

元亨燃氣
YUANHENG GAS

2022/23

Environmental, Social
& Governance Report



YUAN HENG GAS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 332

Contents

Vision

To become China's leading sustainable clean energy group, first-class producer, supplier and service provider in the energy industry

Mission

To provide adequate returns to shareholders, employees and society

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ABOUT THIS REPORT

This is the seventh Environmental, Social and Governance (“ESG”) Report published by Yuan Heng Gas Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as “Yuan Heng Gas” or the “Group”) (Stock Code 0332), which presents the Group’s management approach, relevant performance, and impact on ESG issues to its stakeholders. This report should be read in conjunction with the Group’s annual report. For information relating to corporate governance, please refer to the Corporate Governance Report on pages 9 to 31 of the annual report. This report is published in both Chinese and English versions, and in the event of any discrepancy between the two versions, the Chinese version shall prevail.

REPORTING GUIDELINES

This report follows the Environmental, Social and Governance Reporting Guidelines of Appendix 27 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, and is based on the actual situation of the Group under the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”.

REPORTING SCOPE

Yuan Heng Gas is primarily engaged in (i) trading of petroleum and natural gas products and related advisory services; and (ii) processing, distribution, sales, trading and transportation of liquefied natural gas (LNG), as well as other related businesses and networks in the PRC. The Group’s two premium LNG production bases are in Ordos Inner Mongolia and Dazhou Sichuan.

This report discloses the Group’s management approach and performance on material environmental and social issues for the financial year from 1 April 2022 to 31 March 2023. Unless otherwise specified, this report covers the Group’s LNG production, transmission, and distribution business focusing on sustainable development of its two LNG processing plants located in Ordos Inner Mongolia and Dazhou Sichuan, as well as the natural gas transmission and distribution companies at Zunyi Guizhou (Xingxing Energy, Huixin Energy and Huaheng Energy, collectively referred as the “Operating Stations”). We have determined the reporting scope based on the extent of the environmental and social impacts of our business. The environmental data of the report are mainly from Operating Stations mentioned above, and the narratives cover the activities of the entire Group.

FEEDBACK

If you have any comments or suggestions regarding this report, you are welcome to contact the Group at the following address or telephone or email:

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ESG GOVERNANCE

BOARD STATEMENT

The Group incorporates sustainable development principles in its daily operations and management, emphasizing a high standard of product quality, exceptional customer experiences, and mutually beneficial relationships with business partners. Our objective is to emerge as a leading sustainable clean energy group in China. In response to the national low-carbon development strategy and the clarifications surrounding China's carbon neutrality goal, we have accelerated our green and low-carbon transformation efforts, while promoting usage of clean energy.

Sustainable development is viewed as an important goal by the management of the Group. The Board, in collaboration with the Safety Production Committee, Energy Conservation Group, and Emission Reduction Working Group, identifies, monitors, and evaluates ESG issues for us. Additionally, relevant departments actively engage in ESG management, recognizing sustainable development risks and opportunities that could profoundly impact the Group. We regularly gather and organize ESG information to present comprehensive reports to the Board for review.

The Board remains committed to enhancing its pursuit of ESG matters, advocating implementation of ESG-related systems. We provide support and supervision to various functional departments to enhance and update ESG strategies and management policies. The Board has diligently reviewed this report and affirms its accuracy, truthfulness, and completeness.

STAKEHOLDER ENGAGEMENT

Establishing and nurturing robust communications and relationships with our stakeholders while effectively addressing their feedback is of utmost importance to the Group. We proactively engage with our stakeholders through a diverse range of communication channels. By attentively listening to their perspectives and suggestions concerning sustainable development of the Group, we are able to adapt our sustainable development management policies and objectives accordingly. This adaptive approach is based on identification of ESG-related risks and opportunities, enabling us to advance the progress of sustainable development.



Stakeholders	Concerns	Communication Channels
Board of Directors and Management	<ul style="list-style-type: none"> Corporate Governance Economic Performance Business Operations 	<ul style="list-style-type: none"> Annual General Meeting Meetings Factory Visits
Employees	<ul style="list-style-type: none"> Career Development and Training Occupational Health and Safety Employee Remuneration and Benefits 	<ul style="list-style-type: none"> Mail Work Report Meeting Suggestion Box
Shareholders and Investors	<ul style="list-style-type: none"> Corporate Governance Economic Performance Operational Risk 	<ul style="list-style-type: none"> General Meeting Company Website Company Communication Shareholder Enquiry
Customers	<ul style="list-style-type: none"> Privacy Protection Quality Management Product Responsibility 	<ul style="list-style-type: none"> Interviews Company Website Exhibition
Suppliers	<ul style="list-style-type: none"> Business ethics Operational risk 	<ul style="list-style-type: none"> Interviews Telephone Mail
Government/Regulatory Authorities	<ul style="list-style-type: none"> Corporate Governance Business Ethics Environmental Compliance Anti-Corruption 	<ul style="list-style-type: none"> Annual General Meeting Announcement Public Welfare Projects



MATERIAL ISSUES

The Group places significant emphasis on identification and management of sustainable development issues. Consequently, we maintain regular communication with stakeholders, actively seeking their input to determine material ESG issues. To assess the materiality of these issues, risks, and opportunities, we conducted a thorough evaluation through stakeholder questionnaires in the last reporting year. This assessment enabled us to prioritize and rate potential ESG material issues that were likely to substantially impact the Group's business operations. For this reporting year, we have used the results of our stakeholder engagement from the previous reporting year, and the material issues remain the same. Please refer to the 2021/22 Environmental, Social and Governance Report for the matrix of material issues of the Group.

In response to the outcomes of this assessment, we have formulated pertinent sustainable development strategies and goals. To ensure a comprehensive and rigorous approach, we referred to the four-step materiality assessment process recommended by the Global Reporting Initiative (GRI). This process has been instrumental in guiding our decision-making and shaping our sustainable development initiatives.





Group Material Issues:

-  Corruption Prevention and Control
-  Regulating Corporate Governance
-  Concern for Occupational Safety & Health
-  Promoting Career Development
-  Green Supply Chain

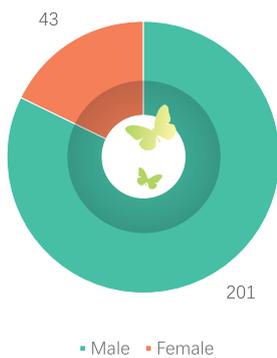
PEOPLE-ORIENTED

At Yuan Heng, we maintain an unwavering commitment to fostering an inclusive working environment and offering high-quality employee benefits that prioritize the health and well-being of our workforce. We strictly adhere to national and local laws and regulations governing employment and labour management. Moreover, we consistently enhance our human resources management process, aiming to establish a diverse, equitable, and healthy workplace environment. These efforts serve as a catalyst for driving sustainable development of the Group.

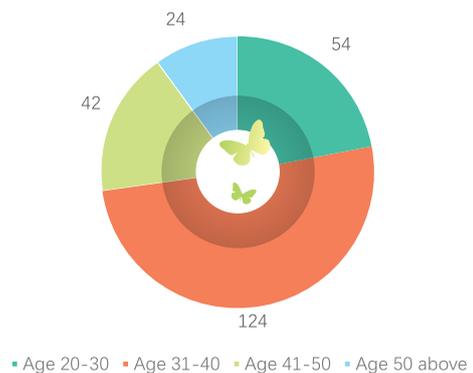
EMPLOYEE COMPOSITION

As of 31 March 2023, the Group had a total of 244 employees and all were located in Mainland China, of which, Xingxing Energy in Ordos, Huixin Energy in Dazhou, and Huaheng Energy in Zunyi had 120, 122, and 2 employees, respectively. In the total workforce, we had 201 male employees (approximately 82% of the workforce) and 43 female employees (approximately 18% of the workforce). 51% of employees were aged between 31-40 and 22% of employees were aged below 30. The middle and senior management accounted for approximately 13% of the total employees.

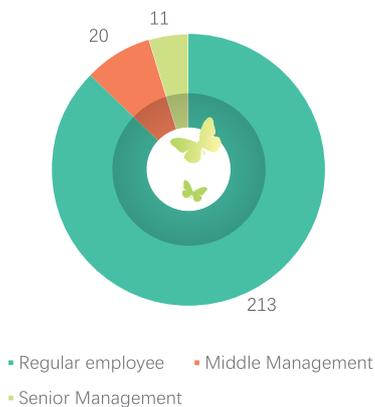
WORKFORCE BY GENDER



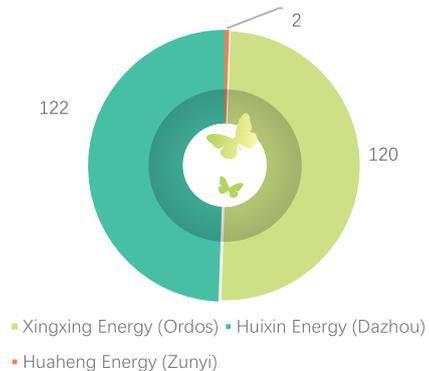
WORKFORCE BY AGE



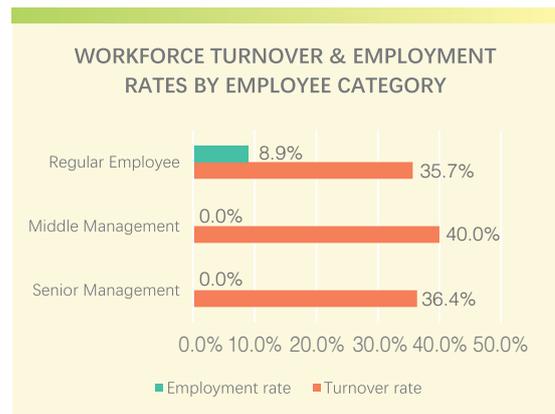
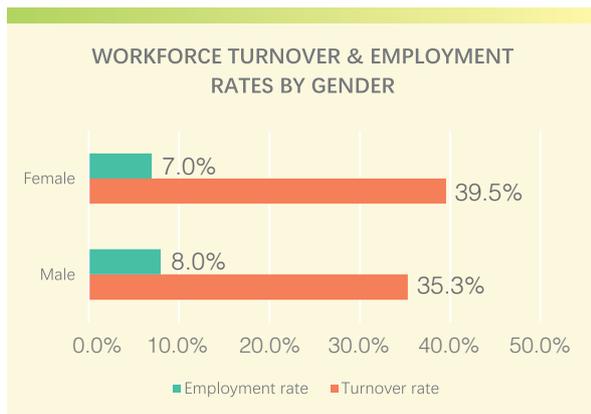
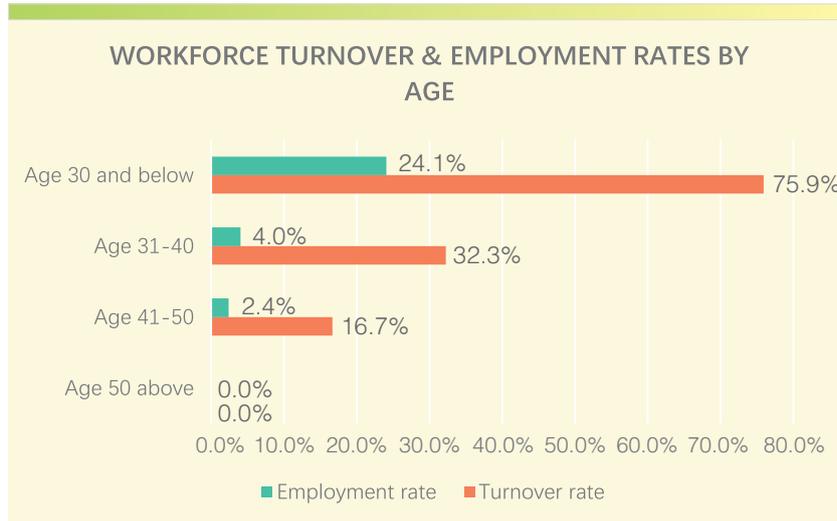
WORKFORCE BY EMPLOYEE CATEGORY



WORKFORCE BY GEOGRAPHICAL REGION



During the Year, the Group hired 19 new employees, 16 male and 3 female employees. The overall staff turnover rate was 36.1% and the employment rate was 7.8%.





