseas.

2009 — Awarded the China Patent Gold Medal.

2010 — The technical index of single-fiber 32-wave WDM-TDM PON system has reached the international advanced level.

2011 — The first in the world to launch commercial 100G OTN/DWDM and Tbit PTN products; realized large-scale mass production of optical rods.

2012 — The research on single-channel Tbit ultra-high-speed is at the leading level in the world; "High-capacity packet transport (PTN) equipment" has been selected as a national strategic innovative product.

2013 — Smooth evolution of 3G to LTE transmission network; 100G OTN commercialized on a large scale at home and abroad; Won the Nomination Award of China Quality Award.

2014 —

2015 — The key technology, manufacturing process and complete set of equipment for high-performance super-strong bend-resistant optical fibre won the Second Prize of National Scientific and Technological Progress; Released the FitCloud cloud-network integration technology strategy.

2016 — Release of cloud computing platform and big data platform software with independent intellectual property rights; "Basic Research on Ultra-high-speed, Ultra-large-capacity, Ultra-long-distance Optical Transmission", selected as one of China's top ten scientific and technological advances.

2017 — Breakthrough in ultra 100G silicon optical chip technology; Released a prototype 1280T optical-optical crossover (OXC) system.

2018 — Experimentation of optical transmission system realizing 560Tb/s ultra-large capacity and space-division multiplexing.

2019 — Released an operational-grade cloud-based network solution to build a next-generation high-quality network together with physical bearer networks.

Released the "Smart Optical Network" solution.

2023 — Full practice of sustainability and release of the first ESG report.

Corporate Culture

Core Values
Customer orientation, integrity and dedication, continuous innovation and incremental development.

Mission
Maximize the value of digital connectivity for the benefit of human society.

Vision
Based on the main business of optical communication, to be a domestic first-class, internationally renowned information and communication products and solutions provider.

Sustainable development strategies
FiberHome will adhere to innovation as the first driving force to lead development, practice social responsibility, continue to open source and reduce carbon, build a solid green digital infrastructure, promote the development of the industry in the direction of safety, low carbon and sustainability, and upgrade in the direction of high efficiency, cleanliness, intensification and recycling of green and low carbon, provide support for the digital transformation of more customers, escort a green and low carbon economy, serve the It will also provide support for the digital transformation of more customers, escort the green and low-carbon economy, serve the "Carbon Peak and Carbon Neutral", and contribute to the realization of the United Nations Sustainable Development Goals (SDGs).

ESG Highlights Performance and Honours in 2022

Highlight Performance in 2022

in optical fibre products production
Top two in the world

for 10+ years in fibre optic cable exports
No.1 in China

in optical transmission product and service revenues
Top six globally

in domestic market share of government data governance
Top four

in optical access products and services revenue
Top four in the world

Total R&D investment of RMB **4,394** million, accounting for 14.21% of operating revenue, and R&D investment increased by 17.93% year-on-year

The proportion of technical staff reached 45.29%, and the proportion of bachelor's/master's degree and above reached **77.98**%

728 new patents were granted, and a total of **3,473** patents have been granted, including 2,226 invention patents

53 new national standards and communication industry standards have been formulated and released, and a total of **670+** have been formulated and released

15 new international standards have been developed and published, with a cumulative total of **90+** developed and published
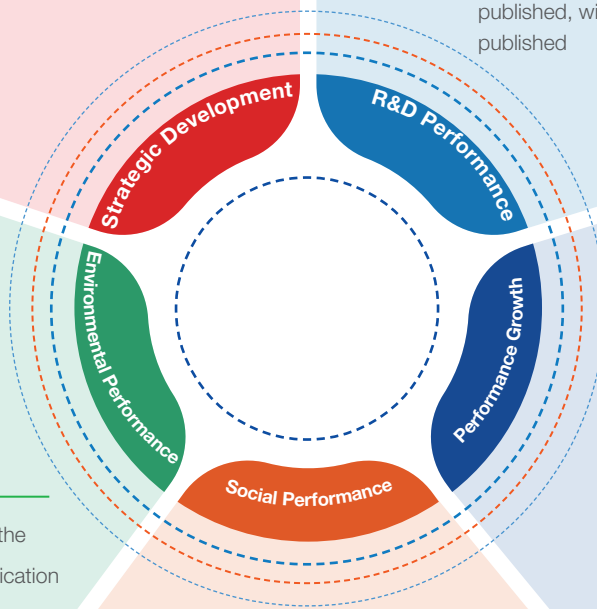
Completed ISO 14001 management system certification for **13** domestic subsidiaries

The carbon intensity (Scope I + Scope II) is **0.0169** tonnes CO_2 equivalent/10,000 revenue

6 rackmount server products have passed the China Environmental Labelling Product Certification

10 server products have passed China Energy Conservation Certification

14 set-top box products have passed the China Energy Efficiency Labelling Product Certification

Operating income was $**30.918** billion, up 17.38% year-on-year

Net profit of $**406** million, up 40.60% year-on-year

Basic EPS of $**0.34** per share, up 36.00%

The current ratio is **1.4017**

The gearing ratio was **0.649**

The amount of tax paid was $**938** million

Strategic Development

R&D Performance

Performance Growth

Environmental Performance

Social Performance

RMB**6.53** million was invested in staff training

100% coverage of safety management performance appraisals

More than 2,000 hazardous sources and environmental factors have been sorted out, and the completion rate of the investigation and rectification of hidden dangers is **100**%

14 emergency evacuation drills with **100**% coverage and over 9,000 participants

100% new supplier ESG audits

RMB**14,435,000** was invested in external donations and public welfare project inputs

RMB**2,558,800** was invested in poverty alleviation and rural vitalisation projects

Note: The denominator used in the calculation of carbon intensity is FiberHome's total revenue in FY2022.

Honors in 2022

Top 100 Hi-Tech Enterprises in Hubei Province in 2022

ICT Industry Influential Company in 2022

ICT Excellent Solution in 2022 (FiberHome FitDC Comprehensive Solution)

Top 10 Arithmetic Networking Companies in 2022

Pioneer of Digital Service Enabling Practice (FiberHome All-Optical Network Solution for Hotels)

Technological breakthroughs in network foundation building (the first 100G C+L demonstration project in China by Hubei Unicom and FiberHome)

Network Building Practice Pioneer (FiberHome Zhuhai Wanshan Islands Submarine Fibre Optic Cable Project)

Hubei Workers' Pioneer (Smart Optical Network Technology Research Group)

National Intellectual Property Advantageous Enterprises in 2022

Top 100 the fourth Wuhan Software Industry Competitiveness in 2022

Wuhan Famous Products in 2022

Participated in the construction of Hubei Provincial Museum Phase III Expansion Project, which won the Luban Prize for China Construction Projects in 2022-2023

Top 50 CAS "Internet Weekly", eNet Research Institute, Derben Consulting jointly released, 2021 Intelligent Manufacturing

Hubei Technology Award: First-class prize for Technological Invention in 2022 (Research on Trusted Identity, Collaborative Expression and Behavioral Understanding of Ternary Complex Spatial Objects)

Hubei Technology Award: First Prize of Scientific Progress Award in 2022 (Key Technologies and Applications for Secure Access and Sharing of Mobile Cloud Data, Key Technologies and Applications for Cross-Scene Big Data Analysis)

Hubei Technology Award: Third Prize for Scientific Progress in 2022

The 23rd China Patent Award Silver Award (Patent Name: A Compatible single-mode optical fibre with small bending radius)

2022-2023 Hubei Provincial Youth Civilisation Creating Collective (Net Production SPN Productization R&D Team)

Hubei Shuangchuang Science and Technology Innovation Team Successfully Upgraded from Category C to Category B (Research Team on R&D and Application of Intelligent Management and Control Convergence System for 5G Bearer Network)

The First Hubei Province "Healthy Enterprises"

Optical Performance Health Trend Analysis System Application Case Wins SDN/NFV/AI Standards and Industry Promotion Committee Outstanding Case Award

Third Prize of Employee Group in Industrial Big Data Algorithm Competition of National Industrial and Information Technology Skills Competition 2022 (FiberHome Team)

Multiple employer awards from BOSS Direct Hire, Liepin, Zhilian Recruitment, UFIDA Dayi, etc. (see the "Compliance Recruitment" section of this report)

Governance Part

Driving Accountability, Building Corporate Order

FiberHome strictly adheres to laws and regulations, such as the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* and the *Code of Corporate Governance for Listed Companies*. We optimize our governance structure, improve the decision-making level of the board of directors, and proactively disclose information in accordance with our *Articles of Association*. Our focus is on operating in a compliant and prudent manner, providing a solid foundation for the healthy development of the company. We continuously improve our social responsibility management system, actively respond to the expectations of stakeholders, and explore new paths for the sustainable development of the company in society.

Aligning with the SDGs

Key Issues
- Compliance governance
- Anti-corruption
- Business Ethics
- Customer privacy protection

Key Action Strategies
- Adhere to compliance Governance, practice social responsibilities, and promote sustainable development
- Adhere to business ethical, operate with integrity, and advocate fair competition
- Establish anti-corruption system, conduct regular risk assessments, and provide anti-corruption training

ESG Governance

FiberHome places great importance on ESG and has implemented corresponding management systems and workflows to ensure that ESG principles are fully considered in all company decisions. We are committed to contributing our efforts to building a better, harmonious, and sustainable world.
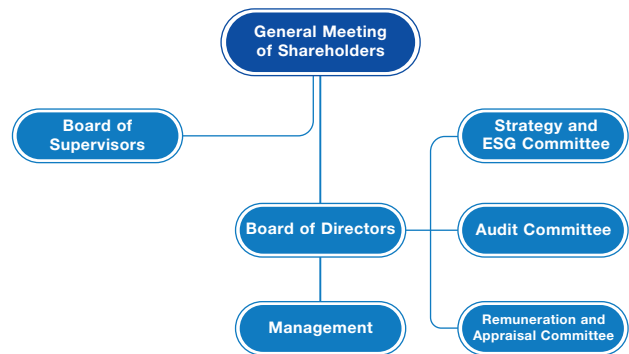
Governance Structure

Corporate Governance

FiberHome has established a sound governance structure where each role has its responsibilities balanced. The Company's bylaws play a fundamental role in corporate governance, guided by principles of legality, standardization, fairness, and transparency. Procedures for convening, holding, and voting at shareholder meetings, board of directors meetings, and supervisory board meetings, as well as information disclosure and internal auditing processes, have been established.

Standardized and Efficient Governance

The Company always adheres to standardized operations and has established a governance mechanism with a clear division of powers and responsibilities, coordination, and checks and balances among the authorities, decision-making bodies, supervisory bodies, and executive bodies. As an important decision-making body, the shareholders' meeting determines the Company's future development direction by voting on operational policies, investment plans, and other matters. The board of directors has three specialized committees, namely the Strategy and ESG Committee, the Remuneration and Appraisal Committee and the Audit Committee, which perform their respective responsibilities in accordance with their work rules, ensuring more efficient, standardized, and scientific decision-making. The supervisory board diligently fulfills its duties of supervision and inspection, effectively monitoring the Company's compliance with regulations, financial situation, internal control construction, as well as the performance of directors and senior management.

Please read the *2022 Annual Report* for relevant information.

Governance Structure of FiberHome

#### Diversification of the Board of Directors

We adhere to a diversified and professional board policy, selecting board members from diverse backgrounds such as gender, ethnicity, region, skills, and experience. All board members are exercising their director duties diligently. During the reporting period, the Company held a total of 10 board meetings, which covered topics such as profit distribution, related-party transactions, use of funds raised, equity incentives, and appointment of senior management. These resolutions played a crucial role in promoting the healthy and sustainable development of the company.
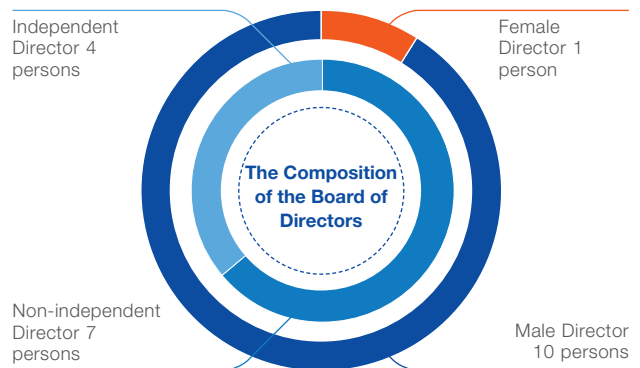
Note: Strategic Committee renamed as the Strategic and ESG Committee in 2023.

Governance of Sustainable Development

FiberHome is committed to achieving sustainable development for all stakeholders. The Company integrates the concept of sustainable development deeply into its corporate governance and establishes a comprehensive governance framework for sustainable development based on the existing governance structure. The Company has established a sustainable development working mechanism managed by the board of directors, where subsidiaries, production lines, and functional departments exchange data, share information, and closely collaborate for sustainable development in the economic, environmental, and social aspects.
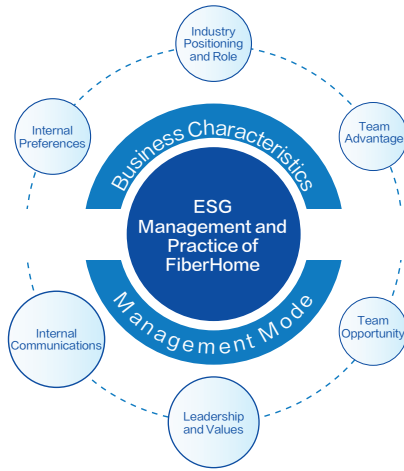
ESG Governance Structure of FiberHome

Board of Directors — The Board of Directors, as the highest governing body responsible for sustainable development management and information disclosure, is responsible for reviewing and approving the Company's sustainable development strategy and goals, as well as major issues related to social responsibility.

Strategy and ESG Committee — The Strategy and ESG Committee assists the board of directors in formulating sustainable development strategies, frameworks, and policies, providing recommendations on important matters and leading special initiatives related to sustainable development.

Senior Management — As the primary coordinating and implementing body, the Senior Management formulates action plans that align with the Company's sustainable development strategy. It manages sustainability-related risks and issues in the Company's daily operations, and is responsible for communicating and coordinating with subsidiaries, production lines, and functional departments to ensure the implementation of sustainable development initiatives.

Subsidiaries, production lines, and functional departments — Subsidiaries, production lines, and functional departments are responsible for the specific promotion and implementation of sustainable development initiatives.

The Governance Structure of Sustainability Development

The Board of Directors serves as the highest governing body for sustainable development efforts. The Strategy and ESG Committee conducts research and provides recommendations on the Company's external environment, existing internal conditions, and long-term sustainable development strategic planning. The Senior Management is responsible for leading the implementation of sustainable development initiatives across subsidiaries, production lines, and functional departments.

As part of the sustainable development strategy, the Company regularly assesses the board's performance in formulating, supervising, and managing sustainable development policies. Directors receive periodic sustainable development training to help them stay informed about the latest information that contributes to achieving sustainable development goals and enhances the board's management capabilities in this area.
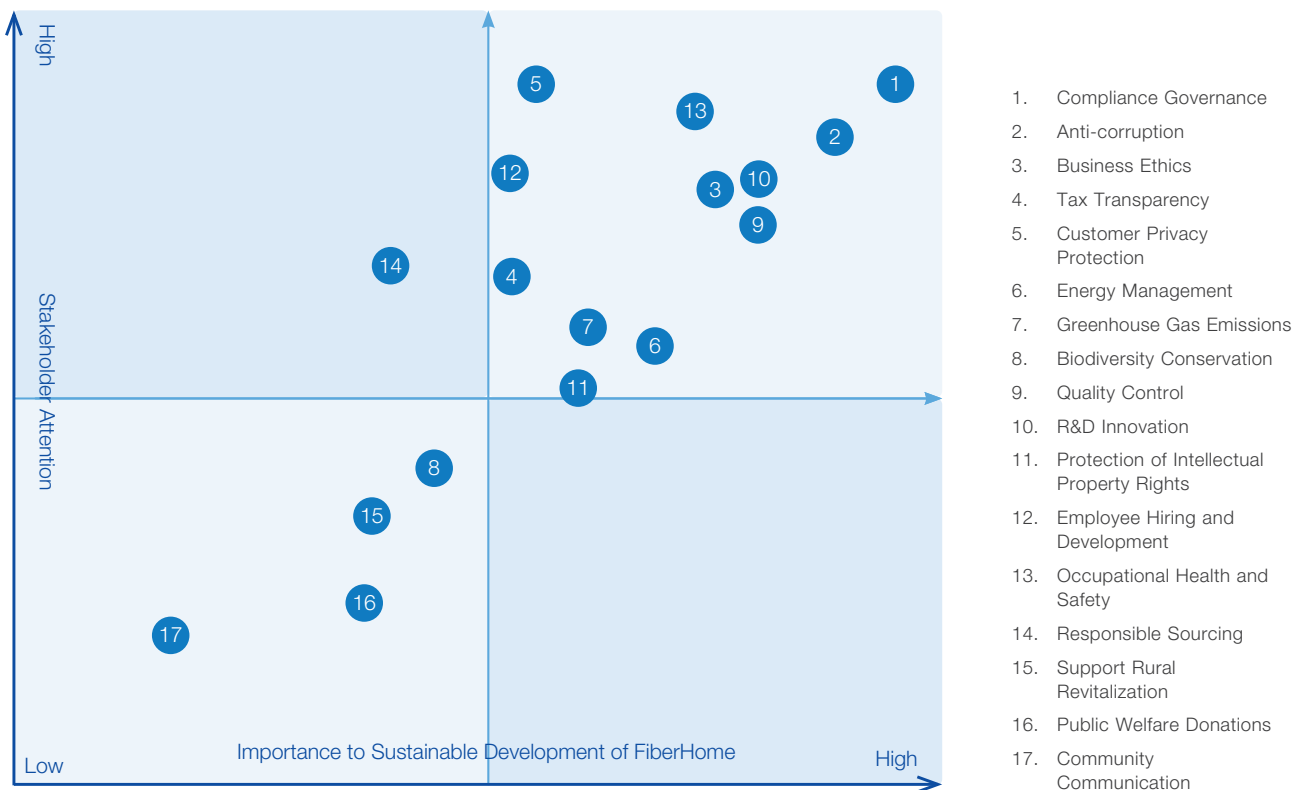
View of Social Responsibility

FiberHome upholds the principles of integrity and accountability, continuously enhancing corporate governance to create value for society. Guided by the SDGs, the Company integrates sustainable development concepts such as green products and services, natural resource and environmental protection, privacy and cybersecurity, and digital transformation into its development strategy. It is committed to promoting the achievement of sustainable development goals that align with the Company's core values, mission, vision, and business model.

