



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021



中國基礎能源控股有限公司
China Primary Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)
(Stock Code : 8117)

Environmental, Social and Governance Report

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I. PREAMBLE

Energy is essential for national economic development and people's daily lives. While fossil energy still dominates the main energy resources, natural gas plays a pivotal role in bringing our economy a type of green energy solution amongst coal, oil and other energy sources, accelerating the transition towards clean energy system. In September 2020, President Xi Jinping made a pledge that China will realise carbon neutrality by 2060, symbolising the determination and ambition of the country to firmly make “green economy” a trend of development of human society. Gradually phasing out coal consumption and replacing it with cleaner energy sources including ramping up the development of natural gas have been one of the top priorities of the Chinese government in plans for sustainable development. During the period of the 14th Five-Year Plan, green development has been emphasised further, pushing the whole private sector to work towards addressing the pressing need for a clean energy transition.

The past year has been a year of exceptional significance. At the historical convergence of the Two Centenary Goals, a new chapter of the journey of building a beautiful China in all respects around common prosperity and making confident strides on the path toward the great rejuvenation of the Chinese nation has been unfolded. As a supporter and trailblazer in pursuing sustainable development, China Primary Energy Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group” or “We”) has been aware of its mission and responsibility to play in implementing the ambitions of the government to speed up a profound energy transformation. Being one of the prominent brands in the natural gas industry that mainly engages in the transmission and distribution of natural gas, sales of heat and biomass gasification-related products and property investment primarily in the People's Republic of China (“PRC”), and trading of electronic components in Hong Kong, the Group has been committed to enhancing its ESG governance structure and management approach, striving to accomplish every objectives under its great mission by remaining true to its original aspiration.

Around the core guiding principles and requirements of national policies including the “Guiding Opinions on Energy Work in 2021” 《2021年能源工作指導意見》 and “Action Plan for Carbon Dioxide Peaking Before 2030” 《2030年前碳達峰行動方案》, the Group has made solid progress in optimising its Environmental, Social and Governance (“ESG”) system and performance, and will unswervingly step up efforts to seek sustainability within its operations and throughout its value chain.

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II. ABOUT THIS REPORT

The Group is pleased to present its ESG Report (“ESG Report”) for the financial year ended on 31 December 2021 (“FY2021”) from 1 January 2021 to 31 December 2021, to demonstrate the Group’s approach and performance in terms of ESG management and corporate sustainable development for FY2021, as well as the key challenges and opportunities of the Group in the journey towards creating shared value to all sustainably and the effective ways in which the Group will be responding.

The information in this ESG Report was gathered through a wide range of channels to ensure data richness, including internal policies of different subsidiaries of the Group, the factual evidence of the implementation of ESG practices in the Group, the feedback from staff via online surveys in the format of quantitative and qualitative questions based on the reporting framework, and the verified statistics of the Group’s annual performance in business operations and sustainable development. This ESG report was prepared in full compliance with the ESG Reporting Guide as set out in Appendix 20 of the GEM Listing Rules on The Stock Exchange of Hong Kong Limited (“HKEx”). Under the guidance of the ESG Guide of HKEx as well as associated standards, the Group has strictly followed the requirements and recommended steps to measure, record, evaluate and disclose its ESG performance during the year under review. A complete content index and a linkage table of GRI (Global Reporting Initiative) Standards are available at the end of the ESG report for readers’ convenience to check its integrity.

Reporting Scope

Taking Operational Control Approach as the basis for setting the reporting boundary, this ESG Report covers the key environmental and social performance within the operational boundaries of the Group that includes the business of the transmission and distribution of natural gas, sales of heat and biomass gasification related products and property investment primarily in the PRC, and trading of electronic components in Hong Kong. Given that the Group completed a disposal of 90% equity interest of Yichang City Yiling District China Primary Thermal Power Limited (宜昌市夷陵區中基熱電有限公司), the information related to Yichang City Yiling District China Primary Thermal Power Limited (宜昌市夷陵區中基熱電有限公司) has no longer been incorporated into the ESG Report. For corporate governance section, please refer to the Group’s 2021 Annual Report on pages 29 to 38 therein. This report has been prepared in both English and Chinese. If there is any conflict or inconsistency, the English version shall prevail.

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Reporting Principles

The preparation of this ESG Report strictly adhered to the Reporting Principles set out in the ESG Guide. The main content of this ESG Report was determined, organised and presented under the principles of Materiality, Quantitative, Balance and Consistency, which were applied throughout the entire reporting process.

Materiality:

The Group fully made use of the principle of Materiality in identifying and determining the significant ESG issues and associated risks and opportunities faced by the Group for internal evaluation and disclosure. In FY2021, over 10 stakeholders were selected to participate in the annual ESG survey initiated by an independent professional agency that was responsible for collating and measuring the concerns of the Group's key stakeholders from the perspective of sustainability. Following the procedures recommended by GRI in identifying material topics, the Group assessed its business context, analysed its ESG impacts and prioritised the most significant topics by considering the feedback of stakeholders for targeted management in the future and reporting process. The materiality outcome has been approved by the Board of Directors of the Group (the "Board") and will be utilised as a valuable tool guiding the business development of the Group.

Quantitative:

Against the quantitative Key Performance Indicators ("KPIs") set forth in the ESG Guide, the Group has gathered relevant information from reliable sources through its robust and standardised data collection system, and generated a comprehensive disclosure of its environmental and social performance in a quantifiable manner. The quantitative information revealed by the Group included emissions, use of various types of resources, number of employees and turnover rates, training profile and supplier distribution, among other KPIs.

Balance:

To delineate a balanced sustainability profile, the Group has integrated the principle of Balance in the data collection and reporting process, transparently unveiling its significant achievements in sustainable development as well as impartially illustrating the rooms for improvement in the future, in which the Group will formulate plans to close the gaps.

Consistency:

A set of consistent methodology and framework for reporting on annual ESG performance is of paramount importance to stakeholders who can be better informed of the risks and opportunities faced by the Group. Taking the framework of ESG Guide of the HKEx as the backbone for structuring its performance assessment and information disclosure, the Group has adopted a coherent reporting framework to its previous work, and furthered its disclosure based on the additional disclosure requirements of HKEx.

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III. SUSTAINABILITY GOVERNANCE & STRATEGY

Board Statement

2021 has been a momentous period for China's energy and climate policy. Since China has significantly stepped up the commitment to strive to peak CO₂ emissions before 2030 and achieve carbon neutrality before 2060, and achieved steady progress on clean energy transformation, the Group believes that it should bear its responsibility as a clean energy provider to make contributions to the green development and leverage its industrial strength to support Common Prosperity through innovation. To achieve this, the Group considers building and maintaining a robust governance structure from the top is vital to driving sustainable development.

Championed by the Board, the Group's ESG vision and strategy are signalled from the top and cascade throughout the entire organisation in an organised and hierarchical way. Central to the Group's sustainability governance framework is the application of a "top-down" management approach (refer to **Sustainability Governance Structure**). The Board takes the lead on and has the oversight of the Group's ESG issues. The Board assumes ultimate responsibility for ensuring the effectiveness of the implementation of the Group's ESG policies and sustainability reporting matters. Under the robust leadership of the Board, the management teams of the Group have focused on the implementation of its sustainability strategy by formulating various effective policies and control procedures that cover a wide range of ESG-related areas. With reference to the materiality outcome, the management team and external ESG experts commissioned by the Group are responsible for evaluating the effectiveness of ESG policies that have been implemented in the Group by monitoring its progress towards relevant ESG ambitions and targets. The identified ESG risks as well as opportunities that are most relevant and material to the operations and business development of the Group are summarised and reported to the Board via conference meetings. The Board can be timely informed of the Group's performance in pursuing and maintaining a sound ESG mechanism, and the Group's overall progress towards relevant objectives through the reports from management teams on a regular basis and the Group's annual ESG report. The Board keeps reviewing the practices and performance of the Group with respect to metrics from operation safety, environmental impacts, social welfare management and other relevant topics derived from its material assessment, under the broader sustainability concept through both qualitative descriptions and numeric figures, which are used for trend analysis.

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2021 was the year that witnessed a strong recovery of global economy and domestic vitality from the shadow of the COVID-19 Pandemic (the “Pandemic”). Gradually tiding over the rumbling crisis and facing the “new normal” of the ripple effects in the post-pandemic era, the Group is determined to give its highest priority to make its business thrive further with a balanced consideration of safeguarding environmental assets, fulfilling social responsibilities and boosting economic development. On behalf of the Board, I would like to take this opportunity to express my sincere gratitude to our valued stakeholders, including our employees, management team, Board members as well as our business partners and clients, for their unswerving support for and dedication to the Group’s sustainable development.