EMPLOYEE CARE

EMPLOYMENT POLICY

Recruitment and development of the right kind of talent is crucial to advancement of Yuan Heng Gas. The Group adheres to principles of open recruitment, prioritizing internal employees for new opportunities and fostering an environment of fair competition for all positions. Our talent selection process involves internal and external channels, such as college campus presentations, internal referrals, on-site recruitment, and online platforms. Continuously diversifying our talent pool, we ensure that candidates of varying nationalities, genders, social classes, and cultural backgrounds are provided with equitable salaries and rewards. This approach aims to attract versatile individuals and establish a well-balanced allocation of talent within the Group.

The Group diligently ensures that labour contracts are managed in alignment and compliance with applicable national laws, regulations, and internal policies, such as the Administrative Measures for Labour Contracts. By doing so, we safeguard the legitimate rights and interests of the Group and its employees. This enables employees to engage in negotiations with the Group on matters such as labour remuneration, working hours, and other welfare measures. Within the recruitment management process, each department is required to formulate an annual human resources demand plan based on the work status and overall business plan for the upcoming year. These plans are then reported to the human resources department at the end of each year, to ensure adequate availability of workers. Accurate records are kept of all job applications received. This facilitates subsequent management and monitoring of the employment process conducted by the various departments.

REMUNERATION AND BENEFITS

The Group is committed to continually enhancing its internal remuneration and benefits system by constantly finetuning institutional policies such as The Remuneration and Benefits Management System and The Employee Leave Management Measures. Adhering to the principle of equal pay for equal work, we ensure that the allocation and distribution of value align with job responsibilities. We strive to maintain a rational salary structure that complies with relevant laws and regulations, guaranteeing fair compensation and welfare for all employees.

The remuneration structure within the Group encompasses fixed salary, performance-based and commission-based salary, overtime and seniority-based salary, allowances and subsidies, and various benefits. We have designed a multi-level and diversified remuneration system based on ranks and positions to cater to distinct needs of different roles and talents. Furthermore, the Group has established special awards to recognize and honour employees who have made significant contributions. These awards are presented in accordance with the established Award System.

Regarding welfare, the Group provides comprehensive statutory benefits, unified benefits, and special benefits to reward employees. These initiatives serve to strengthen corporate cohesion, foster employees' sense of corporate responsibility, and enrich their cultural lives.





Statutory Welfare



- In accordance with national laws, regulations and policies, enterprises must pay social insurance (including pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance) and housing provident fund.
- Statutory holidays (including statutory holidays, public holidays, annual leave, marriage leave, maternity leave, etc.)

Unified Benefits



- Communication subsidies, transportation subsidies, meal subsidies, health checks, employee activities, etc. are provided to all employees.

Special Benefits



- Benefits created for special personnel or for certain specific circumstances including employee birthday and wedding gifts, family condolence money, employee training, etc.

Employee Welfare Overview

EMPLOYEE COMMUNICATION

To establish a harmonious and stable relationship with workers, regulate the rights and obligations of both the Group and its employees, and safeguard labour rights and interests of the workforce, the Group has implemented suitable employee communication channels. We actively encourage employees to provide their opinions and suggestions through avenues such as suggestion boxes, WeChat, and other accessible means. The Group deeply respects and understands the concerns of employees when addressing issues, fostering an environment that encourages suggestions and technological innovation. We further recognize and reward valid opinions through our reward and punishment assessment system.

Throughout the Reporting Period, the Group did not encounter any instances of non-compliance with relevant laws and regulations that significantly impact the Group. This includes areas related to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits, and welfare. We remain committed to upholding legal compliance in all aspects of our operations.





LABOUR MANAGEMENT

FAIRNESS AND ANTI-DISCRIMINATION

We place immense value on fairness and justice in the workplace, recognizing that a diverse team enhances work efficiency. With this objective in mind, we provide employees with a working environment that is fair and reasonable, striving to eradicate any form of discrimination or bias. In strict accordance with The Anti-Discrimination and Harassment Regulations, we strictly prohibit discrimination in various employment aspects, including recruitment, remuneration, training, promotion, and dismissal.

We deeply respect the freedom of religious belief held by each employee and maintain a strict policy against any form of sexual harassment in our factories or workplaces. The Group does not differentiate between employees on account of ethnicity, race, disability, social class, gender, political affiliation, or any other factors. If an instance of discrimination occurs, employees are encouraged to file a complaint through the designated complaint mailbox. Upon receiving a complaint, the concerned administrative department diligently investigates and verifies the allegations. If the complaint is deemed valid, appropriate measures are taken, commensurate with the severity of the offense. Minor cases may result in mandatory training for the offender, while more serious cases may lead to legal actions in accordance with the law. Our commitment to ensuring a just and inclusive work environment remains unwavering.

PROHIBITION OF CHILD LABOUR AND FORCED LABOUR

The Group steadfastly upholds the principle of fairness and voluntariness, vehemently opposing and prohibiting any form of forced labour. In accordance with policies such as The Policy on Prevention of Forced Labour and The Policy on Prohibition of Child Labour and Remedial Measures for Misuse of Child Labour, we enter into labour contracts with employees through mutual negotiation. We strictly denounce the use of forced or deceptive means for recruitment purposes. During the recruitment process, the Group actively communicates its basic information, management policies, and regulations to applicants. Furthermore, employees retain the right to leave employment when they wish.

We prohibit employment of child labour and rigorously scrutinize facts stated in applications throughout the recruitment process, and follow various procedures to verify the age of candidates, minimizing the risk of child labour getting employed. In the event of any instances of child labour having been recruited, the employment is immediately terminated, and the individual is promptly sent for a comprehensive medical examination to ensure the person's well-being has remained unaffected by work. Once a case of child labour is confirmed, the child is handed over to his or her guardian, and all associated expenses are borne by the Group. Simultaneously, to safeguard the rights of child labourers to receive compulsory education, we diligently monitor their progress in completing their education. Where necessary, we provide financial assistance and maintain contact with the child labour or the local government until their compulsory education is successfully completed.

During the Reporting Period, the Group did not have any cases of child labour or forced labour.



STAFF TRAINING AND DEVELOPMENT

Career development and growth of employees is one of the material topics of the Group. We have established diversified employee training programs to help employees strengthen their professional capabilities, improve their knowledge and skills, and to enable them to grow along with the Group. The Group conducts knowledge training and skill training for employees according to the annual plan and training needs in accordance with the “2022 Training Plan for Employees’ Job Operation Skills to Know” and the “Employee Skills Improvement Plan”. The Group’s training activities are jointly undertaken by the head of the administration office, the training department, and the training instructors to ensure smooth implementation.

Administration Office



- Responsible for formulation and implementation of employee training plans
- Responsible for checking the effectiveness of training and keeping training records
- Responsible for maintaining training materials
- Assist the heads of various departments to establish a talent echelon training plan

Head of Training Department



- Assist the administrative office to carry out training and urge employees of the department to actively participate
- Responsible for the formulation and implementation of employee training plans of the department
- Responsible for the training of employees in the department

Trainer



- Responsible for assisting the department head to complete the specific implementation of the training plan of the department
- Timely update and report on the training content of the responsible department





The Group provides employees with multi-dimensional and all-round vocational training, aiming to meet the learning needs and interests of different employees, thereby improving their working ability and productivity.

- For new employees, in addition to receiving training on the Company's relevant rules and regulations and basic professional knowledge before entering the factory, the Group also assigns teachers with good professional ethics and excellent job operation skills to function as mentors. A mentorship agreement is signed by each employee, with the assigned mentor.
- For skilled employees, the Group provides training covering different professional categories, such as safety, process, equipment, instrumentation, and electrical engineering.
- For employees of second-tier departments, the Group provides general project training such as administrative office etiquette and knowledge related to finance and sales.

Refine training needs

- formulate training plans suitable for workshop training according to the actual situation of the workshop to improve training pertinence

Diversity training methods

- According to the differences in the knowledge level of the trainees, different training forms and methods are adopted
- By combining theoretical explanations and on-site operations, employees can be more easily mastered to standardize employee operations

Improve training effect analysis

- After the training is completed, we will conduct evaluation to understand the satisfaction of trainees on the courses and the knowledge of trainees on the course content, so as to improve the training content and training plans and improve the training methods in the future

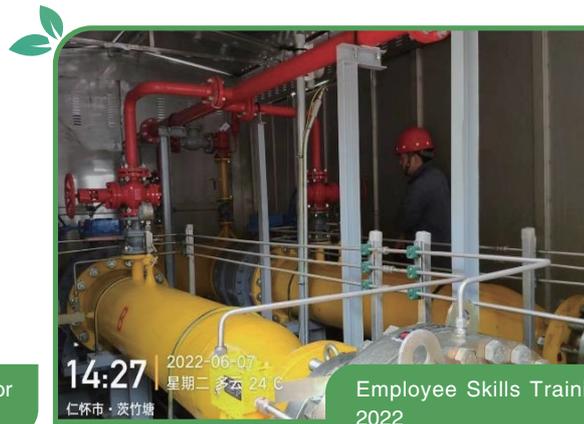


After the training, the Group assesses and evaluates the effectiveness of the training through written examinations and practical operations, checks whether the training effect meets the objectives specified in the training plan, and formulates and implements improvement measures for existing problems. The Group conducts comprehensive evaluation of employees' skills every six months, encourages employees to learn a variety of skills, and rewards employees with high skills.



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仁怀市·茅台镇樟树村心理咨询室

Pressure regulator training for staff in 2022



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Employee Skills Training in 2022

During the Reporting Period, a total of 244 employees of the Group received training for a total of 6,030 training hours that covered 100% of employees and the average training hours of employees was 24.7 hours¹. In addition to providing internal training, the Group also encourages employees to participate in external training and provides the corresponding subsidies. We offer a certain percentage of tuition reimbursement to employees who have successfully pursued postgraduate studies. For technical personnel and middle and senior management, the Group provides opportunities to gain professional skills and training at relevant domestic and overseas institutions and schools. The combination of internal training and external training can systematically provide professional and general training for employees to supplement and update their existing knowledge and skills.