FiberHome actively draws on advanced experience from both within and outside the industry to enhance its management and operational capabilities, ensuring effective execution of the sustainable development strategy. To further advance the disclosure of sustainable development-related information, the Company has established an effective process for compiling sustainable development reports, guided by the "Sustainable Development Reporting Process". This ensures the thorough exploration of issues that stakeholders are concerned about.

Analysis of Substantive Issues

FiberHome invited stakeholders to participate in the issues research through online questionnaires, and received more than 2,600 completed surveys. Based on the results of the survey, combined with regulatory disclosure requirements, the Company's sustainable development management practices, and industry characteristics, we identified 17 potential substantive issues. These issues were ranked in terms of their importance to stakeholders and their importance to the Company's sustainable development. This helped determine the importance and priority of the substantive issues.

1. Compliance Governance
2. Anti-corruption
3. Business Ethics
4. Tax Transparency
5. Customer Privacy Protection
6. Energy Management
7. Greenhouse Gas Emissions
8. Biodiversity Conservation
9. Quality Control
10. R&D Innovation
11. Protection of Intellectual Property Rights
12. Employee Hiring and Development
13. Occupational Health and Safety
14. Responsible Sourcing
15. Support Rural Revitalization
16. Public Welfare Donations
17. Community Communication

Materiality Matrix of FiberHome

Stakeholder Communication

FiberHome places great importance on communication with various stakeholders, including government and regulatory agencies, shareholders and investors (including index rating agencies), customers, suppliers, employees, media and non-governmental organizations (NGOs), and communities. The Company has identified key stakeholders based on the frequency of daily interactions and the extent of mutual impact with Chifeng Communication in terms of economy, environment, and society. Diverse communication channels and feedback mechanisms have been established to cater to the specific characteristics of each stakeholder.

Stakeholder	Issue of Concern	Way of Communication
Government and regulatory agencies	• Integrity and law-abiding operation • Drive local economic development • Create tax revenue • Provide employment opportunities • Environmental and social risk control • Climate change response • Data, privacy and cybersecurity	• Routine supervision and inspection by government regulatory authorities • Participate in the daily report and communication meeting of the government • Carry out special research and on-site meeting • Hold relevant forums and exchange activities
Shareholders and investors (Including index rating agencies)	• True, accurate, complete and timely disclosure of relevant information in strict accordance with laws and regulations and the *Listing Rules* • Public disclosure of company value and market value information • Protection of shareholders' rights and interests • ICT transformation • Business ethics • ESG performance	• Convene General Meetings • Investor investigation and reception • Public disclosure of information • "Investment self-interaction" platform • Mail exchange
Customers	• Cost-effective products and services • Data, privacy and cybersecurity • Green products and services	• 800&400 customer service telephone • Customer satisfaction survey • High-level communication and mutual visit • Investigation by third-party professional consulting agencies
Suppliers	• Anti-corruption and anti-commercial bribery • Affordability • Personnel capacity building • Social impact • Green products and services • Green supply chain • Health and safety system	• Core Supplier Conference • Supplier training • Supplier communication • Supplier on-site examination room • Build a communication and cooperation system platform
Employees	• Labour rights compensation and benefits • Career development • Health and safety • Office environment • Training opportunities	• FiberHome intranet and forum • President reception day • CICT App • FiberHome Journal • Enterprise Trade Union and Workers Conference • Employee symposium • Questionnaire
Media and NGOs	• Community welfare and charity • Contribution to NGOs • Impact on sustainability	• Invite media to visit • Collect evaluations and opinions • Provide promotional materials • Participate in the formulation of industry standards and industry tour exhibitions • Engage in communication, dialogue and positive interaction with NGOs • Set up WeChat and other new media official accounts
Community	• Focus on environmental protection • Build harmonious communities • Facilitate digital and intelligent communities	• Organize community communication activities • Organize and carry out public welfare activities

Business Ethics and Anti-corruption

Integrity is one of the core values of our company and serves as the foundation for our long-term development. Therefore, we consistently uphold the highest standards of integrity, adhere to business ethics, and firmly oppose any form of misconduct. We are responsible to society, shareholders, and employees, laying a solid foundation for future growth.

Adhere to Compliance and Integrity

FiberHome places great emphasis on compliance operations and has established a comprehensive internal control system and risk control mechanisms. The Company follows the guidance of the *Compliance Management Measures* and *Code of Conduct for Compliance*, clearly defining the compliance management responsibilities of the Party Committee, Board of Directors, management, the First principal of the company, the Compliance Committee, and the Chief Compliance Officer. Continuously improving 55 system documents and supporting forms in the fields of business partner management, market agent management, procurement bidding, infrastructure, sales, gift reception, etc. This has improved the efficiency of compliance management and implemented specific compliance management requirements in key compliance areas. During the reporting period, FiberHome organized comprehensive compliance training on topics such as export control and economic sanctions, and compliance in external communications. This training was conducted six times and achieved a 100% coverage rate across all business and functional departments.

Compliance Management Structure

Party Committee	The Party Committee sets the direction, oversees the situation, and ensures implementation
Board of Directors	The Board of Directors determines the strategic direction, makes decisions, and manages risks
Management	The Management strategies for operations, ensures implementation, and strengthens management
First principal of the company	The first principal of the company serves as the primary person responsible for promoting the rule of law, organizing, and promoting compliance management, and implementing it
Compliance Committee	The Compliance Committee coordinates and oversees compliance management work, holds regular meetings, and addresses key and challenging issues
Chief Compliance Officer	The Chief Compliance Officer is responsible for the company's top executives and leads the compliance management department in carrying out related tasks

In 2022, the Company prioritized the operational compliance of overseas entities as part of its annual management improvement efforts. We have engaged local law firms, accounting firms, and consulting companies to provide guidance on the establishment of compliance management systems, helping the company enhance its risk management framework and continuously improve its ability to prevent risks in the field of foreign trade.

FiberHome compliance management process: First line of defense: Each business unit and functional department strictly follow relevant management systems to carry out daily operations. Second line of defense: The compliance management department reviews the legality and compliance of the corresponding systems. Third line of defense: Prior to the compliance review of major matters, the Chief Compliance Officer issues a compliance review opinion.

Information Security

As a provider of information communication network products and solutions, FiberHome bears the important responsibility of ensuring information security and service reliability. We are dedicated to collecting and processing information from customers, business partners, and internal sources in a transparent, fair, and necessary manner. We strictly adhere to the requirements of the *Cybersecurity Law of the People's Republic of China,* the *Data Security Law of the People's Republic of China,* and other relevant laws and regulations within our scope of business operations. Our focus is on information security governance and privacy protection.

FiberHome actively implements the network security work responsibility system, fulfills the main responsibility for information security, establishes an information security management system in accordance with the requirements of ISO/IEC 27001:2022, and formulates relevant management systems such as the *Internal Network Security Management Measures* and *Information Security Management Manual.* Detailed provisions are made for security policies, information classification, risk assessment, and other management processes. The Company has established an information security leadership team, led by the top management, and an information security working group, led by the Vice President, to drive the execution of daily information security affairs. FiberHome has incorporated relevant requirements in information security into the assessment of each department, conducting regular audits, and inspections, and urging corrective actions. We are committed to studying the development patterns of various sudden information security incidents, summarizing emergency plans for network and information security, and enhancing our response and handling capabilities. During the reporting period, the Company's information security training and exam coverage rates were 100%.

In 2022, the Company has not experienced any incidents of compromising customer and business partner privacy.

ISO/IEC 27001 Information Security Management System Certification

Information Security Skills Training

Access Control

Deepen the layout of "edge, network, cloud", and develop a self-built virtualization platform and cloud desktop to achieve internal and external network isolation, protecting the company's network from malicious external attacks.

Employee Education

Conduct security awareness training on network security and privacy protection, fostering a company-wide culture of network security.

Risk Assessment

Regularly assess and evaluate the risks of important office systems related to network, servers, databases, and data security, and promptly address security vulnerabilities.

Technical Measures for Information Security

Emergency Drills

Conduct comprehensive emergency drills for core information systems, specialized phishing email drills for all employees, and internal and external attack and defense drills to enhance emergency response capabilities.

Product Certification

Submitting products for testing and certification is crucial to enhance the security and reliability of products in terms of privacy protection. Our OTN products have successfully obtained the Common Criteria (CC) EAL2+ certification, which evaluates information technology security.

Regular audits

Conduct regular information security audits to identify potential threats and ensure the maximum level of information security for our company and clients.

Anti-corruption

FiberHome strictly adheres to the *Criminal Law of the People's Republic of China,* the *Supervision Law of the People's Republic of China,* and the *Regulations on the Integrity of Leaders of State-Owned Enterprises,* and other relevant laws and regulations. We implement strict supervision and preventive measures to continuously improve the ethical conduct of all employees.

Construction of a Clean and Honest Administration

FiberHome continuously improves the construction of a clean and transparent system, establishing the *Internal Audit System of Fiberhome Telecommunication* based on the principles of "zero tolerance," "full coverage," and "no blind spots." It revises the *Implementation Measures for the Discipline Inspection Commission of Fiberhome Telecommunication to Implement the Supervisory Responsibility for Party Conduct and Clean Government Construction,* and compiles the *Implementation Rules for Handling Whistleblowing and Accusations by the Disciplinary Inspection Institutions of Fiberhome Telecommunication* (hereinafter referred to as Implementation Rules). We issue the *Notice on Including Daily Supervision of Equity Proxy, False Joint Ventures, Irregular Affiliated Operations, Business Conducted by Relatives of Leaders and Other Specific Relationships, and Business Transactions with this Unit* and the *Interim Provisions on Prohibiting Business Transactions with Leading Cadres, Key Position Staff and their Relatives' Enterprises* to effectively promote the construction of an anti-corruption system. The Supervisory Board is responsible for overseeing the Company's compliance, financial situation, internal control construction, and the performance of senior management personnel. The Audit Committee of the Board of Directors is responsible for ensuring the implementation of internal control systems.

Risk Investigation of Commercial Bribery

While cracking down on corruption, FiberHome also places a greater emphasis on preventing corruption from the source. We consistently adhere to a "risk prevention and control" approach and conduct in-depth investigations into the risks of commercial bribery. We have compiled a *Compliance Risk Repository for Anti-Commercial Bribery* which includes a comprehensive analysis of domestic laws and regulations such as the *Criminal Law of the People's Republic of China* and the *Anti-Unfair Competition Law of the People's Republic of China,* as well as applicable overseas regulatory provisions such as the *U.S. Foreign Corrupt Practices Act,* the *U.K. Bribery Act,* and the *World Bank's Guidelines for Anti-Corruption Compliance.*

Anti-corruption Education

Integrity education is the cornerstone of anti-corruption governance, as well as an important part of cultivating integrity awareness and fostering a culture of integrity. We utilize all means and methods, and leverage various forms of media and platforms, to effectively carry out and implement educational campaigns. We provide regular warning education to all employees through the study and dissemination of publications, lectures on integrity culture, specialized thematic education, and the viewing of warning cases, aiming to create a positive work atmosphere. During the reporting period, a total of 29 anti-corruption training sessions were arranged for newly hired and key position staff, with a cumulative participation of 3,054 individuals.

During the reporting period, arranged a total of anti-corruption and integrity training for new recruits and key position holders

29 sessions

Cumulative number of participants

3,054 people

Training Course on Job-related Crime Prevention

Integrity Lecture

Clue Handling

FiberHome encourages reporting of disciplinary and regulatory violations, harnessing the supervisory role of its employees and the wider society. The disciplinary inspection office is responsible for implementing the supervision of party conduct and clean governance, openly carrying out the entire process of reporting and notifying in disciplinary inspection work, and independently investigating the reasonable demands and clues raised by the informants. We ensure that the basic rights of informants are not violated. The "Implementation Rules" stipulate that the informant's name, unit, home address, and the content of the report should be strictly confidential, and the report materials should not be transferred to the reported unit or individual. At the same time, any form of retaliation is strictly prohibited. During the reporting period, we received a total of 28 valid reports, and the feedback rate for these reports was 100%. There were no public litigation cases related to corruption involving the Company or its employees.

Complaint mailbox: fhjiwei@fiberhome.com

Reporting Processing Process

| Accept reports | Classify and establish working file | Clue analysis | Discussion and disposition |

Environmental Part

Operating Low Carbon, Advocating for Sustainable Development

FiberHome adheres to the principle of sustainable development and regards protecting the environment and conserving resources as the responsibility. We are always committed to energy conservation and emissions reduction for a better environment. We not only care about ideas but also focus on actions. We are building an environmentally friendly culture guided by innovation, coordination, greenness, openness, and sharing, with a focus on practical results. At the same time, with a long-term perspective, we are establishing sustainable green mechanisms. We are committed to building a green manufacturing system that meets government environmental protection requirements, including products, production, and supply chains. Through these actions, we have confidence that we can contribute to China's goals of carbon peaking and carbon neutrality.

Aligning with the SDGs

6 CLEAN WATER AND SANITATION

7 AFFORDABLE AND CLEAN ENERGY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

14 LIFE BELOW WATER

Key Issues
- Energy Management
- Greenhouse Gas Emissions
- Biodiversity Protection

Main Strategies
- Building green factories and green products, and actively creating a green manufacturing system
- Optimizing the production processes, reducing energy consumption, enhancing the use of environmentally friendly materials, and reducing waste emissions
- Participating in environmental management and responding to the goal of carbon neutrality

Enhancing Environmental Management

FiberHome is firmly implementing the ISO 14001 system, with the scope of ISO 14001 certification expanding year by year. The company's environmental management leadership group is responsible for monitoring environmental performance and implementing improvements, ensuring continuous enhancement of environmental management quality.

FiberHome has set up an environmental management leading group to ensure comprehensive coordination and systematic advancement of environmental protection work. FiberHome strictly perform environmental protection responsibilities, monitor environmental performance indicators, implement special environmental protection improvements, carry out daily patrols and special reviews, and continuously improve performance.
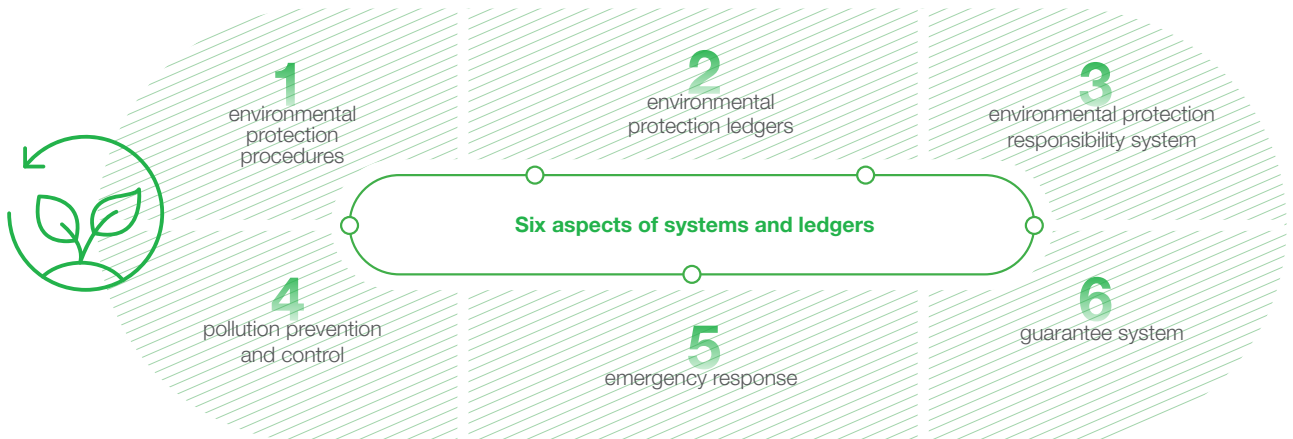
Environmental Management System

Since its establishment, FiberHome has been committed to implementing the environmental management system with a practical and truth-seeking attitude.

FiberHome has been awarded the ISO 14001 certification, including **13** domestic subsidiaries, with the coverage of the system certification expanding year by year.

ISO 14001 certification

In order to have better environmental protection work, the Company has published the *Eco-friendly Standardization Guide for FiberHome Telecommunication Technologies Co., Ltd.,* established six aspects of systems and ledgers, including environmental protection procedures, environmental protection ledgers, environmental protection responsibility system, pollution prevention and control, emergency response, and guarantee system. The Company strictly carries out environmental impact assessment work by the Law of the People's Republic of China on Environmental Impact Assessment , follows the principle of "three simultaneously" of environmental protection, ensures that environmental protection facilities and main engineering are designed, constructed, and put into production and use simultaneously, and completes the environmental acceptance inspection of the project on time. In addition, the Company actively applies for water discharge permits, pollution discharge permits, radiation certificates, and other compliant documents, by regulatory requirements. All these actions ensure that waste emissions meet national standards. The Company actively fulfills corporate social responsibilities with a practical attitude and collaborates with all relevant parties to promote the development of environmental protection.

