

元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 332



2020/21

Environmental, Social &
Governance Report

The page features a decorative background on the left side with a large green-to-yellow gradient arc. Inside and around this arc are various blue icons representing energy and industry, such as oil rigs, storage tanks, gears, and a gas cylinder. On the right side, a green butterfly is positioned above the 'CONTENTS' header. The overall design is clean and modern, using a color palette of greens, yellows, and blues.

Vision

To become China's leading sustainable clean energy group of companies, as well as a first-rate manufacturer, supplier and service provider in the energy sector

Mission

Create value for shareholders, employees and society

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ABOUT THIS REPORT

Yuan Heng Gas Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “Yuan Heng Gas” or the “Group”) are principally engaged in (i) oil and gas products related transactions and providing related consulting services; and (ii) processing, distribution, sales, trading and transportation of liquefied natural gas (LNG) and related auxiliary businesses and networks in the PRC. The two major high-quality LNG production bases of the Group are located in Erdos, Inner Mongolia and Dazhou, Sichuan.

This is the fifth Environmental, Social and Governance (“ESG”) Report published by the Group. It presents the Group’s performance on material environmental and social issues for the financial year from 1 April 2020 to 31 March 2021 (the “The Reporting Year”). The board of directors of the Group has reviewed this report and confirmed that the contents are true, accurate and complete.

REPORTING GUIDELINES

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and based on the actual situation of the Group. The Group adheres to the reporting principles of materiality, quantitative, balance and consistency when disclosing environmental and social policies, management methods and quantitative indicators.

We uphold the materiality principle by engaging with stakeholders to identify their topics of concern and prioritize these topics for the corresponding management initiatives implementation and disclosure. Complementing with the description of management approach, we disclose quantitative data, and use the same methodology and calculation methods every year as far as possible to make the data of each reporting year comparable. Reasons for significant changes in data are provided. We strive to strike a balance between interests of different stakeholders of the Group and its ESG performance, which we aim to report accurately and avoid any possible inferences that may inappropriately influence readers’ decisions or judgments.

This report is published in both Chinese and English. If there is any inconsistency between the two versions, the English version shall prevail. This report should be read in conjunction with our annual report. Information relating to corporate governance is set out in the Corporate Governance Report on Pages 9 to 27 of the 2021 Annual Report.

REPORTING SCOPE

Unless otherwise stated, this report covers the Group’s LNG production, transmission and distribution business, focusing on sustainable development performance of the two LNG processing plants located in Erdos, Inner Mongolia and Dazhou, Sichuan, and the natural gas transmission and distribution company located in Zunyi, Guizhou (the “Erdos Plant”, the “Dazhou Plant” and the “Huaheng Energy”, collectively as “Each Operation Center”).¹ We determine the scope of the report based on the degree of environmental and social impact of each business. The two LNG processing plants and natural gas transmission and distribution companies are the major sources of environmental data. The scope of narrative information covers the entire Group.

The Group values the opinions of stakeholders and strives to improve the level of ESG disclosure. We welcome your valuable opinions.



Yuan Heng Gas Holdings Limited

Address: Room 4102, 41/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong

Email: yhad@yuanhenggas.com

Tel: (852) 3583 1120

Fax: (852) 2116 1339

¹ The two plants are operated by the group’s subsidiaries, Erdos Xingxing Energy CO., Ltd., and Dazhou Huixin Energy Co., Ltd., respectively.

CHAIRMAN'S STATEMENT

“ In the face of the increasingly competitive environment in the midst of the pandemic and the rising demand for clean energy in China, we seize the opportunity to achieve green and sustainable development. Yuan Heng Gas integrates sustainable development into the Company's strategic management and operations by continuously improving its environmental, social and governance system and related policies. We communicate with different stakeholders to determine the Company's direction and issues of concern in the context of sustainable development. This report collects and discloses ESG-related information and reaffirms our commitment to improve the Group's ESG management and performance. ”

Upholding the policy of “Safety first, Prevention-based, Integrative governance, People-oriented”, Yuan Heng Gas consistently puts strong emphasis on safety in production. Viewing and treating occupational safety of employees as the top priority, we strictly implement operation control and pandemic prevention measures. The Group values quality, and strives to eliminate defects and reduce potential hazards by improving the safe operation capacity of equipment, and ensure the “high-yield, low-consumption, safe and stable” operation of equipment. During the reporting year, the Erdos Plant suspended production for approximately a fortnight for annual maintenance, ensuring safe production.

During this reporting year, we regarded improving product quality and customer satisfaction as the top priority. By revising the relevant equipment maintenance system and regularly providing customers with the “Inspection Report” of natural gas sold, the Group ensured safe and stable operations of each critical process in natural gas production, including processing and transportation, and was highly recognized by customers. In terms of supply chain management, in addition to continuously strengthening the environmental and social risk management of suppliers, we are gradually moving towards green procurement and remain committed to building a sustainable supply chain.



CHAIRMAN'S STATEMENT

Yuan Heng Gas fully understands that responding to climate change and related challenges and accelerating the transition to a low-carbon economy are the common goals of global enterprises. To this end, we actively address climate change, continuously reducing carbon footprint of our production processes. We are committed to reducing the environmental impact from our operations and to follow green and low-carbon environmental practices. By formulating a series of environmental protection management systems, adopting proper waste disposal methods, implementing various energy conservation and emission reduction measures, the Group aims to reduce the impact of its production activities to the environment. The Group responds to China's initiative on carbon peak and carbon neutrality with practical actions to promote green development.

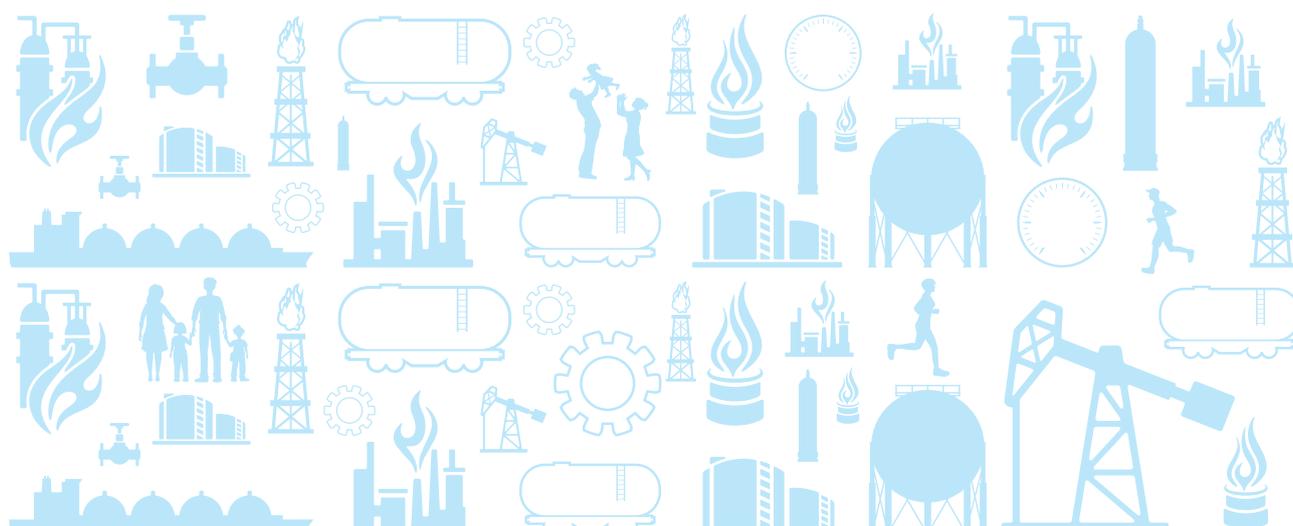
As a socially responsible enterprise, we spare no effort in supporting development and welfare of communities in which we operate on a daily basis. From encouraging employees to participate in volunteer services to organizing voluntary activities, we have been caring for the community in different ways. At the same time, we actively carry out public welfare activities related to environmental protection to promote the concept of environmental protection in the society.