OCCUPATIONAL HEALTH AND SAFETY

The Group unwaveringly complies with pertinent laws and regulations, including the Production Safety Law of the People's Republic of China and the General Rules on Safety Standardization of Hazardous Chemicals Enterprises. Embracing the production safety policy of "safety and prevention first, comprehensive management, full participation, and continuous improvement," the Group consistently strives to establish a secure and hazard-free working environment for all employees. Notably, over the past three years, there have been no incidents of lost work days or work-related fatalities attributable to work injuries.

¹ According to the How to Prepare an ESG Report Appendix 3: Reporting Guidance on Social KPIs issued by the Hong Kong Stock Exchange, the calculation method of percentage of employees trained = (number of employees trained in a certain category/total number of employees trained) * 100%. Average training hours = total training hours of a certain category/total number of employees trained of a certain category.

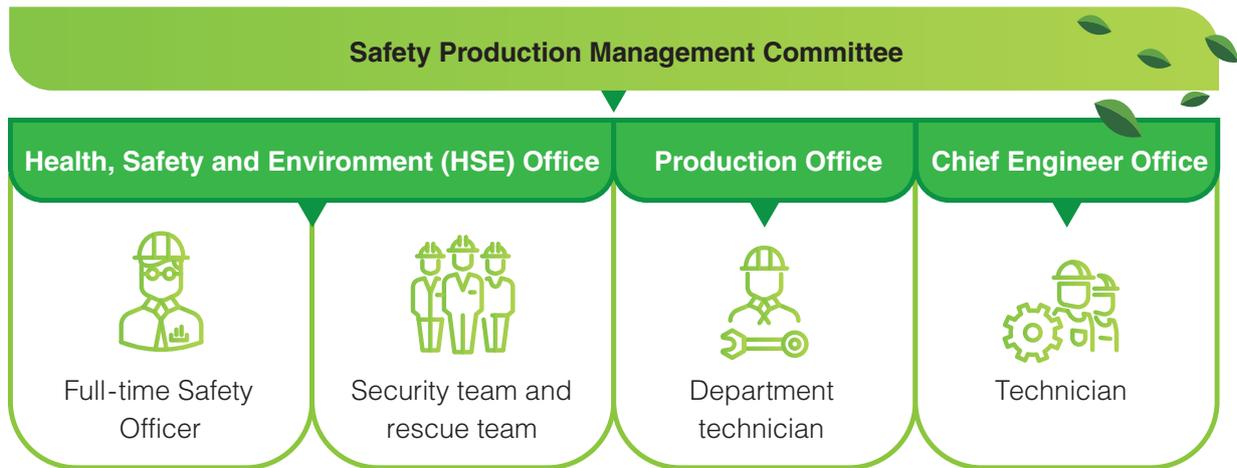


SAFETY GOVERNANCE SYSTEM

The Group has established a sound safety production responsibility system and a safety production management organization, and regularly reviews and revises the related system. During the Reporting Period, the Group reviewed and updated some occupational safety and health related systems to better protect the occupational health and safety of employees. We updated the Compilation of HSE Management System and Occupational Health Management System, established a safety production management organization and a fire safety management organization, formulated safety management systems, fire and safety management, occupational health management systems, and formulated HSE policies and objectives.

In addition, the Group has formulated the Compilation of Production Safety Management Systems (Version 6), covering several systems such as production safety responsibility system, safety risk assessment management system, emergency management system and fire management system, and provided the Employee Safety Knowledge and Skills Manual to continuously enhance employees' awareness of production safety and improve employees' production safety skills.

The Group has established a leadership body, the HSE (Health, Safety and Environmental Protection) Management Committee led by the general manager and deputy general managers, with heads of various departments as members. Among them, the Health, Safety and Environment (HSE) Office is mainly responsible for revising relevant rules and supervising the implementation. Each department is responsible for supervising and inspecting on-site safety in its jurisdiction and safety of personnel entering the region and reporting to the HSE Office in a timely manner. In addition, the Group has set up a safety accident emergency command centre and the relevant organizations, an emergency leading group, with the middle of the leading group office (dispatch centre), and set up various emergency support departments.



SAFETY PRODUCTION

To enhance safety management, standardise production operations, and prevent accidents, the Group strictly prohibits the “three violations,” encompassing illegal command, illegal operation, and violation of labour discipline. Spearheaded by the Safety Production Committee, the Group’s efforts at combating these “three violations” remain resolute. This dedicated committee oversees and coordinates the Group’s anti- “three violations” initiatives, ensuring that safety protocols and regulations are strictly adhered to throughout our operations. By enforcing this robust framework, we aim to foster a culture of compliance, promote responsible practices, and mitigate potential risks within our organization.

During the Reporting Period, the Group held a series of safety production-related learning and drills:

- The first safety production meeting in the second quarter of 2022 has discussed “Spirit of General Secretary’s Important Discussion on Safety Production” and analysed the Group’s past accident cases
- Training Drills: Anti-terrorism Training at Rongchang Railway Station & Flood Season Flood Prevention Desktop Training
- The 21st “Safety Production Month” Gas Safety Knowledge Training in 2022
- Second Safety Production Work Conference in the Second Quarter of 2022



From April 1, 2022 to March 31, 2023, Erdos Xingxing Energy organized one comprehensive emergency drill, four special emergency plan drills, and the operation team conducts three on-site disposal plan drills every month.



From 1 April 2022 to 31 March 2023, Erdos Xingxing Energy organised a total of 13 training sessions.



The Group has established the following safety objectives and regularly reviews and updates them:

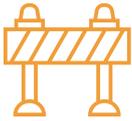
Zero fatalities and serious injuries & Control minor injuries within 2‰	Zero incident of leakage, poisoning, fire and explosion	No special equipment liability accident
100% certified employees	Zero occurrence of occupational diseases & Zero environmental incident	Zero traffic accident & Zero security incident

The Group has meticulously established a comprehensive set of management requirements to effectively oversee personnel safety, equipment safety, and operational safety, thereby ensuring optimal levels of safe production. As a key measure, new employees are strictly prohibited from commencing work unless they have successfully completed the three-level safety education or examinations. Moreover, operators are mandated to possess a safety technical operation certificate, while personnel engaged in tasks involving hazardous chemicals, as well as special equipment operations encompassing electrical systems, lifting equipment, transportation, boilers, welding (cutting), and pressure vessels, must hold certificates of relevant qualifications. Furthermore, individuals responsible for production safety management are required to possess the appropriate certification, such as the Hazardous Chemicals Practitioners Certificate, Special Operation Personnel Certificate, and Safety Management Qualification Certificate, before undertaking corresponding operational or managerial duties. These stringent measures underscore the Group's unwavering commitment to maintaining the highest standards of safety across all facets of its operations.



In order to provide workers proper medical care when they are injured or sick, the Group has set up a community clinic responsible for daily and emergency medical services for the staff. At the same time, the Group has established an emergency plan system consisting of comprehensive emergency plans and on-site handling plans for different accident sites, which clearly defines the responsibilities of each department and personnel before, during and after the event.



<p>Prevention</p> 	<ul style="list-style-type: none"> ● Incorporating occupational hazards into project construction considerations ● Analyze hazards and risks in the working environment ● Carry out occupational hazard factor testing and occupational hazard factor identification every year, and evaluate the effectiveness of occupational health control every three years
<p>Production Inspection</p> 	<ul style="list-style-type: none"> ● Strengthen workplace inspections and conduct regular maintenance checks on its production systems and equipment ● Regularly inspect and ensure that employees master the correct use of personal protective equipment and emergency equipment ● Improving emergency response and handling procedure
<p>Review Assessment</p> 	<ul style="list-style-type: none"> ● Encourage all employees to participate in safety and health construction and actively put forward suggestions ● Revise the Group's internal safety rules in a timely manner based on statistical analysis of the implementation of relevant policies



OCCUPATIONAL DISEASE PREVENTION

Yuan Heng Gas diligently upholds the policy of “prioritizing prevention combined with emergency control, classified management, and comprehensive management,” while implementing the meticulous system of “company supervision, department response, hierarchical management, and regular evaluation.” General managers of each company assume the role of occupational health management leaders, overseeing comprehensive prevention and control measures for occupational hazards. With the paramount objective of ensuring employee health and safety in the workplace and aligning with relevant laws and regulations, the Group updated the Occupational Health Management System during the Reporting Period. This update aims to further mitigate the risk of employees experiencing occupational diseases, work-related injuries, or other health issues. Furthermore, the Group organized the “Occupational Disease Prevention and Control Law Publicity Week” in 2022, conducting occupational disease prevention training sessions and hosting online Q&A activities.

The Group’s HSE Office assumes responsibility for occupational health supervision, management, and assessment. We report the work plan and the progress made in preventing and controlling occupational hazards at the annual employee representatives meeting, actively soliciting and considering employees’ opinions. Any reasonable suggestions and appropriate requirements raised are promptly addressed by the respective departments. Additionally, the Group engages qualified occupational health technical service institutions to conduct regular inspections to identify any occupational hazards. Furthermore, an annual employee occupational health examination is conducted, ensuring prompt adjustment of work arrangements for individuals found to have occupational contraindications, effectively removing them from the source of occupational hazards.

During the Reporting Period, two Group subsidiaries performed comprehensive tests on occupational hazard factors. The results indicated that the inspected items, including noise levels, frequencies of electric fields, and air quality indicators in various workplaces, met the corresponding national occupational exposure limits, as confirmed through on-site sampling and testing.

To guarantee the safety and well-being of employees during work processes, the Group implements various protective measures in the workplace. These measures include prominent display of warning signs for occupational disease hazards, providing welders with necessary protective equipment, installing ventilation systems, and assigning dedicated personnel for monitoring purposes. Moreover, the Group reinforces occupational disease hazard training for operators, actively disseminates occupational health knowledge, urges employees to adhere to laws, regulations, and occupational disease prevention protocols, and guides them in the correct usage of occupational disease protection and personal protective equipment. Furthermore, all departments undertake occupational hazard awareness campaigns through bulletin boards, billboards, meetings, training sessions, and labelling initiatives. These efforts effectively enhance employee awareness and consciousness regarding occupational disease protection.





Electrical Welding Operations



- Instal local smoke emission detection equipment to control the concentration of harmful substances in the air in the workplace under the national hygiene standards
- Wear effective gas masks or anti-virus masks

Toxic and Hazardous Operations



- Working in strict accordance with operating procedures
- Check ventilation in the workplace before work
- Wear anti-virus masks properly
- Carrying corresponding alarms

Noise Operations



- Wear protective earmuffs and earplugs correctly
- Reduce the time of noise operations

Occupational Hazards Operation



- Regular physical health checks
- Deposit of medical examination reports

Personal protection measures for different types of work





SAFETY TRAINING

To proactively mitigate safety hazards, we familiarize employees with safety requirements and protocols in the work environment, and enhance their safety awareness and competency. The Group consistently strives to offer employees comprehensive safety training at various levels and through diverse formats. Our objective is to continually enhance employees' safety skills. Adhering to the Regulations on Safety Training of Production and Operation Units (Order No. 3 of the State Administration of Work Safety), the Production Safety Responsibility System, Inspection and Maintenance and Special Operation Regulations, Fire Protection Theory and Practical Knowledge Training, Safety Warning Education, and the recently revised Production Safety Law, we conduct centralized safety education and training programs for all employees.