1 environmental protection procedures

2 environmental protection ledgers

3 environmental protection responsibility system

Six aspects of systems and ledgers

4 pollution prevention and control

5 emergency response

6 guarantee system

Note: Eco-friendly Standardization Guide for FiberHome Telecommunication Technologies Co., Ltd., will be published in 2023.

Environmental Risk Management

Environmental Risk Identification

For a long time, FiberHome has been engaged in environmental protection work with a high sense of responsibility and professional spirit. Adopting a systematic approach, the Company deeply analyzes all its activities, products, and services. FiberHome compiles an environmental risk factor identification list, and carries out environmental risk assessment and control for a classification of different environmental risks, ensuring the implementation of environmental protection responsibilities.

Development of Correction Plans

The Company regularly carries out environmental hazard self-inspection work. After discovering environmental issues or violations, it quickly evaluates the nature and severity of the problem, with a correction plan. Then FiberHome assigns responsibility to specific individuals with timelines, and promotes the completion of corrections. The completion status of environmental hazard corrections is linked to the annual organizational and individual performance of each department.

Environmental Emergency Management

FiberHome formulated its emergency plan for sudden environmental events in 2016 and completed the registration process at the Wuhan East Lake New Technology Development Zone Environmental Protection Bureau. The plan is reviewed, updated, and registered every 3 years to ensure the scientific and effective emergency plan and measures.

Security Risk Communication Card
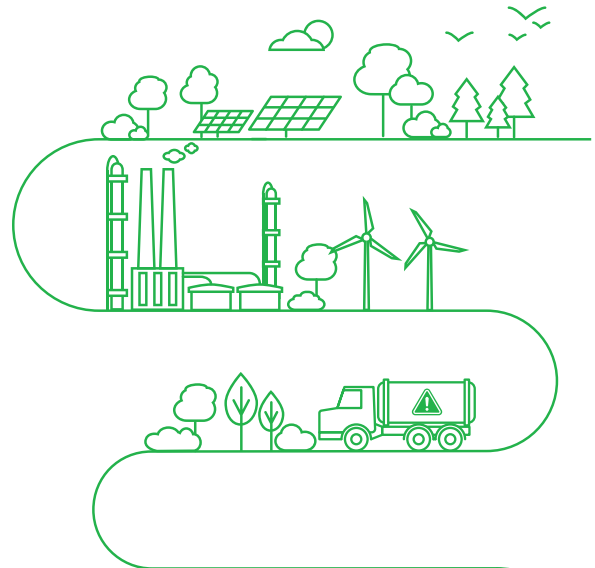
Dangerous Waste Management System

"Four Know" Card

Environmental Management Training

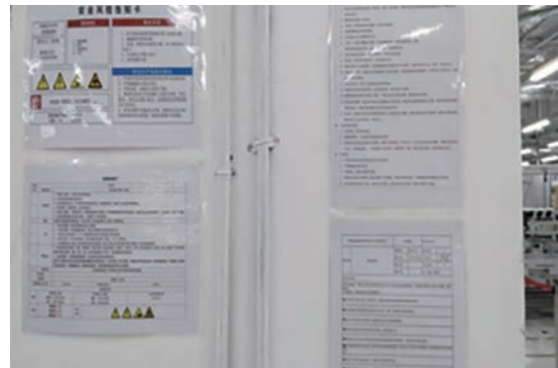FiberHome attaches great importance to the training of employees' environmental protection awareness and emergency response capabilities, striving for all employees to be aware of the Company's environmental policies and commitments. The employees need to master the relevant knowledge and skills of environmental protection.

The Company regularly holds environmental protection training courses, covering key areas such as energy conservation and emissions reduction, circular resource utilization, and waste treatment. The Company invites domestic and foreign experts to teach, focusing on the combination of theory and practice and helps employees apply what they have learned to their work.

In addition, the Company actively promotes environmental publicity and promotion activities, releasing environmental protection information through various channels. FiberHome also conducts various activities such as environmental protection knowledge competitions, theme speeches, and waste classification displays, encouraging employees to actively participate in environmental protection work, and continuously deepening employees' environmental protection consciousness.

The Company regularly conducts environmental emergency drills to improve emergency response capabilities and to ensure social and environmental safety.

Activities during Nationwide Energy-saving Week

Environmental Program Training

Practicing Green Operation

FiberHome takes it as its mission to develop efficiently and cleanly and promote green and low-carbon development. It has formulated a clear action guide for carbon peaking and carbon neutrality. FiberHome firmly walks on the road of green and high-quality development.

Green Management of the Whole Life Cycle of Products

We consistently uphold the core concept of being green and adopt a holistic life-cycle approach to planning and designing our products. We are committed to taking full control of toxic and hazardous substances in our supply chain, and through continuous innovation and improvement. We consistently minimize the negative impacts of our products on the natural environment and users. This relentless effort aims to provide our customers with cutting-edge green products and solutions.

- OXC (optical cross-connect) solution, with all-optical switching capability up to Pbit/s level, can effectively save 90% of server room space and reduce 60% of power consumption compared to traditional ROADM (Reconfigurable Optical Add-Drop Multiplexer) architecture.
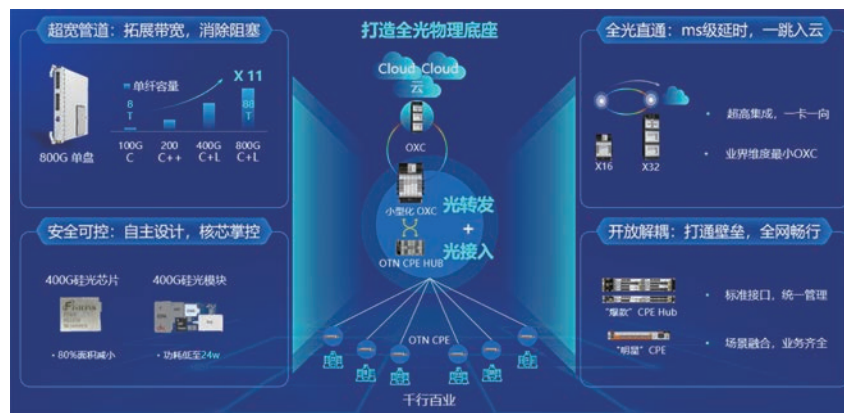
OXC Solution

- The FTTR (Fiber to The Room) solution helps to create a whole-house stable and ultra-wide, agile and intelligent, convergent and minimalist smart home all-optical base, which is more energy-efficient and environmentally friendly than traditional networking.
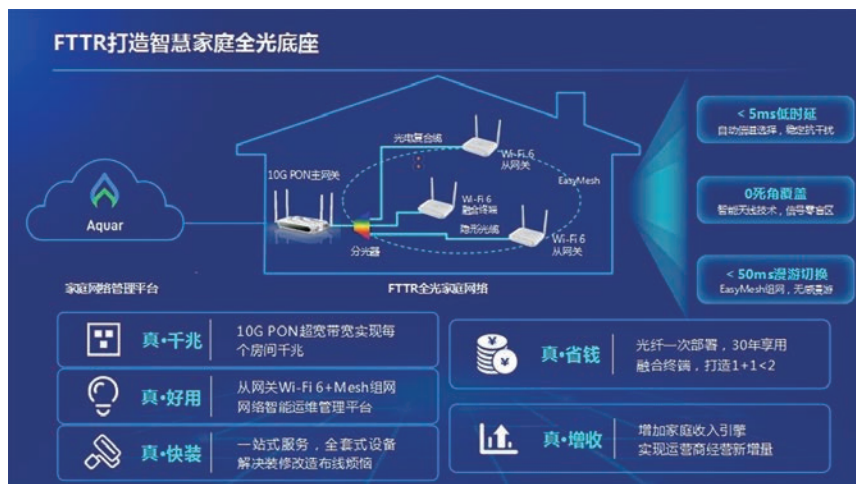
FTTR Solution

- Cold Plate Liquid Cooling Solution, in response to the national requirement of PUE<1.2, develops a cold plate liquid cooling system, subverting the working mode of previous temperature control products. This solution can realize the positive transfer of heat from high temperature to low temperature through end-to-end precise refrigeration so that the PUE of the data center can be below 1.2 or even below 1.1.

Cold Plate Liquid Cooling Products

FiberHome has been committed to promoting the development of its products in the direction of technology, environmental protection, and ecology. At the same time, FiberHome actively promotes green product certification to enhance the trust of customers and consumers, and win the unanimous praise of the industry and regulatory bodies, which helps the green and recycling development.

In this process, the Company adheres to strict management systems, such as IECQ QC080000 and RoHS. These systems can continuously reduce potential risks through system management to ensure that their products comply with various legal and directive requirements. In addition, the Company has established its own RoHS inspection capability for raw materials to enhance the management of hazardous substances.

Product Management	Development phase: start, design, development, testing, release	Lifecycle stage

start · design · development · testing · release · use · maintenance · discontinuation · delisting

Product Data Management	Full life cycle status of product data: research, pilot, release, publish, stop production...
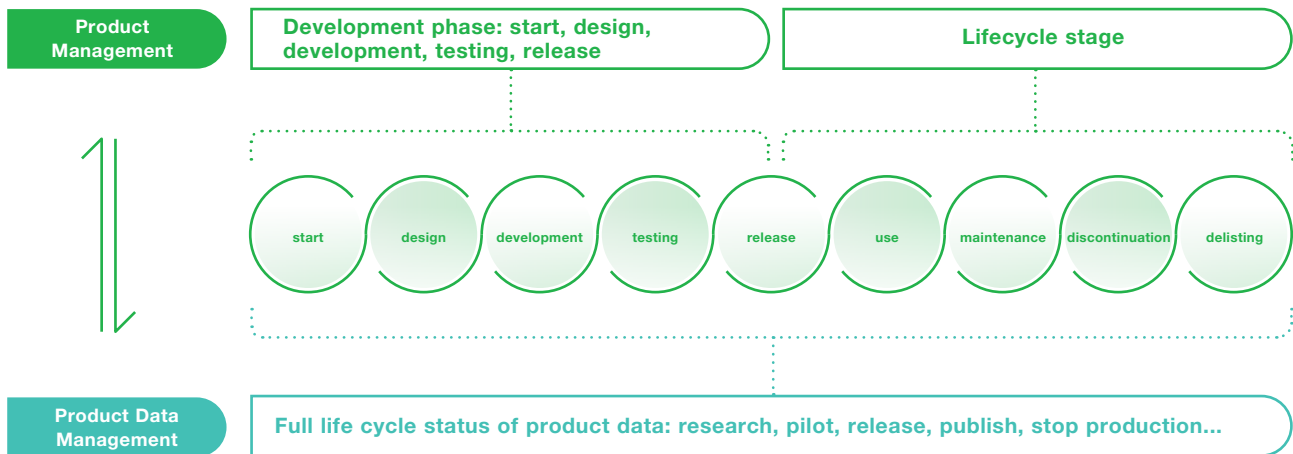
Full Life-cycle Management of Internal Product Data

FiberHome adopts a whole life-cycle approach to make product design. It is committed to realizing products that are less toxic and less harmful, and that conserve resources and energy. In 2022, FiberHome passed the China Environmental Labeling Product Certification for a total of 6 rackmount servers, China Energy Conservation Product Certification for 10 servers, and China Energy Efficiency Labeling Product Certification for 14 set-top box products.

China Environmental Labeling Product Certification

China Energy Conservation Product Certification

China Energy Efficiency Labeling Product Certification

The optic cables, set-top boxes, connector boxes, and other products of FiberHome have carried out carbon footprint verification and obtained product carbon footprint certification issued by a third-party organization.

The Product Carbon Footprint Certification
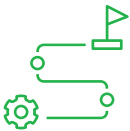
The above system management and product certifications reflect the commitment of FiberHome to environmental protection and sustainable development, as well as the Company's relentless pursuit of high product quality and a low carbon footprint. Through technological innovation and green design, FiberHome has set up an industry benchmark for creating technological, environmentally friendly, and efficient products.

Greenhouse Gas Management

FiberHome actively pays attention to greenhouse gas management and specifies seven major initiatives for greenhouse gas management:

1. Formulating the management system related to energy and environmental protection, clarifying the sustainable development goals, and insisting on the assessment of energy saving and environmental protection work.

2. Continuously disclosing carbon emission data on CDP, submitting SBTi's commitment, setting carbon emission reduction targets, drawing up action plans according to the targets, and promoting the implementation of the plans and landing.

3. Continuously improving the energy-saving and environmental protection optimization of the process, and increasing the output value to reduce carbon emissions.

4. Gradually carrying out the replacement of high energy-consuming equipment.

5. Vigorously implement energy-saving technological reforms to reduce energy consumption with waste heat and pressure to realize the reuse of energy.

6. Application of clean energy, the photovoltaic system in the headquarters park has been completed and put into use.

7. Developing green supply chain, implementing green supply chain management, reducing supply chain risks and enhancing core competitiveness of supply chain.

8. Continued promotion of the action plan and increased appraisal.

In 2022, the Company passed ISO 14064 greenhouse gas verification, which meets the requirements of the standard. FiberHome will continue to improve the ISO 14064 carbon verification coverage. The types of greenhouse gases emitted by FiberHome mainly include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, etc., and the emissions are shown in the table below.

GHG Scope	Main Elements	2022 (tonnes of CO_2 equivalent)
Scope 1	Direct GHG emissions and removals	2,480
Scope 2	Indirect emissions from energy input	49,798
Scope 3	Indirect emissions from transportation, products used by the organization, and emissions related to the process of using products by the organization	2,074,529
Overall	Scope 1+Scope 2+Scope 3	2,126,807

Note: The scope of GHG emission data is FiberHome's headquarter (No. 6, Gaoxin Si Road, Donghu New Technology Development Zone, Wuhan) and branch sites (No. 67, Chuangye Street and No. 42, Chuangye Street, Donghu New Technology Development Zone, Wuhan).

Combined with the above greenhouse gas data, FiberHome has clearly defined the Company's focus on emission reduction, with the optical communications segment and building energy efficiency as key areas of emission reduction. In the optical communication segment, FiberHome is already adopting more efficient optical communication technologies to improve the energy efficiency of its products and reduce energy consumption and carbon emissions. In building energy efficiency, FiberHome is continuously optimizing building design and adopting energy-efficient materials and technologies to reduce the energy consumption of HVAC systems and thermal emissions.

Meanwhile, FiberHome has formulated *the White Paper on Carbon Peaking and Carbon Neutrality Action,* which will be released shortly, striving to be a leader in the field of green development.

In 2022, FiberHome completed the greenhouse gas verification of the Company for the year 2021 and completed the compliance work by the requirements of the "Hubei Province Emission Control Enterprises 2021 Compliance Quota Approval Form" issued by the government. FiberHome also purchased 8,044 tCO_2 in the provincial carbon trading market for government requests.

Reduction of Resource Consumption

Energy Management

FiberHome continues to establish an optimized energy management system to ensure the effective management and utilization of energy.

ISO 50001

Establishment of an Energy Management Manual	FiberHome has compiled an energy management manual, which specifies the requirements and operation methods of systematic management. It refines the policies, processes, and operation norms related to energy management.
Establishment of Energy Policy	FiberHome has formulated an energy management policy, which clearly defines the commitment and objectives of energy management, which ensures that the Company's energy use is consistent with environmental protection and sustainable development.
Establishment of an Energy Management System	FiberHome has revised and improved various energy management systems, including but not limited to energy metering, control procedures, etc., to promote the implementation of various initiatives through supervision and management. This could ensure that energy consumption is reasonably controlled.
Drawing Energy Flow Maps	FiberHome has drawn energy flow maps to clarify the flow and distribution of energy among various energy-using units to continuously optimize the use of energy.
Formulation of Energy Metering Management System	FiberHome has established a strict energy metering management system. FiberHome is equipped with corresponding measuring instruments in accordance with relevant provisions of national standards, which accurately monitor and record energy usage.

Note: The data on energy consumption is shown in the Appendix-Key Performance Table of this report, and the scope of the data is the headquarters of FiberHome and its subsidiaries in China.

Energy-saving Technology Innovation

FiberHome has continuously implemented energy-saving technological innovations. The operation of key energy-using equipment has been optimized, which can continuously tapping the potential for energy conservation and emission reduction. The mainly implementation in 2022 can be shown on the table.

Air Pressure System Transformation

The Company adopts the equipment renewal program to upgrade 2 sets of older air compressors in the cable manufacturing center to a two-stage compression permanent magnet frequency conversion air compressor (high efficiency of energy consumption) equipment for equivalent substitution, which has been formally accepted and put into use. This update program saves about 847,000kwh of electric energy per year.

Laboratory Exhaust Air System Modification Project

The Company has added a new set of extraction and exhaust systems in the testing laboratory, which makes use of the temperature difference between indoor and outdoor to extract the cold outdoor air into the laboratory in winter and exhaust the hot air in the laboratory to the outdoor when the outdoor temperature is higher to assist in cooling down the temperature.

The system can reduce the temperature of the laboratory by 5℃, which is equivalent to the cooling effect of 12 sets of 10 HP air-conditioners, and can save about 760,000kwh of electric energy every year.

Optimization of the Operating System of Energy-using Equipment

FiberHome's optimization of central air-conditioning operation time, optimization of actual transformer load, optimization of basement lighting control, optimization of air-conditioning operation in the distribution room and other measures can save 350,000kwh of electricity for the whole year.

DC Power Intelligent Monitoring

The introduction of a DC intelligent monitoring system steadily improves the safety of power consumption while providing a large number of product DC power supply resources and realizes transparent management of power utilization.