Looking ahead, we will maintain the balance between the Group's business and sustainable development, and embrace the challenges of rising natural gas demand in the future. We will continue to seize opportunities for development, so as to improve the ESG performance and to move forward on the path of sustainable development. On behalf of the Board and the senior management, I would like to thank our business partners and stakeholders for their continued trust in Yuan Heng Gas. We are sincerely looking forward to continuing to work together with everyone to promote the development of green energy business.

Wang Jianqing

Chairman and Chief Executive Officer

Yuan Heng Gas Holdings Limited



STAKEHOLDERS ENGAGEMENT

The support and trust of stakeholders constitute the foundation of the Group's survival and development. Yuan Heng Gas has always attached great importance to effective communication with stakeholders. Through the establishment of a two-way, transparent and regular communication mechanism with stakeholders, the Company understands the demands of stakeholders and actively responds to them. After identifying and sorting them according to the principle of materiality, risks and opportunities are integrated into the decision-making and management process of the Group.

Stakeholders	Concerns	Communication Channels	Corresponding Chapter
Internal	Board of Directors and Management	<ul style="list-style-type: none"> Annual General Meeting Meetings Plants Visit 	<ul style="list-style-type: none"> Lawful Operations
	Employees	<ul style="list-style-type: none"> Suggestion Box Work Report Mail Debriefing Meeting 	<ul style="list-style-type: none"> Employee Care
External	Shareholders and Investors	<ul style="list-style-type: none"> Annual General Meeting Company Website 	<ul style="list-style-type: none"> Lawful Operations
	Customers	<ul style="list-style-type: none"> Face-to-Face Dialogue Company Website Exhibition 	<ul style="list-style-type: none"> Lawful Operations
	Suppliers	<ul style="list-style-type: none"> Face-to-Face Dialogue Telephone Direct Mail 	<ul style="list-style-type: none"> Lawful Operations
	Government/Regulatory Authorities	<ul style="list-style-type: none"> Annual General Meeting Regulatory Announcements Charity Programs 	<ul style="list-style-type: none"> Employee Care Environmental Protection Lawful Operations



EMPLOYEE CARE

Employees are an important driving force for our growth and development. Yuan Heng Gas remains committed to providing good career development opportunities and a safe and healthy workplace for its employees, so as to achieve enhancement of both corporate and employee values and ethos. We enable our employees to get rewarded in a stable and sustainable manner, assuring adequate human resources for the Group's development and achieving a win-win situation for both the Group's development and the growth of its employees.

OCCUPATIONAL HEALTH AND SAFETY

Safety and health of our employees is closely related to long-term sustainable development of Yuan Heng Gas. The Group is committed to providing employees a safe and non-hazardous working environment, which is a commitment and a basic guarantee given by Yuan Heng Gas. We believe all work-related injuries and accidents can be prevented and full participation in safety programs can help reduce the injury rate. By implementing preventive measures proactively, raising staff awareness, continuous improvement and strict adherence to relevant safety procedures, the Group can build a safer working environment for its employees.

Yuan Heng Gas adheres to the doctrine of "Safety First, Precaution Foremost, Comprehensive Management, Full Participation, Continuous Improvement", and sets targets in areas of personnel health and safety related incidents. The Group strictly complies with laws and regulations such as the Law of the People's Republic of China on Work Safety and the General Norms for Safety Standardization of Hazardous Chemical Enterprises, as well as various national and regional laws and regulations to ensure the health and safety of its employees². During the reporting year, there were no lost days due to work-related injuries or work-related fatalities.

Safety Management

Occupational health and safety is an important element in the natural gas production industry. To minimise and prevent occurrence of accidents, Yuan Heng Gas has formulated safety measures for the entire operations process based on its actual situation and has also formulated a series of relevant internal policies such as the "Compilation of HSE Management System", "Compilation of Safety Management System" and "Handbook on Employee Safety Knowledge" in accordance with requirements of national laws.

By improving the dual system for prevention of safety risk classification and control, and potential risk investigation and management, the Group has established and improved the production safety responsibility system and the production safety management organization. The Group has established a HSE (Health, Safety and Environment) Management Committee led by the General Manager and a deputy general manager, with heads of various departments as members. Among them, the Health, Safety and Environment (HSE) Office is mainly responsible for periodic revision of relevant rules and supervision and inspection of implementation, according to monitoring results. Each department is responsible for supervising and inspecting the safety of the site and safety of personnel entering the region under its jurisdiction and reporting back to the HSE office in a timely manner. In addition, the Group has set up the Emergency Command Office for safety related incidents. The office is organised as shown in the diagram below, with an emergency leadership group at the top, a leadership group office (dispatch centre) in the middle, and various emergency support departments underneath.

² For the laws and regulations relating to occupational health and safety, please refer to the section headed "Laws and Regulations"



Safety Management Governance Structure

To identify, assess and control the health and safety hazards in the workplace, the Group identifies production systems, parts, installations and equipment that are highly hazardous, accident-prone and hazardous, conducts risk analysis on them and provides safety guarantees for entering and working in such production installation areas. To ensure that workers receive proper medical care in the event of an injury or illness, the Group has set up a park infirmary which is responsible for daily and emergency medical services for employees working at the plant. To prevent and eliminate occupational hazards, the Group has engaged a qualified occupational health technical service agency to conduct regular testing of occupational hazards and organizes an annual occupational health check for employees to identify those suffering from occupational contraindications. If employees are found to be suffering from occupational contraindications, they are promptly reassigned to stay away from the sources of occupational hazards. For workers who are exposed to harmful factors such as noise and hazardous chemicals, the Group distributes personal protective equipment and special protective equipment in accordance with national standards, and illustrates the use of firefighting, personal protective equipment and emergency equipment.

The Group adheres to the principle of “people-oriented, prevention-oriented and proactive handling” and has set up an emergency response plan system consisting of a comprehensive emergency response plan and on-site handling plans for different types of accidents at different sites, which clearly defines responsibilities of various departments and personnel before, during and after the incident.



EMPLOYEE CARE

Preventative measures

- Integrating the prevention of occupational hazards into the consideration of project construction
- Hazard and risk analysis of the working environment
- Annual testing of occupational hazards and identification of occupational hazards, and evaluation of the effectiveness of occupational health control every three years

Production inspection

- Strengthen workplace inspections and carry out regular maintenance checks of production systems, plant equipment, etc.
- Regularly check and ensure that staff are aware of the correct way to use personal protective equipment and emergency equipment etc.
- Improving emergency response and handling

Review assessment

- Encourage all staff to participate in safety and health and actively make suggestions
- Timely amendments to the Group's internal safety regulations based on statistical analysis of the implementation of relevant policies