The Group's Office (Human Resources), HSE Office, relevant departments and teams are jointly responsible for formulating and implementing relevant training programs.

- The Office (Human Resources) is responsible for incorporating the employee safety education and training plan into the annual overall training plan and assisting the HSE Office in the organization, management and control of safety training
- The HSE Office is responsible for formulation, implementation and assessment of the Company's annual safety education and training plan
- New employees are required to participate in safety training; contractors are required to conduct safety education and training
- Other relevant departments are responsible for safety training, skill training and training for employees in their respective departments
- Each team is responsible for team-level safety education, skills training and special safety skills training



The training program encompasses several crucial aspects, including induction qualification training for responsible and full-time safety management personnel, comprehensive training and education for new employees, regular daily training and education, and specialized training for operators of special operations and equipment. Furthermore, the Group also provides “Four New” educational training programs for operators and management personnel prior to engaging with new processes, technologies, materials, or equipment. Only individuals who successfully complete these trainings are permitted to work in their respective fields.

Additionally, the Group mandates that contractors and external personnel must undergo on-site safety education and training, facilitated by the HSE office in collaboration with the Company’s docking department. The training curriculum covers the requirements outlined in national safety production laws and regulations, the Company’s safety production management system, specific characteristics and nature of the Company’s safety production, workplace risk factors, necessary safety precautions, prevention and emergency measures for safety production accidents, as well as self-rescue and mutual rescue protocols.





ENVIRONMENTAL PROTECTION

Yuan Heng Gas makes an effort to focus on environmental protection by actively implementing conservation concepts as well as advocating for green and low-carbon development. The Group diligently complies with relevant laws and regulations, and actively responds to national and local governments' call for energy conservation, emissions reduction, and sustainable development, while continuously trying to improve its internal management methods. We are constantly assessing the impact of our business operations on the environment, and try to integrate green and low-carbon concepts with day-to-day business operations. A green and low-carbon development model was also formed in the Group for pursuing reduction in resource consumption and improving energy efficiency. Yuan Heng Gas also aims to improve its adaptability to climate change, it is actively working to contribute toward the national carbon peaking and carbon neutrality goals, and works towards sustainable development. During the reporting period, no laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, as well as generation of hazardous and non-hazardous waste, that have a significant impact on the Group were violated.

ENVIRONMENTAL MANAGEMENT

Yuan Heng Gas actively assumes its environmental responsibility, implements the environmental protection responsibility system, has established an environmental management network, and strives to maintain harmony and stability of nature. The Group continues to improve the structure of its environmental management system and strengthen its management of environmental issues. The safety and environmental committee, led by the general manager and heads of departments, implements the environmental protection management system that is implemented by various functional departments, in coordination with each other. Additionally, administrative leaders, across all levels, are responsible for the combined participation of all employees, and are jointly responsible for environmental management-related work.

The Group strictly abides by the environmental laws and regulations of the countries and regions where it operates. In an effort to continuously uphold this principle, the Group has formulated a series of internal management systems based on actual situations faced by the Group, including but not limited to, the Environmental Protection Responsibility System, the Environmental Information Disclosure System, the Environmental Protection Inspection and Reporting System, as well as the Responsibility System for Prevention and Control of Environmental Pollution by Solid Waste, which clearly define the environmental protection responsibilities of employees at all levels and aims to integrate the environmental management concept into daily operations.



Safety and Environment Committee

- Supervise and inspect the Company's environmental protection management, eliminate potential accidents in a timely manner, and truthfully report any environmental pollution accidents that may occur.
- Organize and evaluate the environmental education and training plans of various departments and establish and implement the environmental protection responsibility system.
- Hold quarterly meetings of the safety and environmental committee, listen to the work reports of functional departments, professional safety, environmental protection and other departments, and study and resolve major issues in the operation of the management system.



Environmental Protection Responsibility System

- The general manager is the first person responsible for environmental protection in the course of the Company's works.
- The person-in-charge of each functional department is the first responsible person for environmental protection at the department, and shall conscientiously abide by applicable laws, regulations and standards, as well as the Company's environmental protection management system
- The HSE Office is responsible for organizing the implementation of long-term environmental protection plans and annual plans for environmental protection, preparing and reporting plans for environmental protection measures, and supervising the implementation

Environmental Information Disclosure System

- The HSE Office is responsible for collecting the environmental information required to be disclosed
- Pollutant discharge information, construction and operation of pollution prevention facilities, environmental impact assessment of construction projects and other environmental protection administrative licenses, emergency plans for environmental emergencies shall be disclosed to the public

Environmental Protection Inspection Reporting System

- The HSE Office is responsible for supervising and inspecting the operation of environmental protection facilities, emission of waste water, exhaust gas, industrial slag, etc.
- The operators must conduct regular, fixed-point and specific inspections in a serious and careful manner according to the route and content of the inspection tour. If any abnormal situation is found, it is mandatory to report to the supervisor promptly and actively assist in handling the issue

Responsibility System for Prevention and Control of Environmental Pollution by Solid Waste

- Departments that collect, store, transport, utilize or dispose of waste must take measures to prevent scattering, loss, leakage or other forms of possible environmental pollution
- The waste storage points of each department should have clear and visible signs to prevent mixing; unauthorized dumping, stacking, or discarding of the waste is prohibited



RESPONDING TO CLIMATE CHANGE

The Group is well aware of the significant impact that climate change has on not only on the Group's business operations, but also globally. In the face of increasingly severe climate change threats, the Group follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to identify and evaluate climate-related risks and opportunities.

Type	Description of Risks/ Opportunities	Possible Financial Effects	Response Measures
Physical Risks			
Acute	<ul style="list-style-type: none"> Frequent extreme weather events 	<ul style="list-style-type: none"> Decrease in revenue due to decrease in production capacity Increasing capital costs (e.g. damage to facilities and structures) 	<ul style="list-style-type: none"> Establish a weather monitoring system in the factory to respond to extreme weather events in a timely manner Establish emergency plans for responding to extreme weather events and continuously improve the emergency response mechanism for natural disasters Site selection, planning and design of new projects need to take into account the impact of extreme weather
Chronic	<ul style="list-style-type: none"> Long-term extreme high temperature weather Sea level rise 	<ul style="list-style-type: none"> Negative impacts on labour force (e.g. health, safety, absenteeism) result in higher costs 	

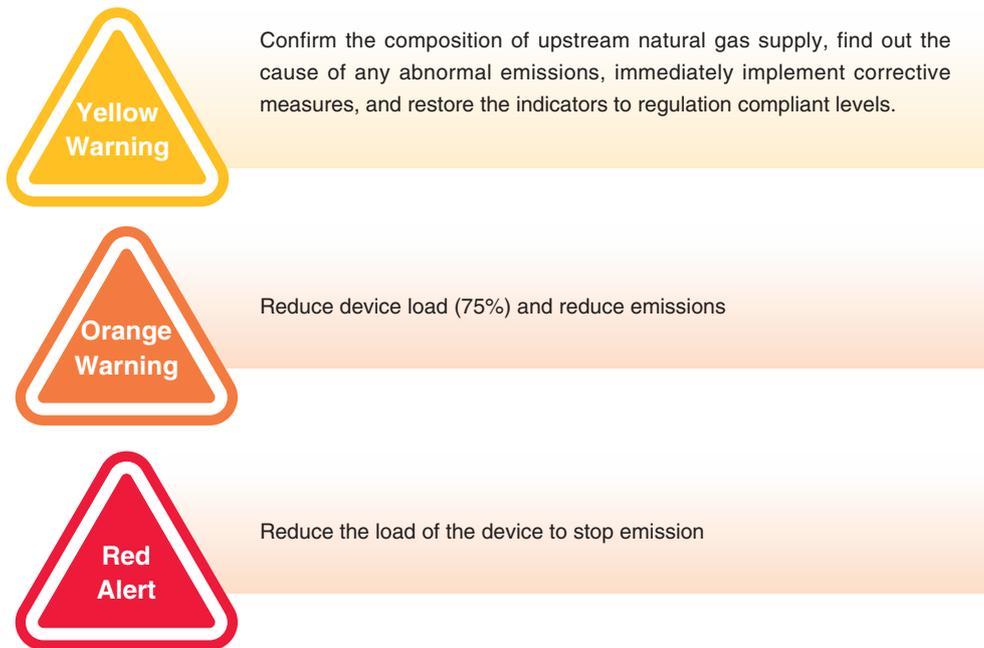


Type	Description of Risks/ Opportunities	Possible Financial Effects	Response Measures
Transition Risk			
Policies and Laws	<ul style="list-style-type: none"> • More stringent government regulations and policies • Restrictions on the use of fossil fuels in business 	<ul style="list-style-type: none"> • Increase in compliance and operating costs • Increase in cost of energy due to adjusting composition of energy consumed 	<ul style="list-style-type: none"> • Keep abreast with the latest government policies and regulations through news, the Internet and other channels to ensure operational compliance • Accelerate low-carbon transformation to reduce carbon emissions during production through transformation of production equipment and production processes • Explore carbon capture and storage technologies to reduce carbon dioxide emissions • Improve international climate-related comments and enhance the Group's international image and reputation through open and transparent information disclosure
Technology	<ul style="list-style-type: none"> • Low-carbon transformation costs, including equipment procurement and upgrading equipment 	<ul style="list-style-type: none"> • Basic investment in technology development • Asset reduction due to elimination of original equipment 	
Marketplace	<ul style="list-style-type: none"> • Changes in consumer demand • Increase in cost of raw materials 	<ul style="list-style-type: none"> • Decrease in demand for products due to changes in consumer preferences • Market and customers' pursuit of environmentally friendly products under the national carbon peaking and carbon neutrality goal 	
Reputation	<ul style="list-style-type: none"> • Increased stakeholder concern or negative feedback 	<ul style="list-style-type: none"> • Decrease in revenue due to decrease in demand for goods/ services 	
Opportunities			
Energy Sources	<ul style="list-style-type: none"> • Use of renewable energy 	<ul style="list-style-type: none"> • Reduce operating costs (e.g., through the use of low-emission energy) 	<ul style="list-style-type: none"> • Increase the use of renewable energy and reduce the reliance on traditional energy • Promote clean production technology and provide clean energy products
Products and Services	<ul style="list-style-type: none"> • Implement products with low carbon emission 	<ul style="list-style-type: none"> • Increase revenue by meeting users' demand for low-carbon energy 	



The Group has formulated a Climate Change Policy to promote various energy saving and emission reduction measures, set carbon emission reduction targets, and identify and manage climate change risks and opportunities to successfully adapt to and mitigate the impact of climate change on its business. To cope with the increasing risks of climate change, the Group has made special work arrangements and has taken preventive measures to be triggered when severe or extreme conditions occur. In the event of extreme weather (e.g. high temperature weather or low temperature, rain, snow and freezing weather), the Group will assess the severity of the situation, guide the leaders of different departments to secure participation of subordinate employees, and adopt appropriate actions according to the corresponding emergency plans and policies to protect the safety of personnel and company property.