Clean Energy Use

FiberHome Technology Park, the Company's headquarters campus, makes full use of areas such as building roofs and outdoor parking lots to initiate the construction of distributed photovoltaic (PV) power generation stations with an effective area of 25,000 square meters and a total installed capacity of 5 megawatts (MW), generating a carbon sink of 4,000 tons/year. The photovoltaic power generation system not only improves the Company's energy structure but also helps to insulate buildings from heat and sunlight, especially during the high summer temperatures, effectively lowering the indoor temperature by about 3 degrees Celsius. This reduces the burden on the air-conditioning system and further contributes to the enhancement of energy efficiency and environmental benefits.
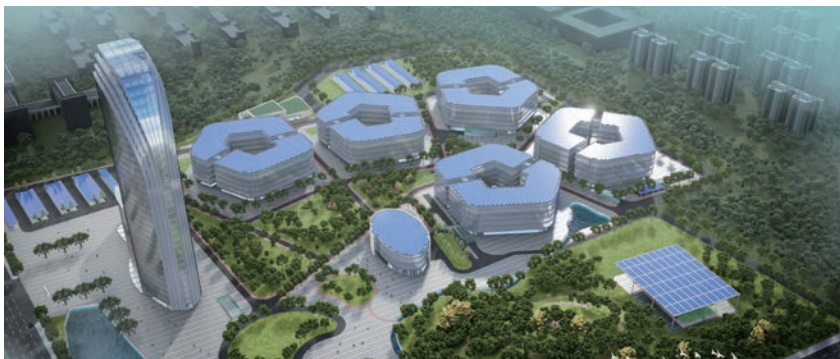
Green Technical Park

Distributed Photovoltaic

Material Management

For energy saving, emission reduction, and environmental protection, FiberHome actively promotes material management. It aims at reducing energy consumption, reducing waste generation, and improving resource utilization rate. The following are the main highlights of the Company's material management:

Recycled Materials Used

The Company is committed to promoting the recycling of recyclable materials. The adoption of lead-free processes and lead-free devices is in compliance with the EU RoHS2.0 Revision Directive to ensure the environmental friendliness of our products. In addition, most electronic materials have recycling value, such as PCB scrap copper, wires and cables, scrap iron, gold plating, silver plating, IC chips, etc. FiberHome reduces the consumption of resources and the impact on the environment by increasing the use of recyclable materials.

Streamlining Material Consumption

The Company continues to optimize PCB utilization and reduce material consumption. Through careful design, the PCB area has been reduced, thereby saving associated process costs. In addition, the promotion of the integrated design of screen heat dissipation and shielding also helps to reduce the use of materials.

Optimization of Network Structure

The Company adopts more environmentally friendly optical fiber as the transmission medium instead of the original copper wire access method. At the same time, the solution mostly adopts a point-to-multipoint network structure, where multiple users share the same optical fiber, which effectively saves the use of optical fiber resources and reduces the impact of network construction on the environment. The introduction of Combo PON optical modules and single-fiber bi-directional Ethernet optical modules further improves the utilization efficiency of optical fiber resources.

Recycling of Products and Their Packaging Materials

The Company has implemented green changes in the packaging of its products. The use of packaging materials is monitored throughout the process to ensure that they are recyclable. At the same time, the Company's product packaging materials and structural components are made of recyclable materials, with an overall recycling rate of 70%, in compliance with the WEEE directive. In addition, through miniaturized design and packaging, the company has achieved a significant reduction in the size of the equipment, reducing the material used for packaging materials and further reducing resource consumption.

Water Resource Management

The Company implements strict control over the supply and use of tap water. In order to comprehensively strengthen water management, the Company implements water-saving technological transformation, including the selection of water-saving appliances and facilities, regular maintenance and other measures. At the same time, the Company also adopts the management and technical means of water recycling to improve the reuse rate of industrial water. During the reporting period, the total water consumption of the Company was 426,399 tons, with a water consumption intensity of 0.14 tons/million Yuan revenue.

WasteWater, Waste Gas, Solid Waste Management

FiberHome takes "pollution control and emission reduction" as the goal of environmental protection, focusing on waste gas, wastewater, and hazardous waste generated in the process of production and operation. Through real-time supervision and regular testing and inspection, FiberHome ensures that the key indicators of "the three wastes" emissions are in a qualified state. At the same time, FiberHome combines the practical application of new technologies, equipment, processes and materials at home and abroad to essentially solve the problem of "the three wastes" emission and effectively improve the level of environmental protection work of the Company.

WasteWater Management

The type of sewage of the Company is domestic sewage generated from office life. The domestic sewage is discharged into the local sewage treatment plant through the municipal pipeline network after pre-treatment in the septic tank and through the discharge port of the plant. The circulating water system is regularly reused for greening in the plant. Ground rainwater is collected through rainwater outlets and discharged into the municipal rainwater drainage network. During the reporting period, the Company regularly commissioned qualified third-party organizations to carry out wastewater pollutant discharge tests, and the test results were all in line with the standard requirements, with a total of more than 9,000 tons of wastewater discharged.
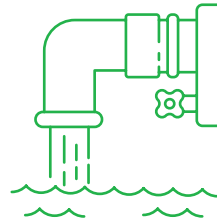
Total wastewater discharge of over 9,000 tonnes

Site	Wastewater category	Source	Main pollutants	Pretreatment Measures	Destination of Emissions	Detection Frequency	Emission Standard
Guandong Technology Park	Domestic sewage	Office life	Chemical Oxygen Demand (COD), pH, Ammonia, Suspended Solids, 5-Day Biochemical Oxygen Demand (BOD), Total Phosphorus (TP)	septic	Discharged to Longwangzui Wastewater Treatment Plant through the municipal network via the main outfall	quarterly	Comprehensive Emission Standards for Sewage (GB 8978-1996), Table 4, Level 3, standard limits of which, ammonia nitrogen and total phosphorus concentrations refer to the "Water Quality Standards for Sewage Discharged into Urban Sewers" (GB/T31962-2015)
	Cleaning wastewater from manufacturing department	Cleaning of the original	Chemical Oxygen Demand (COD), pH, Ammonia Nitrogen, Suspended Matter, 5-Day Biochemical Oxygen Demand (BOD), Total Phosphorus, Animal and Plant Oil	coagulation and sedimentation			
FireHome Technology Park	domestic sewage	Office Life	Chemical Oxygen Demand (COD), pH, Ammonia, Suspended Solids, 5-Day Biochemical Oxygen Demand (BOD), Total Phosphorus (TP)	septic	Discharged into the Townsend Lake Wastewater Treatment Plant through the municipal network via the main outfall	every year	

Note: For more information about the Company's environment, please move to the official website of FireHome.

	Permitted emissions (tonne)	Actual emissions in 2021(tonne)	Actual emissions in 2022 (tonne)
Chemical oxygen demand	5.058	4.197	4.197
Ammonia	0.506	0.42	0.42

Note: The scope of the data for Guandong Industrial Park, belongs to the emissions permit registration management is not allowed to discharge. More environmental information of the Company, please move to the official website of FiberHome.

Storage Room for Dangerous Waste

Dangerous Waste Leak-proof Tray in Storage Room

Waste Gas Management

The Company's emissions are mainly in the production process of organic waste gas, winter centralized heating of natural gas hot water boiler exhaust, and cafeteria fumes. Every quarter in 2022, a qualified third-party organization carries out emissions testing, the test results are in line with the standard requirements.

Note: The scope of the data for FiberHome Communication Guandong Industrial Park, belongs to the emissions permit registration management is not allowed to discharge, more environmental information of the Company, please move to the official website of FiberHome.

Solid Waste Management

The Company's waste includes general industrial waste and hazardous waste. The Company has independent storage rooms for storage and management of solid waste. The Company regularly organizes special inspections on waste and organizes rectification and implementation of problems found on schedule.

In 2022, the Company commissioned a qualified third party to dispose of more than 1,400 tons of general industrial waste and more than 50 tons of hazardous waste, and all processes were legally compliant. FiberHome is committed to implementing the above management initiatives and practicing corporate social responsibility. In 2022, the Ministry of Industry and Information Technology of the People's Republic of China awarded FiberHome the title of "Green Factory", and the Environmental Protection Department of Hubei Province awarded FiberHome the title of "Green Label" enterprise.

Year 2022 Actual emissions/tonne

Particulate emissions 0.76

VOCs1.68

Disposal of over 1,400 tonnes of general industrial waste
Disposal of over 50 tonnes of hazardous waste

Green Factory

Green Label Company

Ecological Conservation

The Yangtze River is an important source of Chinese civilization. FiberHome has taken a series of important measures in ecological conservation on it. FiberHome actively participates in the protection project of the Yangtze River in Hubei Province. FiberHome is playing a crucial role in the protection of wetlands in Wuhan City, achieving coexistence with nature through technological means.

Case

Case of the Yangtze River Protection Digital Project

FiberHome relies on artificial intelligence and big data algorithms, utilizing advanced monitoring technology and data resources to build an ecological environment monitoring and early warning system. The system integrates ecological environment resources, and excavates and analyzes the ecological environment issues of the Yangtze River, providing a scientific basis for decision-making, dispatching, commanding, and other aspects, achieving a three-dimensional perception of the ecological environment protection of the Yangtze River. The construction and operation of this system contribute to the monitoring and collaborative governance of the Yangtze River ecological environment, with a significant increase in the frequency of finless porpoise appearance.

Completion Meeting of the Yangtze River Protection Digital Project

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Case

Case of the Wetland Conservation Project

FiberHome developed a wetland super brain solution for the rich wetland resources in Wuhan. This solution integrates the wetland resource management information system and builds a new model of intelligent monitoring of wetlands that is digitalized, sensed, interconnected and intelligent. The monitoring management system adopts advanced technologies such as voice recognition, image recognition, digital twin and species satellite tracking, which are deeply integrated with IOT devices. Through automatic identification of birds and wildlife, species migration tracking and other functions, it reduces the cost of manual intervention and patrols. Finally, this system improves the efficiency and effectiveness of wetland reserve management.
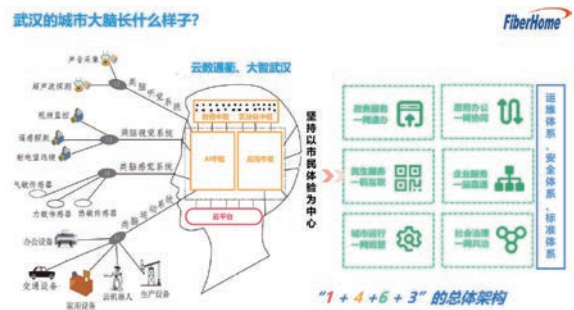
Solution of the Wetland Conservation Project

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Social Part

Shared Sense of Responsibility, Cooperating for Multiple Benefits

FiberHome's original intention is to contribute to society and achieve win-win results with stakeholders. It deeply integrates the Company's business with compliance requirements and ESG concepts, responds to social needs with practical actions, and contributes to FiberHome's responsibility for building a better and harmonious society.

Aligning with the SDGs

Key Issues

- Quality control
- R&D innovation
- Protection of intellectual property rights

- Employee hiring and development
- Occupational health and safety
- Responsible sourcing

- Support rural revitalization
- Community communication
- Public welfare donations

Key Action Strategies

- End-to-end quality control
- Continuously increasing R&D investment and cultivating a large team of R&D talents
- Conduct customer satisfaction surveys and make improvements based on survey analysis
- Developed the *Discrimination Control Procedure* and continuously improved human rights management
- Actively layout the ISO 45001 occupational health and safety management system
- Conduct on-site supplier audits
- Enthusiastic in public welfare undertakings

Pursuing Excellent Quality

As one of the leading enterprises in the communication field, FiberHome always regards quality as the lifeline of the enterprise's foundation and innovation and research and development as the cornerstone of enterprise development. We adhere to a customer-centered approach and strengthen our focus on environmental protection and health and safety assurance throughout the entire product lifecycle management. We are committed to providing customers with high-quality products and services, improving customer satisfaction, and increasing social identity.

Emphasize Quality Control

Quality Control

FiberHome aims at customer satisfaction and adheres to the policy of "customer-oriented everything". We focus on the three major quality management systems to achieve end-to-end quality control and improve after-sales quality management. We integrate quality management activities into various major business processes and provide high-quality products and services in all aspects.

Quality Management System

The Company has established a comprehensive quality management system by the requirements of ISO 9001 quality management system and in combination with the characteristics of the Company's business. The Company combines the construction of risk control and management review evaluation systems with annual planning, organizational performance management, platform capacity building planning, and other work, and promises to achieve continuous improvement of the management system, providing customers with high-quality products and services. FiberHome has passed and continues to maintain ISO 9001 and TL 9000 quality management system certifications, providing strong support for the standardization of the Company's quality management system, product quality, and market development.

"End-to-end" Management

FiberHome attaches great importance to quality management and strengthens top-level design. We have established a quality committee composed of the Company's CQO (Vice President) and quality leaders in various departments. The quality committee is responsible for providing decision-making for planning, continuous improvement direction, and solutions in the quality field. At the same time, a dedicated quality management department is established in the market system, R&D system, manufacturing system, procurement system, and engineering service system to carry out strict quality control and process management to ensure product quality.

We decompose product quality goal planning into product roadmap planning through quality activities such as product quality planning, quality control, and quality improvement. We evaluate the achievement of quality goals and alert quality risks through quality measurement analysis, quality backtracking, and other means, thereby promoting collaborative solutions to quality problems in various fields.

The Company ensures the effective execution of quality management work through the following 5 aspects:

1	2	3	4	5
Develop clear quality objectives and plans	Focus on details to ensure stable and reliable quality of products or services	Continuously improve and innovate to increase the added value of products and services, enhance the quality and performance of products and services	Establish a sound quality management system, standardize processes, systems, and procedures to ensure that the entire process of quality management is controllable, traceable, and sustainable	Strengthen the informatization construction of quality management, establish an informatization platform, achieve quality management information sharing management, and improve scientific and accurate decision-making

Quality Training

To improve product quality, the Company regularly conducts quality operation training and skill training for inspectors on duty and qualification re-evaluation every year to ensure that employees meet the job requirements, improve inspectors' technical skills, and ensure the quality of inspection work. The Company regularly conducts training on quality tools and methods such as Lean Six Sigma, QCC, TRIZ, etc., to promote quality tools and methods throughout the entire business process.

The Company's online training platform I-Class has set up a large number of quality-related training courses, covering all employees.

R&D Innovation

As a leading enterprise in China's communication equipment industry, FiberHome adheres to focusing on its main business and continuously strengthens its sense of urgency, mission, and responsibility in technological innovation. It has successfully been shortlisted for the *"National Industrial Design Center"* recognized by the Ministry of Industry and Information Technology of the People's Republic of China and the *"Hubei Provincial Industrial Design Center"* recognized by the Hubei Provincial Economic and Information Technology Commission.

During the reporting period, the Company's low attenuation small bend optical fiber technology won the silver award of the "23rd China Patent Award". The Company won one first prize for technological invention, two first prizes, and two third prizes for scientific and technological progress in the 2022 Hubei Science and Technology Award. The Company's participation in the optical transmission system experiment led by China Mobile Research Institute was successfully selected as a "Highly Scored Paper" and was released at the 2022 European Optical Communication Conference.

During the reporting period, the R&D expenses of FiberHome reached RMB4.102 billion, a YOY increase of 17.27%; The total R&D investment was RMB4.394 billion, a YOY increase of 17.93%, accounting for 14.21% of the operating revenue. The Company has invested more than RMB10 billion in R&D in the past five years.

The Company focuses on talents and builds a first-class R&D team. As of the end of the reporting period, the Company has 7,526 R&D personnel, accounting for 45.29%, and 77.98% of them have bachelor's/master's degrees or above; The total remuneration of R&D personnel was RMB2.458 billion, accounting for 60% of R&D expenses.

To fully mobilize the R&D and innovation enthusiasm of R&D personnel, the Company has formulated a series of R&D incentive systems such as *the Patent Incentive Measures of FiberHome Telecommunication Technologies Co., Ltd.*, which has provided a strong guarantee for enterprise technological innovation and product upgrading through the establishment of incentive systems.
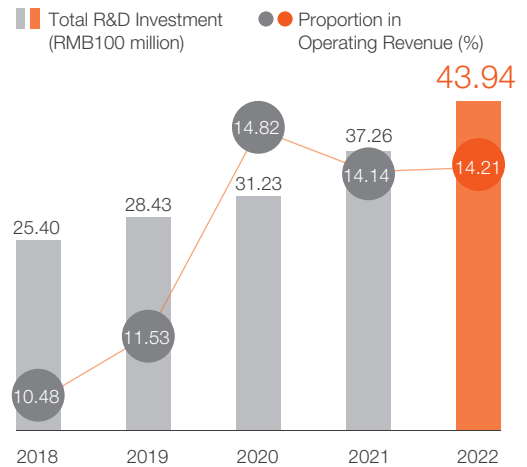
R&D Investment of FiberHome in the Past Five Years
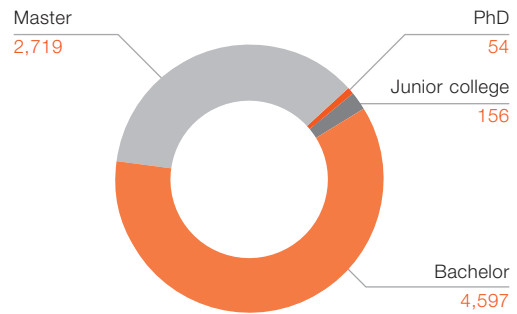
Total Number of R&D Personnel (By Education Background)

Innovation Incentive of FiberHome

We set KCP rewards on key control points of R&D and innovation. The reward setting is guided by market success and financial success, and rewards the team that makes extra efforts and unique contributions, to encourage employees to focus on key resources, enhance innovation awareness, and support the strategic success of the company with innovative actions.

Innovation Award

Patent Award

We carried out excellent patent review activities according to the patent reward measures, increased the incentive for new patents, especially high-level outstanding patents, effectively promoted the improvement of the Company's patent quality, and encouraged employees to actively innovate. In 2022, the Company's patent award amount will exceed RMB1 million.