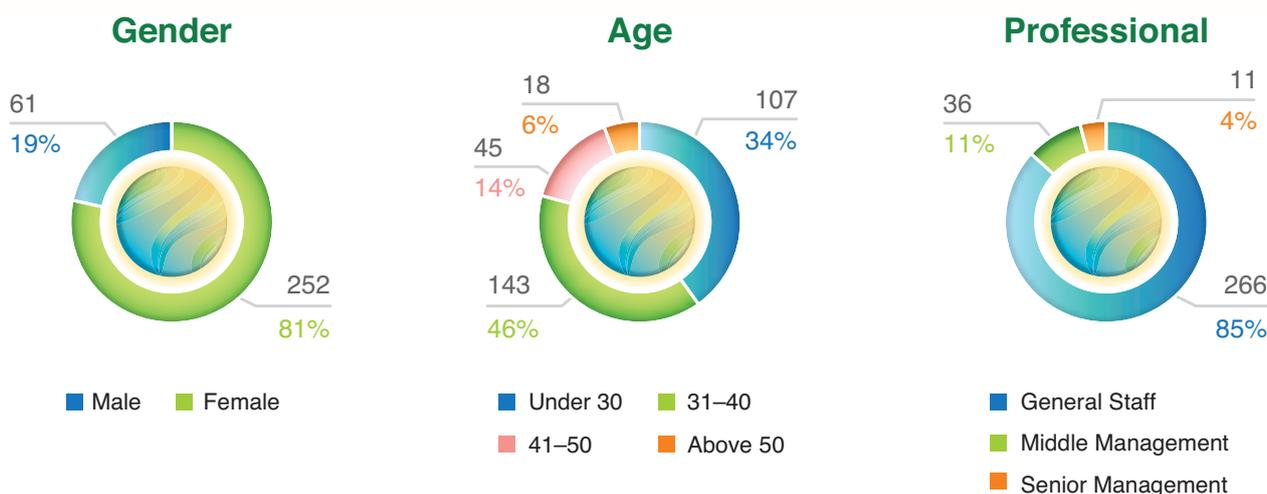
Safety Training

To enhance the safety awareness of employees and improve their ability to deal with safety issues, the Group organizes multi-level and multi-form safety training programmes to enable employees to gain an in-depth understanding, master safety laws and regulations and continuously improve their safety skills. The Group's HSE office regularly conducts occupational safety and health education and training in accordance with national laws and regulations and provides targeted occupational health and safety training to personnel exposed to occupational hazards to equip them with the ability to prepare for and respond quickly to emergencies. In addition, the Group's HSE office organises training on the newly revised safety management system and provides a detailed explanation of the newly revised parts of the Safety Management System Compilation, with a focus on the confusing and easy-to-overlook contents. The Group encourages all staff to participate in standardization of safety management practices, improvement in activities and provides safety education and training covering the whole staff. The minimum number of hours of training on production safety laws, regulations, and professional knowledge for the main person-in-charge, department, field (station), team leader and frontline staff is set each year and the effectiveness of the training is tested and evaluated through assessment.

The Group organized a number of comprehensive safety emergency drills during the year, and effectively improved the emergency response capability and rescue capability in the event of safety accidents and disasters through emergency drills. At the same time, the Group organised viewing of special videos to enhance emergency training; and organised safety education month activities to improve safety management and emergency planning capabilities of staff in times of floods, high temperature and low temperature, rain, snow and freezing weather. During the reporting year, there were no days lost due to work injury or work-related fatalities.

EMPLOYEE PROFILE

The Group had a total of 313 employees, including 130 (41.5%) in Erdos plant, 124 (39.6%) in Dazhou plant and 59 (18.9%) in Sichuan plant. Among them, the largest number of employees are aged 31–40, accounting for 45.7% of the total. The smallest proportion of employees were over 50, only 5.7% of the total. The gender ratio has become larger than last year, with a male to female ratio of 4.13:1. Of the total, 47 were managerial staff, including 11 senior management and 36 in middle management, while the rest were general staff.



During the reporting year, the overall turnover and new hire rate of the Group were approximately 18.9% and 13.7% respectively. Details of distribution by geographical regions, age, gender and professional profiles are presented in the Performance Data Summary of this report.

LABOUR STANDARDS

We strictly prohibit and have eliminated the use of child labour or forced labour at any stage of production and operations. The Group strictly abides by the Labor Law of the People’s Republic of China, the Labor Contract Law of the People’s Republic of China and other relevant laws and regulations. It has formulated relevant policies and comprehensive preventive measures in key processes such as recruitment, employment and resignation to prevent recruitment of child and forced labour³. During the reporting year, the Group was not aware of any instance of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

³ For the laws and regulations relating to the labour standards, please refer to the section headed “Laws and Regulations”

EMPLOYEE CARE

The Group strictly complies with Provisions on the Prohibition of Using Child Labor and the Provisions on Special Protection for Juvenile Workers, which stipulates that the minimum legal age of workers is 16 years old or above. During the recruitment process, the Group checks the relevant certificates of the employees engaged several times to avoid the misuse of child labour to the greatest extent possible. If child labour is found to have been improperly hired, such persons are immediately asked to cease work and are sent to the hospital for a comprehensive body check to ensure the health of the child labour. Upon confirmation, such person is escorted back home and handed over to the guardian. The Group provides appropriate economic aid according to the economic situation of the child worker and their families, protects their rights of compulsory education and follows up their education status. All expenses incurred for the above actions are borne by Yuan Heng Gas.

The Group adheres to the principle of fairness and voluntariness and strictly prohibits and does not support deployment of forced labour. This includes the use of any forced or deceptive means to recruit employees, or receipt of deposits and security deposits when employees enter the factory. The labour contract of employees is based on mutual negotiation. During the recruitment process, the Group proactively informs the candidates of the Group's basic information and relevant policies and management regulations, especially working hours, salaries and benefits, etc. Employees also have the right to resign. The Group follows the principle of working overtime only voluntarily. If overtime work is required, it is resorted to only with approval of the local labour department and is not allowed to exceed the statutory overtime hours. At the same time, the management does not use its authority to force employees to carry out work in areas of high safety risks. During the reporting year, there were no reported cases regarding child labour or forced labour in the Group.

Yuan Heng Gas respects the dignity of every employee and is committed to providing fair and reasonable working opportunities and a working environment free of discrimination and harassment. The Group prohibits any form of discrimination, including on race, social status, nationality, religion, disability, gender orientation, union membership and government relations, etc., in respect of recruitment, remuneration, training, promotion and dismissal. If any of the above circumstances occurs, employees may make a complaint through the complaint box. The administrative department verifies complaints received and takes corresponding measures according to the severity of the case if the complaint is true.

Dragon Boat Festival
Poem Recitation



Women's Day
Fun Competition



Staff Sports Day



We provide employees with competitive remuneration and welfare benefits, and attach great importance to mental well-being of employees, offering employees with a variety of cultural and sports activities and sending caring messages during festive seasons to attract, retain and motivate outstanding employees, laying a solid talent foundation for the long-term development of Yuan Heng Gas. Through sending caring messages in days under extreme heat, employees' sport games, drivers' skill challenge, fun competition for female employees, and Dragon Boat poetry recitation competitions, the Group enriches the spiritual life of employees, adds enjoyment to employees' life and brings employees closer to the Group.

To establish a good relationship with employees and maintain an effective communication mechanism, we encourage employees to make suggestions and opinions to the unit or individuals through suggestion boxes, WeChat and other means. In order to motivate staff, encourage employees to actively put forward rationalization proposals and carry out technological innovations to improve efficiency, the Group has set up suggestion boxes and rewards the adopted rationalization suggestions through the Group's reward and punishment assessment system.

TRAINING AND DEVELOPMENT

Yuan Heng Gas is committed to providing a platform for growth and development to its staff. To this end, a comprehensive training system has been set up to continuously enhance the knowledge and skills of the staff, so as to ensure that every employee in the Group remains competitive in the highly competitive industry and to ensure the common development of our staff and the Group.

The Group has established multi-level and diversified career development paths to help employees grow. Specific training programs are designed and provided to employees at different levels and departments. The Group provides pre-employment training for newly recruited employees, training on relevant rules, regulations and basic professional knowledge to help new employees integrate into the Group as soon as possible. We encourage our staff to attend studies and training to improve their academic qualifications and professional knowledge during their spare time. For example, Erdos Xingxing Energy Limited encouraged its staff last year to take the Certified Safety Engineer and Certified Fire Engineer Professional Qualifications; 13 employees have passed the Certified Safety Engineer examination. The Group also provides appropriate subsidies to encourage participation in external training and reimburses a certain percentage of tuition fees to employees who successfully pursue postgraduate studies. For technical and professional and business knowledge update in case of middle and senior management staff, the Group sends them to relevant units and schools at home and abroad to receive training in professional skills and management competencies. Yuan Heng Gas adopts a combination of internal and external training to systematically provide professional and general training for its employees to supplement and update their existing knowledge and skills. In terms of training content, the Group provides training covering different professional categories such as safety, craftsmanship, equipment, instruments and electrical knowledge, as well as general project-based training for second-line departments such as administrative office etiquette and financial and sales staff related knowledge. Subsequent to the training, the Group assesses the effectiveness of the training and tests whether the training objectives are met, so as to provide guidance for future training programmes.

During the reporting year, the training coverage of our employees reached 100%, and the average training hours of employees increased significantly to 26 hours compared to that of last year. The average training hours and their distribution by gender and position are presented in the Performance Data Summary of this report.