Based on the characteristics of the Group's business operations, in order to avoid severe impacts of climate change, the Group has set up three levels of warnings and the corresponding countermeasures:

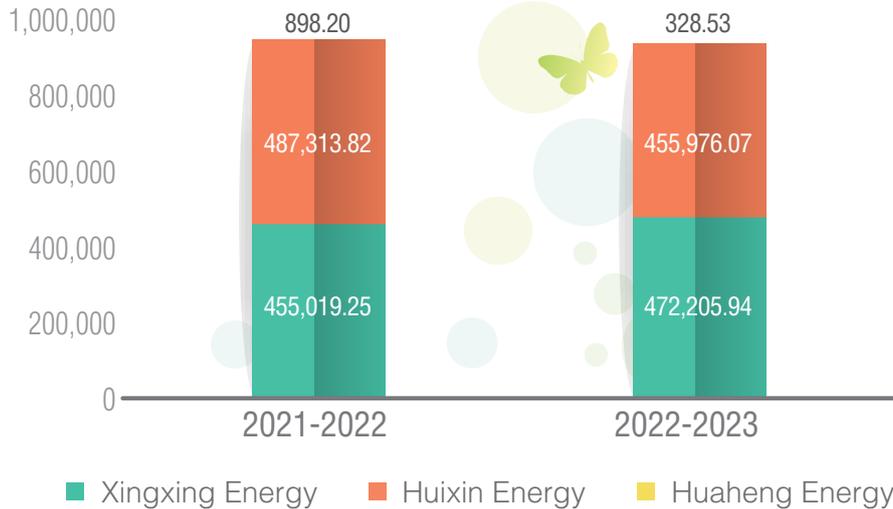


ENERGY CONSUMPTION

The Group views energy management as an important issue that impacts the environment, as well as profits. In strict accordance with the Measures for the Administration of Energy Conservation of Key Energy-consuming Units promulgated by the National Development and Reform Commission, the Group carries out scientific planning for energy consumption, eliminating outdated motors, reducing energy usage, and improving energy efficiency. In the reporting year, the Group's energy consumption was 932,510.54 GJ, with an intensity of 2.71 GJ/ per tonne of LNG. In order to improve energy management efficiency, a team was formed for energy conservation and emission reduction in Xingxing Energy, headed by the general manager. The team is responsible for formulating major strategies, guidelines and policies for energy conservation and emission reduction, making unified arrangements for deployment of energy conservation and emission reduction measures, holding regular energy conservation meetings, as well as coordinating and solving operational problems.



Total Energy Consumption (Unit: GJ)

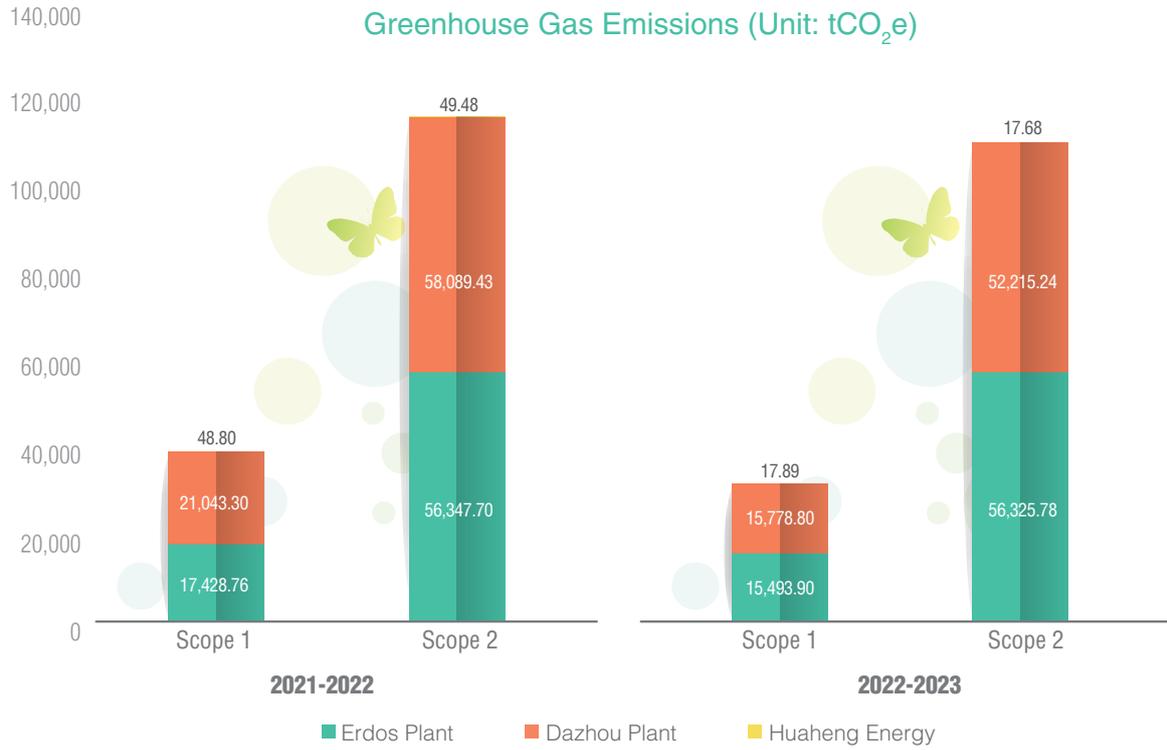


GREENHOUSE GAS EMISSIONS

With reference to the “Guidelines for Accounting, Distribution and Reporting of Greenhouse Gas Emissions of China Petroleum and Natural Gas Production Enterprises” and the greenhouse gas accounting system, the Group regularly calculates greenhouse gas emissions of each of its operational site. Greenhouse gas emissions include direct (Scope 1) and indirect (Scope 2) emissions. Direct emissions include greenhouse gas emissions from combustion of gasoline and diesel in factories and company vehicles, and the emissions from natural gas processing business, whilst indirect emissions mostly consist of purchased electricity. During the Reporting Period, the total GHG emissions were 139,849.29 tCO₂e, Scope 1 emissions were approximately 31,290.58 tCO₂e, Scope 2 emissions were approximately 108,558.70² tCO₂e, and the emission intensity was 0.41 tCO₂e per tonne of LNG.

In an effort to actively promote the greenhouse gas emission reduction policy, the Group has formulated the greenhouse gas emission reduction target for the year based on previous emissions. The Group had planned to reduce emissions in its production facilities by a total of 126,000 cubic meters of emissions, including 66,000 cubic meters of recovered amide flash tank (V-102) steam emission reduction and 60,000 cubic meters of recovered gravity separator (V-504) emission reduction. At the end of the Reporting Period, this reduction target has been successfully achieved.

² According to the Guidelines for Accounting and Reporting Greenhouse Gas Emissions of Enterprises for Power Generation Facilities (2022 Revision) issued by the Ministry of Ecology and Environment of the People’s Republic of China, the national grid average emission factor in 2022 is 0.5703 tCO₂/MWh



EMISSION MANAGEMENT

Yuan Heng Gas strictly complies with relevant national emission standards. Subsidiaries of the Group regularly inspect their respective pollution sources and accurately control the air pollutant emissions of each operational site. In 2022, the Group did not violate any laws and regulations that have a significant impact on the Group relating to waste and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

The production processes are the main source of the Group's air pollutants. All air pollutants generated during the production process are burned in the flare system. The exhaust gas generated is mainly carbon dioxide, water vapor and a small amount of nitrogen oxides, which do not affect the surrounding environment.



Air emissions (Unit: kg)						
	2022-23			2021-22		
	Xingxing Energy	Huixin Energy	Huaheng Energy	Xingxing Energy	Huixin Energy	Huaheng Energy
Nitrogen oxides-stationary sources (factory exhaust) ³	2,582.46	2,143.00	/ ⁴	3,325.60	2,732.00	/
Nitrogen oxides-mobile sources (vehicle exhaust)	16.98	24.18	7.35	18.92	36.25	20.04
Sulfur oxides	0.17	0.20	0.07	0.30	0.33	0.27
Particulate matter	1.32	2.14	0.64	1.49	3.30	1.73

³ Includes emissions from purifying units and utilities only

⁴ The operation of Huaheng Energy does not involve factory exhaust emissions



WATER RESOURCES MANAGEMENT

Yuan Heng Gas pursues water conservation passionately and strictly complies with the Measures for the Administration of Energy Conservation of Key Energy-consuming Units and other regulations. Xingxing Energy and Huixin Energy have adopted water-saving technologies and implemented relevant measures. Xingxing Energy recycles the production and domestic wastewater in the plant through its circulating water system in the plant, and adopts measures such as adding scale blocks and fungicides to ensure the quality of the effluent meets the stipulated standards. On the other hand, Huixin Energy uses recycled and treated domestic wastewater and production system wastewater for irrigation, watering plants and other purposes. With that in mind, the Group continues to explore and develop various methods of water conservation and constantly works to improve utilization efficiency and management of water resources. During the Reporting Period, the Group consumed a total of 507,496.00 m³ of water resources, all of which were used for production and employee welfare. The water consumption intensity was 1.47 m³ per tonne of LNG. During the Reporting Period, the Group did not have any issue in sourcing water that is fit for the purpose.



Water consumption (m ³)						
	2022–23			2021–22		
	Xingxing Energy	Huixin Energy	Huaheng Energy	Xingxing Energy	Huixin Energy	Huaheng Energy
Ground water	269,300	/	/	268,520	/	/
Municipal water supply	/	238,047	149	/	279,450	389
Total			507,496			548,539



WASTE MANAGEMENT

SOLID WASTE

For solid waste, the Group strictly complies with the relevant laws and regulations of the countries and regions where it operates, disposes waste in accordance with rules, and is committed to continuously reducing the generation of hazardous waste and related environmental impacts. The Group motivates its employees to pursue environmentally sound work practices and commissions clean production audits to maximize utilization of waste water, exhaust gas and industrial slag, reducing the impact of solid waste on the environment. In addition, the Group requires departments that generate solid waste to record the amount, flow, storage and disposal methods of the Company's solid waste in a timely manner, and report to the HSE department on a monthly basis. During the Reporting Period, the Group generated a total of 51.77 tonnes of hazardous waste, of which Xingxing Energy and Huixin Energy generated 6.29 and 45.48 tonnes of hazardous waste, respectively. This amount mainly included waste lubricants (oil) generated during inspection and maintenance (replacement) of equipment; waste molecular sieves are used for natural dehydration and waste MEA solution is used for removal of CO₂. In particular, waste lubricating oil is collected in barrels and returned to the manufacturers for recycling, and the remaining hazardous waste is disposed of by qualified third-party companies. The Group also generated 22.00 tons of non-hazardous waste, which was generated by Xingxing Energy. The non-hazardous waste was disposed of by the municipal environmental protection department.