Protection of Intellectual Property Rights

The Company has established a sound intellectual property management system and obtained the system certification. The Company has formulated intellectual property protection-related systems such as *the Intellectual Property Management System of FiberHome Telecommunication Technologies Co., Ltd.* and *the Intellectual Property Emergency Response Regulations of FiberHome Telecommunication Technologies Co., Ltd.* Through the improvement of the system, we clarify the responsibility of intellectual property management, timely carry out the layout of intellectual property rights such as patent applications, identify the intellectual property risk points of the Company to improve the risk prevention ability, effectively respond to intellectual property disputes, fully safeguard the company's intellectual property rights, and ensure the company's innovative development. At the same time, we also strengthened the management of trade secrets and took strict confidentiality measures to ensure that core technologies were not disclosed. We enhance employees' awareness of property rights protection through intellectual property training.

The Company actively participates in the formulation and release of international standards, national standards, and industrial standards. The Company is an important member of ITU-T, IEC, IEEE-SA, MEF, OIF, FSAN, and other standards organizations. At the same time, the Company holds positions in many standards organizations, such as ITU-T SG15Q14 reporter, SG13Q7 reporter, IEEE 1914 executive secretary, CCSA TC6 chairman, and TC13 vice chairman. We use practical actions to promote basic innovation and standardization in the industry, promote technological progress in the industry, and improve product quality so that the company's products are in line with international standards.

During the reporting period, the Company added 728 patent authorizations. As of the end of the reporting period, the Company has accumulated 3473 patents, including 2226 invention patents. During the reporting period, the Company has formulated and published 53 domestic standards (including national standards and communication industry standards) and 15 international standards. By the end of the reporting period, the Company has formulated and issued more than 670 domestic standards and more than 90 international standards.

During the reporting period, the Company took the lead in publishing **15** ITU-T International Standards, submitting more than 20 domestic standards for approval, and successfully led the establishment of more than 40 new domestic and foreign standards.

Cumulative number of patents granted

3,473

2,745
2,286
1,942
1,442

2018 | 2019 | 2020 | 2021 | 2022

Cumulative Number of Patents Granted in Recent Five Years

Safeguarding Customer Rights and Interests

It has always been the company's commitment and pursuit to focus on customer needs and provide customers with satisfactory products and services. By constantly strengthening product quality management, tracking customer satisfaction, and actively responding to customer demands and demands, the company provides customers with high-quality products and services.

During the reporting period,
the Company collected a total of

2,823

valid node survey samples with a score of

95.55

The Company focused on the pain points of customer concerns through customer satisfaction survey analysis and maintained

an improvement rate of **100%**
for key issues.

Valuing Customer Feedback

The Company insists on taking customers as the center and deepens the theme of "being practical, realistic, and implementable". The Company entrusts a professional third-party organization to carry out an annual survey of customer satisfaction, collect the overall feelings and satisfaction evaluations of customers on obtaining products and services provided by the Company, and continue to carry out node monitoring on daily business, collect the feelings and satisfaction evaluations of customers on a single product or service. Through in-depth mining of the annual survey and node monitoring data of customer satisfaction, we analyze the improvement direction and opportunities to improve customer satisfaction, provide the basis for the company's strategic decisions, support the daily improvement and promotion of business, and provide customers with better products or services. During the reporting period, the company collected 2,823 valid node survey samples with a score of 95.55. Through customer satisfaction surveys and analysis, we focus on the key points that customers care about and keep the improvement rate of key problems at 100%.

Responsible Marketing Mechanism

The Company will conduct a comprehensive functional test and identification screening before the products leave the factory to ensure that the performance indicators of the products are up to standard and that the labels and instructions meet the requirements. In the product manual, we will make detailed identification to explain the use method and emergency, to ensure that the Company's customers and end users of products can fully access product information. During the reporting period, the Company did not violate the relevant regulations or codes on product and service information and identification.
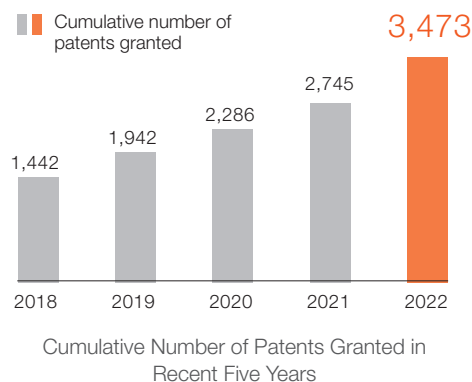
Creating a Happy Workplace

FiberHome always adheres to the talent value of "people first" and protects the rights and interests of employees according to the law. The Company establishes harmonious, equal, and diversified labor relations with employees, pays attention to ensuring the improvement of employees' welfare and scientific and democratic communication, and strives to create a harmonious, developing, healthy, and happy working environment for employees to enhance their sense of belonging.

Employee Rights and Benefits

Employee Hiring and Diversity

The Company strictly abides by the *Labor Law of the People's Republic of China,* the *Trade Union Law of the People's Republic of China*, and other relevant laws and regulations, signs labor contracts with employees according to law, establishes harmonious, equal, and diversified labor relations with employees, and effectively protects the legitimate rights and interests of employees.

The Company respects the principles listed in *the Ten Principles of the United Nations Global Compact* and has developed the *Discrimination Control Procedure, Child Labor Control Procedure,* and *Freedom of Association and Collective Bargaining Control Procedure.* The Company maintains a zero-tolerance attitude towards any form of discrimination, unfair treatment, harassment (including sexual harassment), abuse, and threats in the workplace and any external work-related environment. The Company prohibits the employment of child labor, respects, and realizes freedom of association, respects the right of employees to collective bargaining and is committed to eliminating all forms of forced or compulsory labor, creating a fair, diverse, inclusive, and non-retaliatory work atmosphere for employees, especially female employees. At the same time, the Company provides human rights complaint channels for employees. The Company's dedicated departments and personnel supervise and handle human rights incidents. The chairman of the trade union is responsible for negotiating with the Company to properly resolve all labor practices and human rights issues.

Employee Rights Maintenance Channel:

Employees can apply for rights maintenance through the company's internal APP (Information Technology Vision):
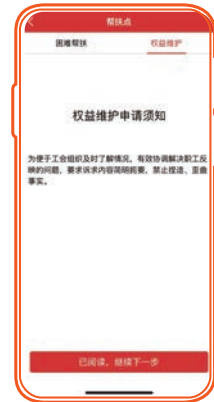
In April 2022, the Company updated and signed collective contracts for all employees, covering issues such as determination of labor relations, labor remuneration, working hours, rest and vacation, social insurance and benefits, labor safety and health, protection of special rights and interests of female employees, vocational training, labor regulations, and labor disputes. During the reporting period, the company carried out training for security personnel (not full-time employees), including human rights, law, employee compensation, and benefits, and the training coverage of security personnel was 100%.

As of the end of the reporting period, the total number of full-time employees in the Company is 16,619, and the signing rate of employee labor contracts is 100%. We finely manage the statistical work of the number of employees, dividing the total number and proportion of full-time employees by gender, nationality, age, professional category, education level, and employee rank as shown in the following figure:

Full-time Employee Segmentation and Percentage   Unit: person

Gender
- 78.84% Male 13,102
- 21.16% Female 3,517

Nationality
- 97.93% Chinese Mainland, Hong Kong, Macao and Taiwan 16,275
- 2.07% Overseas 344

Age
- 39.89% Under 30 years old 6,629
- 46.23% 31 to 40 years old 7,683
- 11.56% 41 to 50 years old 1,921
- 2.32% Over 50 years old 386

Speciality
- 22.82% Production personnel 3,793
- 25.01% Sales personnel 4,156
- 45.29% Technical personnel 7,526
- 1.65% Financial personnel 275
- 5.22% Administrative personnel 869

Education background
- 0.38% PhD 63
- 21.79% Master 3,622
- 55.80% Bachelor 9,274
- 22.03% Junior college or below 3,660

Employee Grade
- 1.21% Middle and senior management personnel 202
- 4.81% Junior management personnel 799
- 93.98% Frontline employees 15,618

Compliant Recruitment

The Company has formulated recruitment management systems such as the *Recruitment Work Management Regulations* based on the principles of fairness and objectivity. By clarifying job settings, and basic job requirements, and standardizing the recruitment workflow, we ensure that candidates meet the basic qualities, professional skills, job matching, and cultural values required by the company, thereby ensuring fairness, openness, and impartiality in recruitment.

During the reporting period, the total number of new employees in the company was 2,845, including 1,637 social recruitment and 1208 campus recruitment. During the reporting period, the company recruited a total of 1 veteran and 5 people from poverty-stricken areas. The number of new employees by recruitment type, age, and gender is shown in the figure:

Division and percentage of new employees in the company Unit: person

Recruitment type
- 57.54% / 42.46%
- ■ Social Recruitment 1,637
- ■ Campus Recruitment 1,208

Age
- 20.42% / 0.95% / 0.14% / 78.49%
- ■ Under 30 years old 2,233
- ■ 31 to 40 years old 581
- ■ 41 to 50 years old 27
- □ Over 50 years old 4

Gender
- 78.35% / 21.65%
- ■ Male 2,229
- ■ Female 546
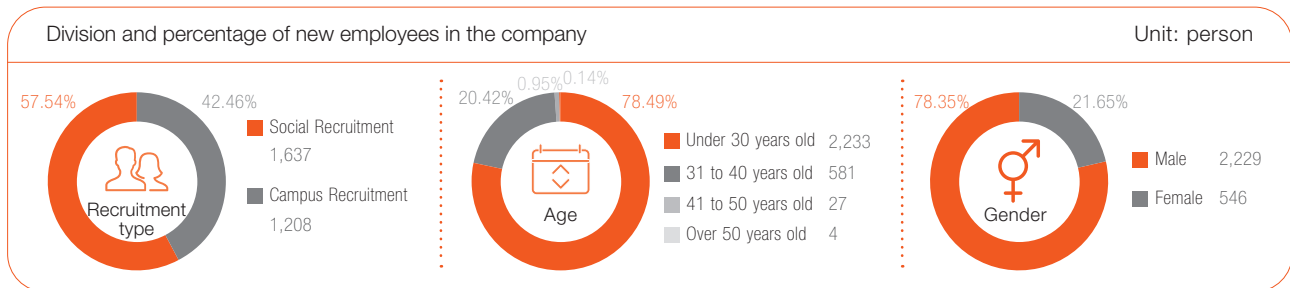
The Company actively responds to national strategic requirements, strengthens talent development, and promotes cooperation with universities. We have established multiple joint research centers and laboratories with universities such as Wuhan University, Huazhong University of Science and Technology, Beihang University, Beijing University of Posts and Telecommunications, Xi'an University of Posts and Telecommunications, and Nanjing University of Posts and Telecommunications. At the same time, we donate various experimental equipment to major universities, build optical communication laboratories, and create an integrated platform of "production, learning, research, and use". To stimulate the development of talent in universities, we have established multiple scholarships to promote the deepening of cooperation between schools and enterprises. During the reporting period, the Company donated a total of RMB12.07 million in laboratory equipment to universities; A total of 55 students have received scholarships established by the Company, with a total annual scholarship distribution of RMB500,000.

The Company is committed to cultivating overseas local talents and actively promoting the localization of overseas employees.

During the reporting period, the localization rate of the Company's overseas employees was 30.48%

Related Awards and Employment Internship Bases for College Students

Awarded the "2022 5th Human Resources" Sirius "Organizational Development Innovation Award"
by Moka

Awarded the "ECHO2022 King's Boat Favorite Talent Employer"
by BOSS Zhipin

Awarded the "2022 Hubei Special Employer of the Year"
by Liepin

Awarded the "Top 10 Best Employers of the Year in Wuhan, China"
by Zhaopin

Awarded the "2022 Recruitment and Operation Benchmark Enterprise"
by Yonyou Dayee

Awarded the "Best Employer" by HUST in the 2021-2022 academic year

Awarded the "Best Employer" by WUT in 2022

WHUT- FiberHome Employment internship base

CUG, Wuhan- FiberHome Employment internship base

CQUPT- FiberHome Employment internship base

NUIST- FiberHome Employment internship base

College Student Internship Base jointly built by HUST's Cyberspace Security Academy and FiberHome

Graduate Internship Practice Base jointly built by HUST's Electronic Information Academy and FiberHome

Employee Retention

The Company is aware of the importance of employee retention for the sustainable development of the enterprise and attaches great importance to employee retention rate. The Company's employee retention measures include: Improving job matching by improving career planning and career paths; By establishing clear job qualification standards, identifying key competencies required for strategy, identifying employees' ability advantages, and guiding employees to move towards positions where they can leverage their ability advantages; By communicating with pre resigned employees, analyzing the reasons for resignation and actively responding to their reasonable needs; By conducting follow-up surveys on employees who have resigned within three years, we aim to understand the true reasons for their resignation, gain insight into external evaluations, and improve our human resource management.

During the reporting period, the total number of employee turnover in the company was 2,202, with a turnover rate of 10.95%.

Total employee turnover   Unit: person

Gender

| Male | 1,704 |
| Female | 261 |

Age

Under 30 years old	1,086
31 to 40 years old	796
41 to 50 years old	75
Over 50 years old	8

Employee turnover rate

Gender

| Male | 11.51% |
| Female | 6.91% |

Age

Under 30 years old	14.08%
31 to 40 years old	9.39%
41 to 50 years old	3.76%
Over 50 years old	2.03%
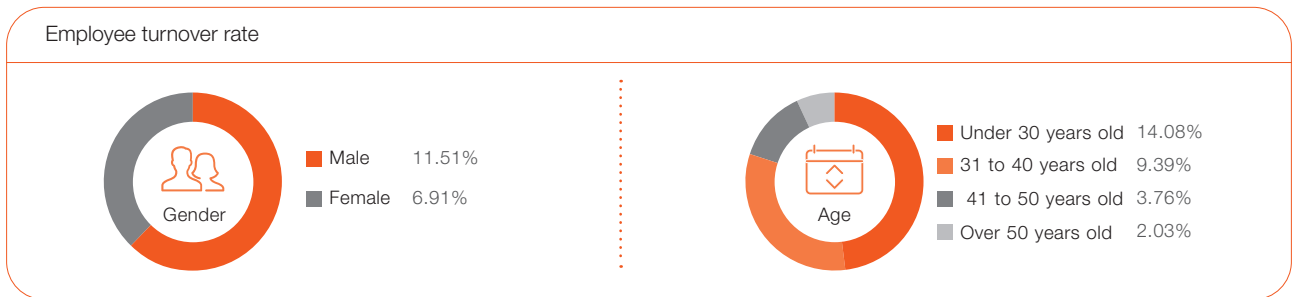
Salary and Welfare Protection

The Company is aware of the importance of salary and welfare protection for employee retention and enterprise development. We strictly abide by relevant laws and regulations such as the *Labor Law of the People's Republic of China*, the *Minimum Wage Regulations*, and the *Social Insurance Law of the People's Republic of China*. Based on ensuring that employees' basic salary is not lower than the local minimum wage standard and paying basic social security fees on time and in full, we provide diverse and equal welfare guarantees for employees and enhance their work enthusiasm, happiness, and sense of belonging.

Salary Incentive Mechanism

The Company has formulated salary management systems such as the *Regulations on Salary Management of FiberHome Employees* and the *Regulations on Performance Management of FiberHome Employees*. We promise to continuously improve the salary incentive mechanism, analyze the current situation and problems of salary incentives, conduct targeted talent value evaluation, and improve the level of talent incentive and employee retention rate.

At the same time, the company is aware of the importance of equal pay in improving employee retention rates. We have established a fair and just employment and compensation system. We promise that we will not have any bias or discrimination against employees in terms of recruitment, promotion, dismissal, salary, etc. due to non-work performance factors such as gender, race, religious beliefs, etc. During the reporting period, the basic salary ratio of male and female employees in the Company was 1.05:1.

The Value of a Position

Competence of the Incumbent

Three Determinants for Employee Compensation

Value Created by the Incumbent

Job Evaluation

Competency Assessment

Three Evaluation Methods for Employee Compensation

Performance Evaluation

1 Employee compensation is aligned with the Company's business results and team performance.

2 Determine employee compensation levels based on their position, competence, and contribution to the organization.

3 High risk corresponds to high returns. Provide higher return expectations for personnel taking on higher risks.

4 Encourage additional efforts and unique contributions. Special rewards are given to individuals with unique contributions.

5 Encourage incremental and excess output. Provide excessive rewards to personnel with excess output.

Five Basic Principles of Salary Management

Welfare Protection

The company is committed to providing diverse and equal welfare guarantees for employees, providing one-stop, end-to-end, comprehensive, and multi-channel human resource-sharing services for all employees, allowing them to enjoy cent work and quality of life.

The Company strictly complies with the requirements of the *Labor Law of the People's Republic of China* for employee welfare protection and provides the most basic statutory benefits to employees. In addition, the Company has also formulated a series of systems such as the *Management Measures for Special Allowances for Permanent Overseas Personnel*, the *Management Measures for Family Visit Air tickets for Permanent Overseas Employees*, and the *Management Measures for Timely Rewards for Overseas Subsidiary Representative Office Employees*. By establishing a comprehensive welfare system and paying full attention to employee rights, we can enhance employees' sense of identification and loyalty to the company. During the reporting period, the coverage rate of the company's full-time employees' five social insurance and one housing fund was 100%, the coverage rate of physical examinations was 100%, the coverage rate of accidental injury insurance and overseas insurance was 100%, the return rate of parental leave was 100%, and the return rate of maternity leave was 100%.

During the reporting period
The coverage rate of "five insurance and one pension" for full-time employees of the Company was
100%.