Integration of ESG Risk Management

Risk management has been regarded as an integral part of and the foundation to maintaining stable and resilient business operations by the Group. By taking into considerations the ESG-related risks in analysis, the Group constantly reviews and adjusts its sustainability policies to satisfy the ever-changing needs of its stakeholders and to adapt to the latest industry’s trends and requirements. The barrier-free and efficient reporting mechanism allows the Board to be able to effectively identify, assess and respond to the actual and potential ESG risks, and make corresponding adjustments on its annual budget and commercial planning. As part of its ESG integration plan, the Group is committed to further instilling the concept and tools of ESG across all relevant Board committees and functional departments. Details of its management approach in both environmental and social aspects can be found throughout different sections of this ESG Report.

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Board

- Reviewing and assessing the Group's environmental and social risks;
- Overseeing the Group's ESG management and making informed decisions on business development with ESG and climate considerations;
- Promoting a sustainability culture from the top to ensure ESG forms a part of the business decision-making process.



Management & External ESG experts

- Formulating effective ESG actions plans and policies at the operational level;
- Supervising and coordinating the implementation of ESG policies;
- Tracking and reporting on the progress towards ESG goals and plans to the Board.



General employees

- Studying and executing internal ESG plans;
- Address operational risks through practical solutions;
- Reporting on potential critical challenges and risks to the Management Team.



Top-down: decision making and leadership

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IV. STAKEHOLDER ENGAGEMENT

The concerns and expectations of stakeholders are unarguably vital to the Group's capability of long-term value creation as stakeholders can have a major influence on how the Group's environmental and social impacts can be measured. The Group keeps maintaining a good relationship with its stakeholders, including but not limited to internal employees, external business partners, governments, investors and clients.

In FY2021, the Group engaged with its stakeholders in various ways and proactively responded to their significant concerns. The Group highly values the feedback from its stakeholders and takes an initiative to build multiple platforms where the trustful and supporting relationships with its stakeholders can be maintained. The multi-pronged approaches taken by the Group for dialogues with stakeholders are listed in the table below.

Table 1 Stakeholders Expectations and Communication Channels

Stakeholders	Expectations and concerns	Communication Channels
Government and regulatory authorities	<ul style="list-style-type: none"> - Compliance with laws and regulations - Support economic development - Business sustainability - Acceleration of energy restructuring towards clean and renewable energy 	<ul style="list-style-type: none"> - Supervision on the compliance with local laws and regulations - Routing reports and tax paid
Shareholders	<ul style="list-style-type: none"> - Return on investments and achieve targets - Corporate governance and communication - Policy review and performance monitoring 	<ul style="list-style-type: none"> - Regular reports and announcements - Regular general meetings - Official company website
Employees	<ul style="list-style-type: none"> - Employees' remuneration and benefits - Career development - Implementation of ESG strategies - Health and safety in the workplace 	<ul style="list-style-type: none"> - Performance reviews - Regular training programs - Regular meetings (private meetings or AGMs) - Emails, notice boards, hotline, caring activities with management

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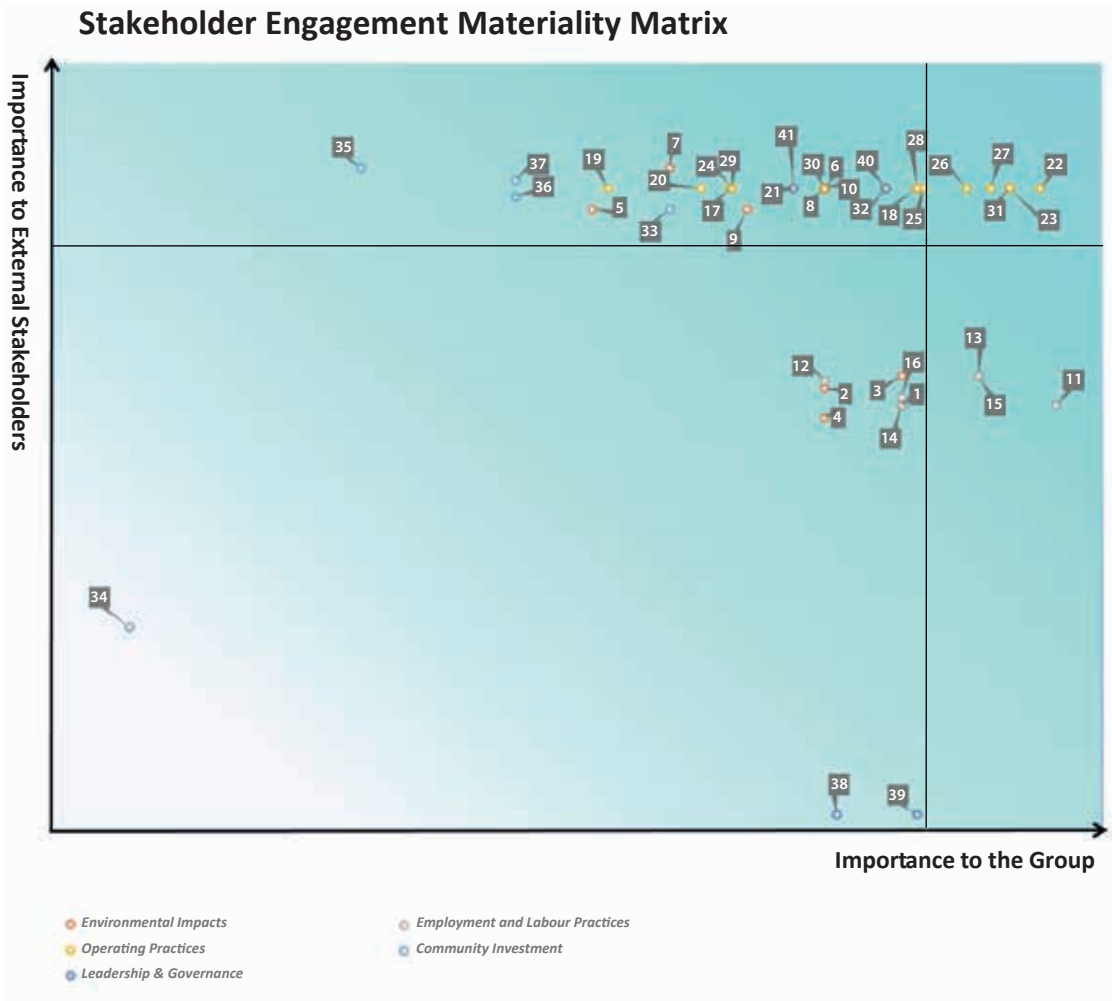
Stakeholders	Expectations and concerns	Communication Channels
Customers	<ul style="list-style-type: none"> - Production quality assurance - Protect the rights of customers - Qualified products with good performance against environmental indicators 	<ul style="list-style-type: none"> - Customer satisfaction survey - Customer service hotline and email - Face-to-face meetings and onsite visits
Suppliers	<ul style="list-style-type: none"> - Fair and open procurement - Win-win cooperation - Business ethics - Environmental protection 	<ul style="list-style-type: none"> - Open tendering - Suppliers' satisfactory assessment - Face-to-face meetings and onsite visits - Industry seminars
Professional bodies	<ul style="list-style-type: none"> - Climate change awareness and inputs - Law and regulation compliance - Implementation of ESG strategies 	<ul style="list-style-type: none"> - Routine reports - Emails, hotline, enquires
General public	<ul style="list-style-type: none"> - Involvement in community activities - Law and regulation compliance - Awareness of environmental protection - Promotion of the use of natural gas 	<ul style="list-style-type: none"> - Media conferences and responses to enquiries - Public welfare activities - Regular reports and announcements - Face-to-face interview

Materiality Assessment

As ESG risks and opportunities for companies vary across industries and are highly subject to corporate backgrounds, business models, operational characteristics, the Group undertook an annual materiality assessment based on dialogues with external stakeholders and internal impact analysis. The materiality outcome was endorsed by the Board.

In FY2021, the Group selected a range of its key stakeholders to participate in a materiality assessment survey initiated by a third-party agency based on the principle of accuracy and objectivity. The key internal and external stakeholder representatives were invited to prioritise the relevant ESG issues from a broad inventory of 41 topics from five pillars including environmental impacts, operating practices, leadership & governance, employment and labour practices, and community investment. With the information from stakeholders as well as internal impact analysis, the Group has formulated a materiality assessment matrix as below.

