

元亨燃氣
YUANHENG GAS

YUAN HENG GAS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 332

2021/22

Environmental, Social &
Governance Report



Vision

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

Mission

Provide adequate returns to shareholders, employees and society

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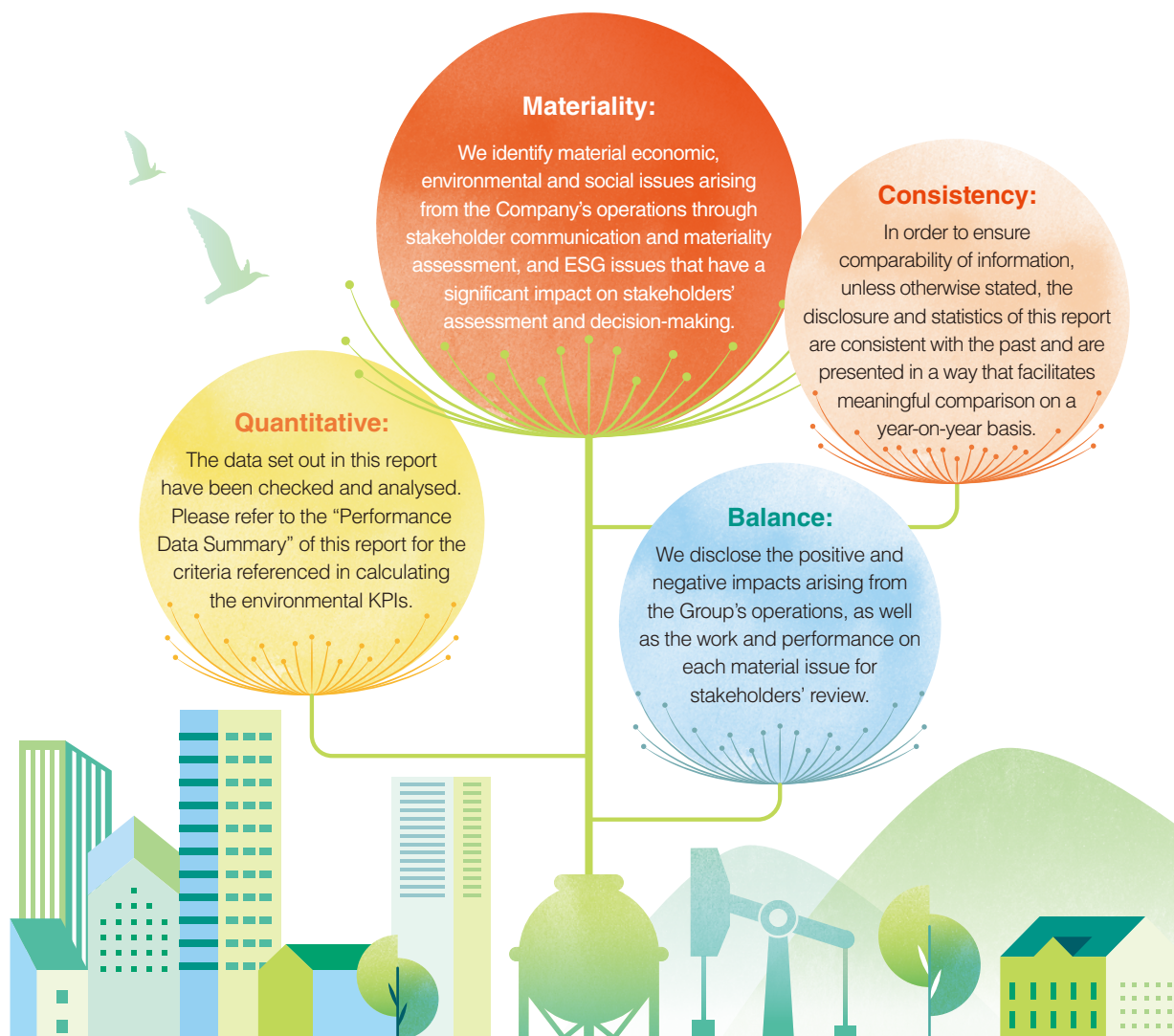


ABOUT THIS REPORT

This is the sixth 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. This report is published in both Chinese and English. In case of any discrepancy between the two versions, the English version shall prevail. This report should be read in conjunction with our Annual Report. Information relating to corporate governance is set out in the Corporate Governance Report on Pages 9 to 27 of the 2022 Annual Report.

REPORTING GUIDE

This report follows the Environmental, Social and Governance Reporting Guidelines as set out in Appendix 27 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited and has been prepared in accordance with the Group’s actual circumstances. The Group adheres to the reporting principles of materiality, quantitative, balance, and consistency in disclosure of environmental and social policies, management approaches and quantitative indicators.



REPORTING SCOPE

Yuan Heng Gas is mainly engaged in (i) trading of oil and gas products and provides related consultancy services; and (ii) processing, distribution, sales, trading and transportation of LNG, and other ancillary businesses and networks in the PRC. The Group's two high-quality LNG production bases are in Ordos, Inner Mongolia and Dazhou, Sichuan. Unless otherwise specified, this report covers the Group's LNG production, transmission, and distribution business, focusing on sustainable development performance of its two LNG processing plants in Ordos, Inner Mongolia and Dazhou, Sichuan, as well as the natural gas transmission and distribution companies in Zunyi, Guizhou (hereinafter referred to as "Ordos Plant", "Dazhou Plant" and "Huaheng Energy", collectively referred to as "Operating Stations"). We determine the reporting scope based on the degree of environmental and social impact of each business. The two LNG processing plants and natural gas transmission and distribution companies are the main sources of environmental data, and the narrative information cover the entire Group.

The Group values the opinions of its stakeholders and strives to improve the level of ESG disclosure. You are welcome to provide your valuable opinions.

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ESG GOVERNANCE

BOARD STATEMENT

Working to attain the mission of “becoming China’s leading sustainable clean energy group”, Yuan Heng Gas actively makes efforts to improve its sustainable development management. In the context of the national dual carbon goals, we have eliminated production processes and equipment with low energy efficiency and those that severely pollute the environment. We assign priority to clean production processes to avoid negative impacts on the ecological environment; For addressing climate change caused by greenhouse gas emissions, we have formulated relevant policies and action measures. For talent and team building, we carry out multi-level and diversified employee training programs to help employees strengthen their professional capabilities, imbibe team spirit and achieve the common development of employees and the Company. Yuan Heng Gas always attaches great importance to integrity and anti-corruption and has a business philosophy that stresses law-abiding integrity and quality service as its core. We regularly organize anti-corruption training every year to guide employees to adhere to the highest business standards and continuously improve the corporate integrity of Yuan Heng Gas.

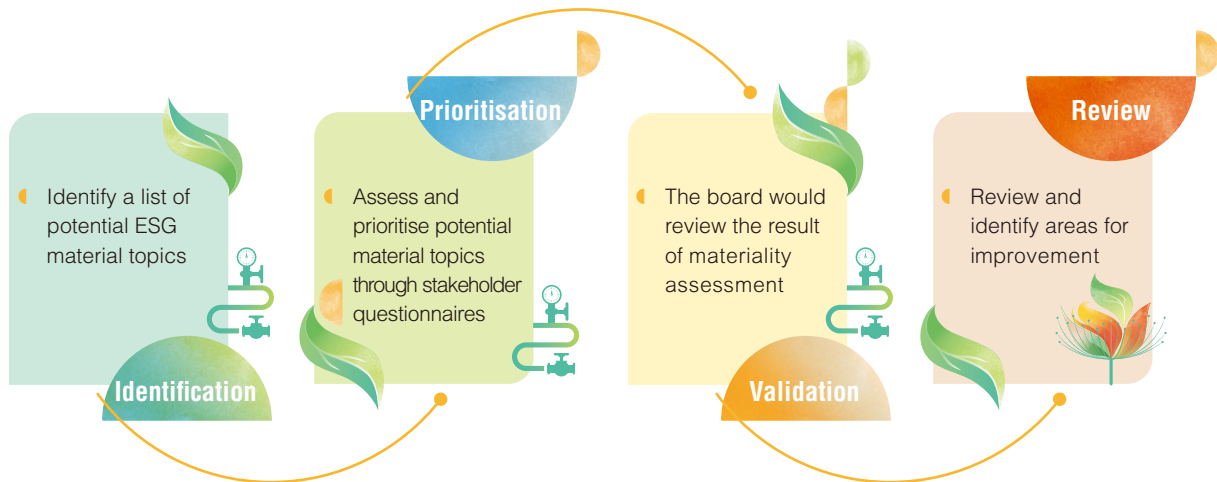
The Board, with the support from the Production Safety Management Committee and the Energy Conservation and Emission Reduction Working Group, is responsible for leading the management of sustainable development and performing its duties in relation to overseeing sustainable development, including reviewing the process of identifying and evaluating material topics. The ESG Report is one of the important channels for presenting the sustainable development achievements of Yuan Heng Gas. The Group’s ESG department cooperates with all other departments, participates in ESG management, identifies, and reviews the risks and opportunities related to sustainable development that have a potential significant impact on the Company, reports to the Board, handles day-to-day management of the issues it is responsible for, and collects ESG information and data on a regular basis. The Board of the Group has reviewed this report and confirmed its accuracy, truthfulness, and completeness. In the future, Yuan Heng Gas will continue to focus on clean energy with the aim of building a green enterprise and join hands with all walks of life to build a sustainable future.