Exhaust gas (tonnes)		
	2022-23	2021-22
Hazardous waste	51.77	50.66
Hazardous waste production intensity (tonnes/production volume of LNG per thousand tonnes)	0.15	0.13
Non-hazardous waste	22.00	24.00
Non-hazardous waste production intensity (tonnes/production volume of LNG per thousand tonnes)	0.06	0.06



WASTE WATER

The Group’s wastewater mainly consists of wastewater generated in the production process, which consists of circulating cooling water and sewage, as well as domestic wastewater. The circulating cooling water is less polluted and is mainly used for industrial cooling and is subsequently directly discharged into the rainwater pipe network of the park. Sewage mainly includes a small amount of oily wastewater generated from equipment cleaning and maintenance. After undergoing treatment in septic tanks, it is discharged into the municipal sewage pipe network alongside the production wastewater. The Group strictly abides by the Regulations on Urban Drainage and Sewage Treatment, the Regulations on the Administration of Pollutant Discharge Permits and other relevant laws and regulations, and has formulated the “Operation and Management System for Sewage Treatment Facilities”. The system mandates the presence of special operators, and that the operators must operate in accordance with regulations and keep relevant records. The water quality of each unit after treatment by the facility must meet the national or local discharge standards before undergoing discharge or recycling. All units are required to report any significant equipment anomalies to the HSE department in a timely manner. During the Reporting Period, the Group generated a total of 211,785 tonnes of wastewater, of which Erdos Plant, Dazhou Plant and Huaheng Energy produced 54,092, 157,549 and 144 tonnes of wastewater, respectively.



Wastewater (Unit: tonnes)						
	2022–23			2021–22		
	Xingxing Energy	Huixin Energy	Huaheng Energy	Xingxing Energy	Huixin Energy	Huaheng Energy
Wastewater	54,092	157,549	144	40,199	167,670	389



GREEN OFFICE

Reasonable and efficient use of resources is a vital step to achieve sustainable development. The Group places heavy emphasis on the efficiency of resource consumption due to its role in the environmental impact of each unit in the operation process. As a result, the Group actively promotes a green office, and strives to implement energy conservation and environmental protection in daily operations. In accordance with the requirements of regulations such as the Energy Conservation Law of the People's Republic of China and the Cleaner Production Promotion Law of the People's Republic of China. Taking into account its own situation, the Group has implemented green office measures and policies such as the "Regulations on the Management of the Use of Water and Electricity of the Company and the "Trial Measures for the Management of Office Paper", which aims to reduce resource consumption in the course of operations and the corresponding environmental impact.

Saving water and electricity

- Office lights are switched off during daytime, and natural light sources are used whenever possible; The lights in public aisles and toilets are switched off when not in use. Computers, copy machines and other electronics are switched off after work hours. Close the tap when not in use and check water supplies frequently to prevent leakage and waste of water.

Paperless office

- The printing and copying of draft documents were reduced to save paper, by utilising office automation equipment, editing documents on computers more frequently to reduce the number of repeated printing, and circulating documents as much as possible. The use of double-sided paper was also promoted under the premise of ensuring safety and confidentiality.

Reduction of travel

- Efforts were made to reduce meeting and business reception expenses. Meetings are only held if necessary, minimising the meeting length and number of participants. Digital meetings are held if travel is needed. Minimise the usage of cars by travelling with other colleagues.



PRODUCT RESPONSIBILITY

The Group adheres to the business philosophy of “quality first, user first and win-win cooperation”, and strives to focus on the energy industry by actively building a comprehensive and systematic quality control system from natural gas production to transmission and distribution through the establishment of standardized management systems and procedures.

SUSTAINABLE SUPPLY CHAIN

As a leading sustainable clean energy group in China, we are committed to applying the concept of sustainable development into supply chain management, striving to improve the environmental, social and governance performance of our suppliers and promote the long-term sustainable development of the industry.

SUPPLIER MANAGEMENT

The Group continues to focus on sustainable supply chain management as it believes a stable, efficient, pragmatic and sustainable supply chain is the cornerstone of its operations. The Group has established internal policies such as the Material Procurement Management System, the Supplier Performance Evaluation Form, the Supplier Risk Periodic Evaluation Form and the Supplier Risk Management to assess and evaluate the overall qualification and reputation of the Group’s suppliers and provide detailed guidance for selection and evaluation.

In accordance with policies such as the Supplier Performance Evaluation Form, the Supplier Risk Periodic Evaluation Form and the Supplier Risk Management, the Group collects information on relevant supplier risk factors, formulates risk mitigation measures and carries out follow-up reviews, which reduces the risks of suppliers in terms of quality, cost, delivery and service, and improves the stability of the overall supply chain. In addition, the Group scores and rates the quality control level of suppliers by reviewing their quality control procedures and protocols to ensure the consistency and efficiency of supply chain management.

Major suppliers of the Group consist of companies providing electricity, piped natural gas and machinery and equipment. We are aware of the importance of managing environmental and social risks associated with the supply chain. In order to manage suppliers more effectively, we have incorporated the environmental, social management and performance of suppliers into the scope of the assessment, which is consistent with our environmental responsibility policies and code of conduct.



ENVIRONMENTAL FACTORS	SOCIAL FACTORS
 Environmental management certification	 Qualified materials
 Emission compliance	 Quality and price
 Compliance with the content of hazardous substances	 License for operation of special materials
 Non-compliance and penalties	 Payment method

Supplier environmental and social considerations

As of 31 March 2023, the Group had a total of 188 suppliers providing products or services to us through direct business relationships, among which, Xingxing Energy, Huixin Energy and Huaheng Energy owned 102, 74 and 12, respectively. All are located in Mainland China.

SUPPLIER COMMUNICATION

The Group has established an efficient two-way communication model to ensure smooth communication with suppliers. Online and offline channels such as telephone and visits are used to help them understand and learn about the latest policies and requirements of the Group in a timely manner, so as to ensure stable supplies of gas and promote long-term cooperation with suppliers. For projects that require tendering and bidding, the Group communicates with suppliers through bidding interviews, meetings, on-site visits, telephone, internet and written forms.

GREEN PROCUREMENT

The Group actively practices and promotes green and low-carbon means and materials to help achieve the goal of sustainable green procurement. As an entity committed to sustainable procurement, the Group attaches importance to environmental protection and other pollution prevention measures, and gives priority to raw material suppliers who have less impact on the environment. According to the current national enterprise environmental protection requirements and the internal system “Material Procurement Management System”, the Group provides suppliers with corresponding environmental protection audit qualification files, manages the process of material procurement, inspection, storage and distribution, and removes suppliers with outdated or contaminated products to ensure the quality, safety and stability of the upstream supply team. The Group gives priority to suppliers with environmental protection certification, or products and services with good procurement environment and recyclable resources.

In addition, the Group strives to run paperless offices in the procurement process and promotes online communication with suppliers. In the packaging process, recyclable, easy to disassemble and reusable packaging is used to reduce the generation of packaging waste. The Group also encourages replacement of paper-based contracts with electronic contracts to reduce the consumption of paper and energy used for shipping.

QUALITY FIRST

The Group is committed to providing high quality and safe natural gas to its customers. We strictly abide by the laws and regulations related to quality management,⁵ and have established a three-level quality management guarantee mechanism, aiming to systematically improve the quality of gas operations, transmission and distribution services from the perspectives of procurement control, preventive measures, human resources, non-conforming product control, risk and opportunity response control, technical inspection, production safety, etc., to ensure stable and high-quality gas supply.⁵

⁵ For laws and regulations related to quality management, please refer to the section headed “Laws and Regulations”



Level 1

Quality System Manual

The Manual of Mobile Pressure Vessel Filling Quality System specifies the Group's quality policy and quality objectives, clarifies the quality system, determines the job responsibilities, management systems and operating procedures, provides a reference for safety and quality management and activities, and is the basic principle for the implementation of mobile pressure vessel filling.

Level 2

Procedural Documents

Through the system process and operating procedures, the Group implements information tracking and quality service control, monitoring and measurement equipment control, internal audit control, process and product monitoring and measurement control, risk and opportunity response control, and establishes a comprehensive internal control mechanism to ensure the effective operation of the quality management system.

Level 3

State Supporting Documents

Guided by various national and local laws, regulations and management procedures, such as the "Rules for Regular Inspection of Pressure Pipelines – Industrial Pipelines" and the "Regulations for Safety and Technical Supervision of Mobile Pressure Vessels" promulgated by the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, the Group continued to improve the establishment of internal systems and procedures.

Three-level quality management guarantee mechanism

To ensure the quality and safety of the filling of mobile pressure vessels, the Group sets the following quality objectives:



The production technology department of the Group is responsible for daily supervision, inspection and assessment of the quality control system, requiring all departments and teams to control process indicators in accordance with product standards, technical requirements and technical quality management, as well as to cooperate with the established quality inspection systems such as the off-site natural gas pipeline safety inspection system, electrical equipment maintenance and repair procedures, pipeline inspection and maintenance management system, etc., to regularly inspect and repair mechanical equipment, ensure timely discovery and elimination of potential quality risks and safety hazards in the production process, and fully guarantee safety and quality in the production, transmission and distribution of natural gas. The quality of gas supply is the top priority for the Group's quality management. We regularly monitor and inspect key aspects of product quality to achieve efficient control of natural gas quality. The Group strictly complies with the GB/T 38753-2020 execution standard. The Group randomly selects samples from the manufacturers and sellers once a year. A total of 6 categories are inspected, and only items that pass the inspection are considered qualified. In order to ensure that the natural gas sold meets the corresponding national standards, we specify in the Natural Gas Sale and Purchase Contract signed with the customers that the inspection report of the natural gas sold will be provided to the customer regularly during the contract period.



Real-time monitoring of air quality components and product quality in accordance with the central control system



Test the quality of raw materials, gas and products on a daily basis



The upstream gas supplier will provide a component report of raw gas every ten days



Regular annual inspection of testing centers with national audit qualifications and product quality reports



CUSTOMER RESPONSIBILITY

INTELLECTUAL PROPERTY MANAGEMENT AND PRIVACY PROTECTION

Innovation is an important driving force for sustainable development of an enterprise. In order to standardise the intellectual property management mechanism and encourage innovation and creativity, while maintaining strict compliance with national and local intellectual property laws and regulations⁶, the Group has established the Intellectual Property Management System and the Intellectual Property Management Department, together with subordinate management positions such as patents, trademarks and trade secrets, to jointly improve the intellectual property management. Any person who is found to have infringed the Group's intellectual property rights is directly held accountable for the economic effects of the act and is reported to the judicial authorities when required.

In terms of privacy security, the Group enters into confidentiality agreements with personnel involved in the Group's technical and trade secrets. Through strict control, the Group avoids leakage of important information and consumer information, maintaining information security.