ENVIRONMENTAL PROTECTION

Environment is critical to the survival of humanity. Protecting the environment is, therefore, a necessary requirement for corporate sustainability. Development of enterprises has to be sustainable. In this context, Yuan Heng Gas actively practises green development to ensure low carbon generation and environmental protection. The Group is making efforts to become a leading sustainable clean energy group in China as well as a first-class producer, supplier and service provider in the energy industry. The Group continues to improve its environmental management systems to mitigate the environmental impact of its business operations. We are also committed to environmental protection, energy conservation and emission reduction in daily production and operations, with rational use of various resources and energy, controlling and managing discharge of various pollutants to ensure that all operation centers strictly comply with national and local laws and regulations. During the reporting year, the Group was not aware of any non-compliance of laws and regulations that have a significant impact to the Group relating to emissions of exhaust and greenhouse gases, discharge of pollutants into water or soil or generation of hazardous or non-hazardous waste.

ENVIRONMENTAL MANAGEMENT

Yuan Heng Gas treats environmental protection as its responsibility and aims to achieve sustainable development by optimizing its environmental management capabilities during operations. The Group closely follows the domestic and international environmental policies and trends, strictly complying with national and regional environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution⁴. We have formulated internal management systems such as the Environmental Protection Responsibility System, the Environmental Inspection Report System and the Solid Waste Pollution Prevention and Control Responsibility System based on the Group's situation, which specify environmental protection responsibilities of employees at all levels and integrate the concept of environmental protection management into daily operations. In addition, the Group has set up a safety and environmental protection committee led by the general manager and deputy general manager to take charge of environmental management. The Safety and Environmental Protection Committee convenes quarterly meetings to review and consider reports from functional departments on professional safety, environmental protection, occupational health and fire control management, studying and solving major problems in operation of the management system.

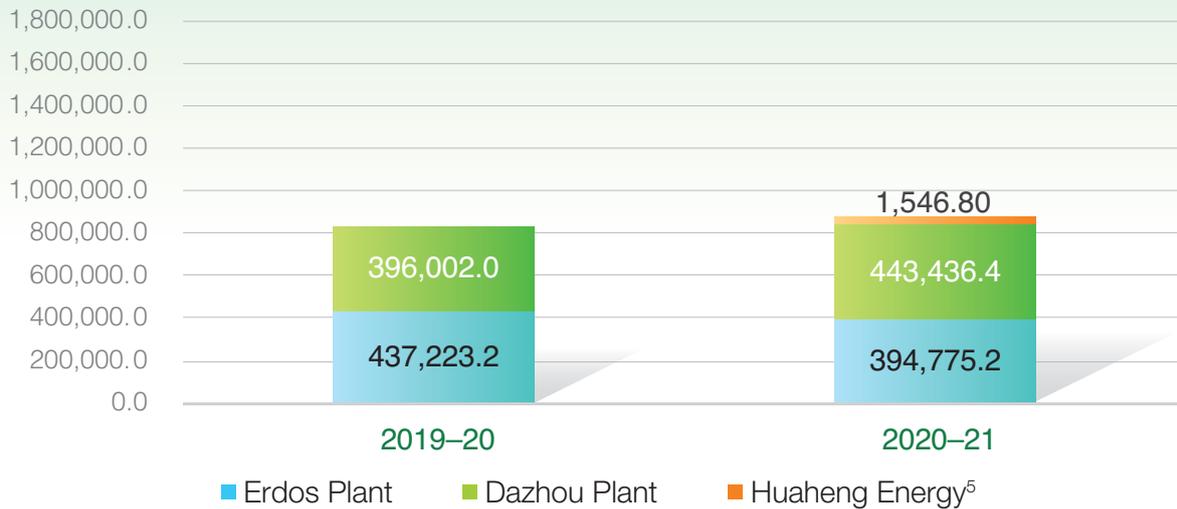
ENERGY MANAGEMENT

Energy consumed in daily operations of the Group mainly include natural gas, gasoline, diesel and purchased electricity. The Group engages experts to be responsible for energy management, data monitoring and measurement. During the reporting Year, the Group's total energy consumption was 839,776.37 GJ, and energy consumption intensity was 2.27 GJ per tonne of LNG.

⁴ For laws and regulations relating to environmental management, please refer to the section headed "Laws and Regulations"

ENVIRONMENTAL PROTECTION

Total Energy Consumption (Unit : GJ)



Energy Conservation and Emission Reduction

Yuan Heng Gas attaches great importance to resources management and conservation in all aspects of production and operations. We have set up an energy conservation and emission reduction working group in Erdos Plant to identify and deploy energy conservation and emission reduction measures. With the General Manager as the team leader, it organizes and implements major strategies, policies and other energy conservation and emission reduction measures. The working group implements a regular meeting system, holding energy-saving meetings for coordinating and solving problems in the work. While strengthening resource management, the Group continuously promotes energy-saving improvement projects and practices energy conservation and emission reduction with practical actions.

Rational use of resources is an indispensable step to achieve sustainable development. Yuan Heng Gas actively promotes green office concept and improves energy efficiency by controlling the use of resources, so as to incorporate energy conservation and environmental protection into daily operations and related activities.

⁵ Huaheng Energy newly included in the scope of data collection this year



ENVIRONMENTAL PROTECTION



Flare System Energy Saving Measures

Adoption of high-efficiency lighting

- Fuel gas consumption for lighting is less than 3m³/h, which is conducive to reducing fuel gas consumption

Setting up limited-flow holes

- Under the premise of ensuring realization of sealing, gas consumption for sealed gas is minimised and the consumption of sealed gas is reduced.
- 

Saving water and electricity: During working hours in the day, lights are not switched on in the office and outdoor natural light is used as much as possible. Lights passing through public roads and toilets are turned on as needed and turned off immediately. The computers, printers, water dispensers and other electrical appliances of each department are turned off before leaving the office, and the power supply is cut off. Water tap should be turned off after use as much as possible, and water supply equipment are checked frequently to avoid water leakage.



Paperless office: Printing and copying of draft documents consume considerable quantities of paper and this can be saved by letting office automation equipment coming into full play and revising materials on computers as much as possible to reduce the number of repeated printing. We promote use of both sides of paper on the premise of ensuring safety and confidentiality; and circulate documents as much as possible to reduce copying.



Reduce travel: Make efforts to reduce meetings and business reception expenses. In accordance with the principle of "streamlining, efficiency and saving", meetings are not convened unless necessary and the participants and time of the meetings is minimised as far as possible. Meetings held across regions are conducted by way of video conference as far as possible. We try our best to work with other departments to minimize the number of motor vehicles going out.

WATER MANAGEMENT

Water shortage is one of the severe challenges in the context of global development. The Group insists on using water resources in a responsible manner by advocating recycling and improving utilization efficiency. During the reporting year, the Group consumed a total of 540,492.55 cubic meters of water, all of which were used in the Group's production and daily living purposes, with a water consumption intensity of 1.46 cubic meters per tonne of LNG production. After proper treatment, a portion of sewage is discharged and a portion is used for greening purpose. In addition, the Group did not have any issue in sourcing water that is fit for the purpose.

Yuan Heng Gas strictly abides by the relevant local laws and regulations at each operation center to ensure sewage discharge meets the standards. The Group's wastewater mainly includes production wastewater and domestic wastewater. Production wastewater includes a small amount of oily wastewater generated from equipment cleaning and maintenance, which is properly treated before being discharged or used for plant greening. After being treated in septic tanks, domestic sewage is discharged into the municipal sewage pipe network together with production wastewater. During the reporting year, the Group generated a total of 379,604 tonnes of wastewater.