STAKEHOLDER ENGAGEMENT

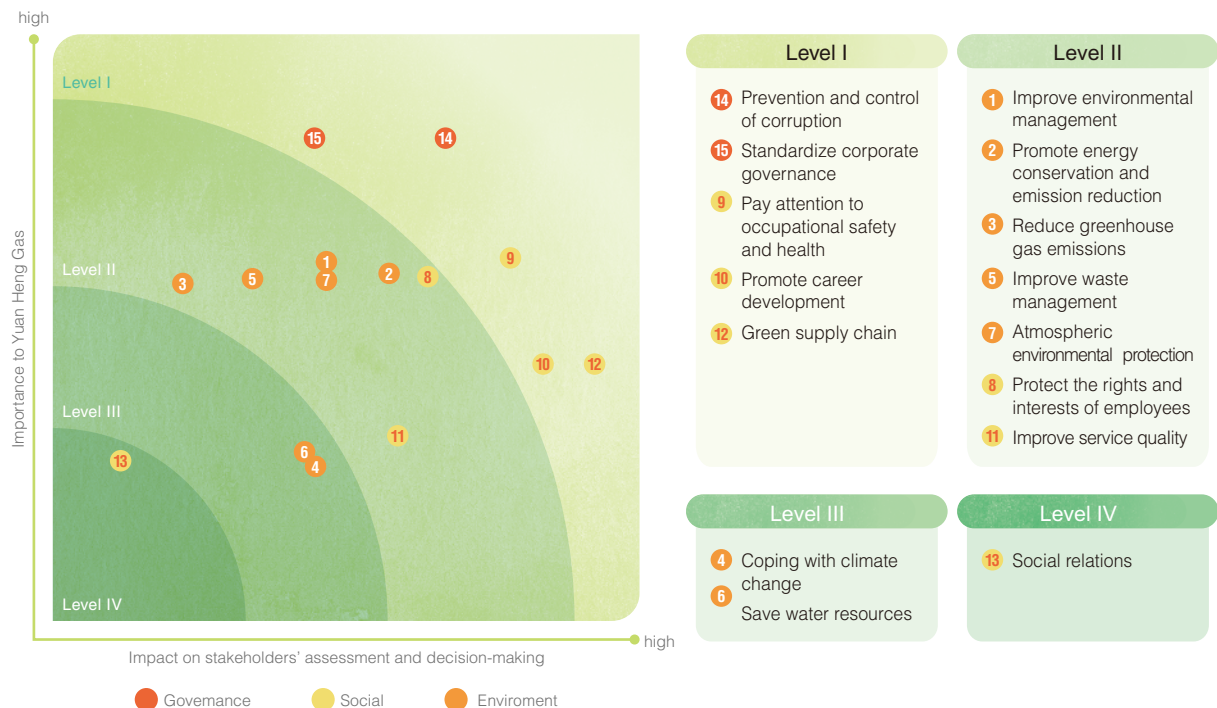
Maintaining effective communication with stakeholders is the basis for improving sustainable development management. During the Reporting Period, key stakeholders identified by the Group included employees, investors, customers, suppliers, government regulators and non-governmental organisations. We maintain communication with stakeholders through annual reports, meetings, phone calls, emails, etc., to fully understand their demands and expectations, and incorporate them into the sustainable development management of the Group.

MATERIAL TOPICS

We have identified ESG issues that have significant impacts on the Group and its stakeholders through four steps, namely identification, prioritisation, validation, and review, as an important entry point to achieve sustainable development of Yuan Heng Gas.



Based on the results of stakeholder engagement, we prioritised relevant issues with two dimensions- "importance to Yuan Heng Gas" and the impact on stakeholders' assessment and decision-making" and obtained the following materiality matrix. The issues at the first level are the topics material to the Group.





EMPLOYEE DEVELOPMENT AND CARE

LABOUR MANAGEMENT

EQUAL EMPLOYMENT AND ANTI-DISCRIMINATION

The Group is committed to providing employees with a fair and reasonable working environment and has formulated the Company Anti-Discrimination and Harassment Regulations to prohibit discrimination in matters such as employment, remuneration, training, promotion and dismissal. We respect the freedom of religion of each employee, implement equality between men and women and ensure equal pay for equal work, and prohibit any sexual harassment in the factory or office. In daily operations, we do not treat people differently on the grounds of ethnicity, race, disability, social class, gender, political affiliation, and other factors. If any of the above occurs, employees can file a complaint through the complaint mailbox. The administrative department verifies the complaint and takes the corresponding measures according to the severity, given that the complaint is true. If the case is minor, the harasser/perpetrator receives training, but in serious cases, criminal charges are pursued in accordance with the law.

During the recruitment process, the Group adheres to the principles of open recruitment, equal competition and matching of personnel and positions, and treats candidates of all nationalities, genders and social levels equally. Except when the type of work or position that is not suitable for women, the Group does not refuse to hire women. Except for those who are unable to take up their posts due to diseases stipulated by the state, disabled employees may be employed after physical examination.

During the Reporting Period, the Group was not aware of any instance of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment, and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

PROHIBITION OF CHILD AND FORCED LABOUR

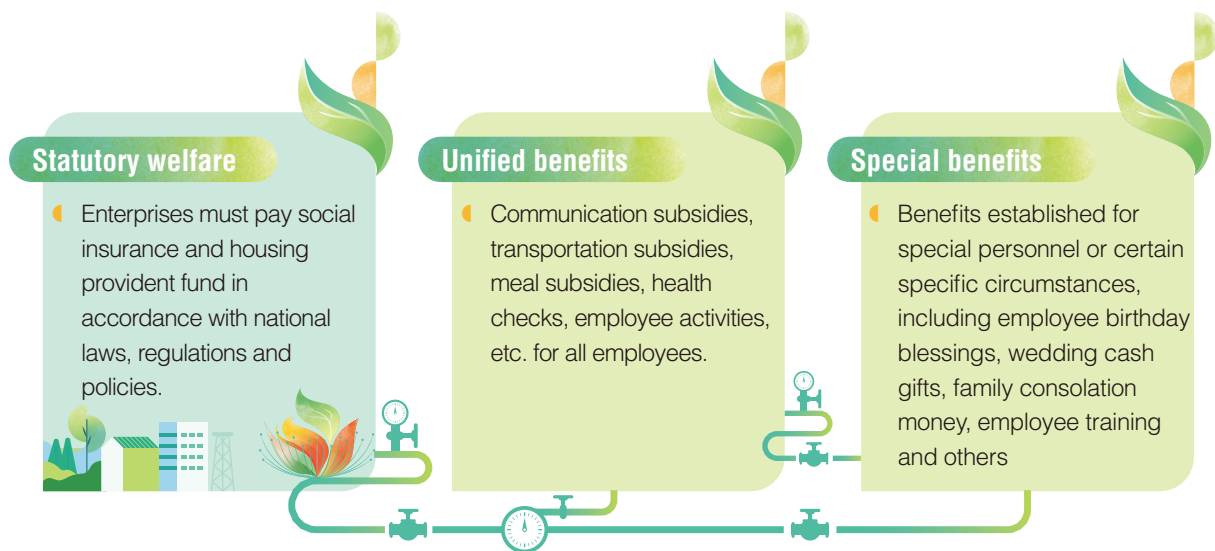
The Group strictly implements provisions of the Prohibition of Using Child Labour law and the Special Management of Juvenile Workers and has formulated a Policy on the Prohibition of Using Child Labour and Remedial Measures for Misuse of Child Labour. We strictly review all aspects of the recruitment process, take various measures to verify the true age of applicants, and prohibit employment of any personnel under the age of 16 to avoid the misuse of child labour to the greatest extent. If any child labour is found to have been mistakenly employed, he/she is asked to immediately stop his/her work and we send him/her to the hospital for comprehensive medical examination to ensure that his/her health is not affected by his/her work. After confirming that the information of age is correct, the Group passes it to the guardian of the employee. The Group bears the physical examination fee and travel fee. In order to protect the rights of child labour to receive compulsory education, Yuan Heng Gas keeps track of completion of compulsory education and provide financial assistance as appropriate and keeps contact with the child labour or the local government until they complete compulsory education.

EMPLOYEE DEVELOPMENT AND CARE

The Group upholds the principle of fairness and voluntariness and strictly prohibits and does not support any form of forced labour. We sign labour contracts with employees based on mutual negotiation and prohibit the use of any forced or deceptive means to recruit employees. We pro-actively inform the applicants of the Group's basic information, management policies and regulations during the recruitment process and employees also have the right to resign when they wish. During the Reporting Period, the Group did not have any cases of child labour or forced labour.

EMPLOYEE CARE

To attract talents, the Group not only provides employees with competitive remuneration, but also a series of benefits and rewards. Through a sound remuneration, reward and punishment system and a sound welfare system, the Group encourages employees to work hard and fully show their enthusiasm. The Group's welfare system includes statutory benefits, unified benefits, and special benefits. For employees who have made significant contributions, we distribute different levels of bonuses in accordance with the Incentive System.

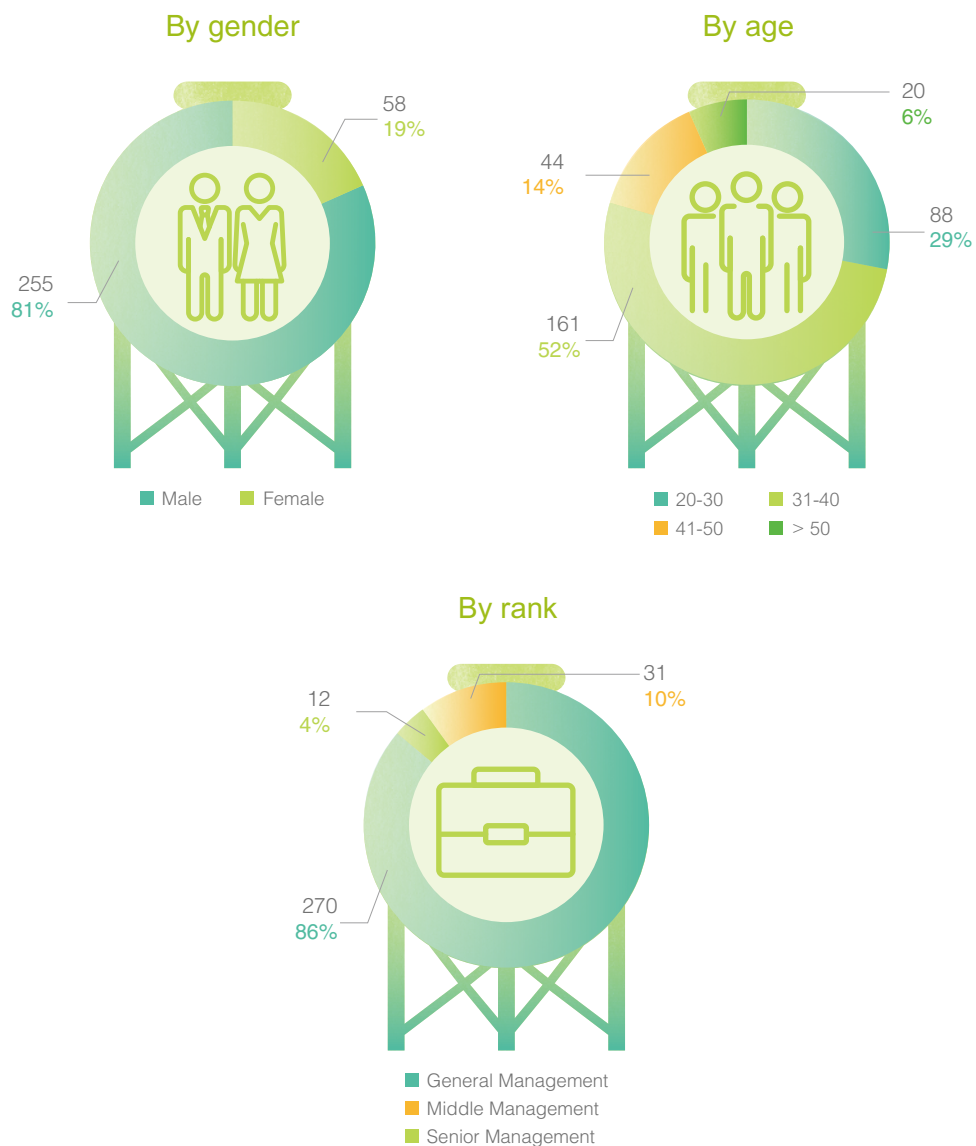


To understand the needs of employees in a timely manner and establish good relationships, the Group encourages employees to convey their opinions to units or individuals through suggestion boxes, WeChat, etc. The Group encourages employees to actively put forward reasonable suggestions and carry out technological innovation, and rewards opinions adopted through the Group's reward and punishment assessment system.