The coverage rate of health examination was
100%

The coverage rate of accidental injury insurance and overseas insurance was **100%**.

The rate of returning to work from parental leave was
100%

The return rate of maternity leave was **100%**.

- Statutory Benefits
- Five Insurances (Pension, Unemployment, Medical, Maternity, Work-Related Injury) and One Fund (Housing Provident Fund)
- Paid Annual Leave

- Supplementary Medical Resource Pool
- Health Examination and Customized Examination Package

- Paid Leave
- Male Employee Paternity Leave
- Parental Leave

Statutory Benefits

Medical Benefits

Leave Benefits

Other Benefits

Women's Welfare

Insurance Benefits

- Subsidies for Middle and Night Shifts
- Lunch Allowance
- Regional Subsidies
- Shuttle Transfers

- High-Temperature and Low-Temperature Allowance
- Nutrition Expenses
- Festival Supplies
- Birthday Gifts

- Health Expenses for Female Employees
- Women's Day Condolence Fund
- Work Leave
- Maternity Leave
- Breastfeeding Leave

- Accidental Injury Insurance
- Overseas Insurance
- Enterprise Annuity

Welfare Guarantee for FiberHome

Talent Cultivation and Development

Employee Development Path

The Company has established a dual-channel career development system to provide employees with a fair and just career development channel that combines professionalism and management. We provide more challenging opportunities and a larger development platform for outstanding young employees. We also provide various types of assistance for employees' career development.

Expert

Management Cadres

Expert

Develop Professional and Technical Fields

Leading Technology

Professional Depth Requirements

No Age Limit

Expert Management Measures

| Chief Expert |
| Senior Expert |
| Expert |
| Chief Engineer |
| Veteran Engineer |

| Senior Managers |
| Middle Managers |
| Grassroots Managers |

Senior Engineer

Engineer

Assistant Engineer

Management Cadres

Undertake Business Pressure

Performance Oriented

Comprehensive Capability Requirements

Age Limit

Cadre Management Measures

Dual Channel Career Development

During the reporting period, the company revised the *Management Measures for Cadres of FiberHome*, updated the requirements and procedures for cadre appointment and removal, and optimized the age requirements for cadre selection. While ensuring the standardization and scientificity of cadre management work, we further promote the construction of a younger cadre team. We have provided institutional guarantees for cadres, and our standards for selecting and appointing cadres are clear. The punishment and withdrawal of cadres are well-founded and justified.

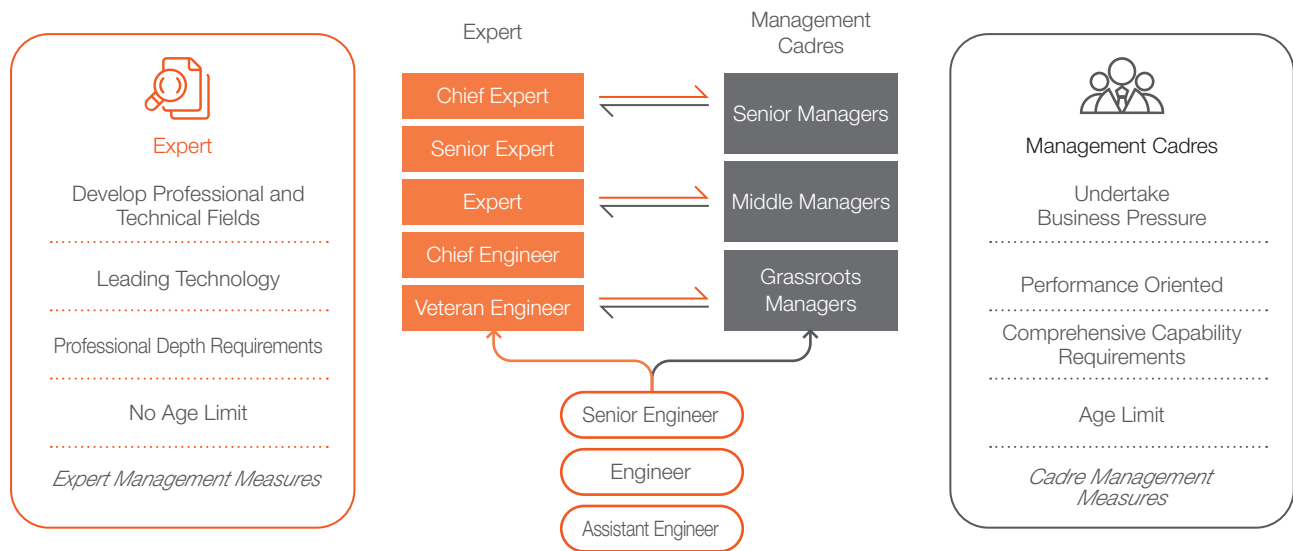During the reporting period, the proportion of employees who received regular performance and career development assessments was 100% and the company has maintained full coverage of performance assessments for three consecutive years.

Employee Training Methods

The company attaches great importance to the cultivation and development of talents, continuously improves the training management system, and formulates training-related management systems such as the *Employee Training Management Regulations*. We aim to establish a learning organization, actively organize employee training, and continuously enhance the core competitiveness of sustainable development of the enterprise.

The Company provides employees with ample learning opportunities through an "online + on-site" approach, continuously cultivating and delivering leadership talents at all levels that meet the needs of strategic and business development. The Company has over 1,300 on-site training instructors, a total of 2,200 on-site courses, a total of 5,198 hours of on-site courses, and 1,690 hours of online courses. The coverage rate of employees who regularly undergo performance and career development assessments has reached 100% for three consecutive years. At the same time, various departments and production lines of the Company practice the tradition of a "mentor system" to improve the comprehensive quality of employees. We provide diversified career growth support for employees through the issuance of electronic publications, the construction of online consultation platforms, and individual consultations, including career orientation assessment and analysis, communication of career confusion, and psychological assistance.

During the reporting period, the company invested a total of RMB15.43 million in employee training, with a total of 11,431 trained employees, accounting for 68.78% of all employees. The per capita training hours were 10.42 hours, and the total training hours throughout the year was 174,698.05 hours. See the Appendix to the report – key performance table for specific data.

During the reporting period, the company invested a total of

RMB15.43 million in employee training

The total training hours throughout the year was

174,698.05 hours.

Case

2022 Tutorial System Sharing Conference and Graduation Ceremony for Cable Production Line

The mentor system is a unique culture and tradition of FiberHome and is also a benefit for young people. During the reporting period, the ten mentors of the Company's Cable Production Line, according to the requirements of the "mentoring and mentoring" activity, focused on the cultivation and improvement of students' job skills through teaching, helping, and mentoring, carefully imparting business knowledge and work experience, and focusing on cultivating young talents with excellent work style and skilled skills. On the afternoon of May 31, 2022, the Cable Production Line held the 2022 mentorship sharing meeting and graduation ceremony in Conference Room 208, exchanging and summarizing work experience and inspirational suggestions in depth.

•••

Strategic Labor Planning

The Company actively carries out strategic labor planning, promotes key strategic talent introduction projects, and helps improve key talent management by analyzing human resource-related data, to maintain strategic alignment between the Company's human capital and business direction. During the reporting period, the Company introduced a total of 58 talents, with a total investment of RMB4.098 million in talent introduction.

Identify Employee Turnover Rate:
Analyze the turnover rate in the past three years, the job level and department of the resigned employees, and identify the factors of turnover.

Analyze the Current Labor Force:
Confirm whether the demand for key strategic talents for this year matches, and analyze the reasons for the mismatch.

Identify Labor Gap:
Based on the Company's future labor demand, identify the current labor gap and set quantitative and qualitative targets for annual key talent introduction.

Implementation Solutions:
optimize the social recruitment process, and recruitment channels, establish a hunting team, optimize labor demand, draw a talent map, optimize salary and benefits, and apply for policies.

Occupational Health and Safety

FiberHome adheres to the overall policy of "safety first, prevention first, and comprehensive management", further improves the ISO 45001 occupational health and safety management system, and comprehensively guarantees the health and safety of employees.

Occupational Health and Safety System Management

The Company has established a comprehensive occupational health and safety management system, formulated a systematic OHS management system, regularly carried out OHS risk identification, evaluated various OHS risks, established emergency plans and response processes, and established management systems for accident reporting, investigation, and handling. The Company has passed and continues to maintain the ISO 45001 OHS system certification qualification.

Safety Production Management

According to the *Work Safety Law of the People's Republic of China* and the requirements of the work safety standardization system, the Company has developed a series of work safety management systems, strictly following the systems and processes for work safety management, and actively organizing and carrying out work safety management training and promotion activities.

During the reporting period, FiberHome held four company-level safety special meetings, and the safety-responsible persons of the Company and its 31 subordinate units signed the "2022 Safety Objective Management Responsibility Letter". This responsibility letter specifies the annual work goals and requirements for safety production, fire safety, occupational health, environmental protection, and comprehensive public security, and encourages employees to actively participate in work safety. During the same period, the company conducted safety management training for managers at all levels, with a 100% certification rate for managers.

ISO 45001 OHS
Management System Certification

100% certification rate for managers

In 2022, the company was awarded the title of

Wuhan Work Safety Red Flag Unit.

Case

Overseas Security Management

To reduce the impact of safety risks such as accidents and natural disasters in overseas projects on the normal operation of the company and employee safety, the Company launched the "International Xiao'an" video account in April 2022, providing 7*24-hour medical and safety consulting services for employees.

As of the end of the reporting period, 34 related videos have been released in "International Xiao'an", with a reading volume of 56,000 people. At the same time, the Company conducts online security inspections, which include daily safety management, emergency living material reserves, hardware full plan drills, etc., and guides overseas employees to solve problems and difficulties.

●●●

During the reporting period, the company achieved the goal of "zero work safety accidents", and there were no work safety death accidents, major fire accidents, environmental and occupational health accidents, or group events that affected social stability. The Company's LDR is 8.36 and TRIR is 0.018.

Safety Management Performance Assessment

To implement the full staff safety responsibility system, prevent and control safety risks and hidden dangers, and prevent safety accidents, the company has formulated the *Implementation Rules for Safety Management Element Assessment of FiberHome Telecommunication Technologies Co., Ltd.*, achieving 100% full coverage of subordinate units of FiberHome.

Assessment Coverage Rate	100%
Assessment Frequency	Monthly assessment (12 times/year)
Assessment Elements	including but not limited to accident and event management, full staff safety responsibility system, dual prevention mechanism, safety training and publicity, occupational health management, on-site operation management, production equipment and facility management, fire management, comprehensive public security, emergency management, and independent safety management.
Linking with Performance	Linking monthly safety performance with the annual organizational performance evaluation of each department, promoting the implementation of safety work, and instilling safety awareness.

Strengthening Dual Prevention Mechanisms

The Company continues to strengthen the dual prevention mechanism management, promoting the synchronous implementation of risk control and hidden danger rectification. In 2022, the Company sorted out over 2,000 hazardous sources and environmental factors. The Company has identified a management responsible person, developed targeted prevention and control measures, and comprehensively carried out hazard investigation and rectification, with a rectification completion rate of 100%.

The company continues to optimize and update the *Implementation Rules for Monthly Safety Management Element Assessment*. The company provides early warning through various channels such as on-site communication, special meetings, and issuance of rectification notices, with a focus on the implementation of independent safety work by each unit. Promote project implementation through assessment and continuous optimization.

During the reporting period the Company sorted out over 2,000 hazardous sources and environmental factors.

Rectification completion rate of 100%.

Safety Risk Identification and Control	Conduct unified identification of environmental factors and hazard identification risk assessment forms for each subsidiary, production line, and functional department (once a year), organize risk assessments to supplement undetected risk factors, and take control measures for hazard sources.
Safety Risk Reporting Method	The Company's "Comprehensive Work Safety" platform – "Hidden Danger Reporting".
Safety Hazard Handling Process	After the employee reports it, the safety interface person develops rectification measures, and formulates safety rectification personnel and review personnel.
Safety Hazard Complaints and Suggestions Channels	Complaints and suggestions from department safety interface personnel. The Company's "Comprehensive Work Safety" platform – "Hidden Danger Reporting".
	The safety department is responsible for promoting the implementation of safety hazard rectification work.

Safety Education Training and Emergency Exercise

The Company is aware of the urgent need for safety production knowledge among system personnel. During the reporting period, it organized safety butlers to carry out special training on "hazardous chemical management", "fire and electrical safety management", and "hazardous waste disposal", and continuously guided safety management system personnel to learn and improve. A total of more than 300 people participated in the training.

At the same time, the company organizes the construction of emergency response teams. By conducting training and drills on the property security team and emergency teams of various production units in the park, the practical capabilities of the emergency rescue team have been enhanced, and the emergency support capability of the park has been improved.

Case

Emergency Evacuation Drill for FiberHome

The Company prepares for the drill by forming a drill leadership group, developing emergency drill plans, and preparing the necessary venues, equipment, and facilities for the drill. After the emergency drill, we evaluate the effectiveness of the Company's emergency system and the coordination of various links to analyze the shortcomings in the drill and rectify them accordingly.

During the reporting period, the Company conducted a total of 14 emergency evacuation drills, with a coverage rate of 100% and over 9,000 participants. The quality of emergency drills continued to improve.

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Occupational Disease Prevention

The Company has issued a series of occupational health management systems, including the *Occupational Disease Hazard Prevention and Control Responsibility System, Regulations on the "Three Simultaneities" Management of Occupational Health in Construction Projects,* and *Regulations on Occupational Health Monitoring and File Management* to provide comprehensive institutional protection for employees' occupational health.

Detection of Occupational Disease Hazards

FiberHome invites the local occupational disease prevention and control center to regularly conduct occupational hazard factor testing on the Company's production and operation sites, and issue formal testing reports on schedule. The report shows that the occupational hazards in various key areas of the company are within the scope of national standards and are in a safe and controllable state. We posted the testing report on the job site, fulfilling the obligation of employees to inform.

Occupational Health Monitoring

The Company strictly complies with regulations and institutional requirements, and regularly arranges employees to undergo occupational health examinations before, during, and after work every year.

In 2022, 985 employees underwent occupational health examinations, and no occupational diseases were found.

2022 Physical Examination Category	Total Number of Physical Examination Participants (Person)	Number of People Passing Physical Examination (Person)	Number of Physical Examination Reexamination (Person)	Number of Occupational Contraindications (Person)
Occupational Health Examination (Before Work)	198	198	0	0
Occupational Health Examination (During Work)	770	770	0	0
Occupational Health Examination (After Work)	17	17	0	0

Note 1: There was no emergency requiring occupational health examination in 2022.
Note 2: All personnel with occupational contraindications have been transferred to other posts.

In addition to occupational health examinations, the company organized nearly 400 employees to participate in cardiovascular and cerebrovascular disease screening activities in 2022 to control health risk factors and implement early diagnosis and treatment.

The company organised a total of 397 employees to participate in free screening activities for cardiovascular and cerebrovascular diseases.
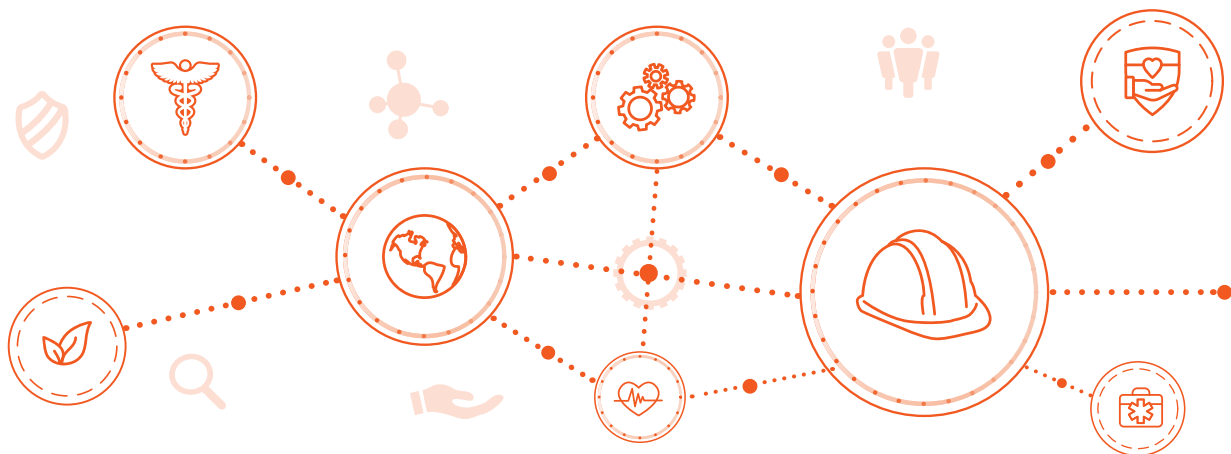
Employee Care

While paying attention to the growth and development of employees, we attach importance to national communication and humanistic care for employees and are committed to improving employee satisfaction, carrying out physical and mental employee activities, helping employees achieve a balance between work and life, solving difficulties in work and life, and making every employee fully feel the warmth of home. During the reporting period, the company's total investment in employee care was RMB5.3287 million.

Democratic Communication

The Company has established the Employee Congress System, regularly held employee congresses, encouraged employees to fully participate in the democratic management of the enterprise, and promised to continuously improve the employee congress system, and fully guaranteed employees' rights to know, participate, and supervise. All issues concerning the vital interests of employees of the company shall be implemented after being discussed and approved by the employees' Congress. During the reporting period, the Company held the fifth Workers' Congress and elected the fifth labor union committee and funds Review Committee of the company.

During the reporting period, the Company held the **fifth** Workers' Congress and elected the Fifth trade union committee and the auditing committee

The Fifth Workers' Congress

The employee representatives of the Company and its subsidiaries are democratically elected in the grass-roots trade union from bottom to top. The requirements for the election of employee representatives are as follows: the proportion of front-line employee representatives accounts for more than 50%, the proportion of full-time (Part-time) staff union cadres is not more than 20%, the proportion of directly managed cadres is not more than 20%, and the female representative is not less than 20%; Youth representatives shall not be less than 30%. By the end of the reporting period, the Company had 151 employee representatives in total.