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1	GHG Emissions	15	Preventing Child and Forced Labour	29	Product Design & Lifecycle Management
2	Air Pollution	16	Labour Practices	30	Access & Affordability
3	Energy Management	17	Green Procurement	31	Business Ethics & Anti-corruption
4	Water & Wastewater Management	18	Communication and Engagement with Suppliers	32	Internal Communication & Grievance Mechanism
5	Solid Waste Stewardship	19	Environmental Risk (e.g. pollution) Management of Supply Chain	33	Community Engagement
6	Materials Management	20	Social Risk (e.g. human rights or corruption) Management of Supply Chain	34	Participation in Philanthropy
7	Land Use, Ecosystem and Biodiversity	21	Supply Chain Materials Sourcing & Efficiency	35	Cultivation of Local Employment
8	Climate Change Mitigation & Adaptation	22	Health and Safety Relating to Products/Services	36	Local Environmental Protection
9	Packaging Material Management	23	Customers Welfare	37	Support of Local Economic Development
10	Renewable and Clean Energy	24	Marketing and Promotion	38	Business Model Adaptation and Resilience to Environmental, Social, Political and Economic Risks and Opportunities
11	Diversity & Equal Opportunity	25	Intellectual Property Rights	39	Management of the Legal & Regulatory Environment (regulation-compliance management)
12	Employee Remuneration and Benefits	26	Product Quality	40	Critical Incident Risk Responsiveness
13	Occupational Health and Safety	27	Customer Privacy and Data Security	41	Systemic Risk Management (e.g. Financial Crisis)
14	Employee Development and Training	28	Labelling Relating to Products/ Services		

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According to the materiality analysis matrix, the Group identified five ESG topics that were of great significance to both the Group and its stakeholders, namely the “Health and Safety Relating to Products/Services”, “Customer Welfare”, “Product Quality”, “Customer Privacy and Data Security” and “Business Ethics & Anticorruption”. The materiality outcome will inform the Group to lay more emphasis on actions to mitigate the risks related to these categories in operations.

In FY2021, the Group continuously benchmarked its performance against the global Sustainable Development Goals (“SDGs”), aiming to utilise the globally recognised framework in shaping how its business are headed. Through online surveys with its stakeholders and a comprehensive analysis of its interconnections with global sustainability issues relevant to its business plans, the Group’s stakeholders further demonstrated their expectations of the Group to seek progress in contributing to Goal 5: Gender Equality and Goal 6: Clean Water and Sanitation on top of the previously identified goals (Goal 7: Affordable and Clean Energy, Goal 3: Good Health and Well-Being for People and Goal 8: Decent Work and Economic Growth). As an enterprise that has long been focusing on empowering female employees at all levels, the Group is committed to creating equal opportunities for all employees and ensuring that respecting the dignity of women is engrained in corporate culture and eliminating gender stereotypes is invariably implemented. To support the achievement of Goal 6, the Group keeps monitoring and measuring the impact of own activities on biodiversity and ecosystems, striving to improve its water use efficiency in operations.



Stakeholders Feedback

As the Group strives for excellence, the Group welcomes stakeholders’ feedback, especially on topics listed as the highest importance in the materiality assessment and its ESG approach and performance. Readers are also welcomed to share their views with the Group at info@china-penergy.com.

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V. ENVIRONMENTAL SUSTAINABILITY

Over the past years, under the guidance of central government concerning ecological progress, China has made tremendous achievements in environmental development and has taken the global lead in both the vision for and the practice of harmonious people-nature coexistence. In strict compliance with and response to national policies, the Group has been working relentlessly towards becoming a pathfinder for, contributor to and leader of better green development, and implementing the concept of Human Community with A Shared Nature.

In FY2021, the Group has been dedicated to the long-term sustainability of the environment and community in which it operated, stringently controlling its emissions and consumption of resources and abiding by all relevant environmental laws and regulations in Hong Kong and the PRC in its daily operations. While China has embarked upon the grand plan to fight for energy transition under the global pursuit of climate goals, the Group is committed to making its own contributions, aiming to ensure that the scientific concept of ecological and environmental protection takes root in the core operations of the Group.

This section primarily discloses the Group's policies, practices, and quantitative data on emissions, the use of resources and the environment and natural resources in FY2021.

A.1. Emissions

In FY2021, the principal emissions from the Group were air emissions from electricity consumption and vehicle use, municipal wastewater and solid wastes. The Group complied with all relevant environmental laws in the operating regions, including but not limited to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》) concerning air and GHG emissions, discharges into water and land, generation of hazardous and non-hazardous wastes, and noise that have a significant impact on the Group. In FY2021, given the Group's business nature, the GHG emissions from the Group in Scope 1 (Direct Emissions), Scope 2 (Energy Indirect Emission), and Scope 3 (Other Indirect Emissions) were 744.2 tonnes carbon dioxide equivalent ("CO₂e"), 5,304.1 tonnes CO₂e, and 43.9 tonnes CO₂e respectively. The Group's total GHG emissions amounted to 6,092.2 tonnes CO₂e, and the GHG intensity of the Group was 40.3 tonnes CO₂e/employee. Meanwhile, the Group also generated around 168,950 kg of non-hazardous solid wastes (with an intensity of 1,118.9 kg/employee) and 113,022 m³ non-hazardous wastewater during the year under review. During the year under review, the Group did not generate any hazardous wastes. The air pollutants from the Group including sulphur oxides ("SO_x"), nitrogen oxides ("NO_x") and particulate matter ("PM") were mainly generated from vehicles for transportation for business affairs. Specifically, the Group's air emissions of SO_x, NO_x and PM amounted to 0.6 kg, 181.3 kg and 17.2 kg respectively in FY2021. The Group's total emissions are summarised in Table 2.

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Table 2 The Group's Total Emissions by Category in FY2021 and FY2020 ⁸

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2021	Intensity ¹ (Unit/employee) in FY2021	Amount in FY2020	Intensity ¹ (Unit/employee) In FY2020)
Air Emissions²	SO _x	Kg	0.6	-	1.5	-
	NO _x	Kg	181.3	-	1,166.8	-
	PM	Kg	17.2	-	55.2	-
GHG Emissions	Scope 1 (Direct Emissions) ³	Tonnes of CO ₂ e	744.2	4.9	304.8	2.1
	Scope 2 (Energy Indirect Emissions) ⁴	Tonnes of CO ₂ e	5,304.1	35.1	213.7	1.5
	Scope 3 (Other Indirect Emissions) ⁵	Tonnes of CO ₂ e	43.9	0.3	95.1	0.1
	Total (Scope 1 & 2 & 3)	Tonnes of CO ₂ e	6,092.2	40.3	613.6	3.8
Non-hazardous Waste	Solid Wastes ⁶	Kg	168,950	1,118.9	10	0.1
	Wastewater ⁷	M ³	113,022	748.5	28,511.7	200.8

1. Intensity was calculated by dividing the amount of air, GHG and other emissions by the number of employees of the Group in FY2021 and FY2020 (the financial year ended on 31 December 2020 from 1 January 2020 to 31 December 2020), respectively;

2. Air emissions included only the air pollutants in the exhaust gas from vehicles for transportation;

3. The Group's Scope 1 (Direct Emissions) included only the consumption of diesel, petrol and natural gas for the operation of motor vehicles and other business operations;

4. The Group's Scope 2 (Energy Indirect Emissions) included only the electricity consumption;

5. The Group's Scope 3 (Other Indirect Emissions) included only paper waste disposed at landfills, electricity used for processing fresh water and sewage by government departments and in FY2021, the business air travel was included;

6. The solid wastes covered only the commercial wastes from the places where the Group's employees worked;

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7. The total amount of wastewater discharged from the Group in FY2021 was mostly based on the assumption that 100% of the consumed fresh water entered the building drainage system; and
8. The methodology adopted for reporting on GHG emissions set out above was based on “How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange and with reference to the IPCC Emission Factor Database.

Transmission and distribution of the natural gas business

Natural gas is a key component of China’s roadmap to build a clean and diversified energy supply system. As the core business segment to the Group, the management of environmental performance and related impacts of its natural gas transmission and distribution activities have invariably been important to the Group. In FY2021, the performance of the natural gas transmission and distribution business segment remained at a stable and good level, with various policies and initiatives being effectively implemented.

Management Approach

The Group has adhered to applicable industrial standards that regulate the practices and emissions performance in operations, including but not limited to the Ambient Air Quality Standards 《環境空氣質量標準》 (GB3095-2012), Environmental Quality Standard for Noise 《聲環境質量標準》 (GB3096-2008), Environmental Quality Standards for Surface Water 《地表水環境質量標準》 (GB3838-2002), etc. The Safety Supervision Department together with other departments are responsible for addressing environment-related issues in the business segment according to a set of internal policies.

Sales of heat and biomass gasification related products

Biomass is a significant source of energy in China nowadays, particularly in rural areas. With a substantial increase of shares in biomass-related industries, the Group believes that the development and application of this clean energy solution will to large extent contribute to the nation’s decarbonisation ambition. Over years, the Group has strengthened the development and connectivity of clean energy infrastructure and in FY2021, the Group has commenced its operation of the biomass gasification heating plant and facilities in Huaining County, Anhui Province.

Management Approach

The Group has utilised online monitoring system to record, measure and evaluate its performance against environmental criteria. Based on a systematic performance tracking mechanism, the Group has proposed relevant targets and plans for improvement.

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Air Emissions and GHG Emissions

Trend Analysis

In FY2021, air emissions were mainly generated from the transportation process and use of vehicles for business activities, while the GHG emissions of this segment consisted of direct emissions (Scope 1) from the use of vehicles and other business operations, indirect emissions (Scope 2) from the purchase of electricity, and other indirect emissions (Scope 3). The direct and indirect energy emissions still dominated the total amount of GHG emissions of the Group, while other indirect emissions were relatively insignificant, accounting to only 0.7% of the total GHG emissions.

As compared with FY2020, the GHG emissions of the Group in FY2021 rose significantly due to the dramatic increase of electricity usage in operations of property investment business segment.