EMPLOYEE DEVELOPMENT AND CARE

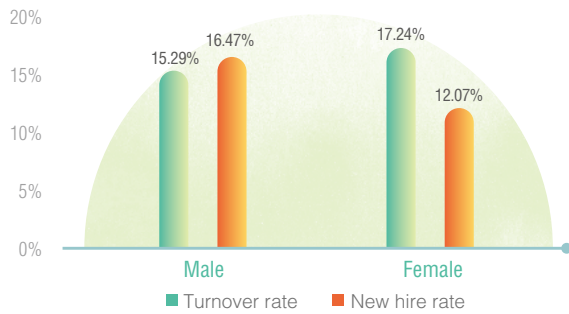
EMPLOYEE COMPOSITION

All employees of the Group are in Mainland China. There are 131, 121 and 61 employees in Erdos Plant in Inner Mongolia, Dazhou Plant in Sichuan, and Huaheng Energy in Zunyi, Guizhou, respectively. Of the total of 313 employees, 88 employees are under 30 years old, 161 employees are between 31 and 40 years old, and 44 employees are between 41 and 50 years old, with a male-to-female ratio of 4.4:1. The Group has a total of 43 management personnel, including 12 senior management personnel and 31 middle management personnel, and the rest are general staff.

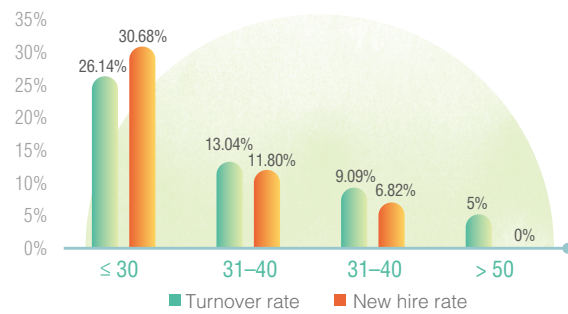


EMPLOYEE DEVELOPMENT AND CARE

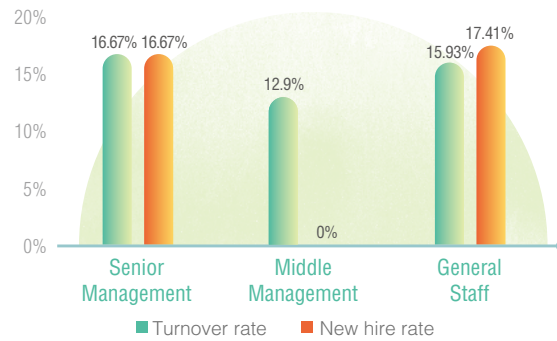
Employee turnover rate and new hire rate by gender



Employee turnover rate and new hire rate by age



Employee turnover rate and new hire rate by rank



During the Reporting Year, the Group's overall employee turnover rate and new hire rate were both 15.65%.



EMPLOYEE DEVELOPMENT AND CARE

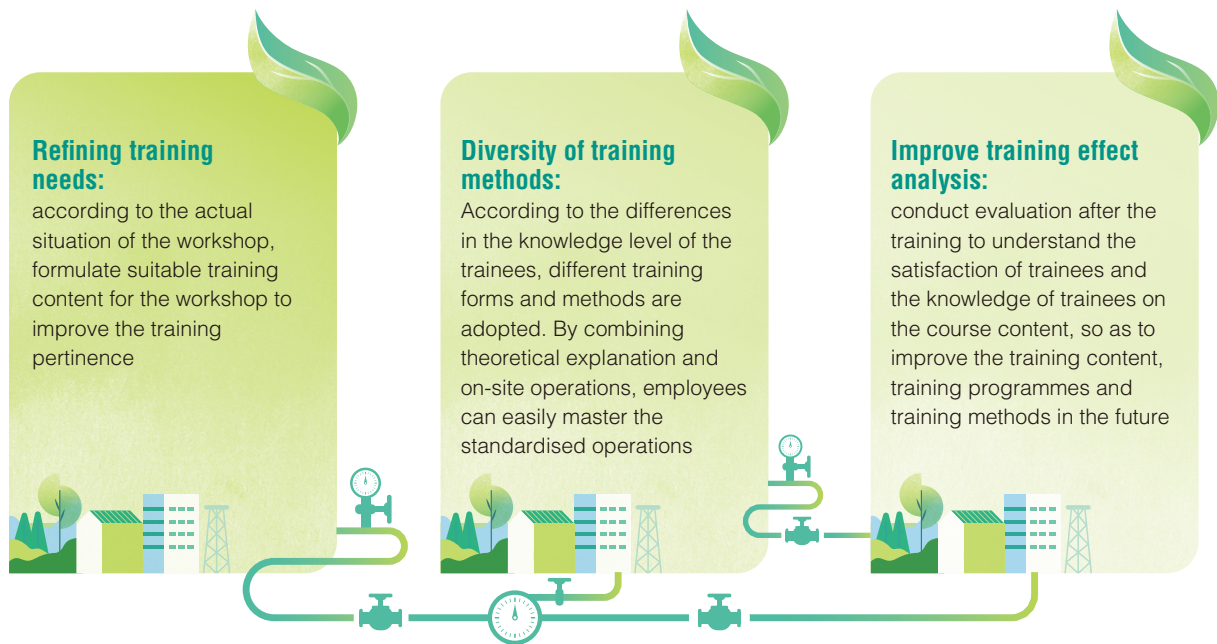
STAFF TRAINING AND DEVELOPMENT

Promoting career development is one of the substantive issues for the Group. We have established diversified employee training programs to help employees strengthen their professional capabilities and achieve the common development of employees and the Company. During this year, the staff training rate reached 100%, all employees received the basic training of the company.

For new employees, in addition to providing training on the Company's rules and regulations and basic professional knowledge the Group also assigns staff with good professional ethics and excellent job skills to sign the "Mentorship Agreement". The agreement can quickly improve theoretical knowledge and practical skills of operators in various positions and accelerate the cultivation and construction of a skilled talents team. We give full play to the role of technical workers in the training of employees, so that new workers and personnel with low level of skills can quickly master the knowledge of job safety and operations skills.

For skilled employees, the Group provides knowledge and training in different professional aspects, such as safety, process, equipment, instrumentation, and electrical engineering. Employees of second-tier departments are provided general project training such as executive office etiquette and knowledge required by financial sales personnel. After the training, the Group assesses the trained employees to evaluate the effectiveness of training and the achievement of training objectives, besides providing guidance for future training plans. The Group conducts a comprehensive evaluation of employees' skills every six months, encouraging multi-skilled workers, and giving rewards to employees with high skills.

EMPLOYEE DEVELOPMENT AND CARE



In addition to providing internal training, the Group also provides subsidies to motivate employees to participate in external training. To encourage employees who have successfully pursued postgraduate studies, the Group offers a certain percentage of tuition as reimbursement. For technical, business backbone and middle and senior management, the Group provides opportunities to receive professional skills and management talent training at relevant domestic and overseas institutions and schools. The combination of internal and external training can systematically provide professional and general training for employees to supplement and update their existing knowledge and skills.

EMPLOYEE DEVELOPMENT AND CARE

OCCUPATIONAL SAFETY AND HEALTH

We adhere to the safety production policy of “safety first, prevention first, comprehensive management, full participation and continuous improvement”, and provide a safe and hazard-free working environment to our employees. The Group strictly complies with the relevant laws and regulations such as the Work Safety Law of the People’s Republic of China and the General Rules on Safety and Standardization of Hazardous Chemicals Enterprises. In the past three years, there were no cases of work-related injuries or work-related fatalities.

SAFETY GOVERNANCE

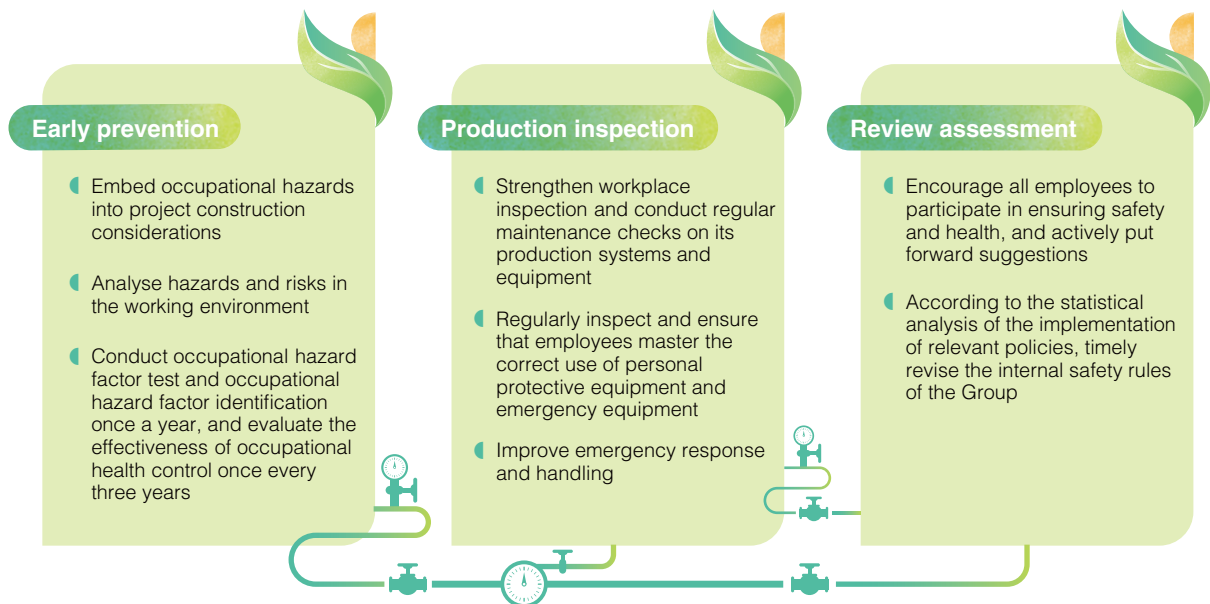
The Group has put in place a sound safety production responsibility management system and safety production management office. The Health, Safety and Environment (HSE) Management Committee, led by the General Manager and Deputy General Manager, with the heads of various departments as members, is the leading body. The HSE Office is mainly responsible for revising relevant rules when required and supervising the implementation in a timely manner, and monitoring results. Each department is responsible for supervising and inspecting on-site safety within 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 center also, along with various emergency support departments. The Group regularly reviews and revises the relevant systems from the production safety perspective. During the Reporting Period, we revised and compiled the Compilation of Production Safety Management Systems (Version 5) and issued the Compilation of Production Safety Management Systems (Version 6), which covers several systems such as safety production responsibility assessment system, safety risk assessment management system and emergency management system.