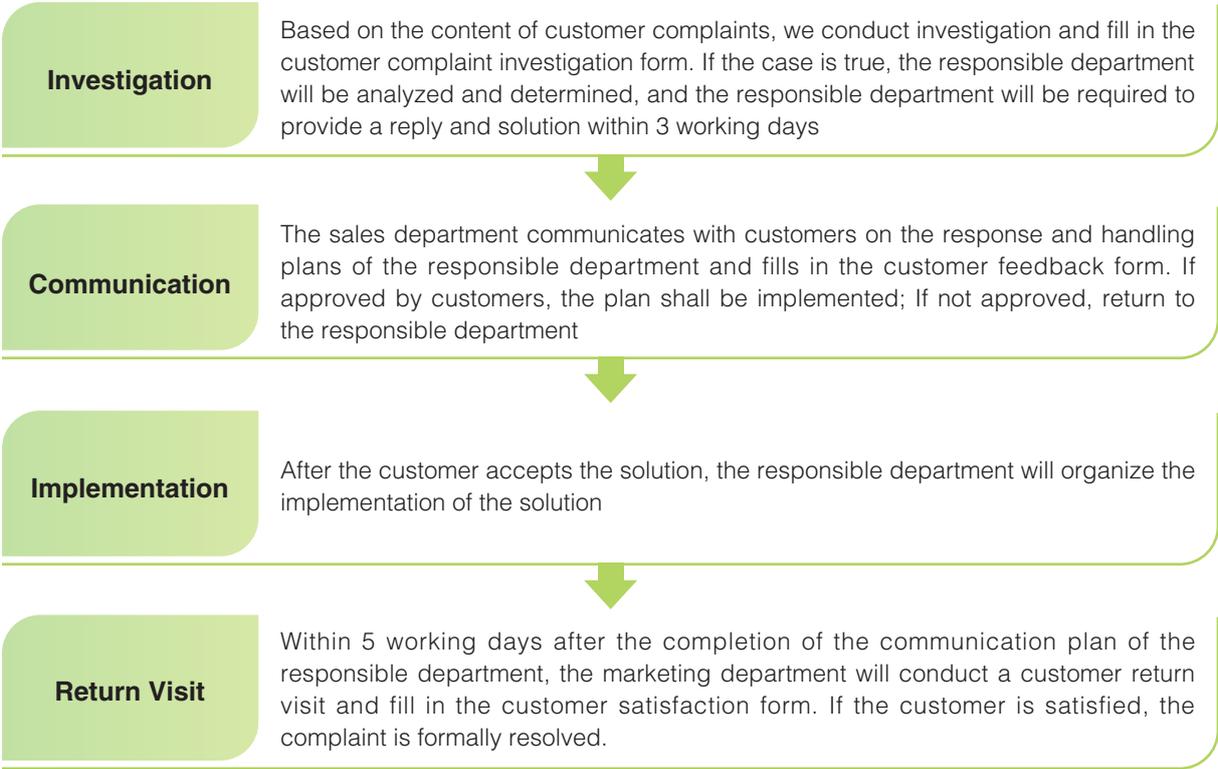
CUSTOMER COMMUNICATION

The Group attaches great importance to customers' opinions and feedback, and follows up and handles customers' complaints in a timely manner through the Customer Complaint Handling System and Procedures, aiming to provide customers with satisfactory services and establishing a good brand image. After receiving a complaint, the sales department of the Group keeps a proper record of the customer complaint and replies to the customer within 5 working days. It is then handled according to the investigation, communication, implementation and return visit process until the customer is satisfied.

⁶ For laws and regulations related to intellectual property, please refer to the section headed "Laws and Regulations"



During the Reporting Period, the Group did not receive any complaints about products and services, nor did it violate any laws and regulations that have a significant impact on the Group in respect of product responsibility such as health and safety, advertising, labelling and privacy matters relating to products and services provided.



Customer complaint handling procedures





INTEGRITY IN OPERATIONS

ANTI-CORRUPTION GOVERNANCE

The Group has always regarded anti-corruption as one of its priorities, and is committed to strictly supervising and rectifying all corrupt practices such as bribery, fraud, extortion, money laundering and illegal appropriation. In order to deal with these corrupt practices and strengthen countermeasures, the Group has successively issued policies and procedures such as the Anti-corruption Management System, the Anti-corruption and Bribery, the Anti-fraud and Money Laundering Management System, the Anti-corruption Undertaking Letter, as well as the Anti-corruption Prevention Measures and Whistle-blowing Procedures to clarify the ethical standards of the Group and regulate the behaviour of employees. The Group has set up a leading anti-corruption group to supervise and manage anti-corruption related work, including implementation of national anti-corruption laws, regulations and policies, analysis of anti-corruption plans, formulation of anti-corruption emergency policies and organization of relevant work, as well as a summary of anti-corruption work.

During the Year, the Group increased its focus on anti-corruption work, which included requiring all departments to promote integrity and honesty to employees by enhancing awareness regarding the need for legal compliance. The Group has strengthened the review of major projects and economic activities, including tendering and bidding, and conduct risk assessments on implementation plans of major projects to fortify the internal and external supervision and management of the daily operation and business transactions of the enterprise. If commercial personnel are found to have violated the integrity of the contract, cooperation is terminated and the certificate is rescinded in a timely manner. During the Year, the Group was not aware of any non-compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.

The Group holds an anti-corruption training event once a year and updates employees regarding relevant legal content. The training is generally conducted in the form of presentations and discussions, including:



Anti-corruption training contents

WHISTLE-BLOWING SYSTEM

A good operating environment is inseparable from the Group's rules and regulations and supervision of employees. The Group has created "Whistleblowing Policy" and "Whistleblower Protection System" in accordance with the "Basic Norms of Corporate Internal Control", based on the actual situation of the Group. These policies aim to provide a confidential, secure and simple environment for whistleblowers to express significant issues regarding the Group's operations or report discovered violations in a confidential manner. The Group encourages employees to report violations, which include but are not limited to corruption, bribery, theft and abuse of power.

Employees can report such acts to the Group management with their real name or anonymously through the reporting box, reporting hotline, or mail. The acceptance, investigation and other aspects of the report are kept strictly confidential by prohibiting the disclosure of the individual's name and department. The reporting materials are not disclosed to the accused. All cases are to be submitted in writing to the Board for review and filing. Within 7 working days receiving the whistleblower's report, the Group will, to the extent reasonably practicable, respond by notifying the whistleblower in writing/or in person that the report has been received and confirming that an independent investigation will be conducted without delay.



SOCIAL RESPONSIBILITY

With the belief of "doing the most perfect thing with the most kindness", the Group prioritises efforts to give back to and develop with the society as one important goal of its ESG strategy. As part of its corporate social responsibility, the Group organizes public welfare activities every year, aiming to fulfil social responsibility and contribute to social development, as well as providing assistance to individuals and communities in need. During the Year, the Group donated living and environmental protection materials worth approximately RMB115,000 to Wuding River Town, Qingshuiwan Village and the disabled, and donated an air-conditioner worth RMB10,000 to the "Love Station" in the High-tech Zone. During the Reporting Year, the Group donated a total of RMB569,000 in donations and materials to the social and environmental fields, with a total of 393 volunteer service hours.



In response to the call of the People's Government of Wushenqi to enterprises larger than a threshold to carry out afforestation in mining areas in the spring of 2022, the Group planted a total of 3,700 Zhangzिसong trees this year, with an additional greening area of 50 mu and a total investment of RMB444,000, contributing to the national forestry ecological construction.



To improve the surrounding environment of Erdos Plant and create a clean and beautiful living and working environment, we carried out voluntary tree planting activities on 27 April 2022.



During the pandemic, the Group visited the Wuding River First Police Station, the Wuding River Hospital, and the pandemic checkpoint.



LAWS AND REGULATIONS

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

Aspects	Applicable Laws and Regulations	Corresponding Section
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 of the People's Republic of China Energy Conservation Law of the PRC 	ENVIRONMENTAL PROTECTION
Employment and Labour Standards	<ul style="list-style-type: none"> Labour Law of the PRC Labour Contract Law of the PRC Provisions on the Prohibition of Using Child Labour of the PRC Regulations of the People's Republic of China on the Special Management of Juvenile Workers 	PEOPLE ORIENTED – Labour Management
Health and Safety	<ul style="list-style-type: none"> Law of the PRC on the Prevention and Control of Occupational Diseases Production Safety Law of the PRC Regulations on Safety Training of Production and Operation Units Regulations on Safety Production Training Regulations on the Administration of Hazardous Chemicals Fire Protection Law of the PRC 	PEOPLE ORIENTED – Occupational Health and Safety
Supply Chain Management	<ul style="list-style-type: none"> Civil Code of the PRC Mediation Law of the PRC The Bidding Law of the PRC Product Quality Law of the PRC Regulations on Quality Responsibility for Industrial Products 	PRODUCT RESPONSIBILITY – 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 Civil Code of the PRC 	PRODUCT RESPONSIBILITY – Quality Management
Anti-corruption	<ul style="list-style-type: none"> Criminal Law of the PRC Civil Code of the PRC 	INTEGRITY IN OPERATIONS – Anti-corruption Governance

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL PERFORMANCE

	2022/23	2021/22
Air Pollutants		
Nitrogen oxides (kg)	4,773.97	6,132.81
Sulfur oxides (kg)	0.44	0.90
Particulate matter (kg)	4.09	6.52
Greenhouse Gas Emissions		
Scope 1 – Direct carbon emissions (tCO ₂ e)	31,290.58	38,520.86
Scope 2 – Indirect carbon emissions (tCO ₂ e)	108,558.70	114,486.61
Total GHG emissions (tCO ₂ e)	139,849.29	153,007.47
GHG emission intensity (tonnes of CO ₂ e/tonnes of LNG)	0.41	0.41
Waste		
Total hazardous waste (tonnes)	51.77	50.66
Total hazardous waste intensity (tonnes/thousand tonnes of LNG)	0.15	0.13
Total non-hazardous waste (tonnes)	22.00	24.00
Total non-hazardous waste intensity (tonnes/thousand tonnes of LNG)	0.06	0.06
Direct Energy Consumption		
Natural gas (GJ)	245,829.30	231,876.70
Petrol (Litres)	41,425.17	56,244.00
Diesel (Litres)	2,449.27	4,986.00
Indirect Energy Consumption		
Purchased electricity (MWh)	190,353.68	197,050.96
Total energy consumption (GJ)	932,510.54	943,231.27
Intensity of energy consumption (GJ/tonne of LNG)	2.71	2.51
Packaging materials		
<i>The Group's business operations does not involve the use of packaging materials.</i>		
Water Resources		
Total water consumption (m ³)	507,496.00	548,359.00
Water consumption intensity (m ³ /tonne of LNG)	1.47	1.46
Total wastewater discharge (m ³)	211,785.00	208,258.00



SOCIAL PERFORMANCE

	2022/23	2021/22
Total Number of Employees (Person)	244	313
Gender Distribution		
Male	201	255
Female	43	58
Rank		
Senior management	11	12
Middle management	20	31
General staff	213	270
Age		
20-30	54	88
31-40	124	161
41-50	42	44
Over 50 years old	24	20
Geographical Distribution		
Ordos Xingxing Energy	120	131
Dazhou Huixin Energy	122	121
Zunyi Huaheng Energy	2	61
Employee Turnover Rate	36.1%	15.7%
Gender Distribution		
Male	35.3%	15.3%
Female	39.5%	17.2%
Rank		
Senior management	36.4%	16.7%
Middle management	40.0%	12.9%
General staff	35.7%	15.9%