Goals and Proposed Steps

In response to the global decarbonisation agreement and national “30.60” carbon targets, the Group aims to achieve a 22.5% reduction in its overall GHG emissions (Scope 1 and Scope 2) by 2030 compared to the level in FY2021, with reference to the Absolute Contraction Approach of Science-Based Targets Initiative. To meet the objective, the Group commits to embrace electrification in advancing more sustainable energy solutions and foster the deployment of cost-effective and low-carbon technologies for transportation and operations.

Over years, the Group has already been allocating a vast amount of resources to exploring cleaner and sustainable ways to power vehicles and operations, such as choosing a cleaner-burning alternative to improve air quality. Tetrahydrothiophene, known as THT, is generally used as an odorant as the warning agent in the natural gas industry in China. The Group has paid great attention to the safe use of THT and operated in strict compliance with applicable regulations in the PRC.

Meanwhile, the sales of heat and biomass gasification related products business segment of the Group aims to further lower its GHG emissions by continuing its practices in controlling the electricity and water consumption rate per product. As biomass is a form of stored solar energy that contains both water and carbon dioxide absorbed from the atmosphere and converted through photosynthesis, the accelerating gasification of biomass including rice husk and straw of the Group is believed to lead to both economic and environmental benefits to the Group.

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Waste

Trend Analysis

In FY2021, the wastewater and solid wastes generated from the business segment of the Group were mainly domestic sewage and solid waste by its staff from daily operating activities.

As compared with FY2020, the total amount of solid wastes in FY2021 went up substantially due to the rising commercial waste generation from administration and trading businesses.

Goals and Proposed Steps

As the business segment did not generate a significant quantity of sewage or solid waste during operations, the Group believes that an indefinite reduction target which aims to continuously maintain the waste intensity fluctuations at the levels of 5% above or below is appropriate.

To control and manage the waste generated from the business segment, the Group has implemented the concept of Sustainable Waste Management, of which the target is to connect those threads in tangible and effective ways to help its employees enhance the awareness of environmental stewardship, and carefully behave as required by the national rubbish sorting policies, ambitious waste recycling rules and National Water-Saving Action Plan (國家節約用水行動方案).

The sales of heat and biomass gasification related products business segment of the Group has implemented a multitude of measures including the reutilisation of carbonised material produced after the gasification of rice husk, and separately measuring the water consumption of each production line and for domestic use, in order to reduce heating loss and unnecessary water usage that results in wastewater discharge.

A.2. Use of Resource

In FY2021, the primary resources consumed by the Group were electricity, gasoline, diesel, water and paper. Given its business nature, the Group did not use any packaging material during the year under review. The Group complied with applicable laws and regulations with regard to its use of resources, including but not limited to Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》) and Provisions on the Management of Water Conservation in Cities (《城市節約用水管理規定》).

Management Approach

To effectively manage its resource use efficiency, the Group keeps strengthening its monitoring, measurement and evaluation of its performance in energy and water consumption, striving to explore and make use of innovative solutions around "3R Principle" to minimise its potentially negative environmental impacts. Table 3 illustrates the amount of different resources used by the Group in FY2021.

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Table 3 The Group's Total Use of Resources by Category in FY2021 and FY2020 ³

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2021	Intensity ¹ (Unit/employee) in FY2021	Amount in FY2020	Intensity ¹ (Unit/employee) in FY2020
Energy	Electricity	MWh	8,698.5	32.0	344.0	2.4
	Gasoline	L (MWh)	50,698.9 (491.3)	335.8	35,630.9	250.9
	Diesel	L (MWh)	10,230.7 (109.5)	67.8	61,069.3	430.1
	Natural gas	M ³ (MWh)	316,680 (2,985.5)	2,097.2	28,944.6	203.8
	TOTAL	MWh	12,284.9	81.4	-	-
Water	Water ²	M ³	114,242.4	756.6	28,511.7	200.8
Paper	Paper	Kg	1,389	9.2	18,095	127.4

1. Intensity was calculated by dividing the amount of resources by the Group's number of employees in FY2021 and FY2020, respectively;

2. The water consumption excluded the Hong Kong office of the Group in both FY2021 and FY2020 as the water bills were covered in the property management fees and regarded immaterial relative to the amount of water use for production; and

3. A comparison with FY2020's data was summarised and presented to display changes and progress made by the Group in line with the reporting principle of consistency.

Electricity

Trend Analysis

In FY2021, the Group purchased electricity from local public utilities and the total electricity usage shot up due to the development of the sales of heat and biomass gasification related products business segment as well as the electricity consumption in property investment business.

Environmental, Social and Governance Report

Goals and Proposed Steps

Considering the business plan, the Group believes that an indefinite reduction target which aims to continuously lower the electricity consumption per product is appropriate at current stage. To achieve the target, the Group has embedded the slogan of “Rationally Using and Saving Electricity” into its business strategy and daily operations. Meanwhile, variable frequency equipment has been highly recommended and installed for production in the factory. To further improve electricity use efficiency, the Group will continue to implement the following practices:

- Switch off all idle lights and air-conditioning timely;
- Place “Saving Electricity, turn off the Light when Leaving” posters in prominent places to remind employees of energy conservation;
- Maintain the electrical appliances (such as refrigerator, air-conditioner and paper shredder) on a regular basis;
- Use electrical appliances with certified energy-saving labels;
- Make use of natural gas as fuels for canteen operations;
- Include electricity bills of office operations in annual budget management; and
- Prohibit heating equipment and other electricity guzzling appliances in the office.

Other Energy Sources

Trend Analysis

In FY2021, the Group's consumption of other energy resources mainly came from the combustion of fossil fuels for transportation and other business operations, in the format of gasoline, diesel and natural gas. In FY2021, the diesel consumption of the Group declined by approximately 83.2%, and the total amount of energy that was consumed by the Group reached 12,284.9 MWh (including electricity).

Environmental, Social and Governance Report

Goals and Proposed Steps

Considering the business plan, the Group has established a short-term objective to reduce its gasoline consumption by formulating travel plans for transportation. The Group will continue to insist on the exploration of innovative solutions and the application of feasible environmentally friendly technologies into its business operations. Dedicated to controlling the fuel consumption in transportation, the Group plans to implement the following practices:

- Regular servicing of the vehicle that enables good fuel conservation and emission control;
- Adopt vehicle sharing for business travel when appropriate; and
- Encourage staff to take public transportation instead of driving to work.

Water

Trend Analysis

In FY2021, the water consumption by the Group ascended substantially due to the development of the sales of heat and biomass gasification related products business segment as well as the soaring water usage in property investment business. In FY2021, the Group did not face any problems in sourcing water.

Goals and Proposed Steps

Taking level of FY2021 as the base year, the Group aims to maintain the production water loss rate within 10%. To improve the utilisation efficiency of water resources, the Group has taken the following measures:

- Reuse the circulating water for cooling as heating water and domestic water;
- Strengthen the education of water conservation among its staff;
- Place “Saving Water Resource” posters in prominent places to encourage water conservation;
- Carry out regular leakage tests on water tap, washers and other defects in the water supply system;
- Include the water bills of office operations in annual budget management;
- Adjust the output per unit time of water taps; and
- Repair dripping taps timely.

Environmental, Social and Governance Report

Paper

With an ambition to promote the concept of paperless office, the Group has further emphasised the implementation of “Circular Economy” and seeks to reduce, reuse and recycle paper products in its operations. In FY2021, the Group’s paper usage dropped by approximately 92.3%. Meanwhile, the Group recycled a total of 500 Kg of paper, which accounted for approximately 36% of the total paper consumption of the Group. In addition to paper recycling, the Group has encouraged its employees to make use of electronic formats to store and review documents.

A.3. The Environment and Natural Resources

As an enterprise that has been engaged in natural gas business for years and embarked on biomass gasification business, a solution derived from the application of renewable energy resources to generate clean power, the Group has constantly been monitoring and reviewing its environmental impact through well-defined KPIs.

In FY2021, the Group did not cause significant detrimental effects to the ecological environment. Rather, the commissioning of biomass gasification heating, a modern biomass technology, enables the Group to further its steps towards the building of low-carbon development model. Despite the numerous benefits of biomass gasification that contributes extensively to renewable energy generation, the Group is also aware of the potential environmental consequences of operations should no adequate and effective precautionary measures be taken and continuously enforced during operations. For instance, the Group has installed atmospheric online monitoring system to ensure that the quality of emitted fumes complies with local standards.

Efficiently improving energy efficiency, among all strategic objectives in seeking environmental sustainability, has invariably been regarded as the priorities of the Group. In FY2021, the Group efficiently recorded and measured its energy and water consumption for production, based on which long-term and practical targets to improve use efficiency have been established within the organisation. The Group believes that with clear objectives on relevant environmental aspects, all operating units will be motivated and pushed to delve into more advanced and effective solutions to enhancing efficiency in operations, thereby minimising their environmental impacts and speeding up the transition towards a low-carbon business model.