SAFE PRODUCTION

To further strengthen safety management, standardize production operations and prevent accidents, the Group strictly prohibits illegal command, illegal operations, and violations of labor discipline. The Company's anti-"three violations" work is led by the Safety Production Committee. New employees who have not passed the three-level safety education or examinations are not allowed to work. Operators must hold the Safety Technology Operation Certificate. Personnel handling hazardous chemicals, special equipment such as electrical, lifting, transportation, boiler, welding (cutting) and pressure vessels, and production safety management personnel must hold the corresponding Qualification Certificate for Hazardous Chemicals Practitioners, Special Operation Personnel Certificate and Safety Management Qualification Certificate before engaging in the corresponding operations or management work.

To protect workers by providing proper medical care when they are injured or sick, the Group has set up a community clinic responsible for daily and emergency medical services at the working site. At the same time, the Group has established comprehensive emergency plans and on-site handling plans for different accident prone sites, which clearly defines the responsibilities of each department and personnel before, during and after the event.



EMPLOYEE DEVELOPMENT AND CARE

OCCUPATIONAL DISEASE PREVENTION

Yuan Heng Gas adheres to the policy of “prevention first and combination of prevention and control”, and the general manager of each Group company serves as the person in-charge of occupational health management, and comprehensively leads the prevention and control of occupational hazards. The Group reports the work plan and implementation of occupational hazard prevention and control at the annual employee representative meeting, actively listens to the opinions of employees, and instructs relevant departments to act upon reasonable opinions and proper requirements in a timely manner. In addition, the Group entrusts occupational health technical service institutions with corresponding qualifications to carry out regular inspections on occupational hazards, and organizes occupational health examinations for employees once a year. If employees are found to have contra indications, their work is adjusted in a timely manner so they can stay away from the source of occupational hazards. During the Reporting Period, the Group organized 3 occupational health examinations wherein a total of 143 employees completed the physical examination. No employee was found with any occupational disease.


To protect employees from hazards in the course of operations, the Group provides various protective measures in the workplace, such as setting up warning signs for occupational hazards at locations identified for the purpose, providing protective equipment for welding workers, installing ventilation equipment in the factory, and assigning special personnel for monitoring safety. At the same time, the Group also provides training related to occupational diseases and other hazards to operators, promotes and popularizes occupational health knowledge, urges employees to abide by the laws and regulations and follow job procedures. Employees are guided to correctly use protective equipment. All departments put up guidelines on bulletin boards, billboards at appropriate places and display them at meetings and training sessions. During the Reporting Period, a total of 227 employees participated in occupational health and hygiene training.

Personal protection measures for different types of work



SAFETY TRAININGS

To enhance employees' safety awareness, improve the ability to deal with safety issues, the Group regularly carries out occupational safety and health education and training in accordance with national laws and regulations, and provides targeted training to those exposed to occupational hazards, so that they are able to respond quickly to hazardous situations or events.

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- The HSE Office is responsible for the 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 content includes induction qualification training for responsible and full-time safety management personnel, training, and education for new employees, "four new" training and education, daily training and education, special operation and special equipment operation personnel training and education. The "four new" training refers to the Company's special training and education for operators and management personnel before new processes, new technologies, new materials, or new equipment are used. Employees can use them only after passing the assessment.

During the Reporting Period, the Group continued to improve the safety skills of employees through internal efforts by organizing multi-level and multi-form safety training. In accordance with the Production Safety Responsibility System, Inspection, Maintenance and Special Operating Practices, Fire Theory and Practical Knowledge Training, Safety Warning Education, and the newly revised Production Safety Law, the Company arranged centralized training on safety education for all employees. A total of 20 factory-level safety training sessions were held throughout the year, with a total of 24 hours per person and 1,361 participants. Each team is to have no less than two sessions a month and no less than one hour each time. Safety activities are carried out not less than once a month and each time is not less than 2 hours.




ENVIRONMENTAL PROTECTION

Environmental protection is an essential requirement for sustainable development of an enterprise. In this context, Yuan Heng Gas actively implements development of a low-carbon and green environment and is committed to becoming China's leading sustainable clean energy group, and a first-class producer, supplier, and service provider in the energy industry. In response to the national call for environmental protection economy, energy conservation and emissions reduction, we promote the development of clean energy industry in a responsible manner, incorporate environmental protection into the Company's annual work plan, and prevent environmental pollution and ecological damage during economic development. During the reporting year, the Group was not aware of any non-compliance of relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

ENVIRONMENTAL MANAGEMENT

With the aim of building a green enterprise, Yuan Heng Gas actively fulfils its environmental responsibilities, protect the ecology and maintain harmony and stability. The Group continues to improve the construction of environmental management institutions and strengthen the management of environmental issues. The Safety and Environmental Committee, led by the General Manager and Deputy General Manager, is responsible for environmental management.

The Group strictly abides by the environmental protection laws and regulations of the countries and regions where it operates, and has formulated a series of internal management systems based on the actual situation of the Group, including but not limited to the Environmental Protection Responsibility System, the Environmental Protection Inspection and Reporting System and the Responsibility System for Prevention and Control of Environmental Pollution by Solid Waste. These documents set out the environmental protection responsibilities of employees at all levels and integrates the environmental management concept into daily operations. The Group also entrusts third-party institutions to conduct tests on exhaust gas and wastewater generated from operations from time to time to ensure that our emissions comply with relevant national standards. During the Reporting Year, the Group did not have any violation of laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

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- Provide for pollution prevention funds in fixed asset investment plans
 - Adopt advanced technology and clean production process to improve the utilisation rate of resources and energy
 - Eliminate obsolete processes and equipment that waste energy and resources and severely pollute the environment
 - Prioritise the use of non-toxic, non-hazardous or low-toxic and low-harmful raw materials in production

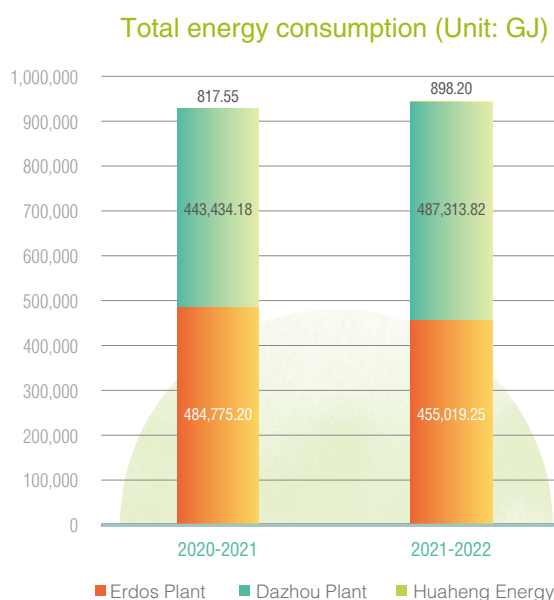
ENVIRONMENTAL PROTECTION

Safety and Environment Committee

- Implement national and local environmental protection laws and regulations and follow the relevant rules and regulations
- Formulate and supervise the implementation of the Company's environmental protection management rules and regulations, and establish and implement the environmental protection responsibility system
- Hold quarterly meetings of the safety and environmental committee, listened to the work reports of functional departments, professional safety, environmental protection and other departments, and study and solve major issues in the operation of the management system

ENERGY MANAGEMENT AND CARBON EMISSION

The Group has been carrying out energy management in strict accordance with the Measures for Energy-saving Management of Key Energy-using Units promulgated by the National Development and Reform Commission, eliminating outdated motors, improving energy efficiency and contributing to the construction of ecological civilization. A working group on energy conservation and emission reduction has been set up in the Ordos Plant (if the working group for energy conservation and emission reduction is also set up in other plants, please explain), with the general manager as the leader, who is responsible for formulating major strategies, guidelines and policies for energy conservation and emission reduction, and making unified arrangements for deployment of energy conservation and emission reduction. The working group holds regular energy-saving meetings to coordinate and solve problems in the work.

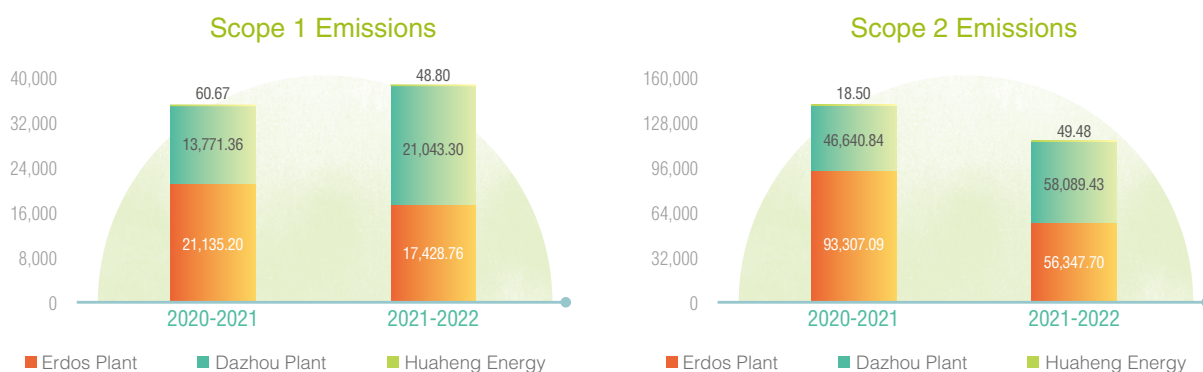


ENVIRONMENTAL PROTECTION

The Group appoints professionals to be responsible for the Group's energy management, measurement, and statistics. During the reporting year, the Group consumed a total of 943,231.27 GJ of natural gas, gasoline, diesel and purchased electricity in its daily operations, with an energy consumption intensity of 2.51 GJ per tonne of liquefied natural gas.