Total water consumption by source (unit: m ³)					
	2020–21			2019–20	
	Erdos Plant ⁶	Dazhou Plant ⁷	Huaheng Energy	Erdos Plant	Dazhou Plant
Groundwater	283,859	/	/	262,103	/
Municipal water supply	/	256,362	271.55	/	210,008
Total		540,492.55		472,111	

EMISSION MANAGEMENT

Air Emissions

Yuan Heng Gas strictly controls emissions of air pollutants at each operation center, and complies with relevant emission standards such as Emission Standard of the Integrated Emission Standard of Air Pollutants and the Emission Standard of Air Pollutants for Boilers (GB13271-2014).⁸ During the production process, furnaces and gas boilers are the sources of exhaust gas. The pollutants generated are mainly CO₂, CO, NO₂, water steam and a small amount of SO₂ and smoke. As concentration of pollutants in the exhaust gas is far less than the emission standards, it is directly discharged by 20m exhaust pipes. In addition, the production plants are equipped with a liquid hydrocarbon evaporation gas collection system to recycle evaporative gas.

⁶ Water resources of the Erdos Plant are only underground water.

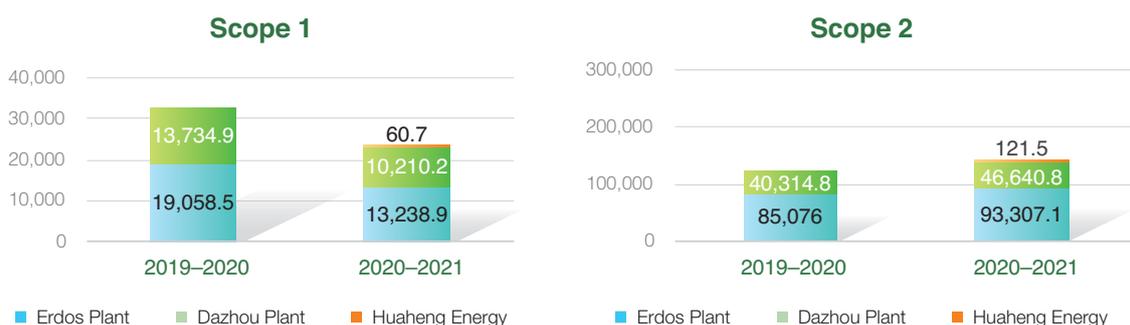
⁷ Water resources of Dazhou Plant are only municipal water supply.

⁸ For laws and regulations relating to air pollutant emissions, please refer to the section headed "Laws and Regulations"

ENVIRONMENTAL PROTECTION

Greenhouse Gas Emissions

The Group calculates greenhouse gas emissions at each operation center with reference to the “Guidelines for Accounting and Reporting Greenhouse Gas Emissions from China Petroleum and Natural Gas Production Enterprises (Trial)” published by the National Development and Reform Commission of the PRC and the GHG Protocol. The main sources of the Group’s greenhouse gas emissions are direct emissions (Scope 1) and indirect emissions (Scope 2). Direct emissions were 23,509.74 tonnes of carbon dioxide equivalent (tCO₂e), mainly generated from combustion of gasoline and diesel in factories and company vehicles, as well as from natural gas processing. Indirect greenhouse gas emissions are mainly generated from purchased electricity. These emissions were 140,069.46 tonnes of carbon dioxide equivalent (tCO₂e). During the reporting year, the total greenhouse gas emissions generated by the Group were 163,579.20 tonnes of carbon dioxide equivalent (tCO₂e).



GHG Emissions (Unit: tCO₂e)

Air emissions (unit: kg)					
	2020-21			2019-20	
	Erdos Plant	Dazhou Plant	Huaheng Energy	Erdos Plant	Dazhou Plant
Nitrogen oxides – Stationary sources (factory exhaust gas)⁹	3,229.00	2,653.62	/ ¹⁰	3,120	2,514.70
Nitrogen oxides – Mobile pollution sources (vehicle exhaust gas)	31.59	19.25	28.13	34.2	30.2
Sulphur oxides	0.42	0.29	0.34	0.5	0.4
Particulate Matter	2.73	1.63	2.45	2.9	2.7

⁹ Only emissions from purification units and utilities are included.

¹⁰ The operation of Huaheng Energy does not involve emissions of exhaust gas from the factory.

WASTE DISPOSAL

Yuan Heng Gas strictly complies with the “Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes” (GB 18597-2001), the “Standard for Pollution Control on the Storage of Hazardous Wastes” and other regulations to manage disposal of wastes. During the reporting year, the Group generated a total of 70.62 tonnes of hazardous waste, mainly waste lubricants (oil) generated during inspection and repair (replacement), waste MDEA solution generated during the removal of CO₂ and molecular sieves used for natural dehydration. Waste lubricant (oil) is collected in barrels and returned to the manufacturer for recycling, while waste MDEA solution and waste molecular sieve are collected and sent to qualified third-party companies for disposal; A total of 23.00 tonnes of non-hazardous wastes were collected, transported and disposed of by the municipal environmental protection department.

Waste (unit: tonne)		
	2020/21	2019/20
Hazardous Waste	70.62	37.40
Hazardous waste production intensity (tonnes/kiloton of LNG production)	0.19 ¹¹	0.11
Non-hazardous waste	23.00	23.00
Non-hazardous waste generation intensity (tonnes/kiloton of LNG production)	0.06 ¹²	0.07

¹¹ The waste generated in the reporting year 2020–2021 increased by “waste molecular sieves and waste lubricating oil” as compared with last year, which reduced the amount of waste activated carbon.

¹² The data for the reporting year 2019–2020 is estimated based on the environmental tax statements, and the data for the reporting year 2020–2021 is from on-site flowmeters.

ENVIRONMENTAL PROTECTION

ENVIRONMENTAL EMERGENCY MANAGEMENT

Yuan Heng Gas attaches great importance to the impact of its business on the environment, and is fully aware that leakage of raw materials or wastes during the operation cause serious environmental consequences, such as air pollution, fire. Even explosion might occur in case of natural gas leakage. Industrial waste leakage also results in water and soil pollution. In accordance with relevant laws and requirements of environmental departments at all levels for emergency work, the Group has formulated internal guidelines such as the Emergency Plan for Environmental Emergencies. We also regularly organize environmental emergency drills to improve the ability to deal with impacts caused by environmental emergencies.

The Erdos Plant organized the “Comprehensive Emergency Plan” activity on 16 July 2020. By simulating leakage of LNG at the flange joints of liquid LNG tanks in the finished tank area, the Group trained and tested the emergency response ability and handling level of relevant personnel for sudden environmental and safety incidents. The drill evaluation team comprehensively summarized the drill.

In response to the significant climate-related issues that have and may have an impact, the Group divides them into three levels, namely red warning, orange warning and yellow warning. Corresponding countermeasures are taken; when yellow warning occurs, we confirm the gas composition with upstream natural gas suppliers, to find out the reasons for the abnormal emissions, and immediately implement corrective measures to restore the indicators to permissible emissions; when orange warning occurs, the load of the device is reduced (75%) to reduce emissions; in the event of a red warning, the load of the device is reduced to suspension of the device and the discharge is stopped.



○ Firefighting team members used dry powder fire extinguishers to put out fire



○ Simulation of CPR first aid

SUSTAINABLE SUPPLY CHAIN

Supply Chain Management

Major suppliers of Yuanheng Gas include companies supplying electricity, piped natural gas, machinery and equipment, etc. To control the environmental and social risks along the supply chain effectively, the Group takes ESG performance of suppliers into account during the supplier selection process. In order to maintain the stability of supply chain operation, the Group adopts multi-level supply management and establishes connections with different regions and suppliers to avoid any disruptions caused by regional or individual suppliers' natural, social environmental changes. During the pandemic, some spare parts needed were in short supply. We promptly sought substitutes of the same type in other regions to guarantee timely and quality supply. Through the Supplier Performance Evaluation Form and the Supplier Periodic Risk Assessment Form, the Group conducts assessment and evaluation on the overall qualification and reputation of suppliers, and regularly reviews and scores the quality control level of suppliers from the four dimensions, quality, delivery, price and service.

Environmental Factors	Social Factors
<ul style="list-style-type: none"> • Environmental management certification • Emission compliance • Harmful substance content • Violations and penalties 	<ul style="list-style-type: none"> • Qualification of materials • Quality and price • Business license for special materials • Terms of payment

Suppliers Environmental and Social Considerations

As at 31 March 2021, there were a total of 157 suppliers located in mainland China. Erdos Plant, Dazhou Plant and Huaheng Energy had 70, 72 and 15 suppliers respectively.