Environmental, Social and Governance Report

A.4. Climate Change

Natural gas is a relatively clean burning fossil fuel. As an enterprise that has been engaged in clean energy exploration, promotion and application for years, the Group has also paid great attention to climate-related risks primarily arising from the consumption of fossil fuels and emissions of GHGs to the atmosphere.

The Group is aware that climate change is posing various types of severe risks for businesses including physical and transition risks, which companies, especially those in industries that are exposed to significant climate threats need to understand, identify, evaluate, in order to take appropriate steps to manage the material risks. For years, the Group has been focusing on its climate risk assessment from a holistic perspective, and regarding the following climate-related risks as ones which may impact the Group's business operations in the long-term.

- The rising sea levels and mean temperatures may affect stability and cause write-offs and early retirement of existing assets. In particular, the increasing average temperature may impact the stability of the Group's supply chain management;
- Enhanced emissions-reporting obligations may result in higher compliance costs; and
- Increased pricing of GHG emissions in the future may increase the operating costs.

With an effective identification of potential climate-related risks to business operations, the Group believes that lowering its carbon intensity is vital, and therefore has adopted the following practices to mitigate and adapt to the underlying implications of climate change on its business:

- Studying science-based climate risk assessment standards and disclosure frameworks, including Task Force on Climate-related Financial Disclosures, to enhance the knowledge of climate science among employees;
- Benchmarking and aligning strategies and operating measures with global best practices in improving energy efficiencies in operations;
- Embarking upon and scaling up the efforts on the exploration of renewable energy sources, such as the biomass gasification opportunities in business development.

Environmental, Social and Governance Report

VI. SOCIAL SUSTAINABILITY

Employment and Labour Practices

B.1. Employment

The Group treats its employees equally, respects their opinions and responds to their needs. In pursuit of creating and maintaining an appealing workplace and great career development opportunities for all employees, the Group has long been committed to growing with its employees together. The Group has adhered to its “paying respect to the dedicated, utilising the competent, fostering the aspired and incentivising the innovative” in employee management. In FY2021, the Group had a total of 157 employees (including 2 part-time workers and 155 full-time employees).

Table 4 Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2021 ¹

Unit: Number of employees		Age group				Total
Gender	<30	Between 31 and 40	Between 41 and 50	>51		
Male	25	36	21	32	114	
Female	8	19	8	8	43	
Total	33	55	29	40	157	

Unit: Number of employees		Position			Total
Gender	General staff	Middle management	Senior management and directors		
Male	80	24	10	114	
Female	33	7	3	43	
Total	113	31	13	157	

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Employment type		
Full time	Part time	Total
155	2	157

Geographical location	
Locations	Number of employees
PRC	148
Hong Kong	9
Total:	157

¹ The employment data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. The data covered employees engaged in a direct employment relationship with the Group according to relevant local laws and workers whose work and/or workplace was controlled by the Group. The methodology adopted for reporting on employment data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Law compliance

The Group's employment policies have been periodically updated and adjusted to cater to social changes since the inception of the Group, and importantly, to abide by the relevant laws and regulations in the PRC and Hong Kong. In FY2021, the Group complied with all relevant laws and regulations, including but not limited to the following:

- Employment Ordinance (Chapter 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (《中華人民共和國勞動法》); and
- Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》).

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Management approach

The Human Resources Department of the Group is responsible for the reviewing and updating of relevant company policies on a regular basis in accordance with the latest laws and regulations. By implementing the Group's employment policies and mechanisms, including but not limited to Human Resources Management System (人力資源管理制度), Labour Contract Renewal Management System (勞動合同續簽管理制度), Comprehensive Management System (綜合管理制度) and Employee Handbook, the Group's employment system is under strict and effective management around its fundamental strategies including

- Employees have equal opportunities to be hired and promoted;
- With regard to vacant positions, the forms of internal and external recruitment are both adopted;
- Work performance is one of the most important criteria for the promotion of employees.

Recruitment and promotion

The Group has prepared its "Yearly Recruitment Plan" to manage the recruitment activities every year. To attract high-calibre candidates, the Group offers fair, competitive remuneration and benefits based on individuals' performance, personal attributes, job experiences, career aspiration and market benchmarks. For instance, the General Department (綜合部) reports the interview results to the general manager of the company for approval, after which the General Department (綜合部) will go through the strict recruitment and entry procedures and the employees should truthfully fill in the "Employee Enrolment Registration Form" (員工入職登記表). In FY2021, the Group arranged a campus fair at Wuhan Gas and Heating Vocational School.

The Group refers to market benchmarks in relation to staff promotion and provides equal opportunities for promotion to eligible employees who have shown excellent performance and made giant contributions to the Group. The Group practises gender equality policies throughout its recruitment and promotion process.

Compensation and dismissal

The Group keeps reviewing its compensation packages, performs regular appraisals of the capability and performance with its employees, and adjusts the salary packages annually for its staff in accordance with the overall market level, inflation rate and profitability of the Group.

The Group strictly prohibits any kind of unfair or illegitimate dismissals. For those who have poor working performance, the Group would warn verbally before issuing a warning letter. For those who remain untamed despite repetitively making the same mistakes, the Group dismisses the person according to internal policies.

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Table 5 Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2021 ¹

Unit: Number of employees	Age group				Total
	<30	Between 31 and 40	Between 41 and 50	>51	
Male	11	9	6	9	35
Employee turnover rate (%)	44.0%	25.0%	28.6%	28.1%	30.7%
Female	6	4	1	1	12
Employee turnover rate (%)	75.0%	21.1%	12.5%	12.5%	27.9%
Total	17	13	7	10	47
Total employee turnover rate (%)	51.5%	23.6%	24.1%	25.0%	29.9%

Geographical locations		
Locations	Employee turnover	Employee turnover rate (%)
PRC	58	36.9%
Hong Kong	0	0
Total	58	36.9%

¹ The turnover data in headcount was obtained from the Group's Human Resources Department based on the employment contracts entered into between the Group and its employees. Turnover rate was calculated by dividing the number of employees who resigned in FY2021 by the number of employees in FY2021. The methodology adopted for reporting on turnover data set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

Working hours and rest period

The Group's policies specify the working time and application for annual leaves for all employees. The Group monitors and manages the working hours of its employees in accordance with relevant laws and regulations through approaches including the application of punch-in system, and compensates those who work overtime. In addition to statutory holidays, employees can also enjoy special leaves including maternal leave, medical leave, bereavement leave, etc.

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Equal-opportunity and anti-discrimination

As an equal opportunity employer, the Group is committed to creating a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all human resources and employment decisions. Training and promotion opportunities, dismissals and retirement policies are determined irrespective of employees' gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job-related factors in all business units. The Group's equal opportunities policy allows zero tolerance to any workplace discrimination, harassment or victimization in accordance with the relevant government legislation, ordinances and regulations, such as the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong) and the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong).

The Group aims to advocate good, harmonious and simple interpersonal relationships within the organisation, and strives to maintain smooth communications between general staff and the management teams. The company encourages candid communications and cooperation. The Administration Department and the Trade Union Committee, as the main responsible teams for employee relations and internal dialogues, provides assistance to employees in improving job satisfaction, guaranteeing labour security, offering psychological counselling and handling grievance. To create a working environmental that treats every employee equally, the Group engages with its employees through written or face-to-face surveys. Employees give feedback based on their real thoughts without any concerns. The valuable opinions and suggestions from internal employees will be considered by the Group in the decision-making process of operation and management in the future.

Other benefits and welfare

In FY2021, the Group arranged various types of benefits and activities for its employees including annual gatherings, medical subsidiaries, physical examinations and special holiday leaves. To fulfil the needs of employees working in factories, the Group has also provided well-equipped dormitories. In FY2021, the Group organised its employees to visit the Revolutionary Martyrs Memorial Hall, hike in the Nanjinguan Grand Canyon and Three Gorges Waterfall, participate in the Badminton Tournament of Yiling District, etc.

During the year under review, the Group was in compliance with relevant laws and regulations in relation to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

Environmental, Social and Governance Report

B.2. Health and Safety

Law compliance

It has invariably been one of the top priorities of the Group to protect its employees' wellbeing and minimise their exposure to occupational health and safety risks. To provide and maintain a secure working environment, the Group has enacted and effectively implemented a series of safety and health policies in line with national and local regulations in relation to applicable workplace health and safety in Hong Kong and the PRC, namely:

- Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong);
- Law of the People's Republic of China on the Protection of Production Safety (《中華人民共和國安全生產法》); and
- Regulation on Work-Related Injury Insurance (《工傷保險條例》).