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 the greenhouse gas emissions of each operational site. During the Reporting Period, the Group generated a total of 153,007.47 tonnes of carbon dioxide equivalent greenhouse gases. Direct greenhouse gas (Scope 1) emissions amounted to 38,520.86¹ tonnes of carbon dioxide equivalent, accounting for 25.2% of total emissions, mainly from combustion of gasoline and diesel for factories and company vehicles, and emissions from natural gas processing business. Indirect greenhouse gas (Scope 2) emissions amounted to 114,486.61² tonnes of carbon dioxide equivalent, accounting for 74.8% of total emissions, mainly from the purchased electricity.

GHG EMISSIONS (UNIT: TCO₂E)



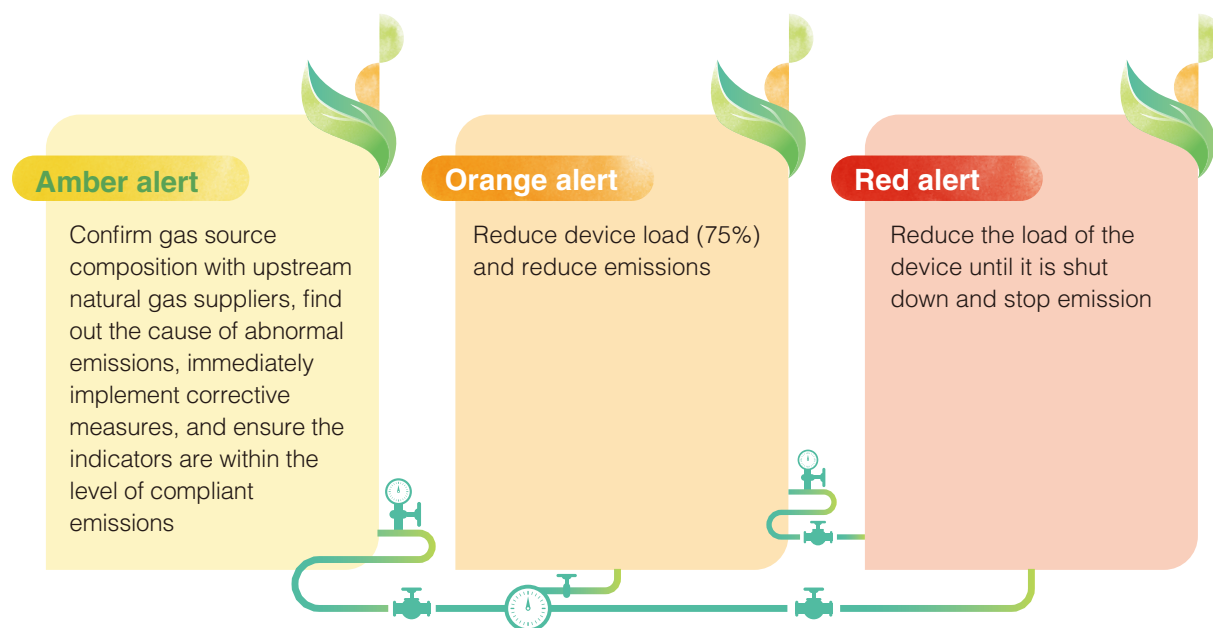
¹ The increased in the amount of natural gas treated is due to the replacement of the gas source at the Dazhou Plant and the scope 1 emission increased comparing with that of the previous year is due to no GHG recovery due to the application of the new technology in this reporting period.

² Adjusted the grid emission factor to the 0.5810 tCO₂/MWh in accordance with the requirements of the Notice on the Key Work in relation to the Management of Corporate Greenhouse Gas Emissions Reporting in 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China.

TACKLING CLIMATE CHANGE

The Group understands greenhouse gas emissions have intensified climate change. In this regard, the Group has formulated the Climate Change Policy during the Reporting Period to promote various energy conservation, emission reduction measures and targets; identify and manage climate change-related risks and opportunities, to adapt to and mitigate the impact of climate change on the Group's business. To actively promote the greenhouse gas emission reduction policy, the Group has formulated this year's emission reduction plan based on the greenhouse gas emissions in previous years: a total of 143,000 cubic metres of emission reduction is planned, of which 75,000 cubic metres of emission reduction is from the recovery of amine flash steam tanks and 68,000 cubic metres of emission reduction is from the recovery of heavy hydrocarbons separators. At the end of the reporting period, this emission reduction target has been successfully achieved.

For major climate-related issues that have and may have an impact, the Group has identified three levels of early warning and corresponding countermeasures:



ENVIRONMENTAL PROTECTION

WATER RESOURCES MANAGEMENT

The Group insists on using water resources in a responsible manner. During the year, Erdos Plant carried out energy and water conservation diagnosis to further tap the potential of water conservation and improve the utilization and management level of water resources. During the Reporting Period, the Group consumed a total of 548,359.00 m³ of water resources, all of which were used for production and staff living. The water consumption intensity was 1.46 m³ per tonne of LNG. The Group does not have any issue in sourcing water that is fit for the purpose.

Total water consumption by source (Unit: m³)

	2021-22			2020-21		
	Erdos Plant	Dazhou Plant	Huaheng Energy	Erdos Plant	Dazhou Plant	Huaheng Energy
Groundwater	268,520	/	/	283,859	/	/
Municipal water supply	/	279,450	389.00	/	256,362	271.55
Total			548,359.00			540,492.55

AIR EMISSION MANAGEMENT

Yuan Heng Gas strictly complies with relevant national emission standards and actively controls the emission of air pollutants at each operational site. The Group's air pollutants mainly come from the production process. All air pollutants generated during the production process are burned in the flare system. The exhaust gas generated is mainly CO₂, water vapour and a small amount of nitrogen oxides, which did not affect the surrounding environment.

Air emissions (Unit: kg)

	2021-22			2020-21		
	Erdos Plant	Dazhou Plant	Huaheng Energy	Erdos Plant	Dazhou Plant	Huaheng Energy
Nitrogen oxides — Stationary source (factory exhaust ³)	3,325.60	2,732.00	/ ⁴	3,229.00	2,653.62	/
Nitrogen oxides — Mobile source (vehicle exhaust)	18.92/	36.25	389.00	31.59	19.25	28.13
Sulphur oxides	0.30	0.33		0.42	0.29	0.34
Particulate matter	0.30/	3.30		2.73	1.63	2.45

³ Only emissions from purification units and utilities are included.

⁴ The operation of Huaheng Energy does not involve emissions of exhaust gas from the factory.

WASTE MANAGEMENT

SOLID WASTE

Yuan Heng Gas strictly complies with all national standards and regulations to dispose wastes in a compliant manner. During the Reporting Period, the Group generated a total of 50.66 tonnes of hazardous waste, mainly molecular sieves, activated carbon and waste lubricating oil. The total amount decreased by 28.3% as compared with the previous year. 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; 24.00 tonnes of non-hazardous waste were handed over to the municipal environmental protection department for disposal.

Waste (Unit: tonne)

	2021–22	2020–21
Hazardous Waste	50.66	70.62
Hazardous waste production intensity (tonnes / thousand tonnes of LNG production)	0.13	0.19
Non-hazardous Waste	24.00	23.00
Non-hazardous waste generation intensity (tonnes / thousand tonnes of LNG production)	0.06	0.06

WASTEWATER

The Group's wastewater mainly includes production wastewater and domestic wastewater, among which production wastewater includes a small amount of oily wastewater generated from equipment cleaning and maintenance. The sewage is collected by the drainage system and sent to the sewage treatment plant for centralized treatment. After meeting the standards, it is used for winter storage and summer irrigation. During the reporting year, the Group generated a total of 208,258.00 tonnes of wastewater.

Total wastewater (Unit: tonne)

	2021–22			2020–21		
	ErDOS Plant	Dazhou Plant	Huaheng Energy	ErDOS Plant	Dazhou Plant	Huaheng Energy
Wastewater	40,199	167,670	389	67,040	156,282	/



ENVIRONMENTAL PROTECTION

ENVIRONMENTAL EMERGENCY

The Group attaches great importance to the impact of its business operations on the environment. We actively incorporate environmental protection into the Company's annual work plan, take the initiative to prevent and control environmental pollution and ecological damage, strictly implement the environmental impact assessment and the "Three Simultaneities" system for all projects under construction, and give priority to the use of non-toxic, non-hazardous, or low-toxic and low-harmful raw materials in the production process. The Group advocates several green office measures to reduce resource consumption and environmental impact. During the Reporting Period, the Group did not have any operations or activities that had a negative impact on the environment and natural resources.

Saving water and electricity

- During working hours in the day, the office does not turn on lights and uses outdoor light sources as much as possible; the lights in public aisles and toilets are turned on and turned off when necessary. The computers, printers, water dispensers and other electrical appliances of each department are turned off before leaving the office, and the power supply is cut off. Water taps are turned to the extent necessary and are turned off after use. Water supply equipment is checked regularly to avoid water leakage.

Paperless Office

- Avoid printing and copying of draft documents can save paper, give full play to the role of office automation equipment, modify materials on computers as much as possible, reduce the number of repeated printing, promote double-sided use of paper under the premise of ensuring safety and confidentiality, and circulate documents as much as possible to reduce photocopying.

Reduce business

- Strive to reduce meeting and business reception expenses. In accordance with the principle of "simplicity, efficiency and conservation", meetings that can not be convened are not held and meetings that are not convened are shortened as much as possible; meetings held across regions are held as tele-conferences as far as possible. We try to minimise the use of vehicles and go out to work with other departments.



ENVIRONMENTAL PROTECTION

Environmental emergencies inevitably have a negative impact on the ecological environment and resources. To effectively prevent and reduce environmental emergencies, the Group has formulated internal guidelines such as the Emergency Plan for Environmental Emergencies, and regularly holds environmental emergency drills to improve the ability to prevent and handle environmental emergencies.





PRODUCT RESPONSIBILITIES

SUSTAINABLE SUPPLY CHAIN


As a leading sustainable clean energy group in China, we pursue excellence in innovation and sustainable supply chain, strive to improve our service capabilities and service levels, actively fulfil corporate social responsibilities, and promote long-term sustainable development of the industry chain.