Supply Chain Engagement

Yuan Heng Gas has established efficient communication channels with suppliers to ensure smooth communication between the supply and demand sides. We maintain close contact with suppliers through a combination of online and offline communication modes to regularly understand their capacity and quality and ensure reliable gas supplies, contributing to long-term and stable cooperation with suppliers. For projects that require tendering, the Group communicates with potential suppliers via bidding interviews, meetings, on-site visits, telephone, internet and written forms; for suppliers who require regular contact, the Group communicates with them via on-site visits, face-to-face discussions, phone calls and the Internet.

Green Procurement

To manage the materials procurement process more effectively, improve procurement efficiency and reduce procurement costs, the Group has formulated the Material Procurement Management System to standardise the material procurement, inspection, storage and distribution processes to ensure the safety and stability of the upstream supply team. The system covers all purchases of the Group, accounting for 100% of materials procurement.

Meanwhile, the Group actively responds to the national call for sustainable development and takes into account economic as well as environmental benefits in the procurement process. According to the current environmental protection requirements of enterprises in the PRC, suppliers are required to provide corresponding environmental assessment qualification documents, eliminate obsolete or contaminated products, and promote green procurement. For suppliers at the same level, the Group prefers suppliers with environmental protection certification, or procures



LAWFUL OPERATIONS

products and services that are environmentally friendly, energy-saving, low-consumption and easy to reuse. In terms of packaging, when transportation and storage of purchased products is ensured, the Group requires recyclable, easy to dismantle and reusable packaging to reduce the packaging waste. In addition, the Group advocates paperless office in the procurement process, communicates with suppliers through online modes, and encourages use of electronic contracts instead of paper contracts to save consumption of paper and express delivery.

PRODUCT RESPONSIBILITY

Quality Management

We are committed to providing customers with high-quality services by continuously improving the management of our products and services. In compliance with the applicable laws and regulations,¹³ the Group has formulated a comprehensive production management system, including “Production Management System”, “Basic Knowledge and Skills of Technology Specialty Position”, “Basic Knowledge and Skills of Equipment Specialty Position” and “Basic Knowledge and Skills of Electrical Professional Position”, etc. To ensure the quality of the natural gas provided, the Group has signed the “Liquefied Natural Gas Supply Contract” with gas buyers, providing “Inspection Reports” of gas sold to the buyers regularly during the contract period. The Group attaches great importance to equipment safety, maintaining and repairing the power supply lines and machines on a regular basis. During the reporting year, the Erdos Plant carried out a half-month annual comprehensive overhaul and maintenance, laying a solid foundation for the “high production, low consumption, safe and stable” operation of the plant equipment.

To guarantee production safety and product quality, the Group has formulated rules and regulations for safety inspection and equipment maintenance to timely identify and mitigate potential risks. Based on the principle of “early detection, early communication and early prevention,” the Erdos Plant has formulated the “Safety Inspection System for Natural Gas Pipeline Outside the Plant” to ensure safe operation of natural gas pipelines and timely inspection and maintenance of the gas pipeline network and equipment in the plant area. The Dazhou Plant has revised the “Regulations on the Maintenance and Overhaul of Electrical Equipment” in accordance with the Regulations on the Operation of Power Transformers of the Electric Power Industry Standard of the PRC to secure preventive maintenance and scientific overhaul of equipment, continuously improving the quality of maintenance and overhaul to ensure stable operation of the equipment. Huaheng Energy has formulated the “Management System for Pipeline Inspection and Maintenance” to timely identify and solve abnormalities to ensure safe operations of gas pipelines.

Intellectual Property and Privacy Protection

To strengthen the protection of intellectual properties, standardise the management of intellectual property rights, encourage employees to actively carry out invention and creation, and promote the application of scientific and technological achievements, the Group has formulated the “Intellectual Property Management System” and strictly adheres to the laws and regulations related to intellectual property protection¹⁴. The Intellectual Property Management Department is responsible for the overall planning and implementation, where patents, trademarks, trade secrets and other professional positions are set to coordinate the division of work and organise publicity of legal knowledge related to intellectual property rights. To protect the Group’s intellectual property rights, Yuan Heng Gas has also signed confidentiality agreements with relevant personnel involved in the Group’s technical and trade secrets. Any personnel infringing upon intellectual property rights of the Group is investigated or is reported to the judicial authorities.

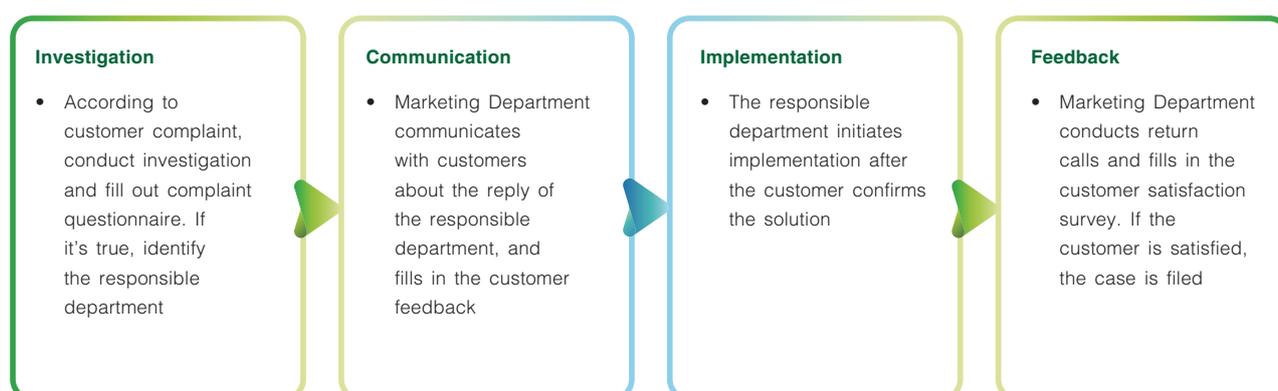
¹³ For laws and regulations relating to quality management, please refer to the section headed “Laws and Regulations”

¹⁴ For laws and regulations relating to intellectual property protection, please refer to the section headed “Laws and Regulations”

Placing strong emphasis on customer privacy and information confidentiality, the Group has incorporated clauses and signed confidentiality agreements with customers to safeguard the data privacy and security. During the reporting year, the Group was not involved in any litigation related to violation of intellectual property rights.

Customer Engagement

The Group has formulated the “Management System and Process for Resolving Client Complaints” to regulate the customer complaint handling mechanism and ensure unimpeded functioning of customer complaint channels. The marketing department receives complaints from customers and keeps records, and replies within 5 working days. The complaint handling process is divided into 4 steps. After the implementation is carried out by the responsible department, the marketing department conducts customer return call and fills in the customer satisfaction survey within 5 working days and the feedback is filed by the responsible department. The department manager is responsible for organising and settling the entire process, including the subsequent supervision and implementation.