Management approach

The Group has established a comprehensive mechanism and effective policies regulating safety and labour practices in line with applicable health and safety standards, such as GB/T29639-2013, GBZ 1-2010, GB12011-2009, GB2811-2007, to minimise the risks of accidents in the workplace and enhance employees' health and safety awareness. The internal policies and guidelines, including the Fire Safety Management System (消防安全管理制度), Engineering Safety Management System (工程安全管理制), Quality Management Manual (質量管理手冊), Accident Contingency Plan and Regular Drill Management System (事故應急預案及定期演練管理制度) and Production Safety Emergency Plan (《生產安全事故應急預案》), have been set up to facilitate and maintain a safe working environment. The implementation of internal health and safety policies is overseen and supervised by the General Manager Office with the support and coordination of other departments under the accountability system. For instance, the regular fire safety meeting is convened by the fire safety manager. The personnel participating in the regular fire safety meeting are composed of the second-level responsible persons, managers and heads of functional departments. The implementation and performance of safety control measures, such as the operation and maintenance of pressure vessels, are ultimately supervised and regulated by local authorities, including the Administration for Market Regulation and Economic Development Zone Management Committee.

Environmental, Social and Governance Report

In the management of occupational health and safety risks during operations, the Group has implemented the following measures in particular:

- Provided suitable personal protective equipment to employees such as helmets, safety shoes, anti-freezing gloves and cotton anti-static gloves;
- Offered disinfectants for relevant employees and carried out environmental disinfections on a regular basis;
- Organised annual physical examinations for relevant employees at the operating site;
- Installed and maintained the fire equipment such as automatic smoke spray system and powder fire extinguishers in the working;
- Built and implemented an emergency management system with clear responsibilities being allocated and procedures being set up for handling any emergency. For example, a robust combustible gas leakage detection and alarm system was strictly designed according to the GB 50028 standard in order to monitor all relevant parameters of all sites continuously;
- Arranged emergency fire drills annually and set safety signs to enhance employees' safety awareness;
- Purchased employment injury insurance for its employees and put common medicine boxes in accessible place.

Environmental, Social and Governance Report



Table 6 Number of work-related fatalities and lost days due to work injury of the Group in past three financial years ¹

Year	FY2021	FY2020	FY2019
Number of work-related fatalities	0	0	0
Lost days due to work injury	0	0	0

¹ The information about injury and fatality was obtained from the Group's Human Resources Department. The methodology adopted for reporting the number and rate of work-related fatalities set out above was based on "How to Prepare an ESG Report? — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

During the year under review, the Group was in compliance with the relevant laws and regulations in relation to providing a safe working environment and protecting the employees from occupational hazards that have a significant impact on the Group.

Environmental, Social and Governance Report

Actions in the Post-Pandemic era

2021 was an extraordinary year of speedy transition and recovery, with the gratifying roll-out of vaccines that enabled people, businesses and society to adapt to the new normal. Under the requirements and guidance of governments on Epidemic Prevention and Control, the Group has insisted on its commitments to and taken expeditious actions. For instance, by firmly adhering to the thought of “Life is heavier than Mount Tai, The epidemic is the command, Prevention and control is the responsibility” (生命重於泰山、疫情就是命令、防控就是責任), the Group, in the post-epidemic era, is committed to prioritising the safety of its employees by adopting measures such as reducing the frequency of people going out when necessary, storing sufficient epidemic prevention materials, performing temperature measurement and registration for each person every day, and undertaking nucleic acid tests for all employees regularly. Meanwhile, company guests are required to provide travel records, and those with travel and residence records in high and medium risk areas are prohibited from entering. Personnel in low-risk areas should undergo double-code verification, accept body temperature monitoring and wear masks for meetings. Digital technologies including online conferences are adopted under circumstances where participants cannot be physically present given the restrictions of epidemic prevention and control policies.

B.3. Development and Training

Management Approach

In order to improve the knowledge and skills of employees, and enable all staff to be competent for their jobs and continue to innovate, the Group has adopted a multipronged approach to aligning the talent development with its business needs while allowing all employees to meet their professional goals. The General Department of the Group is responsible for the designing and organising training programmes, formulating annual training plans and coordinating various departments to implement training and examinations on a monthly basis. To efficiently manage the development and training of employees, the Group has set up a multitude of internal policies, including Employee Training Management Measures (員工培訓管理辦法). Sticking to principles of Enterprise-Oriented, Market-Oriented and Era-Oriented (面向企業、面向市場、面向時代), the Group's has detailed the categorisation of training programmes, audience, training procedures and budget management.

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The Group provides comprehensive on-the-job training for newly hired employees who can better understand the company's corporate culture, business processes, health and safety policies, vehicle management procedures and corporate development history. For experienced employees, the Group offers training opportunities to develop their own working ability and build their career path. The Group also encourages its employees to enhance their competitiveness and expand their capacity through continuous learning by attending external training programmes to improve their competitiveness. In FY2021, the Group organised a wide range of training courses for its employees, including the "Hazard and Safety Protection of Liquefied Natural Gas" (液化天然氣的危險性與安全防護), "Production Safety Laws" (安全生產法), "Employee Code of Conduct" (員工行為準則), "Employee Rewards and Punishments" (員工獎勵懲處辦法), "Gas Filling" (燃氣充裝), "Vehicle and Logistics Management System" (車輛與後勤管理制度), "Safety Management System" (安全管理制度) and "Construction Management and Acceptance Regulation" (施工管理和驗收規範). The Group also invited external parties to provide workshops including Anti-Telecom Fraud seminar (防電信詐騙宣講) in FY2021. For positions with specific requirements of holding a professional certificate, including truck drivers for the transportation of dangerous goods, employees responsible for gas refilling, safety administrators and safety management supervisors, the Group funds the employees to participate in pre-job training programmes. The employees who successfully pass the training assessment can finally be approved to work.



FY2021

Training & Seminar

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Table 7 Number and Percentage of Employees Trained in the Group by Gender and Position Type in FY2021 ¹

Unit: Number of employees	Position			Total
	General staff	Middle management	Senior management and directors	
Male	32	5	3	40
% of employees trained	55.2%	8.6%	5.2%	69.0%
Female	16	2	0	18
% of employees trained	27.6%	3.4%	0.0%	31.0%

Total Employees Trained:

Gender	Position			Total
	General staff	Middle management	Senior management and directors	
Total	48	7	3	58
% of employees trained	82.8%	12.1%	5.2%	38.4%

¹ The training information was obtained from the Group's Human Resources Department. Training refers to the vocational training that the Group's employees attended in FY2021. The methodology adopted for reporting on the number and percentage of employees trained set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

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Table 8 Training Hours Received by the Employees of the Group by Gender and Position Type in FY2021 ¹

Unit: Training Hours	Position			Total
	General staff	Middle management	Senior management and directors	
Gender				
Male	242	58	42	342
Average training hours	3.2	2.4	4.2	3.1
Female	146	46	24	216
Average training hours	4.7	6.6	8.0	5.3
Total	388	104	66	558
Average training hours	3.6	3.4	5.1	3.7

¹ The training information was obtained from the Group's Human Resources Department. The methodology adopted for reporting training hours set out above was based on "How to Prepare an ESG Report — Appendix 3: Reporting Guidance on Social KPIs" issued by the Stock Exchange.

B.4. Labour Standards

Based on the principle of "System Regulation and Contract Regulation" (制度監管與合同監管), the Group strictly abided by the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Labour Contract Law of the People's Republic of China (《中華人民共和國勞動合同法》) and other related labour laws and regulations in Hong Kong and the PRC to prohibit any child or forced labour employment in FY2021.

To combat illegal employment on child labour, underage workers and forced labour, and to ensure that applicants are lawfully employable, all employees are required by the Group's Human Resources Department to provide valid identification document including Identity Card, Household Register (if any) and Resume prior to the confirmation of employment. The Human Resources Department is responsible for monitoring and ensuring compliance with the latest and relevant laws and regulations that prohibit child labour and forced labour. The Group has regularly reviewed the human resources policies and the reporting mechanism has been established to monitor and ensure the compliance with all relevant laws and regulations. The Group organises an onsite inspection of the administration and personnel once a year, in which compensation and employment risks in the past year are identified and evaluated. Once any practice that fails to conform to the relevant labour laws, regulations or standards is found, the relevant employment contract will be immediately terminated.

In FY2021, the Group was in compliance with relevant laws and regulations, in relation to the prevention of child and forced labour that have a significant impact on the Group.

Environmental, Social and Governance Report

Operating Practices

B.5. Supply Chain Management

As a socially responsible enterprise, the Group has been committed to forging and maintaining a sustainable and reliable value chain by considering the environmental and social risks that might arise from its supply chain. In FY2021, all operating subsidiaries of the Group strictly monitored, appropriately evaluated and effectively managed the suppliers, striving to facilitate a resilient and stable supply chain. During the year under review, the Group had a total of 23 critical suppliers which were all located in the PRC.

Management Approach

In the selection of suppliers, the Group has developed and implemented the Supplier Evaluation Criteria (供方評定準則) through comprehensive evaluations and comparisons. The Group mainly takes into consideration the follows factors in assessing and prioritising the candidate suppliers:

- Quality of goods and services;
- Business license and previous track record;
- Market reputation;
- Quality management system;
- Production capacity;
- Technical parameters;
- Timely delivery;
- Financial performance; and
- Fulfilment of social and environmental responsibilities.