SUPPLIERS MANAGEMENT

Yuan Heng Gas continues to pay attention to sustainable supply chain management. Stable, efficient, pragmatic, and sustainable supply chain management is the cornerstone of the Group's operations. To this end, the Group has established the Supplier Performance Evaluation Form, the Supplier Risk Periodic Evaluation Form, and the Supplier Risk Management Form to assess and evaluate the overall qualification and reputation of suppliers. At the same time, the Group collects information on risk factors of relevant suppliers, formulates risk mitigation measures and follow-up reviews, helps reduce the risks of suppliers in terms of quality, cost, delivery, and service, and improves the stability of the overall supply chain. The Group also assesses and rates the quality control level of all suppliers to ensure the normal and efficient operations of the entire supply chain.

The major suppliers of Yuanheng Gas include 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. To manage suppliers more effectively, we include the environmental, social management and performance of suppliers in the evaluation scope, which is consistent with our environmental and environmental responsibility policies and code of conduct.

Supplier Environmental And Social Considerations



Environmental Factor	Social Factor
• 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 penalties	• Payment method

As of 31 March 2022, the Group had a total of 160 suppliers who provided products or services to us through direct business relationships, of which, Erdos Plant, Dazhou Plant and Huaheng Energy owned 78, 70 and 12, respectively, all located in Mainland China.

SUPPLIER ENGAGEMENT

The Group has put in place a two-way and efficient communication model with suppliers to ensure smooth communication. We communicate with suppliers through various online and offline channels such as telephone and online visits to help them understand and learn about the latest policies and requirements of the Group in a timely manner. This ensures a stable supply of gas and promotes long-term and stable 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

Yuan Heng Gas actively practices and promotes green and low carbon practices to help achieve sustainable green procurement goals. The Group is committed to sustainable procurement, giving priority to procurement and use of raw materials that are conducive to environmental protection, improving procurement efficiency and reducing procurement costs. According to the current national enterprise environmental protection requirements and the internal system Material Procurement Management System, the Company provides suppliers with corresponding environmental protection audit qualification files, manages the process of material procurement, inspection, storage, and distribution, and eliminates suppliers with outdated or contaminated products to ensure the quality, safety and stability of the upstream supply team. For suppliers along the same service level, 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 advocates paperless office in the procurement process and promotes online communication with suppliers. In the packaging process, recyclable, easy to disassemble and reusable packaging is required to reduce the generation of packaging waste. The Group also encourages the replacement of paper-based contracts with electronic contracts to save the consumption of paper and have express delivery.



PRODUCT RESPONSIBILITIES

QUALITY MANAGEMENT

Yuan Heng Gas is mainly engaged in distribution of liquefied natural gas. It controls the upstream natural gas production base through shareholding, develops the provincial natural gas branch pipeline network with stable income and operates excellent natural gas terminal projects. The Group understands ensuring product quality and establishing a comprehensive product quality management system is an important part of improving operational development. Through a comprehensive quality management system, the Group will continuously improve its gas services, comprehensively improve the quality of operations and transmission and distribution services and provide strong support for the construction of a harmonious and sustainable industrial ecological chain.

A sound quality management system is the foundation of an enterprise in the industry. The Group has formulated a series of structured internal management systems in accordance with relevant laws and regulations⁵.

The first-level quality system manual accurately implements safety awareness and responsibility allocation to different positions, and implements the policy of “safety first, prevention-oriented” to identify safety hazards and undertake rectification.

The second-level management procedure documents clearly include risk response measures and establish comprehensive risk and opportunity management measures and internal control institutions. From Careful management to the supervision and tracking of quality and preventive measures, corrective treatment, non-conforming product control, process product monitoring and measurement, etc.

According to the Production Safety Law of the People’s Republic of China, the Regulations on Safety and Technical Supervision of Mobile Pressure Vessels, Regulations on Regular Inspection of Pressure Pipelines — Industrial Pipelines, Regulations on the Use of Special Equipment and other documents and systems issued by the General Administration of Quality Supervision, Inspection and Quarantine of the People’s Republic of China, the Group’s product quality control work has formed a comprehensive and systematic governance system, covering the internal quality control policy applicable to the whole process of natural gas production, transmission and distribution operations. The production technology department is also responsible for daily supervision, inspection, and assessment of the quality system, requiring all departments and teams to control process indicators according to product standards, technical requirements, technical quality management and other procedures, and fully ensuring quality production and safe operation of production, transmission, and distribution processes. The Group has entered into the LNG Sale and Purchase Agreement with the gas purchaser, pursuant to which, the Group would provide the gas purchaser with the Inspection Report of the natural gas sold on a regular basis during the contract period to ensure the quality of the natural gas supplied.

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



PRODUCT RESPONSIBILITIES

The Group has a quality inspection system in place with specific rules such as safety inspections and equipment maintenance, to timely identify and solve potential quality risks and safety hazards in the production process. By implementing a central control system to monitor the quality of gas components and products, the quality of raw materials, gas and products is tested. The Group provides a report on components of raw gas with upstream gas suppliers every ten days, communicates with downstream customers about the use of products, and regularly sends a comprehensive quality inspection system covering the whole process to the testing center with national audit qualification for inspection, so as to ensure the safe operation and daily quality maintenance of relevant equipment, and provide the quality assurance foundation of “high production, low consumption, safety and stability” for plant equipment.

The Off-site Natural Gas Pipeline Safety Inspection System formulated by Erdos Plant implements quality and safety principles such as “early detection, early communication and early prevention” in routine pipeline safety inspections and conducts regular inspection and maintenance of gas pipeline networks and related equipment in the plant area. To better control the process indicators and ensure product quality, Erdos Plant records the basic data of the original design of the device in the form of “Workmanship card”, including the basic data of the transformation and design of the device, the restraints that need to be observed for the long lifespan of the device, the device calibration data, the control of product quality indicators, and the compliance with environmental protection standards. Dazhou Plant has revised the Regulations on Maintenance and Repair of Electrical Equipment in accordance with the national electric power industry standard, the Operation Regulations on Electronic Transformers, and Huaheng Energy has formulated the Management System for Pipeline Inspection and Maintenance to ensure regular and careful maintenance and scientific maintenance of equipment and ensure the safe and stable operation of gas pipelines.



PRODUCT RESPONSIBILITIES

CUSTOMER RESPONSIBILITIES

The Group always adheres to the business philosophy of quality first, customer first and win-win cooperation, focuses on the energy industry, and actively builds the business model including oil and gas exploitation, LNG production and sales.

INTELLECTUAL PROPERTY AND PRIVACY PROTECTION

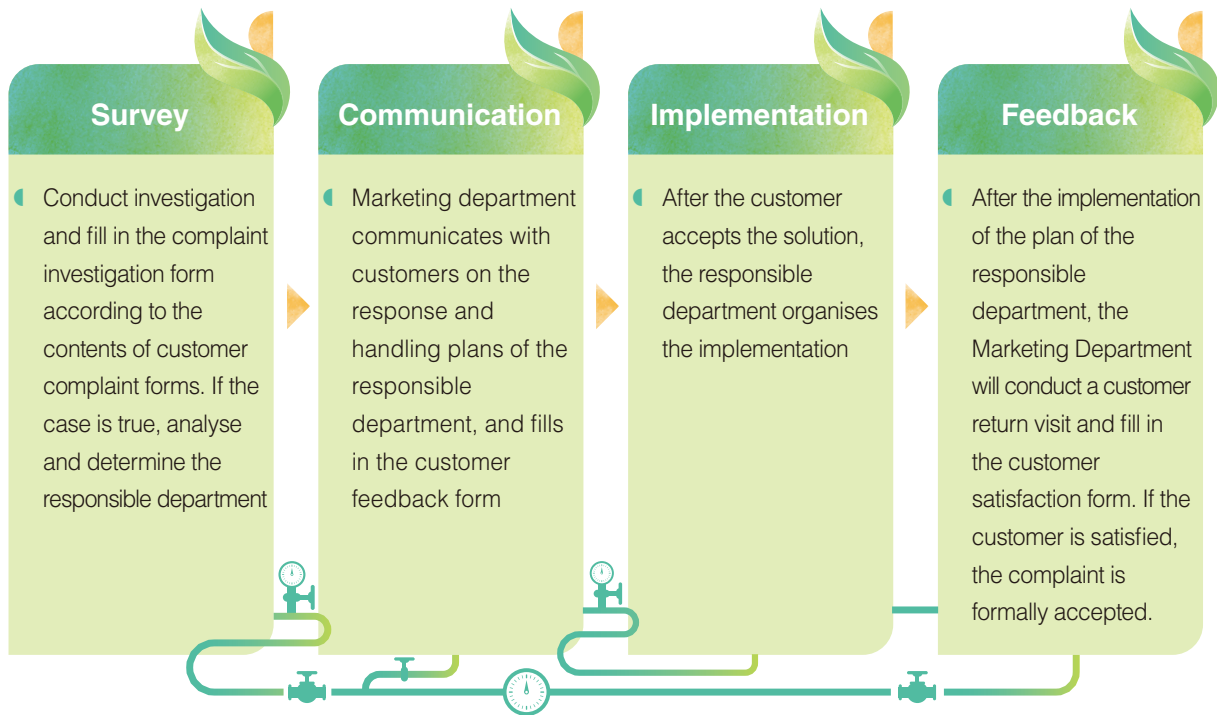
To protect data privacy and security, the Group actively encourages employees to innovate and develop and promote the application and promotion of scientific and technological achievements. The Group has formulated an internal management system, the Intellectual Property Management System, to improve the laws and regulations related to property rights protection⁶. The Group has an efficient arrangement in the Intellectual Property Management Department, which professionally manages patents, trademarks, trade secrets and other aspects, and is responsible for coordinating all parts of intellectual property work and organizing the promotion of relevant legal knowledge. To enhance employees' awareness of privacy safety and protect data privacy and security, we have entered into confidentiality agreements with relevant personnel of the Group's technical secrets and trade secrets. Any person who is found to have infringed upon the Group's intellectual property rights is directly held accountable for economic responsibility and is even reported to the judicial authorities when the situation so warrants.

CUSTOMER ENGAGEMENT

Improving customer satisfaction and paying attention to the dynamics of customer complaints are important indicators for monitoring product quality. To comprehensively improve customer satisfaction, the Group has established a customer communication service system for service quality, supply capacity, price, and the stability and safety of natural gas transmission and distribution and formulated the Customer Complaint Handling System and Process to standardize the customer complaint handling process. The marketing department is responsible for leading the handling of complaints and ensures that the customer complaints are responded to within 5 working days. The responsible department implements the plan and communicates with the customer within 5 working days. The follow-up visit allows the customer to fill in the customer satisfaction survey form and file for collection.