Customers complaint handling process

During the reporting year, the Group did not receive any complaints about products and services. The Group was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

ANTI-CORRUPTION

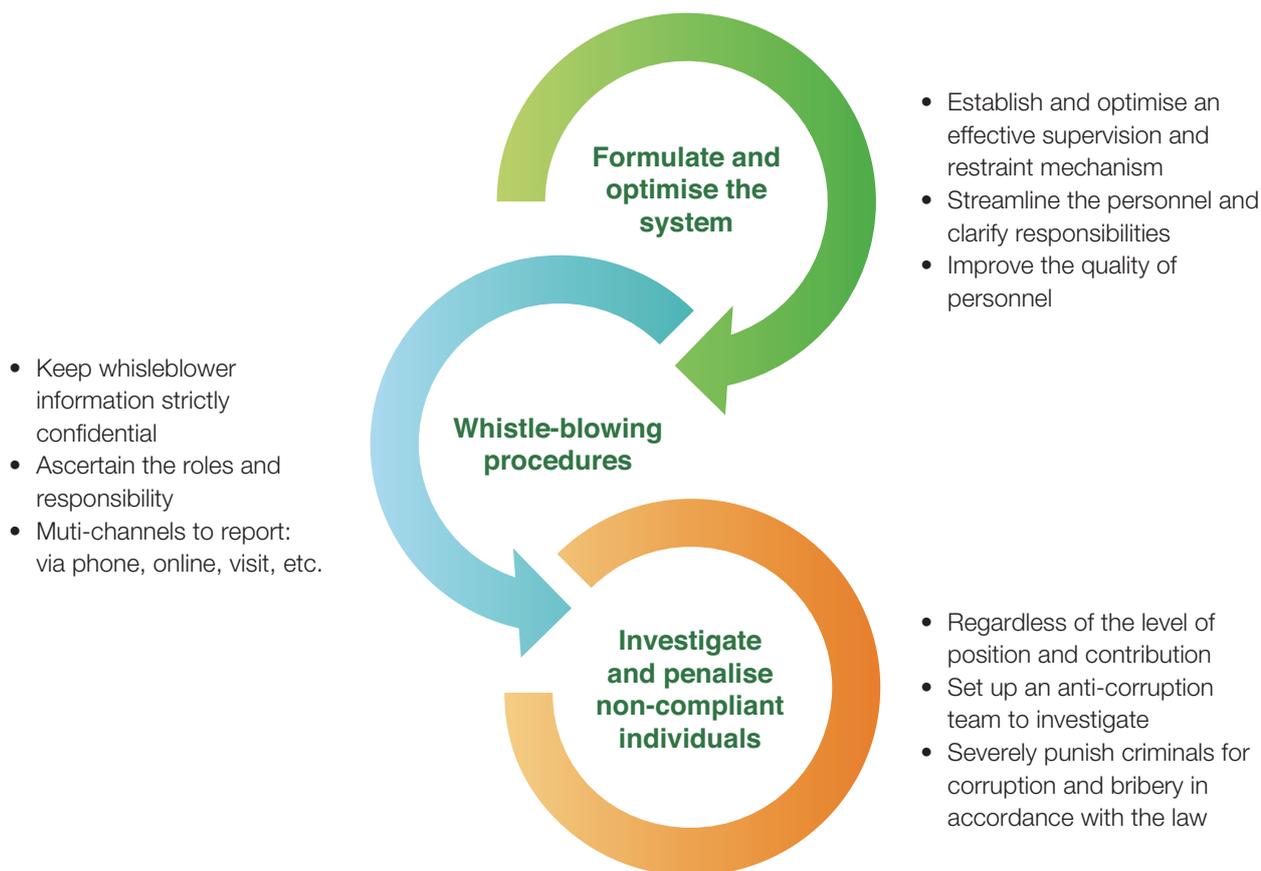
The Group has always strictly abided by the principles of “integrity, honesty and trustworthiness, and act in compliance with the law”, and has adopted a “zero-tolerance” attitude towards all corruption and illegal acts such as bribery, fraud, extortion and money laundering. In addition to stringent compliance with relevant laws and regulations,¹⁵ the Group has formulated “Anti-Corruption and Bribery, Anti-Fraud and Money Laundering Management System”, the “Anti-Corruption Commitment” and the “Anti-Corruption Prevention Measures and Reporting Procedures” to strengthen the internal control mechanism. Our business philosophy is that integrity and quality service as the core, to guide the management to act in accordance with the law and establish a positive corporate image. Raising legal awareness and prohibiting any misconducts, the established policies provide guidelines for employees and stipulate behaviours that may constitute corruption, whether it involves monetary or non-monetary transactions.

¹⁵ For laws and regulations relating to anti-corruption, please refer to the section headed “Laws and Regulations”

LAWFUL OPERATIONS

The Group has a supervision system in place to curb corruption and other unethical business practices, and to prohibit employees from abusing their powers for any reason to conduct transactions in which they have a personal interest in any form, such as receiving kickbacks, improper remuneration, contracts, etc. If any violation is found, employees who are suspected of illegal and criminal corruption are directly transferred to the judicial authority, and the anti-corruption team initiates a serious investigation. If employees assist their relatives or others in accepting bribes, they are considered as cooperating in taking bribes and are investigated in accordance with the “Anti-corruption and Bribery Law of the PRC”.

During the reporting year, the Group was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.



Anti-corruption training

COMMUNITY INVOLVEMENT

Adhering to the business development philosophy of “running the most perfect business with the kindest heart”, the Group has been committed to supporting and contributing to the local communities where it operates. We actively encourage employees to create a harmonious atmosphere in the community through a variety of volunteer services. The Group diligently designs activities to help the deprived community, such as encouraging the volunteers to establish a long-term and stable relationship with the disabled, carrying out volunteer activities in respect of housekeeping, rehabilitation and medical care, legal rights protection, barrier-free environment, etc., and making targeted purchases of unsellable crops to increase the income of local farmers. In terms of environmental protection, the Group has planned to carry out a series of public cleaning and afforestation activities, for example, “polishing the holy land, purifying the pagoda”, “caring for the earth, protecting the homeland”, “contributing power to the greenness” to clean up the garbage in streets, mountains and ditches, aiming to advocate and popularize the concept of ecological civilization and environmental protection and to further improve the public’s awareness and capabilities to preserve the river and the ecological environment. During the reporting year, the Group contributed RMB84,400 to social and environmental sectors and provided 366 hours of volunteer work.





LAWS AND REGULATIONS

The Group strictly complies with the following laws and regulations and has established internal management policies and guidelines based on relevant laws and regulations.

Aspects	Applicable Laws and Regulations	Corresponding Chapter
Environmental	<ul style="list-style-type: none"> • Environmental Protection Law of the PRC • Law of the PRC on the Prevention and Control of Atmospheric Pollution • Water Pollution Prevention and Control Law of the PRC • Prevention and Control of Environmental Pollution by Solid Waste in the PRC • Energy Conservation Law of the PRC 	Environmental Protection
Employment and Labour Standards	<ul style="list-style-type: none"> • Labour Law of the PRC • Labor Contract Law of the PRC 	Employee Care – Labour Standards
Health and Safety	<ul style="list-style-type: none"> • Law of the PRC on the Prevention and Control of Occupational Diseases • Regulations on Safety Training of Production and Business Units • Regulations on safe production Training • Regulations on the Administration of Hazardous Chemicals 	Employee Care – Occupational Health and Safety
Supply Chain Management	<ul style="list-style-type: none"> • Contract Law of the PRC • The PRC Mediation Law • Tendering and Bidding Law of the PRC • Product Quality Law of the PRC • Regulations on Quality Responsibility for Industrial Products 	Compliance Operation – Sustainable Supply Chain
Product Responsibility	<ul style="list-style-type: none"> • Oil and Gas Pipeline Protection Law of the PRC • Patent Law of the PRC • Intellectual Property Law of the PRC • Tort Liability Law of the PRC 	Compliance Operation – Product Responsibility
Anti-corruption	<ul style="list-style-type: none"> • Anti-Corruption and Bribery Law of the PRC • General Principles of the Civil Law of the PRC 	Compliance Operation – Anti-corruption

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL PERFORMANCE

	2020/21	2019/20
Air Pollutants		
Nitrogen oxides (kg)	5,961.59	5,699.10
Sulphur oxides (kg)	1.05	0.9
Particulate matter (kg)	6.81	5.6
Greenhouse Gas Emissions		
Scope 1 – Direct Carbon Emissions (tCO ₂ e)	23,509.74	32,793.4
Scope 2 – Indirect Carbon Emissions (tCO ₂ e)	140,069.46	125,390.8
Total GHG emissions (tCO ₂ e)	163,579.20	158,184.2
GHG emission intensity (tonnes CO ₂ e/tonnes LNG)	0.44	0.48
Waste		
Total hazardous waste (tonnes)	70.62	37.4
Hazardous waste intensity (tonnes/thousand tonnes of LNG)	0.19	0.11
Total non-hazardous waste (tonnes)	23.00	23.0
Non-hazardous waste intensity (tonnes/thousand tonnes of LNG)	0.06	0.07
Direct energy consumption		
Natural Gas (GJ)	137,410.56	208,864.9
Gasoline (litres)	66,233.40	57,672.6
Diesel (litres)	4,832.22	2,796.5
Indirect energy consumption		
Purchased electricity (MWh)	194,467.17	172,895.0
Total energy consumption (GJ)		
Energy consumption intensity (GJ/tonne of LNG)	2.27	2.5
Packaging materials	The Group's business operation does not involve packaging materials use of.	
Water resources		
Total water consumption (cubic meters)	540,492.55	472,111
Water consumption intensity (m ³ /tonne of LNG)	1.46	1.4
Total wastewater discharge (m ³)	379,604.00	284,515