The Procurement Department of the Group is responsible for the coordination, management and monitoring of supply-side issues. To minimise the underlying environmental and social risks, the Group has applied criteria including quality, price, punctuality as well as environmental requirements including the compliance with relevant environmental regulations in selecting and collaborating with suppliers, which demonstrates the Group's determination and commitment to working with suppliers that respect and preserve the environmental and natural resources. The Group has adopted a proactive approach by formulating Measures for the Environmental Impacts of the Party (對相關方施加環境影響的管理辦法) in assessing, reviewing and managing their suppliers' practices. The Group refuses to partner with suppliers who violated relevant environmental regulations in the past or may cause detrimental environmental impacts during operations.

Environmental, Social and Governance Report

The Group builds and maintains a sound partnership with its suppliers, and makes use of the internet, phone calls, and other means to ensure that all suppliers abide by applicable local laws and regulations and stick to their corporate ethics. In FY2021, all suppliers were supervised under the Group's supply chain management policies.

Transmission and distribution of the natural gas business

The main raw material used in natural gas business is liquefied natural gas ("LNG"). The Group normally enters into a long-term gas supply contract and yearly supplemental agreement according to the actual demand with the selected gas suppliers with strong production capability and business reputation.

The Group is principally responsible for the sourcing of the LNG from upstream suppliers including state-owned enterprises and distributing the products to customers for industrial, commercial and household uses. The Group has set up Safety Plans and Emergency Plans, and maintained a stable communication with its suppliers. The quality of LNG must conform to the national standard of GB17820. The Group strictly audits the supplier qualification against well-defined criteria to manage the social and environment risks in the supply chain. Selected suppliers must provide the Group with a monthly "Natural Gas Quality Inspection Report", which proves that its operating practices and product quality meet the national and local laws and regulations.

Sales of heat and biomass gasification related products

The business segment of the Group mainly engages in central heating projects of parks. Using biomass gasification technology, rice husk is used as the main raw material for production. The produced steam is transported to the heat-using enterprises in the park through pipelines, and the produced carbonised rice husks are transported to the steel mill by freight trucks for heat preservation of molten steel.

In the selection of raw materials, moisture content and the integrity of rice husk are two key parameters to which the Group pays particular attention. To minimise the potential social and environmental risks, the Group gives priority to the collaboration with large-scale and reputable rice processing factory. The rice husk is purchased from the rice processing plant. The Group maintains sound communication with the rice processing factory through face-to-face meetings and phone calls. Sticking to the principles of "Openness, Fairness, Impartiality and Trustworthiness" and the requirements of Raw Material Procurement Management System (原材料採購管理制度), the Group assesses the quality of rice husks produced and supplied by rice processing plants at the end of every year. To promote an environmentally friendly practice along its value chain, the Group follows its Green Procurement policy, making investigations into the environmental impacts and production process of the rice processing factory. In 2022, the Group plans to include 80% of the rice husks produced by the surrounding rice processing plants into the purchase volume. All aspects from raw material procurement, transportation, use, production and sales are under the strict assessment and supervision of the Group's various departments.

Environmental, Social and Governance Report

B.6. Product Responsibility

Law compliance

The Group has adopted a proactive approach to maintaining a high level of reliability and robustness of its products and services through continuous improvements of its facilities, personnel and management processes. With regard to the Group's health and safety, advertising, labelling and privacy matters of its products and services, the Group was in compliance with the relevant rules, regulations and standards in the PRC and Hong Kong in FY2021, including:

- Law of the People's Republic of China on Product Quality (《中華人民共和國產品質量法》);
- Law of the People's Republic of China on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》);
- Law of the People's Republic of China on Road Traffic Safety 《中國人民共和國道路交通安全法》;
- Law of the People's Republic of China on the Protection of Production Safety (《中華人民共和國安全生產法》);
- Regulations on the Safety Administration of Dangerous Chemicals (《危險化學品安全管理條例》); and
- Natural Gas GB 17820-2018 (《天然氣》).

Management Approach

The Group has established and implemented a series of internal policies, including Operation Department Management Regulation (運營部管理規定), Engineering Management System (工程管理制度) and Quality Management Manual (質量管理手冊), to ensure that its product/service responsibilities are fulfilled.

Product quality

The Group values the interests of its customers and keeps monitoring the satisfaction rate of the customers through surveys. The Sales Department is responsible for collecting customers' opinions on product quality, pricing and delivery services. Any case of receiving a low score from customer satisfaction surveys triggers a comprehensive investigation by the Group, followed by corrective actions being made and precautionary policies being set up according to the requirements of Improvement Control Procedures (改進控制程序).

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Complaints

The clients' feedback is valued and normally reported to the head office for substantiation. Given the types of feedback, the substantiated complaints are sent to different departments which are required to take immediate actions for correction. The processing results are public to all employees and communicated timely with its clients.

During the year under review, the Group did not receive any complaint in relation to product quality.

Advertising

Following its internal procedures, the Group has been committed to providing accurate marketing materials in line with applicable laws and regulations to the public and its clients. Any misrepresentation or exaggeration of products is strictly prohibited. The General Department is responsible for monitoring and verifying the legitimacy, completeness and preciseness of sales and marketing materials before publication, and taking corrective actions once any inconformity to the Group's policies is discovered.

Privacy matters

In compliance with the local privacy laws and regulations such as the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong), the Group has set up its internal policies including Customer Property Control Procedures (顧客財產控制程式) and File Management Regulation (檔案管理規定) to protect its customers' rights. Personal data collected will only be used for the purposes as defined, while all employees are required to obey the rules and strictly prohibited from disclosing any confidential information to external parties without customers' authorisation. The employees in relevant positions are required to enter into a non-disclosure agreement to protect the privacy of the Group's clients.

Intellectual property rights

In FY2021, the Group complied with the applicable laws and regulations in relation to intellectual property rights, including the Patent Law of the People's Republic of China (《中華人民共和國專利法》), Trademark Law of the People's Republic of China (《中華人民共和國商標法》) and Patents Ordinance (Chapter 514 of the Laws of Hong Kong).

Given the industry nature, labelling is not a material issue to the Group's business, thereby not being discussed in detail in the Report.

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Transmission and distribution of the natural gas business

Sticking to the service principle of “Safety has no end, Unremitting efforts in Prevention” (安全沒有終點·防範常抓不懈), the Group has strictly complied with Regulation on the Administration of Urban Gas (城鎮燃氣管理條例) and Standard for Construction of City Gas Station (城市燃氣場站建設規範) during operations. Safety Operation Management Policy (安全運營部管理制度) has been set up to assess the gas safety operations which include station gas supply maintenance system, incident and hidden danger management, combustible gas leakage alarm management system and operational procedures for station workers and gas supply equipment.

To address the potential risks timely, the Group performs comprehensive safety inspections (綜合性安全檢查) regularly by carrying out indoor safety checks and comprehensive emergency rescue drills to ensure gas safety. Semi-annual anti-static testing and pressure safety testing are conducted on facilities at stations. The Group has built professional teams responsible for inspecting pipe network stability, preventing any leakages or system breakdown. A 24-hour monitoring system has been set up by the Group that ensures the safety and stability of the gas delivered to its customers. The Group believes that maintaining an ongoing dialogue with upstream suppliers to carry out regular inspections of pipelines and patrol systems and equipment maintenance is of paramount importance to safeguard the safety and quality of gas supplied to its customers.

Sales of heat and biomass gasification related products

The main business of the business segment of the Group is to generate and transport steam to industrial enterprises in the park. As such, “Understanding Users’ True Needs and Providing High-Quality Products and Services” is the foundation of the Group’s quality management. The Group has collaborated with its clients by entering into the “Steam Supply Contract”, in which the confidentiality requirements have been mutually agreed upon. The Group has arranged line patrol personnel responsible for communicating with the production department of the client, and mastering the parameters of steam supply and usage.

In FY2021, the Group was in compliance with relevant laws and regulations regarding health and safety, advertising, labelling and privacy matters of its products and services that have a significant impact on the Group.

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B.7. Anti-corruption

Law Compliance

To maintain a fair, ethical and efficient working environment, the Group strictly abided by the local laws and regulations relating to anti-corruption and bribery, irrespective of the region in which the Group operated in FY2021, including the Anti-Corruption Law of the People's Republic of China (中華人民共和國反腐敗法), the Law of the People's Republic of China on Anti-money Laundering (中華人民共和國反洗錢法), the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong), and the Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong).

Management Approach

The Group is committed to creating a fair, honest, open and standardised atmosphere for operations, requiring its employees as well as its business partners to perform duties in compliance with the code of conduct. The Group has established and implemented a series of internal policies, including "Employee Handbook" (員工手冊) and "Accounting Management System (往來賬務管理系統)", to standardise its employees' practices in embracing a working environment with integrity and honesty. The Financial Supervisor is responsible for reviewing and monitoring the implementation of anti-corruption policies in the Group. Whistle-blowers can report verbally or in writing to the Human Resources Department of the Group or the General Manager directly for any suspected misconduct with full details of the incident and supporting evidence. The Group makes investigations against any suspect or illegal behaviour to protect the Group's interests. Where any crime is substantiated by the Group, a report will be submitted promptly to relevant regulators or law enforcement authorities when the management of the Group considers it necessary.