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

Customer Complaint Handling Procedures



During the Year, we did not violate any laws and regulations that have a significant impact on the Group relating to product responsibility such as health and safety, advertising, labelling, and privacy matters relating to products and services provided.

INTEGRITY IN OPERATION

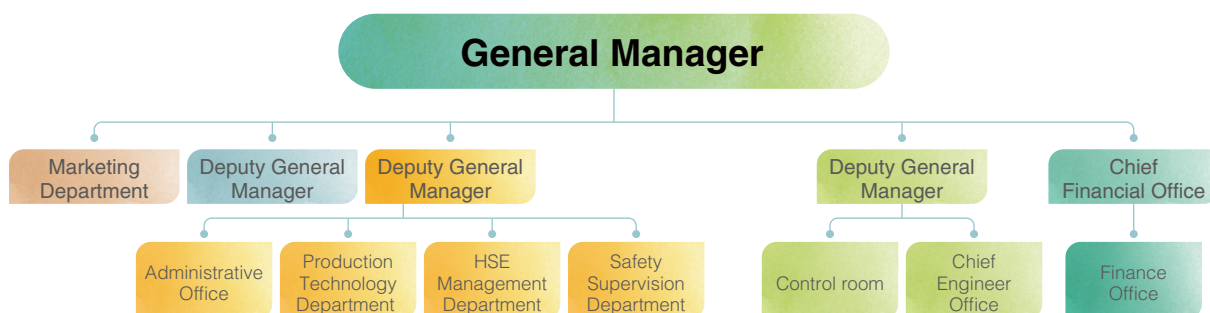
The Group integrates issues such as integrity and anti-corruption into its corporate governance and business operations and is committed to ensuring that business is conducted with integrity throughout the operating cycle, so that to give customers, suppliers, partners and investors confidence when working with the Group. .

ANTI-CORRUPTION MANAGEMENT

The Group has always strictly managed matters related to integrity. In addition to strict compliance with relevant laws and regulations⁷. The Group has formulated relevant company policies such as the Anti-Corruption and Bribery, Anti-Fraud and Anti-Money Laundering Management System, the Anti-Corruption Commitment Letter and the Anti-Corruption Prevention Measures and Reporting Procedures to strengthen the internal controls and clarify the code of conduct to employees of each department, establish the business philosophy of abiding by the law, integrity and quality service as the core, strengthen the construction of the integrity culture of employees, and continuously improve the level of corporate integrity.

In order to improve risk management and strengthen internal supervision mechanism, the Group has set up an anti-corruption working group to ensure compliance with national laws, regulations and policies on anti-corruption work. This group analyses anti-corruption plans, formulates anti-corruption emergency response measures, and organizes and directs the relevant work. The experience of anti-corruption work is summarized from time to time, and other anti-corruption work is inspected and supervised. Similarly, we organize anti-corruption training covering all employees every year, aiming to guide the management of the Company to adhere to strict compliance management and high standards of business ethics, strictly regulate the behavior of all employees, ensure the compliance and transparency of business activities, and strive to establish a good corporate image.

Anti-corruption Management Structure



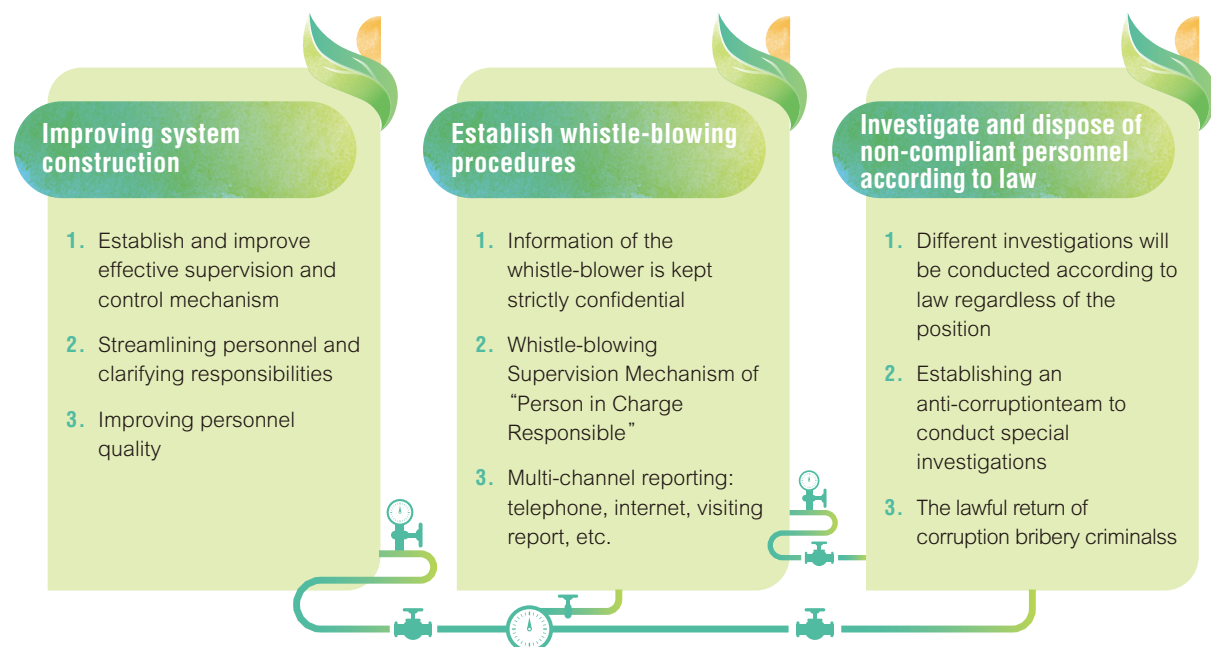
During the Year, the Group was not aware of any instance of non-compliance with relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud, and money laundering.

⁷ For laws and regulations relating to anti-corruption, please refer to the section headed "Laws and Regulations"

INTEGRITY IN OPERATION

The Company has a comprehensive compliance management manual in place and other relevant policies that spells out the code of conduct and internal policies for employees in various departments, and strictly prevent non-compliance such as bribery and conflict of interest. The Group places strict requirements on employees' behavior and prohibits all employees from soliciting any advantages from customers, suppliers or any related parties that are related to the Group's business. Such acts can significantly affect the objectivity of employees in performing their duties and are against the interests of the Group. To eliminate such practices, the Group requires employees to refuse to accept related benefits, including cash, red packets, cheques and other gifts on any occasions, as well as any other forms of interest transactions, such as receipt of kickbacks, improper rewards, contracts, etc. When any instance of violation is found, the anti-corruption team conducts serious investigation and deals with it without any tolerance. To encourage employees to supervise and report violations of compliance management and other relevant policies, we have set up a whistle-blowing channel where one can report in real name or anonymously, including WeChat, email, newsletters, etc. If the investigation is true, the employee involved is subject to administrative and economic penalties. If an employee is suspected of having violated the laws and regulations, he/she is sent to the judicial authority directly. If an employee of the Group assists other relatives or others to accept bribes, the Group deems the same as cooperation in accepting bribes and holds the employee accountable in accordance with the Criminal Law of the People's Republic of China.

Anti-Corruption Focus



SOCIAL RESPONSIBILITIES

Adhering to the development concept of “doing the most perfect thing with the best heart”, Yuan Heng Gas has long been committed to supporting and promoting social development of communities where it operates. During the Reporting Period, Huixin Energy Co., Ltd. donated RMB 85,000 to Dazhou High-tech Zone for the construction of community emergency shelters. Xingxing Energy helped villagers in Wuding River Town to purchase rice of Wuding River of RMB 19,500, purchased tree seeds of villagers in Shuiqingwan Village for RMB 4,100, and funded the heating fee of Wuding River of RMB 99,000. In addition, the Party branch and the labour union of the Group also visited Shuiqingwan Village, Wuding River Town, Wushen Banner before the Spring Festival.

In terms of environmental protection, the Group has planned several green public welfare activities. For example, the Erdos Plant carried out the 2021 Spring “Contribution to Green” voluntary tree planting activity, with a total of 76 participants. During the Reporting Year, the Group contributed RMB 118,500 to the social and environmental areas.

Huixin Energy donated to Dazhou High-tech Zone

Donation
RMB **85,000**

Xingxing Energy helped citizens in Wuding River Town

Purchased rice of Wuding River
RMB **19,500**

Xingxing Energy funded citizens in Wuding River Town

Funded heating fee
RMB **99,000**

Xingxing Energy purchased tree seeds for villagers in shuiqingwan Village

Purchased tree seeds
RMB **4,100**

*2021 Spring
"Contribution to Green"
voluntary tree planting activity*

**In total
76 participated**

*The Group
contributed to the social
and environmental areas*

Contribution
RMB **118,500**



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
ENVIRONMENT	<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 	<i>Environmental Protection</i>
LABOUR LAW OF THE PRC	<ul style="list-style-type: none"> Labour Contract Law of the PRC Provisions on the Prohibition of Using Child Labour of the PRC Provisions on the Prohibition of Using Child Labor of the PRC Regulations of the People's Republic of China on the Special Management of Juvenile Workers 	<i>Staff Development and Care — Labor Management</i>
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 	<i>Staff Development and Care — Occupational health and safety</i>
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 	<i>Product Responsibilities — Sustainable Supply Chain</i>
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 	<i>Product Responsibilities — Quality Management</i>
ANTI-CORRUPTION	<ul style="list-style-type: none"> Criminal Law of the PRC Civil Code of the PRC 	<i>Integrity in Operation — Anti-Corruption</i>