PERFORMANCE DATA SUMMARY

SOCIAL PERFORMANCE

	2020/21			2019/20	
	ErDOS Plant	Dazhou Plant	Huaheng Energy	ErDOS Plant	Dazhou Plant
Total number of employees	130	124	59	131	133
Gender					
Male	103	98	51	102	105
Female	27	26	8	29	28
Rank					
Senior management	5	3	3	5	6
Middle management	12	16	8	11	13
General staff	113	105	48	115	114
Age					
20-30	59	25	23	66	40
31-40	54	61	28	48	55
41-50	10	28	7	13	27
Above 50	7	10	1	4	11
Turnover Rate					
Gender					
Male	16.5%	22.4%	7.8%	24.5%	7.6%
Female	22.2%	38.5%	0.0%	13.8%	7.1%
Rank					
Senior management	0.0%	33.3%	0.0%	0.0%	0.0%
Middle management	8.3%	0.0%	0.0%	0.0%	7.7%
General staff	19.5%	29.5%	8.3%	25.2%	7.9%
Age					
20-30	25.4%	72%	8.7%	36.4%	10.0%
31-40	11.1%	21.3%	7.1%	6.3%	10.9%
41-50	20.0%	0.0%	0.0%	0.0%	0.0%
Above 50	0.0%	10.0%	0.0%	50.0%	0.0%

PERFORMANCE DATA SUMMARY

	2020/21			2019/20	
	Erdos Plant	Dazhou Plant	Huaheng Energy	Erdos Plant	Dazhou Plant
New hire rate	20.0%	10.5%	6.8%	14.5%	9.0%
Gender					
Male	21.4%	10.2%	5.9%	18.6%	8.6%
Female	14.8%	11.5%	12.5%	0.0%	10.7%
Rank					
Senior management	0.0%	0.0%	0.0%	20.0%	0.0%
Middle management	8.3%	0.0%	0.0%	0.0%	0.0%
General staff	22.1%	12.4%	8.3%	15.7%	10.5%
Age					
20-30	37.3%	20.0%	17.4%	24.2%	15.0%
31-40	7.4%	13.1%	0.0%	2.1%	9.1%
41-50	0.0%	0.0%	0.0%	7.7%	3.7%
Above 50	0.0%	0.0%	0.0%	25.0%	0.0%
Average training hours (percentage of employees receiving training)					
Gender					
Male	25.7 (100%)	25.1 (100%)	23.5 (100%)	6.2 (100%)	18.4 (100%)
Female	20.5 (100%)	24.1 (100%)	22.5 (100%)	55.0 (100%)	18.4 (100%)
Rank					
Senior management	16.00 (100%)	22 (100%)	30 (100%)	16.8 (100%)	10.7 (100%)
Middle management	16.25 (100%)	22 (100%)	30 (100%)	16.5 (100%)	16.0 (100%)
General staff	26.9 (100%)	25.4 (100%)	29.2 (100%)	17.1 (100%)	19.1 (100%)
Occupational Safety and Health Performance					
Work-related fatalities		0		0	
Number of work-related injuries		0		0	
Lost days due to work injury		0		0	
Work injury rate per thousand persons		0		0	

HKEX ESG CONTENT INDEX

Key Performance Indicators	ESG Reporting Guide Requirements of the Hong Kong Stock Exchange	Sub-section/ Remarks
A. Environment		
Aspect A1: Emissions	<p>General Disclosure</p> <p>relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer information.</p>	Environmental Management
	<p>KPI A1.1 The types of emissions and respective emissions data.</p>	Emission Management
	<p>KPI A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Emission Management
	<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Waste Disposal
	<p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Waste Disposal
	<p>KPI A1.5 Description of measures to mitigate emissions and results achieved.</p>	Emission Management
	<p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.</p>	Waste Disposal

HKEX ESG CONTENT INDEX

Key Performance Indicators	ESG Reporting Guide Requirements of the Hong Kong Stock Exchange	Sub-section/ Remarks
Aspect A2: Use of Resources	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Environmental Management, Energy Management
	<p>KPI A2.1</p> <p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	Energy Management
	<p>KPI A2.2</p> <p>Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	Water Management
	<p>KPI A2.3</p> <p>Description of energy use efficiency initiatives and results achieved.</p>	Water Management
	<p>KPI A2.4</p> <p>Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.</p>	Water Management
	<p>KPI A2.5</p> <p>Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	The Group's operation does not involve the use of packaging materials
Aspect A3: The Environment and Natural Resources	<p>General Disclosure</p> <p>Policies on minimising the issuer's significant impact on the environment and natural resources.</p>	Environmental Management, Environmental Emergency Management
	<p>KPI A3.1</p> <p>Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	Environmental Management, Environmental Emergency Management

HKEX ESG CONTENT INDEX

Key Performance Indicators	ESG Reporting Guide Requirements of the Hong Kong Stock Exchange	Sub-section/ Remarks
B. Social		
Aspect B1: Employment	<p>General Disclosure</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare:</p> <p>(a) the policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>information.</p>	Labour Standards
	<p>KPI B1.1 Total workforce by gender, employment type, age group and geographical region.</p>	Staff Composition
	<p>KPI B1.2 Employee turnover rate by gender, age group and geographical region.</p>	Staff Composition
Aspect B2: Health and Safety	<p>General Disclosure</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p>	Occupational Health and Safety
	<p>KPI B2.1 Number and rate of work-related fatalities.</p>	Occupational Health and Safety
	<p>KPI B2.2 Lost days due to work injury.</p>	Occupational Health and Safety
	<p>KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	Occupational Health and Safety

HKEX ESG CONTENT INDEX

Key Performance Indicators	ESG Reporting Guide Requirements of the Hong Kong Stock Exchange	Sub-section/ Remarks
Aspect B3: Development and Training	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	Training and Development
	<p>KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	Training and Development
	<p>KPI B3.2 The average training hours completed per employee by gender and employee category.</p>	Overview of Key Performance Indicators
Aspect B4: Labour Standards	<p>General Disclosure</p> <p>Relating to preventing child or forced labour:</p> <p>(a) the policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer information.</p>	Labour Standards
	<p>KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.</p>	Labour Standards
	<p>KPI B4.2 Description of steps taken to eliminate such practices when discovered.</p>	Labour Standards
Aspect B5: Supply Chain Management	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	Sustainable Supply Chain
	<p>KPI B5.1 Number of suppliers by geographical region.</p>	Sustainable Supply Chain
	<p>KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p>	Sustainable Supply Chain

HKEX ESG CONTENT INDEX

Key Performance Indicators	ESG Reporting Guide Requirements of the Hong Kong Stock Exchange	Sub-section/ Remarks
Aspect B6: Product Responsibility	<p>General Disclosure</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress:</p> <p>(a) the policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>information.</p>	Product Responsibility
	<p>KPI 6.3 Description of practices relating to observing and protecting intellectual property rights.</p>	Product Responsibility
	<p>KPI 6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.</p>	Product Responsibility
Aspect B7: Anti-corruption	<p>General Disclosure</p> <p>relating to bribery, extortion, fraud and money laundering:</p> <p>(a) the policies; and</p> <p>(b) Compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>information.</p>	Anti-corruption
	<p>KPI 7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.</p>	Anti-corruption
	<p>KPI 7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.</p>	Anti-corruption
Aspect B8: Community Investment	<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	Community Involvement
	<p>KPI 8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	Community Involvement
	<p>KPI 8.2 Resources contributed (e.g. money or time) to the focus area.</p>	Community Involvement