PERFORMANCE DATA SUMMARY

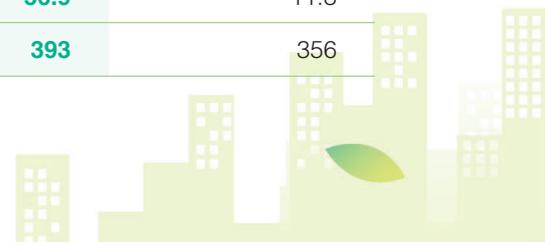
	2022/23	2021/22
Age		
20-30	75.9%	26.1%
31-40	32.3%	13.0%
41-50	16.7%	9.1%
Over 50 years old	0.0%	5.0%
Geographical Distribution		
Ordos Xingxing Energy	20.0%	19.7%
Dazhou Huixin Energy	4.1%	17.4%
Zunyi Huaheng Energy	295% ⁷	3.3%
New Hire Rate	7.8%	15.7%
Gender Distribution		
Male	8.0%	16.5%
Female	7.0%	12.1%
Rank		
Senior management	0.0%	16.7%
Middle management	0.0%	0.0%
General staff	8.9%	17.4%
Age		
20-30	24.1%	30.7%
31-40	4.0%	11.8%
41-50	2.4%	6.8%
Over 50 years old	0.0%	0.0%
Geographical Distribution		
Ordos Xingxing Energy	10.8%	20.5%
Dazhou Huixin Energy	4.9%	14.9%
Zunyi Huaheng Energy	0.0%	6.6%

⁷ Please refer to the relevant announcement of the Group for matters relating to the staff turnover of Huaheng Energy <https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0628/2023062800181.pdf>Regulations”



PERFORMANCE DATA SUMMARY

	2022/23	2021/22
Percentage of Employees Trained	100%	100%
Gender Distribution		
Male	82.4%	81.8%
Female	17.6%	18.2%
Rank		
Senior management	4.5%	3.8%
Middle management	9.0%	10.2%
General staff	86.5%	85.9%
Average Training Hours (Hours)	24.7	25.3
Gender Distribution		
Male	24.9	25.5
Female	23.9	24.4
Rank		
Senior management	11.7	16.0
Middle management	11.5	18.7
General staff	24.9	26.5
Occupational Health and Safety Performance		
Work-related fatalities	0	0
Number of work-related injuries	0	0
Lost days due to work-related injury	0	0
Injury rate per thousand employees	0.0%	0.0%
Total Number of Suppliers		
Distribution by Region		
Hong Kong	0	0
Mainland China	188	160
Other regions	0	0
Community Participation		
Public welfare investment (RMB ten thousand)	56.9	11.8
Number of hours of voluntary work (Hour)	393	356



HKEX ESG CONTENT INDEX

HKEX ESG Reporting Guide Requirements	Section/Remarks	
Mandatory Disclosure Requirements		
Governance Structure	A statement from the Board containing: <ul style="list-style-type: none"> (i) Disclose the Board's oversight of ESG issues; (ii) the Board's ESG management approach and strategy, including the process of evaluating, prioritizing and managing material ESG-related issues (including risks to the issuer's business); and (iii) how the Board reviews progress against ESG-related objectives and explains how they relate to the issuer's business. 	Board Statement
Reporting Principles	Description or explanation of how the following reporting principles have been applied in the preparation of the ESG Report: <p>Materiality: The ESG Report should disclose: (i) the process for identifying and selecting material ESG factors; and (ii) if the issuer has engaged stakeholders, a description of the identified material stakeholders, and the process and results of the issuer's stakeholder engagement.</p> <p>Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p>Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, if any, or any other relevant factors affecting a meaningful comparison.</p>	Reporting Guidelines <p>Materiality: We identify material economic, environmental and social issues arising from the Company's operations through stakeholder communication and materiality assessment. This also reveals ESG issues that have a significant impact on stakeholders' assessment and decision-making.</p> <p>Quantitative: The data set out in this report has been checked and analysed. Please refer to the "Performance Data Summary" of this report for the standards referenced in calculating environmental KPIs.</p> <p>Consistency: To ensure the comparability of information, unless otherwise stated, the statistical methods of disclosure in this report are consistent with the past and are presented in a way that is comparable on a year-on-year basis.</p>
Reporting Scope	An explanation of the reporting scope of the ESG Report and a description of how the entities or businesses are selected for inclusion in the ESG Report. If the scope of the report changes, the issuer should explain the differences and the reasons for the changes.	Reporting Scope



HKEX ESG Reporting Guide Requirements		Section/Remarks	
Comply or Explain Provisions			
A. ENVIRONMENTAL			
Aspect A1: Emission	<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 Policy; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.</p> <p><i>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</i></p> <p>Greenhouse gasses include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.</p> <p>Hazardous waste is defined by national regulations.</p>	<p>ENVIRONMENTAL PROTECTION</p> <p>– Environmental Management</p> <p>– Emission Management</p>	
	KPI A1. 1	The types of emissions and respective emissions data.	<p>ENVIRONMENTAL PROTECTION</p> <p>– Emissions Management</p> <p>Performance Data Summary</p>
	KPI A1. 2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	<p>ENVIRONMENTAL PROTECTION</p> <p>– Greenhouse Gas Emissions</p> <p>Performance Data Summary</p>
	KPI A1. 3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	<p>ENVIRONMENTAL PROTECTION</p> <p>– Waste Management</p> <p>Performance Data Summary</p>
	KPI A1. 4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	<p>ENVIRONMENTAL PROTECTION</p> <p>– Waste Management</p> <p>Performance Data Summary</p>
	KPI A1. 5	Description of emission target(s) set and steps taken to achieve them.	<p>ENVIRONMENTAL PROTECTION</p>
	KPI A1. 6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	<p>ENVIRONMENTAL PROTECTION</p> <p>– Waste Management</p>



HKEX ESG Reporting Guide Requirements		Section/Remarks
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. <i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i>	ENVIRONMENTAL PROTECTION – Environmental Management
	KPI A2. 1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION – Energy Consumption Performance Data Summary
	KPI A2. 2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	ENVIRONMENTAL PROTECTION – Water Resources Management Performance Data Summary
	KPI A2. 3 Description of energy use efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Green Office
	KPI A2. 4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	ENVIRONMENTAL PROTECTION – Water Resources Management
	KPI A2. 5 Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	The Group's operation process does not involve the use of packaging materials
Aspect A3: The Environment and Natural Resources	General Disclosure Policies on minimizing the issuer's significant impact on the environment and natural resources.	ENVIRONMENTAL PROTECTION – Environmental Management – Green Office
	KPI A3. 1 Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.	ENVIRONMENTAL PROTECTION – Green Office
Aspect A4: Climate Change	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	ENVIRONMENTAL PROTECTION – Responding to Climate Change
	KPI A4. 1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	ENVIRONMENTAL PROTECTION – Responding to Climate Change



HKEX ESG Reporting Guide Requirements		Section/Remarks
B. SOCIAL		
Aspect B1: Employment	General Disclosure	PEOPLE-ORIENTED – Employee Care – Labour Management
	<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 Policy; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.</p>	
	<p>KPI B1. 1</p> <p>Total workforce by gender, employment type, age group and geographical region.</p>	PEOPLE-ORIENTED – Employee Composition Performance Data Summary
	<p>KPI B1. 2</p> <p>Employee turnover rate by gender, age group and geographical region.</p>	PEOPLE-ORIENTED – Employee Composition Performance Data Summary
Aspect B2: Health and Safety	General Disclosure	PEOPLE-ORIENTED – Occupational Health and Safety
	<p>Information relating to providing a safe working environment and protecting employees from occupational hazards:</p> <p>(a) the Policy; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.</p>	
	<p>KPI B2. 1</p> <p>Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.</p>	PEOPLE-ORIENTED – Occupational Health and Safety Performance Data Summary
	<p>KPI B2. 2</p> <p>Lost days due to work injury.</p>	PEOPLE-ORIENTED – Occupational Health and Safety Performance Data Summary
	<p>KPI B2. 3</p> <p>Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	PEOPLE-ORIENTED – Occupational Health and Safety



HKEX ESG Reporting Guide Requirements		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. <i>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</i></p>	<p>PEOPLE-ORIENTED</p> <p>– Staff Training and Development</p>
	<p>KPI B3. 1</p> <p>The percentage of employees trained by gender and employee category (e.g. senior management, middle management).</p>	<p>Performance Data Summary</p>
	<p>KPI B3. 2</p> <p>The average training hours completed per employee by gender and employee category.</p>	<p>Performance Data Summary</p>
Aspect B4: Labour Standards	<p>General Disclosure</p> <p>Information on: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.</p>	<p>PEOPLE-ORIENTED</p> <p>– Labour Management</p>
	<p>KPI B4. 1</p> <p>Description of measures to review employment practices to avoid child and forced labour.</p>	<p>PEOPLE-ORIENTED</p> <p>– Labour Management</p>
	<p>KPI B4. 2</p> <p>Description of steps taken to eliminate such practices when discovered.</p>	<p>PEOPLE-ORIENTED</p> <p>– Labour Management</p>
Aspect B5: Supply Chain Management	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	<p>PRODUCT RESPONSIBILITY</p> <p>– Sustainable Supply Chain</p>
	<p>KPI B5. 1</p> <p>Number of suppliers by geographical region.</p>	<p>PRODUCT RESPONSIBILITY</p> <p>– Sustainable Supply Chain</p> <p>Performance Data Summary</p>
	<p>KPI B5. 2</p> <p>Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.</p>	<p>PRODUCT RESPONSIBILITY</p> <p>– Sustainable Supply Chain</p>
	<p>KPI B5. 3</p> <p>Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.</p>	<p>PRODUCT RESPONSIBILITY</p> <p>– Sustainable Supply Chain</p>
	<p>KPI B5. 4</p> <p>Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.</p>	<p>PRODUCT RESPONSIBILITY</p> <p>– Sustainable Supply Chain</p>



HKEX ESG Reporting Guide Requirements		Section/Remarks
Aspect B6: Product Responsibility	General Disclosure Information relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	PRODUCT RESPONSIBILITY – Quality First – Customer Responsibility
	KPI B6. 1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. The Group's operation process does not involve product recall for safety and health reasons
	KPI B6. 2	Number of products and service-related complaints received and how they are dealt with. PRODUCT RESPONSIBILITY – Customer Responsibility
	KPI B6. 3	Description of practices relating to observing and protecting intellectual property rights. PRODUCT RESPONSIBILITY – Customer Responsibility
	KPI B6. 4	Description of quality assurance process and recall procedures. PRODUCT RESPONSIBILITY – Quality First
	KPI B6. 5	Description of consumer data protection and privacy policies, how they are implemented and monitored. PRODUCT RESPONSIBILITY – Customer Responsibility
Aspect B7: Anti-Corruption	General Disclosure Relating to bribery, extortion, fraud and money laundering: (a) the Policy; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child or forced labour.	INTEGRITY IN OPERATIONS – Anti-Corruption Governance
	KPI B7. 1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. INTEGRITY IN OPERATIONS – Anti-corruption Governance
	KPI B7. 2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. INTEGRITY IN OPERATIONS – Whistle-blowing System
	KPI B7. 3	Description of anti-corruption training provided to directors and employees. INTEGRITY IN OPERATION – Anti-corruption Governance



HKEX ESG Reporting Guide Requirements		Section/Remarks
Aspect B8: Community Investment	General Disclosure 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.	SOCIAL RESPONSIBILITY
	KPI B8. 1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	SOCIAL RESPONSIBILITY
	KPI B8. 2 Resources contributed (e.g. money or time) to the focus area.	SOCIAL RESPONSIBILITY Performance Data Summary