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL PERFORMANCE

	2021/22	2020/21
AIR POLLUTANTS		
Nitrogen oxides (kg)	6,132.81	5,961.59
Sulphur oxides (kg)	0.90	1.05
Particulate matter (kg)	6.52	6.81
GREENHOUSE GAS EMISSIONS		
Scope 1 — Direct Carbon Emissions (tCO ₂ e)	38,520.86	34,967.23 ⁸
Scope 2 — Indirect Carbon Emissions (tCO ₂ e)	114,486.61	139,966.43 ⁸
Total GHG emissions (tCO ₂ e)	153,007.47	174,933.66 ⁸
GHG emission intensity (tonnes CO ₂ e/tonnes LNG)	0.41	0.47 ⁸
WASTE		
Total hazardous waste (tonnes)	50.66	70.62
Hazardous waste intensity (tonnes/thousand tonnes of LNG)	0.13	0.19
Total non-hazardous waste (tonnes)	24.00	23.00
Non-hazardous waste intensity (tonnes/thousand tonnes of LNG)	0.06	0.06
DIRECT ENERGY CONSUMPTION		
Natural Gas (GJ)	231,876.70	227,410.60 ⁸
Gasoline (litres)	56,244.00	66,233.40
Diesel (litres)	4,986.00	4,832.22
INDIRECT ENERGY CONSUMPTION		
Purchased electricity (MWh)	197,050.96	194,236.60 ⁸
Total energy consumption (GJ)	943,231.27	929,026.93 ⁸
Energy consumption intensity (GJ/tonne of LNG)	2.51	2.51 ⁸
PACKAGING MATERIALS	The Group's business operation does not involve the use of packaging materials	
WATER RESOURCES		
Total water consumption (cubic meters)	548,359.00	540,492.55
Water consumption intensity (m ³ /tonne of LNG)	1.46	1.46
Total wastewater discharge (tonnes)	208,258.00	223,322.00 ⁸

⁸ Data in 2020/21 has been revised

SOCIAL PERFORMANCE

	2021/22			2020/21		
	Erdos Plant	Dazhou Plant	Huaheng Energy	ErdosPlant	Dazhou Plant	Huaheng Energy
TOTAL NUMBER OF EMPLOYEES	131	121	61	130	124	59
GENDER						
Male	106	96	53	103	98	51
Female	25	25	8	27	26	8
RANK						
Senior Management	4	3	5	5	3	3
Middle management	10	15	6	12	16	8
General staff	117	103	50	113	105	48
AGE						
20–30	51	13	24	59	25	23
31–40	62	68	31	54	61	28
41–50	11	28	5	10	28	7
Above 50	7	12	1	7	10	1
TURNOVER RATE⁹	19.7%	17.4%	3.3%	17.7%	25.8%	6.8%
GENDER						
Male	17.8%	18.8%	3.8%	16.5%	22.4%	7.8%
Female	29.2%	12.0%	0.0%	22.2%	38.5%	0.0%
RANK						
Senior Management	25.0%	33.3%	0.0%	0.0%	33.3%	0.0%
Middle management	18.2%	0.0%	33.3%	8.3%	0.0%	0.0%
General staff	19.8%	19.4%	0.0%	19.5%	29.5%	8.3%
AGE						
20–30	27.5%	69.2%	0.0%	25.4%	72.0%	8.7%
31–40	19.0%	13.2%	0.0%	11.1%	21.3%	7.1%
41–50	0.0%	7.1%	40.0%	20.0%	0.0%	0.0%
Above 50	0.0%	8.3%	0.0%	0.0%	10.0%	0.0%

⁹ Turnover rate= Number of employees retained / the total number of employees by gender, by rank, and by age during the year

PERFORMANCE DATA SUMMARY

	2021/22			2020/21		
	Erdos Plant	Dazhou Plant	Huaheng Energy	ErdosPlant	Dazhou Plant	Huaheng Energy
NEW HIRE RATE¹⁰	20.6%	14.9%	6.6%	20.0%	10.5%	6.8%
GENDER						
Male	20.6%	16.7%	7.5%	21.4%	10.2%	5.9%
Female	20.8%	8.0%	0.0%	14.8%	11.5%	12.5%
RANK						
Senior Management	0.0%	0.0%	40%	0.0%	0.0%	0.0%
Middle management	0.0%	0.0%	0.0%	8.3%	0.0%	0.0%
General staff	23.3%	17.5%	4.0%	22.1%	12.4%	8.3%
AGE						
20–30	39.2%	46.2%	4.2%	37.3%	20.0%	17.4%
31–40	9.5%	14.7%	9.7%	7.4%	13.1%	0.0%
41–50	9.1%	7.1%	0.0%	0.0%	0.0%	0.0%
Above 50	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NUMBER OF TRAINEES						
GENDER						
Male	107	96	53	103	98	40
Female	24	25	8	27	26	30
RANK						
Senior Management	4	3	5	5	3	30
Middle management	11	15	6	12	16	40
General staff	116	103	50	113	105	40

¹⁰ New hire rate= number of employees newly recruited / the total number of employees by gender, by rank, and by age during the year

PERFORMANCE DATA SUMMARY

	2021/22			2020/21		
	ErDOS Plant	Dazhou Plant	Huaheng Energy	ErDOSPlant	Dazhou Plant	Huaheng Energy
AVERAGE TRAINING HOURS						
GENDER						
Male	23.9	24.0	30.6	25.7	25.1	23.5
Female	20.3	24.0	37.5	20.5	24.1	22.5
RANK						
Senior Management	6.0	16.0	24.0	16.0	22.0	30.0
Middle management	13.5	16.0	35.0	16.3	22.0	30.0
General staff	24.8	25.4	31.8	26.9	25.4	29.2
OCCUPATIONAL SAFETY AND HEALTH PERFORMANCE						
Work-related fatalities	0			0		
Number of work-related injuries	0			0		
Lost days due to work injury	0			0		
Work injury rate per thousand persons	0			0		

HKEX ESG CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section / Remarks	
A. ENVIRONMENTAL			
ASPECT A1: EMISSIONS	<p>General Disclosure</p> <p>Information on:</p> <p>a. the policies; and</p> <p>b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p><i>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations.</i></p> <p>Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.</p>	<i>Environmental Management</i>	
	KPI A1.1	The types of emissions and the respective emissions data.	<i>Air Emission Management</i>
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<i>Energy Management and Carbon Emission</i>
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<i>Solid Waste</i>
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	<i>Solid Waste</i>
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	<i>Environmental Management, Tackling climate change</i>
	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.	<i>Solid Waste</i> <i>The Group's operations do not involve large generation of solid waste and therefore there are no reduction targets and steps taken to achieve them.</i>

HKEX ESG CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section / Remarks
ASPECT A2: USE OF RESOURCES	<p>General Disclosure</p> <p>Policies on efficient use of resources, including energy, water and other raw materials.</p> <p><i>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</i></p>	<i>Environmental Protection, Energy Management and Carbon Emission</i>
	<p>KPI A2.1</p> <p>Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).</p>	<i>Energy Management and Carbon Emission</i>
	<p>KPI A2.2</p> <p>Water consumption in total and intensity (e.g. per unit of production volume, per facility).</p>	<i>Water Resources Management</i>
	<p>KPI A2.3</p> <p>Description of energy use efficiency target(s) set and steps taken to achieve them.</p>	<i>Energy Management and Carbon Emission</i>
	<p>KPI A2.4</p> <p>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.</p>	<i>Water Resources Management</i>
	<p>KPI A2.5</p> <p>Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced.</p>	<i>The Group's operations do not involve the use of packaging materials</i>
ASPECT A3: THE ENVIRONMENT AND NATURAL RESOURCES	<p>General Disclosure</p> <p>Policies on minimising the issuers' significant impact on the environment and natural resources.</p>	<i>Environmental Protection, Environmental Emergency</i>
	<p>KPI A3.1</p> <p>Description of significant impacts of activities on the environment and natural resources and the actions taken to manage them.</p>	<i>Environmental Protection, Environmental Emergency</i>
ASPECT A4: CLIMATE CHANGE	<p>General Disclosure</p> <p>Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.</p>	<i>Tackling Climate Change</i>
	<p>KPI A4.1</p> <p>Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.</p>	<i>Tackling Climate Change</i>

HKEX ESG CONTENT INDEX

KPIs	HKEX ESG Reporting Guide Requirements	Section / Remarks
B. SOCIAL		
ASPECT B1: EMPLOYMENT	<p>General Disclosure</p> <p>Information on:</p> <p>a. the policies; and</p> <p>b. compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare</p>	<i>Labour Management</i>
	<p>KPI B1.1</p> <p>Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.</p>	<i>Employee Composition</i>
	<p>KPI B1.2</p> <p>Employee turnover rate by gender, age group and geographical region.</p>	<i>Employee Composition</i>
	<p>General Disclosure</p> <p>Information on:</p> <p>a. the policies; and</p> <p>b. compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to providing a safe working environment and protecting employees from occupational hazards.</p>	
ASPECT B2: HEALTH AND SAFETY	<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>	<i>Occupational Safety and Health</i>
	<p>KPI B2.2</p> <p>Lost days due to work injury.</p>	<i>Occupational Safety and Health</i>
	<p>KPI B2.3</p> <p>Description of occupational health and safety measures adopted, how they are implemented and monitored.</p>	<i>Occupational Safety and Health</i>

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

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KPIs	HKEX ESG Reporting Guide Requirements	Section / Remarks
ASPECT B6: PRODUCT RESPONSIBILITY	<p>General Disclosure</p> <p>Information on:</p> <p>a. the policies; and</p> <p>b. compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress</p>	<i>Quality Management, Customer Responsibilities,</i>
	<p>KPI B6.1</p> <p>Percentage of total products sold or shipped subject to recalls for safety and health reasons.</p>	<i>The Group's operations do not involve the recall of products for safety and health reasons</i>
	<p>KPI B6.2</p> <p>Number of products and service related complaints received and how they are dealt with.</p>	<i>Customer Engagement</i>
	<p>KPI B6.3</p> <p>Description of practices relating to observing and protecting intellectual property rights.</p>	<i>Intellectual Property and Privacy Protection</i>
	<p>KPI B6.4</p> <p>Description of quality assurance process and recall procedures.</p>	<i>Quality Management,</i>
	<p>KPI B6.5</p> <p>Description of consumer data protection and privacy policies, how they are implemented and monitored.</p>	<i>Intellectual Property and Privacy Protection</i>

KPIs	HKEX ESG Reporting Guide Requirements	Section / Remarks
ASPECT B7: ANTI-CORRUPTION	<p>General Disclosure</p> <p>Information on:</p> <ul style="list-style-type: none"> a. the policies; and b. compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 	<i>Integrity in Operation</i>
	<p>KPI B7.1</p> <p>Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.</p>	<i>Anti-corruption Management</i>
	<p>KPI B7.2</p> <p>Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.</p>	<i>Anti-corruption Management</i>
	<p>KPI B7.3</p> <p>Description of anti-corruption training provided to directors and staff.</p>	<i>Anti-corruption Management</i>
ASPECT B8: COMMUNITY INVESTMENT	<p>General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	<i>Social Responsibilities</i>
	<p>KPI B8.1</p> <p>Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</p>	<i>Social Responsibilities</i>
	<p>KPI B8.2</p> <p>Resources contributed (e.g. money or time) to the focus area.</p>	<i>Social Responsibilities</i>