Employee Satisfaction

The Company attaches great importance to employees' opinions, provides appeal channels for employees, continuously understands employees' opinions on the company through various channels, and gives feedback, to provide direction for the company's subsequent business optimization and adjustment. During the reporting period, employee satisfaction with the Company was 4.28 points (full score of 5). Based on the results of the employee satisfaction survey, we selected a total of 11 improvement points for urgent needs first, covering the entire career cycle of employees, and made business improvements from the perspectives of removing work barriers, simplifying the process, and caring for employees. At the end of the reporting period, employee satisfaction increased to 4.31 points (full score 5).

As at the end of the reporting period, the company had a total of **151** employee representatives.

At the end of the reporting period, the company's employee satisfaction rate increased to **4.31** points.

Employee Care Activities

The Company creates an optimistic, positive, and harmonious working atmosphere for employees and enhances their sense of belonging by carrying out colorful cultural and sports activities such as sports meetings, festival activities, employees' birthday parties, and family members' open days.

The 5th Children's Day "Enter Parents' Unit" Activity ▶▶

◀◀ Summer Market of FiberHome

The Launching Ceremony of FiberHome's Sports Park and the 2022 "Welcome Cup" Football Match ▶▶

Caring for Special Employees

The Company follows the concept of "relying on employees sincerely, condensing employees sincerely and giving back employees with true feelings", and provides psychological counseling and help for employees in difficulties. The company set up a rescue channel and "FiberHome Staff Care Fund" to effectively solve the actual difficulties of employees.

During the reporting period, we helped 81 employees in need, with a total investment of

RMB205,400.

Difficult Assistance Application Channel

Winning with Partners

FiberHome always adheres to the concept of openness, cooperation and continuous progress in the field of supplier management and industry communication. Through strict procurement processes and collaboration with suppliers, we work together with suppliers to promote product quality improvement and fulfillment of social responsibility. FiberHome always adheres to the concept of openness, cooperation and continuous progress, provides core value for the industrial chain through continuous innovation and efficient management, and works with excellent partners upstream and downstream in the industry through a fair and open cooperation platform to achieve win-win co-operation and promote the growth of the industry.

Building Responsible Supply Chain

FiberHome is committed to establishing a comprehensive supply chain management system to ensure the sustainability and transparency of the supply chain and to make positive contributions to corporate development and social responsibility. The Company has implemented a series of stringent measures, including supplier access, supplier evaluation, supplier auditing, as well as hazardous substance management and avoidance of procurement conflict minerals. The Company actively trains its suppliers and communicates its requirements and expectations. The Company has established close cooperative relationships with its suppliers to jointly improve the overall level of the supply chain.

Supplier Management

FiberHome is committed to the sustainable management of suppliers and promotes the organic integration of business development and social responsibility. The Social Responsibility Performance Team set up within the Company (the team includes a Health and Safety Committee) conducts regular annual written risk assessments of suppliers' social responsibility to identify real or potential deviations from the standards and deal with them on a case-by-case basis according to priority. The Company has developed *Social Responsibility Code of Conduct,* which aims to ensure that all partners in its supply chain adhere to certain social responsibility standards in their business activities. Through this code, the Company has set clear requirements for its suppliers in the areas of supplier access assessment, supplier certification and on-site audits in order to jointly promote sustainable development, social equity and environmental protection. As of the end of the reporting period, 98% of FiberHome's cooperative suppliers had signed the commitment to the Code of Social Conduct, and the signing rate of the cooperation agreement on sustainable terms for suppliers (including the environmental protection agreement) was 100%.

Social Responsibility Code of Conduct

Compliance
The supplier complies with all applicable laws and regulations of the country in which it is located as a prerequisite for co-operation.

Labor Rights and Interests
prohibition of child labour by suppliers, no forced labour, a guarantee of normal working hours and rest, appropriate remuneration and benefits, prohibition of discrimination, prohibition of harassment and abuse, freedom of association, etc.

Safety and Health
Suppliers provide employees with a safe and healthy working environment, as well as clean and hygienic living facilities, drinking water, etc.; identify and assess risks and formulate contingency plans.

Environmental Protection
Suppliers are prohibited from using certain hazardous substances in their products or/and in the manufacturing process; and shall actively adopt energy-saving and emission-reduction measures to prevent environmental pollution.

Conflict-free Minerals
Suppliers must not accept and use metals from conflict mines.

Management Responsibility
Suppliers should regularly review their own and upstream suppliers' social responsibility management systems.

The Company carries out differential and dynamic management of suppliers of different categories, levels and life cycle status, including comprehensive supplier performance assessment, supplier status management and continuous improvement of risky suppliers. We have achieved continuous updating and optimization of our supply chain to ensure dynamic adjustment of our partners so that the supply chain always remains efficient and stable.

New Supplier → New Supplier Introduction Programmer → Credit Check → Threshold Assessment → On-site Audit → Overall Assessment → Access

↓

Signing the *Social Responsibility Code of Conduct*

New Supplier Access Process

Supplier Audit Evaluation

FiberHome has established a supplier audit system, based on the risk prevention mindset and PDCA methodology, through multi-dimensional indicators, to assess the risk of suppliers. We classify supplier risks into four levels: high concern, key concern, general concern and routine monitoring. Suppliers in the high concern and key concern levels undergo an annual audit program and are subject to risk control and elimination through routine audits, flight audits and online audits. The Company implements a one-vote veto mechanism on hazardous substance control issues and requires suppliers to continuously improve and operate in compliance. At the beginning of each year, the Company formulates an annual on-site audit plan and requires suppliers to provide valid system certification and conduct on-site audits. FiberHome pays special attention to items such as suppliers' working environment and the prohibition of child labour. New suppliers must pass the FiberHome ESG audit before entering the resource pool. During the reporting period, ESG audits were routinely conducted on a sample of stock suppliers, and no suppliers were found to be potentially at risk for incidents of freedom of association and collective bargaining rights, forced labour or employment of child labour.

In 2022, FiberHome required suppliers to conduct self-evaluations based on social responsibility due diligence requirements, covering 20 evaluation aspects such as child labour, working environment and sanitation, and scored according to five levels of criteria. For failing items, FiberHome will always coach suppliers to formulate improvement programs and plans and complete the improvement closure within six months. For non-compliant items that are overdue for timely closure, FiberHome will continue to coach suppliers until the issue is effectively resolved.

The Company requires all suppliers to sign integrity and honesty-related agreements, and uses network surveys to assess the corruption risk of external partners, and has not found any major suppliers, contractors, or customers with significant corruption risk.

Supplier Enablement

FiberHome continues to promote co-operation and exchanges with suppliers, aiming to promote better development of supplier partners. We hope that through these exchanges and co-operation, we can empower our suppliers to solve problems.

FiberHome focuses on exchanging lean culture with suppliers.2022 Since then, we have completed Lean Six Sigma Green Belt training for 19 suppliers. We have assisted suppliers in establishing a mechanism to implement lean activities on their own and guided suppliers to participate in FiberHome's Lean Collaboration. We have set up a platform for suppliers to showcase their lean innovation achievements and exchange experiences, and invited eight outstanding suppliers to participate in the Company's Lean Project We set up a platform for suppliers to show their lean innovation achievements and exchange experiences and invited eight excellent suppliers to participate the company's lean project publication contest. Through these activities, we help suppliers acquire Lean Six Sigma knowledge and skills and carry out related work according to scientific processes.

FiberHome is concerned about the degree of improvement of suppliers' social responsibility system. We completed a total of 72 special audits of CSR compliance for stock suppliers and 29 new brand suppliers in 2022. The scope of the audits covered child labour, forced labour, health and safety, freedom of association and collective bargaining rights, discrimination, disciplinary measures, working hours, wages and compensation, environmental protection, non-use of conflict minerals, etc. We assisted our suppliers in effectively improving the degree of perfection of their CSR systems.

Supplier Communication

Procurement System Offline Training

Responsible Procurement

FiberHome has developed a sound procurement system. We actively practice sustainable procurement policy and expect our suppliers to demonstrate excellence in business ethics, environmental impact, and social responsibility to ensure that our products originate from a sustainable value chain filled with fairness and respect. The Company is certified under the IECQ QC080000 system and we have taken active steps in the management of hazardous substances to ensure that the impact of our products on the environment and human health is minimized. In our supply chain business management process, we incorporate hazardous substance management requirements into the whole life management process of our suppliers, starting from the whole process of new supplier access, new supplier certification, new supplier selection, risk assessment and performance improvement.

Hazardous Substances are Controlled Throughout the Entire Process:

Specification Confirmation:	Material Procurement:	Risk Management:	Certification Testing:	Manufacturing:
The specifications of the materials and components used are carefully reviewed and communicated to the supplier through the specification.	Preference is given to suppliers and materials that comply with the standards, together with the signing of a declaration of conformity.	Risk assessment from the supplier management and material production process dimensions, and differentiated management for different risk levels.	The materials used are certified and tested as necessary to ensure that they meet international and industry environmental standards.	Strictly supervise production processes, logistics and warehousing to prevent the entry of hazardous substances.

The Company has improved its management of conflict minerals year by year, and has formulated the *Conflict Minerals Control Management Procedure,* which explicitly rejects the procurement of conflict minerals. The Company has initiated the investigation of the source of conflict minerals (3TG) since 2016, aiming to ensure that the minerals procured do not come from conflict areas, in order to fulfill the Company's social responsibility, comply with laws and regulations, and maintain the transparency and compliance of the supply chain. During the reporting period, 55 research reports on conflict minerals from target suppliers were collected in the first phase, with a recovery rate of 100%, and no risk of suppliers using conflict minerals was found; in the second phase, the scope of the research was expanded to all suppliers, with a recovery rate of 64%.

Promoting Industry Exchange

FiberHome plays an active role in helping the industry develop. It actively participates in the preparation of national and international standards, helping to standardize and enhance the industry; it actively joins industry associations, clubs and external initiatives, demonstrating its corporate vitality and foresight. During the reporting period, the Company has formulated more than 670 national standards and communication industry standards, of which 53 will be added in 2022. It has formulated more than 90 international standards and submitted more than 1,000 proposals to international standardization organizations, and has won awards such as the Silver Prize of the China Patent Award and the Hubei Science and Technology Progress Award.

During the reporting period, the Company cumulatively formulated more than

670 national standards and communication industry standards Cumulatively formulated more than

90 international standards.

Names of associations, clubs, external initiatives, etc.	The company's identity, status in
Quantum Industry Alliance	Governing unit
WLAN Application Development Alliance (WAA)	Affiliates
Arithmetic Services Front	First members
Ministry of Industry and Information Technology (MIIT)	Member unit
China Ultra HD Video Industry Alliance (CUVA)	Affiliates
Green All-Optical Networks Technology Alliance	Governing unit
OIF Open Source Infrastructure Foundation	Founding Platinum Member
Hubei Internet Association	Vice-president (of a council etc)
Digital Government Building Services Alliance	Vice-president unit
5G Application Industry Array (5GAIA)	Governing body

Names of associations, clubs, external initiatives, etc.	The company's identity, status in
Open Data Centre (ODCC) Standards Promotion Committee	Member unit
Jiangsu Province 5G Industry Alliance	First Governing Body
Cloud Computing Standards and Open Source Promotion Committee	First Board Members
China Telecom Smart Home Industry Alliance	Vice-president unit
Hubei Software Industry Association	Governing body
Hubei Digital Home Industry Promotion Association	Governing body
Openstack	Platinum Members

Case

FiberHome Participated in Drafting Green Product Standards

FiberHome participated in drafting YD/T 4052-2022 *Technical specification for green-design product assessment-Optical fiber cable*. In accordance with the concept of green design, green raw materials to the whole life cycle of green manufacturing, the standard follows the principles of simplicity and small amount, reduces resource consumption to a large extent, restricts the use of raw materials containing hazardous substances from the source, reduces the generation and emission of pollutants, and achieves the purpose of protecting the environment. As a socially responsible central enterprise, FiberHome will continue to take up the important responsibility of carbon peak and carbon neutral transformation and upgrading, lead the industry to further shift to green and sustainable development, and make due contributions to the construction of a green China.

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Case in point

FiberHome Hosts 2022 Business Distribution Partner Conference

FiberHome held the 2022 FiberHome Commercial Distribution Partners Conference with the theme of "Optical Connections, Welcome to FiberHome". We will continue to increase investment in the distribution business, provide partners with more abundant product solutions, more convenient opening methods, more intimate after-sales service, create a fairer business environment, and formulate more intimate support plans. We work together with our partners to help the digital transformation and upgrading of thousands of industries.

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Case

FiberHome Participated in the "2022 Digital Government Industry Trend Insight Report".

FiberHome was invited to participate in the preparation of the *Digital Government Industry Trend Insight Report (2022)* as a head vendor representative. The Company, as a representative of the industry's head enterprises, is included in the core areas of government cloud and industry applications. We have strong competitiveness and influence in the digital government industry ecosystem, which provides positive reference value for the future construction of digital government around the world.

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Case

FiberHome Participates in Green Development Ecological Co-operation Forum

FiberHome participated in the Green Development Eco-Cooperation Forum held during the "Tianyi Digital Technology Eco-Conference". In the face of the current rapid development of the digital economy and the intensification of the contradiction between energy consumption, we adhere to the concept of taking the road of green development, put forward the vision of "maximizing the value of digital connectivity for the benefit of human society", and are committed to shoulder the important responsibility of empowering high-quality development of the industry and the whole society's green and low-carbon transformation and upgrading.

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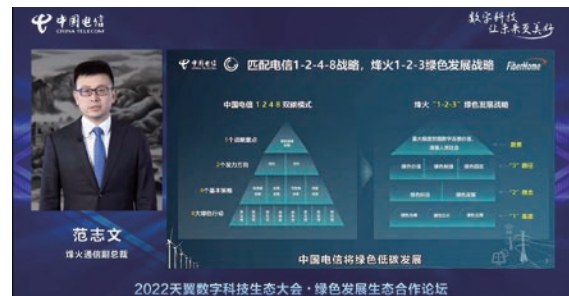
Together for Better Society

FiberHome understands that its mission is not only to create economic value, but also to create welfare for the society. We have always regarded social responsibility as an important part of our corporate mission, and we are firmly committed to a wide range of public welfare undertakings and rural construction. Based on the principle of caring the society and giving back to society, we have interpreted the enterprise's commitment to society with our actions.

Developing Social Public Welfare

FiberHome always puts social responsibility in an important position and is committed to becoming an enterprise with social responsibility. Through assistance in disaster areas and voluntary activities, FiberHome has conveyed warmth and care to society, contributed to society, and inspired more people to devote themselves to public welfare and build a better society together. During the reporting period, FiberHome invested a total amount of RMB14,435,000 in external donations and public welfare projects, which was mainly used for public welfare donations, donations of experimental equipment to colleges and universities and the establishment of scholarships.

During the reporting period
Fiberhome invested a total amount of
RMB14.435 million.

Case

FiberHome Aids Typhoon Victims in the Philippines

In January 2022, FiberHome donated more than 1,000 relief materials and 7 fishing boats to the disaster areas affected by Super Typhoon Odette. It helped set up temporary charging stations on several affected islands to help them rebuild their production and life. We always pay attention to social responsibility and provide support and hope to the disaster-stricken areas, so that the residents of the affected areas can feel the care and support of a big country enterprise.

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Case

Beacon Communications Launches Volunteering Activities

With the theme of "Welcoming the 20th National Congress, Following the Party Forever, and Striving for a New Journey", FiberHome carried out a series of volunteer activities such as voluntary tree planting, removing rubbish and weeds, eradicating small advertisements and psoriasis, regulating disorderly parking and beautifying the living environment of the residents. The Company takes promoting community development as its own responsibility, and actively participates in community construction through voluntary service and other means to create a better living environment for residents.

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Case

FiberHome Supports Earthquake-stricken Areas

FiberHome helped restore communication services in the earthquake-stricken area of Lushan County, Ya'an City, Sichuan Province.2022 In June, the earthquake in Lushan County, Ya'an City, Sichuan Province, occurred with a magnitude of 6.1, which resulted in the interruption of services of hundreds of base stations, and after the disaster, FiberHome formed two teams to assist in the communication repair in the first time, with one team heading to the scene of the earthquake to carry out a detailed investigation and assessment of the situation of the communication facilities, and the other team going to the monitoring hall and site of the Sichuan Mobile The other team went to the monitoring hall of Sichuan Mobile and carried out the work at the scene. After four days and nights of hard work, finally restored communication services in the disaster area. FiberHome demonstrated the excellent quality of unity and cooperation, defying difficulties and dangers, and the spirit of corporate responsibility.

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Case

FiberHome Donates Optical Communication Laboratory

FiberHome donated optical communication laboratory to Wuhan University of Technology and signed a 15 million RMB donation agreement for experimental equipment in 2022. The joint construction of optical communication laboratory between FiberHome and Wuhan University of Technology is a reflection of the deepening of collaborative innovation and comprehensive strategic cooperation between the two parties, which is in line with the development needs of both parties.

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Case

FiberHome Helps Build Submarine Communication Network in Philippine Islands

FiberHome undertook the construction of a submarine communication network with a total length of more than 1,000km, passing through most of the island groups in the Philippines, connecting more than 10 islands and more than 30 landing sites. We broke through many difficulties to build a network covering the whole territory of the Philippines. The project will significantly improve the local digital communication level, promote employment and inject new vitality into the local economy.