In FY2021, Group did not hold any courses regarding anti-corruption, but planned to educate all employees to unswervingly push forward the undertaking of combating corruption and creating a clean working environment through workshops and training in the future.

In FY2021, the Group was in compliance with relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

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Community

B.8. Community Investment

The Group believes that fulfilling its corporate social responsibility forms a pivotal part of its commitment to behave ethically and contribute to local economic development. As an enterprise that has long been focusing on creating values to all, the Group bases its transparent and burgeoning business development on how it practises ethical values and shows respect for communities and the environment.

In FY2021, the Group remained true to its original aspirations in delivering its social commitments, focusing on the construction of ecological civilisation, development of community infrastructure and employees' involvement in activities held by local communities. Specifically, during the year under review, the Group organised its employees to participate in tree planting programmes, aiming to "green" its surrounding environment. Meanwhile, the Group made a donation of CNY45,000 to support the construction of local infrastructure for communities. To strengthen the bond between the Group's people and community groups, the Group's employees took part in various recreational and sporting activities arranged by local communities in FY2021.



The Group is deeply aware of the importance of being a socially responsible enterprise. While the Group has long practiced a great variety of forms of corporate social and environmental responsibilities that allow it to make contributions to the well-being of local communities and the wide society, we will continue to work upon the fundamental achievements and explore a systematic process for bringing more prosperity and positivity to communities.

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VII. REPORT DISCLOSURE INDEX

Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
A. Environmental				
A1: Emissions	General Disclosure	<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>Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations</p>	<p>GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 305: Emissions, and GRI 306: Effluents and Waste)</p> <p>GRI 305: Emissions: Management approach disclosures guidance</p> <p>GRI 307: Environmental Compliance: Disclosure 307-1</p>	13
	KPI A1.1	The types of emissions and respective emissions data.	GRI 305: Emissions: Disclosures 305-1, 305-2, 305-3, 305-6, and 305-7	13
	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).	GRI 305: Emissions: Disclosures 305-1, 305-2, 305-4	14
	KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Waste: Disclosure 306-3 (a)	13
	KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	GRI 306: Waste: Disclosure 306-3 (a)	14
	KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 305: Emissions) GRI 305: Emissions: Clause 1.2 and Disclosure 305-5	16
	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.	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 306: Waste) GRI 306: Waste: Disclosures 306-4 and 306-5	17

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 301: Materials, GRI 302: Energy, and GRI 303: Water and Effluents)	17
	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).	GRI 302: Energy: Disclosures 302-1 and 302-3	18
	KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	GRI 303: Water and Effluents: Disclosure 303-5	18
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 302: Energy) GRI 302: Energy: Disclosures 302-4 and 302-5	18
	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.	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 303: Water and Effluents)	20
	KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	GRI 301: Materials: Disclosure 301-1	17
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 301: Materials, GRI 302: Energy, GRI 303: Water and Effluents, GRI 304: Biodiversity, GRI 305: Emissions, and GRI 306: Waste)	21
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	GRI 103: Management Approach: Disclosures 103-1 and 103-2 (used together with GRI 301: Materials, GRI 302: Energy, GRI 303: Water and Effluents, GRI 304: Biodiversity, GRI 305: Emissions, and GRI 306: Waste) GRI 303: Water and Effluents: Disclosure 303-1 GRI 304: Biodiversity: Disclosure 304-2 GRI 306: Waste: Disclosures 306-1 and 306-2	21

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
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.	GRI 103: management approach: Disclosure 103-2 (c-i) (used together with GRI 201: Economic Performance) GRI 102: General Disclosures: Disclosure 102-29	22
	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.	GRI 201: Economic Performance: Disclosure 201-2	22
B. Social				
Employment and Labour Practices				
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 202: Market Presence, GRI 401: Employment, GRI 405: Diversity and Equal Opportunity, GRI 406: Non-discrimination) GRI 419: Socioeconomic Compliance: Disclosure 419-1	24
	KPI B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	GRI 102: General Disclosures: Disclosures 102-8 (a), 102-8 (b), and 102-8 (c) GRI 405: Diversity and Equal Opportunity: Disclosure 405-1(b)	23
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	GRI 401: Employment: Disclosure 401-1 (b)	26

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 403: Occupational Health and Safety) GRI 403: Occupational Health and Safety: Disclosure 403-1 GRI 419: Socioeconomic Compliance: Disclosure 419-1	28
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	GRI 403: Occupational Health and Safety: Disclosure 403-9, 403-10	30
	KPI B2.2	Lost days due to work injury.	N/A	30
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 and 103-3 (a-i) (used together with GRI 403: Occupational Health and Safety) GRI 403: Occupational Health and Safety: Disclosures 403-1, 403-3, 403-5, 403-7	28
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 404: Training and Education) GRI 404: Training and Education: Disclosure 404-2 (a)	31
	KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	N/A	33
	KPI B3.2	The average training hours completed per employee by gender and employee category.	GRI 404: Training and Education: Disclosure 404-1	34

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 408: Child Labour and GRI 409: Forced or Compulsory Labour) GRI 419: Socioeconomic Compliance: Disclosure 419-1	34
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 408: Child Labour and GRI 409: Forced or Compulsory Labour) GRI 408: Child Labour: Disclosure 408-1(c) GRI 409: Forced or Compulsory Labour: Disclosure 409-1(b)	34
	KPI B4.2	Description of steps taken to eliminate such practices when discovered	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 408: Child Labour and GRI 409: Forced or Compulsory Labour) GRI 408: Child Labour: Disclosure 408-1(c) GRI 409: Forced or Compulsory Labour: Disclosure 409-1(b)	34

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
Operating Practices				
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment)	35
	KPI B5.1	Number of suppliers by geographical region.	GRI 102: General Disclosures: Disclosure 102-9	35
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	GRI 102: General Disclosures: Disclosure 102-9 GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 303: Water and Effluents, GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment) GRI 303: Water and Effluents: Disclosure 303-1 (c) GRI 308: Supplier Environmental Assessment: Disclosures 308-1 and 308-2 GRI 414: Supplier Social Assessment: Disclosures 414-1 and 414-2	35
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	GRI 102: General Disclosures: Disclosure 102-9 GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 303: Water and Effluents, GRI 308: Supplier Environmental Assessment and GRI 414: Supplier Social Assessment) GRI 303: Water and Effluents: Disclosure 303-1 (c) GRI 308: Supplier Environmental Assessment: Disclosures 308-1 and 308-2 GRI 414: Supplier Social Assessment: Disclosures 414-1 and 414-2	35
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	GRI 103: Management Approach: Disclosure 103-2 (used together with GRI 306: Waste and GRI 308: Supplier Environmental Assessment)	36

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 416: Customer Health and Safety, GRI 417: Marketing and Labelling, and GRI 418: Customer Privacy) GRI 416: Customer Health and Safety: Disclosure 416-2 GRI 417: Marketing and Labelling: Disclosures 417-2 and 417-3 GRI 418: Customer Privacy: Disclosure 418-1 GRI 419: Socioeconomic Compliance: Disclosure 419-1	37
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A	During the year under review, the Group did not experience any recall incident
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	GRI 102: General Disclosures: Disclosures 102-43 and 102-44 GRI 103: Management Approach: Disclosure 103-2 (c-vi) GRI 418: Customer Privacy: Disclosure 418-1	38
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A	38
	KPI B6.4	Description of quality assurance process and recall procedures	N/A	37
	KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	GRI 103: Management Approach: Disclosures 103-2 and 103-3 (a-i) (used together with GRI 418: Customer Privacy)	38

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Aspects	ESG Indicators	Description	GRI Standards and Disclosures*	Page
B7: Anti-corruption	General Disclosure	Information on: (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	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 205: Anti-corruption) GRI 205 Anti-corruption: Disclosure 205-3 GRI 419: Socioeconomic Compliance: Disclosure 419-1	40
	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	GRI 205: Anti-corruption: Disclosure 205-3	During the year under review, the Group recorded zero concluded legal case against the Group and its employees
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	GRI 102: General Disclosures: Disclosure 102-17 GRI 103: Management Approach: Disclosures 103-2 and 103-3 (a-i) (used together with GRI 205: Anti-corruption) GRI 205: Anti-corruption: Clause 1.2	40
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	GRI 205: Anti-corruption: Disclosure: 205-2: Communication and training about anti-corruption policies and procedures	40
Community				
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.	GRI 103: Management Approach: Disclosure 103-2 (c-i) (used together with GRI 413: Local Communities)	41
	KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	GRI 203: Indirect Economic Impacts: Disclosure 203-1(a)	41
	KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	GRI 201: Economic Performance: Disclosure 201-1(a-ii)	41

* The linkage between the GRI standards and disclosures that relate to each aspect in HKEX ESG Reporting Guide refers to the summary table from the 'Linking the GRI Standards and HKEX ESG Reporting Guide' (updated July 2020).