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Promoting Rural Vitalisation

As a practitioner of social responsibility, FiberHome has been playing an active role in the strategy of rural vitalization. We have been actively exploring innovative modes, combining modern technology with rural resources, and achieving growth in employment opportunities as well as support for infrastructure construction in developing countries through multiple channels, thus making significant contributions to the sustainable development of the economy and society. During the reporting period, FiberHome's investment in poverty alleviation and rural vitalization projects amounted to RMB2,558,800 which was mainly used for donations of poverty alleviation funds and procurement of poverty alleviation materials.

During the reporting period, the amount invested in FiberHome's poverty alleviation and rural revitalisation project was

RMB2,558,800

Case

FiberHome Helps Jiangxia District Digital Village Construction

FiberHome is focusing on 4 major featured areas, namely, smart agriculture, smart tourism, smart governance and smart party building, to drive the construction of digital countryside in the whole area of Jiangxia District. Based on the "Smart Jiangxia" platform, FiberHome integrates various resources covering 1,200 square kilometers of rural areas, and at the same time combines advanced technologies such as cloud computing, the Internet of Things, mobile Internet and big data to carry out comprehensive planning and achieve the digital integration of cities and villages. We create digital innovation application scenarios to accelerate the realization of the strategic goal of rural vitalization.

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Case

FiberHome Targeted to Help Jindun Village

FiberHome carries out all-round help for rural vitalization in Jindun Village, Hekou Town. Zhu Boxin, the team leader and "first secretary", was assigned. The Company adopted the form of consumer support, combined with the actual supply and demand for tea and other agricultural products, driving the development of agriculture in the helping areas and poverty alleviation of the population in the vicinity of employment, demonstrating the role of the central enterprises.

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Appendix

Key Performance Table

Category	Unit	2022	2021	2020
Environment[1]				
Energy Consumption				
Gasoline	tonnes	22.59	–	–
Diesel oil	tonnes	44.376	–	–
Natural gas	10,000 m³	48.5108	–	–
Electricity	MWh	92,957.772	–	–
Thermodynamic	GJ	8,455.45	–	–
Water Consumption				
Water consumption	tonnes	426,399	–	–
Water intensity	tonnes/10,000 revenue	0.14	–	–
Greenhouse Gas				
Scope I emissions	tCO e	2,480	–	–
Scope II emissions	tCO e	49,798	–	–
Scope III emissions	tCO e	2,074,529	–	–
Total (Scope I+ II+III)	tCO e	2,126,807		
GHG emission intensity (Scope I + Scope II)	tCO e/10,000 revenue	0.0169	–	–
Carbon trade volume	tonnes	8,044	–	–
Waste Water				
Chemical oxygen demand	tonnes	4.197	4.197	–
Ammonia nitride	tonnes	0.42	0.42	–
Exhaust Gas Emissions				
Particulate Matter (PM)	tonnes	0.76	–	–
Volatile organic compounds (VOCs)	tonnes	1.68	–	–
Waste				
Hazardous waste	tonnes	50+	–	–
General industrial waste	tonnes	1,400+	–	–
Social[2]				
Employees Composition				
Number of employees	Total	16,619	16,388	15,986
Gender	Male	13,102	13,012	12,778
	Female	3,517	3,376	3,208
Age	30 and under	6,629	6,900	6,874
	31-40	7,683	7,044	6,878
	41-50	1,921	2,011	1,935
	Over 50	386	433	299
Education background	Master's degree and above	3,685	3,587	3,937
	Bachelor's degree	9,274	9,063	8,728
	Junior college's degree and below	3,660	3,738	3,321
Nationality	China	16,275	16,016	15,620
	Overseas	344	372	366

[1] The scope of data on energy consumption and greenhouse gases in the environmental part is FiberHome Telecommunication headquarters (No. 6, Gaoxin Si Road, Donghu New Technology Development Zone, Wuhan) and the sub-sites (No. 67, Chuangye Street and No. 42, Chuangye Street, Donghu New Technology Development Zone, Wuhan); and the scope of data in the other environmental part is FiberHome Telecommunication headquarters.

[2] The scope of the social aspect data is consistent with the annual report.

Category	Unit	2022	2021	2020
Speciality	Production staff	3,793	3,767	3,726
	Salesman	4,156	4,099	4,155
	Technical staff	7,526	7,396	7,054
	Financial personnel	275	216	234
	Administrative staff	869	910	817
Employee Grade	Senior and middle management	202	183	184
	Junior Operations Manager	799	737	683
	Frontline staff	15,618	15,468	15,119
Localisation rate of overseas staff	/	30.48%	37.80%	37.80%
Total number of new employees	Total	2,845	2,409	2,687
Employee new entrants-by age	30 and under	2,233	1,704	2,146
	31-40	581	670	516
	41-50	27	32	24
	Over 50	4	3	1
Employee new entrants-by gender	Male	2,299	1,985	2,226
	Female	546	424	461
Talent Introduction	Total number of talents introduced	58	109	71
	Total number of managerial personnel introduced	0	0	0
	Total number of technical personnel brought in	58	109	71
	Total investment in talent introduction (RMB10,000)	409.8	513.8	461.6
Socially responsible recruitment	Number of people recruited from disadvantaged areas	5	5	10
	Number of veterans recruited	1	1	0
Equality and Diversity				
Senior and middle management	Total	202	183	184
Senior and middle management – by ethnicity	Number of Han Chinese	191	173	175
	Number of other nationalities	11	10	9
Senior and middle managers – by gender	Male	181	160	161
	Female	21	23	23
Senior and middle management – by education background	Postgraduate degree and above	102	94	90
	Bachelor's degree	98	87	92
	Junior college's degree and below	2	2	2
Employee Turnover				
Total number of employee turnover	Total	1,965	2,665	1,912
Number of employee turnover – by age	30 and under	1,086	1,461	1,258
	31-40	796	1,103	596
	41-50	75	89	49
	Over 50	8	12	9
Number of employee turnover – by Gender	Male	1,704	2,290	1,625
	Females	261	375	287
Employee turnover rate	/	10.95%	13.99%	10.32%
Employee turnover rate-by gender	Male	11.51%	14.97%	11.28%
	Female	6.91%	10.00%	8.21%
Employee turnover rate – by age	30 and under	14.08%	17.47%	15.47%
	31-40	9.39%	13.54%	7.97%
	41-50	3.76%	4.24%	2.47%
	Over 50	2.03%	2.70%	2.92%
Occupational Health and Safety				
Number of injuries at work	People	3	9	3
Number of deaths due to work-related causes	People	0	1	0
Number of working days lost due to work-related injuries	Day	173	120	132

Category	Unit	2022	2021	2020
Lost workday rate (LDR) due to workrelated injuries for 200,000 hours[3]	/	8.36	5.86	6.58
Two hundred thousand hours recordable injury rate (TRIR)[4]	/	0.018	0.06	0.019
Employee Caring				
Return rate of employees on parental leave	/	100%	100%	100%
Return rate of employees on maternity leave	/	100%	100%	100%
Employee satisfaction	Mid-year (out of 5)	4.28	–	–
	Year-end (out of 5)	4.31	–	–
Total investment in employee care	RMB10,000	371.30	555.80	540.90
Development and Training				
Number of employees trained	Total	11,431	15,673	6,683
Number of employees trained – by gender	Male	8,885	12,231	5,452
	Females	2,546	3,442	1,231
Number of employees trained – by function	Senior and middle management	195	166	163
	Junior Operations Manager	341	651	259
	Frontline staff	10,895	14,856	6,261
Total training time	Hours	174,698.05	235,611.9	150,110.56
Training time – by gender	Male	133,853.2	183,468.8	117,532.46
	Females	40,844.85	52,143.1	32,578.1
Training time – by function	Senior and middle management	3,285	2,836	2,773
	Junior Operating Officers	5,388.5	26,816	6,973
	Frontline staff	166,024.55	205,959.9	140,364.56
Training hours per employee	Hours	10.42	14.38	9.39
Training hours per employee – by gender	Male	10.12	14.10	9.20
	Females	11.53	15.45	10.16
Training hours per employee – by grade	Senior and middle management	16.26	15.50	15.07
	Junior Operating Officers	15.8	36.39	10.21
	Frontline staff	10.63	13.32	9.28
Specialised training	Total training hours of occupational health and safety	34,364	34,529	22,513
	Total training opportunities of occupational health and safety	19,864	18,666	12,977
Proportion of Specialised training	Percentage of coverage of emergency drills	100%	–	–
	Proportion of training coverage on social responsibility policies and procedures	90.47%	–	–
School-Enterprise Co-operation	Total annual scholarships awarded (RMB10,000)	50	50	50
	Annual number of scholarship beneficiaries (people)	55	53	50
	Number of donations of laboratory equipment for higher education institutions (group)	20	18	23
	Amount invested in donations of experimental equipment for higher education institutions (RMB10,000)	1,207	1,100	1,224
	Campus Recruitment Positions (Number)	1,240	967	659
Research and Development Patents				
Research and Development investment	RMB billions	43.94	37.26	31.23
Number of patents granted	Number	3,473	2,745	2,286
Professional Services				
Complaints related to violation of customer privacy	Number	0	–	–
Customer Satisfaction	Grade	95.55	89.2	90.2
Embezzlement proceedings	Number	0	–	–

[3] Lost workday rate (LDR) due to workrelated injuries for 200,000 hours = hours of work lost due to leave of absence of employees injured on duty during the reporting period*200,000/total number of hours of work that all employees should have been on duty for the whole year.

[4] Two hundred thousand hours recordable injury rate (TRIR) = number of employees injured on duty during the reporting period * 200,000/total number of hours of work that all employees should be on duty for the whole year.

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Note: The ESG reports of FiberHome from January 1, 2022 to December 31, 2022 comply with GRI standards.

Independent Assurance Statement

Independent Assurance Statement

The target stakeholders of this statement：	☑Government ☑Non-Government Organization ☑Clients ☑Suppliers ☑Investors ☑Customers ☐Other stakeholders：
Responsibilities of the reporting organization and assurance provider：	CTI Certification Co., Ltd. (hereinafter referred to as "CTI") is entrusted by Fiberhome Telecommunication Technologies Co.,Ltd.. (hereinafter referred to as the "Reporting Organization") to assure the sustainable development information disclosed in its 2022 Environmental, Social and Governance Report (herein-after referred to as the "Report") .The purpose of this process is to provide reasonable assurance for the sustainable information disclosed by the reporting organization,and to provide confidence for stakeholders to make decisions based on the information provided by the reporting organization. This independent assurance statement is available in both simplified Chinese and English versions, the simplified Chinese version shall prevail.
Assurance Standard：	AA1000 AS (v3)
Scope：	• Assure the content, background, and application of the report, as well as the quality of sustainable development information presented during the reporting period; • Evaluate the compliance of the report with the AA1000 Accountability Principles (2018) in terms of inclusivity, materiality, responsiveness, and impact; • Review the sustainability initiatives, practices, implementation, maintenance, and performance information described in the report; • Assess the reporting mechanism of sustainability information and its consistency with applicable reporting standards.
Assurance type：	Type 2

Subject matters and depth of review：

Subject Matters	Level of Assurance
Degree of compliance with AA1000 Accountability Principles (2018)	Moderate Level
Quality of sustainability performance	Moderate Level

Reference to criteria used	☑ISO 26000 ☑GRI ☐SASB ☑ISO 14064 ☐IFRS ☑UNSDG ☐TCFD ☐IIRC ☐HKEX ESG Guidelines ☑Others：*Self-Regulatory Guidelines No. 1 for Listed Companies of Shanghai Stock Exchange - Standardised Operations*

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CTi 华测认证 AA1000 Licensed Assurance Provider 000-669

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CTImall： www.ctimall.com
CTI Academy： www.a.ctimall.com
Company one A 8F CTI Building, No.4 Liu Xian San Road,
Address Xin'an Street, Bao'an District, Shenzhen, China.

Sources of Disclosures Covered： Name of report：2022 Environmental, Social and Governance Report

Source: Reporting Organization

Methodology： CTI formulated an engagement plan based on the assurance process and conducted the engagement according to the plan. CTI conducted inspections with a professional skepticism attitude, and the assurance activities included the following procedures:

- Based on the process of sampling, understanding, testing and judging the degree to which the reporting organization adheres to the AA1000 Accountability Principles, an evaluation is made of the degree to which the reporting organization adheres to the AA1000 Accountability Principles;
- Conducting management interviews on the effectiveness of the processes that have an impact, including the top management, department managers,and managers responsible for sustainable development;
- Based on sampling, reviewing and inspecting the management practices, business processes, and evidence-collection processes of the reporting organization;
- Collecting and assessing documentary evidence and management representations that support adherence to the AA1000 Accountability Prin-ciples.

Conclusions： According to the AA1000 Assurance Standard (v3), CTI conducted a Type 2 assurance on the sustainable development information disclosed in the 2022 Environmental, Social and Governance Repor prepared by the reporting organization.According to the requirements of the AA1000 Accountability Principles (2018),the conclusions are as follows:

The conformity of reporting organization and the report against AA1000 Accountability Principles (2018)

Inclusivity： CTI did not find any deviation between the report and the inclusive principle of AA1000 Accountability Principles (2018). The reporting organization regularly identifies and participates stakeholders, incorporating the concerns of key stakeholders into important consider-ations for the company's sustainable development. The report meets the requirements of inclusivity.

Materiality： According to the AA1000 Accountability Principles (2018), CTI conducted a substantive evaluation of various aspects of the reporting organization, both internally and externally. CTI believes that the report proposes various issues and boundaries of different business operations of the reporting organization, and that the report meets substantive requirements.

Responsiveness： After the assurance of CTI, it is believed that the reporting organization's response to major issues has been defined and reflected in the report. The report meets the responsiveness requirements of the AA1000 Accountability Principles (2018) and *Self-Regulatory Guidelines No. 1 for Listed Companies of Shanghai Stock Exchange - Standardised Operations*.

Impact： The reporting organization has clear procedures to regularly monitor and measure their sustainable development impact, and has professionals to effectively promote the sustainable development agenda. CTI did not find any situations or issues that had an impact on the ecosystem and surrounding infrastructure, and the reporting organization met the impact requirements of the AA1000 Accountability Principles (2018).

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The quality of sustainability information disclosed in the report

For the sustainability performance in 2022 disclosed in the report, no material errors were found by CTI, as described below:

Organizational scope	Category	Performance
Fiberhome Telecommunication	Scope I emissions(tCO e)	2480
Fiberhome Telecommunication	Scope II emissions(tCO e)	49798
Fiberhome Telecommunication	Gasoline(tonnes)	22.59
Fiberhome Telecommunication	Natural gas(10000 m3)	48.5108
Fiberhome Telecommunication	Electricity(MWh)	92957.772
Fiberhome Telecommunication and its wholly-owned and majority-owned subsidiaries	Number of employees	16619
Fiberhome Telecommunication and its wholly-owned and majority-owned subsidiaries	Number of R&D personnel	7526
Fiberhome Telecommunication and its wholly-owned and majority-owned subsidiaries	Invested in external donations and public welfare project inputs(RMB)	14435000
Fiberhome Telecommunication and its wholly-owned and majority-owned subsidiaries	Invest in poverty alleviation and rural vitalisation projects(RMB)	2558800

Limitations and mitigation methods

The limitations and mitigation methods of CTI in the assurance process:

- CTI did not conduct assurance on economic performance indicators, and only confirmed the accuracy of economic performance indicators through the verification of audited financial reports;
- CTI did not verify sustainability performance indicators. It only confirmed through interviews and factual evidence that all sustainability performance indicators have clear data sources;
- CTI was unable to provide assurance opinions on the opinions, beliefs, inferences, wishes, expectations, future intentions, and other viewpoints described in the report. However, CTI conducted assurance and issued assurance opinions on both quantitative and non-quantitative factual evidence supporting the above viewpoints;
- CTI will further focus on improving and enhancing the disclosure and management of ESG report information based on the purpose of continuous improvement in future assurance engagement.

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Competence and Independence of CTI

Founded in 2004, CTI is a professional certification body approved by the Certification and Accreditation Administration of China (CNCA) and accredited by the China National Accreditation Service for Conformity Assessment (CNAS), enjoying an independent third-party impartial status. We have extensive experience in conducting third-party audits for management system certifications in quality, environment, safety, occupational health, energy, as well as environmental information such as greenhouse gases.

Except for the assurance and verification of sustainability data and the report, no member of the assurance team has any business relationship with Fiberhome Telecommunication Technologies Co., Ltd. its directors, executives, or department managers. After the internal impartiality assessment conducted by CTI, we believe that there is no conflict of interest in this assurance engagement.

Assurance Team Leader	Technical Reviewer	Signed by
Li Qi	Lin Wu	General Manager: Zhou Lu

AA1000
Licensed Report
000-669/V3-EZL5Q

CTI Certification Co., Ltd
Issued on: October 20, 2023
Place of issuance: Beijing

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Reader Feedback

To continuously improve FiberHome's ESG work and enhance the capability and level of ESG management, we are eager to listen to your opinions and suggestions.

We kindly ask for your assistance in completing the relevant questions raised in the feedback form and emailing us with suggestions or sharing comments.

Email: csd@fiberhome.com

Address: No.6, Gaoxin Si Road, Donghu New Technology Development Zone, Wuhan, Hubei, China

Your Information	
Name	
Work unit	
Tel	
Email	
Opinions & suggestions	

1. What do you think of our ESG report?

   O Excellent　　　　　O Good　　　　　O Average

2. Do you think this report has presented the significant impact of our ESG issues?

   O Yes　　　　　O More or less　　　　　O Don't know

3. How do you rate the clarity, accuracy and completeness of the information, data and indicators disclosed in this report?

   O Very high　　　　O High　　　　O Average　　　　O Low　　　　O Very low

4. Which aspect of this report are you most satisfied with?

5. What issues are of interest to you?

6. What kind of information do you want to learn more about?

7. What other suggestions do you have for the company's ESG efforts and this report?