



Zhonghua Gas Holdings Limited
中華燃氣控股有限公司

(Incorporated in the Cayman Islands with limited liability)
08246.HK



2021


**Environmental, Social and
Governance Report**



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DEFINITIONS

"the Company"	Zhonghua Gas Holdings Limited (中華燃氣控股有限公司) (stock code: 8246), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM;
"Subsidiary(ies)"	a company that is then and from time to time a subsidiary of the Company (as defined in the Companies Ordinance);
"Zhonghua Gas" or "the Group" or "we"	the Company and its subsidiaries;
"Reporting Period"	1 January 2021 to 31 December 2021;
"Year"	during the financial year;
"Report"	the sixth Environmental, Social and Governance Report issued by the Group;
"ESG"	environmental, social and governance;
"the Board"	the Board of Directors or duly authorized thereof;
"Director(s)"	the director(s) of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"GEM"	The Growth Enterprise Market of the Stock Exchange;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"PRC" or "China" or "Mainland China"	The People's Republic of China, which for the purposes of this Report shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Guide"	the Environmental, Social and Governance Reporting Guide under Appendix 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;
"COVID-19"	novel coronavirus;
"%"	percentage.



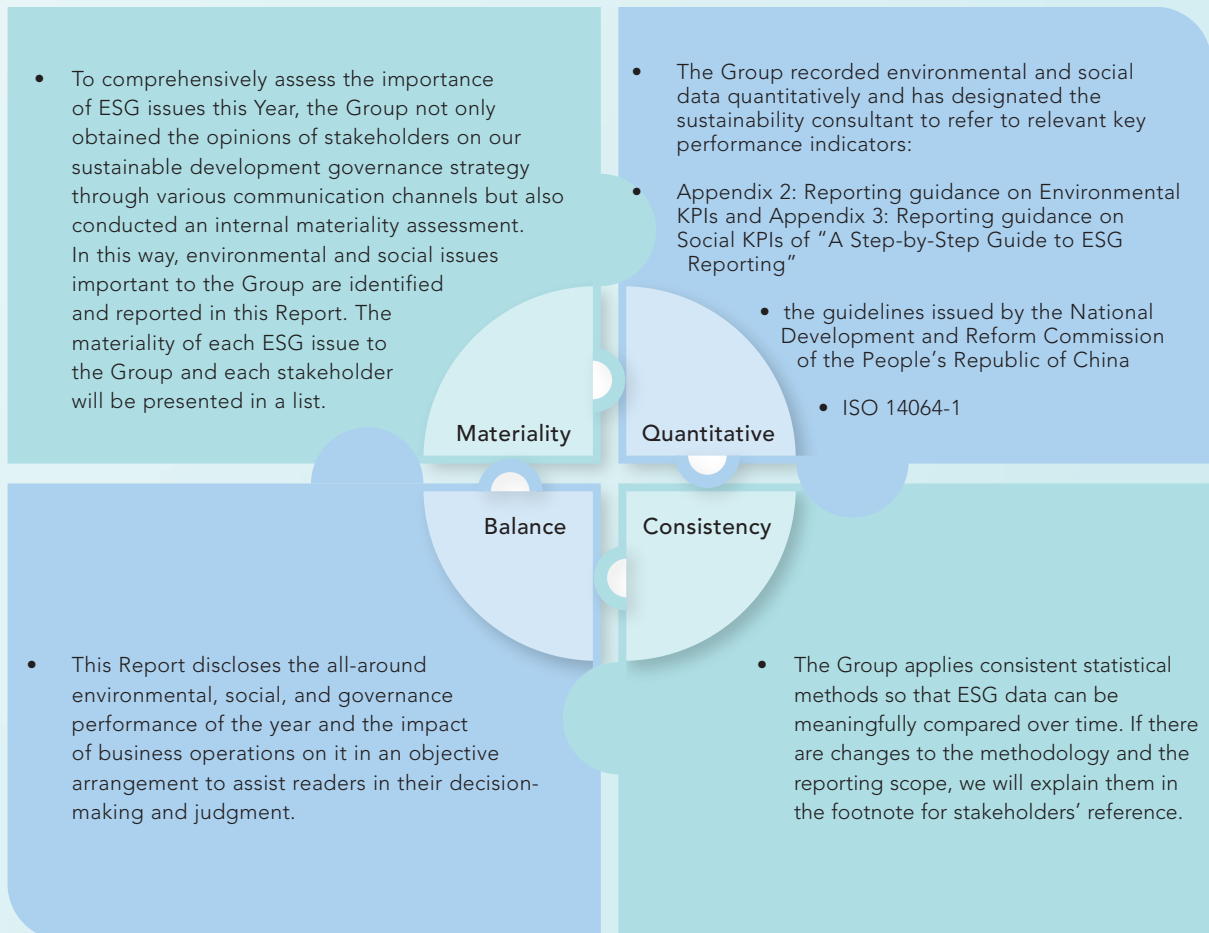


ABOUT THIS REPORT

Zhonghua Gas Holdings Limited (the “Company,” together with its subsidiaries, collectively referred to as “Zhonghua Gas” or the “Group” or “we”) is pleased to publish its sixth Environmental, Social, and Governance (“ESG”) Report (the “Report”). This Report provides stakeholders with a better understanding of the Group’s progress and direction of sustainable development issues by reporting on the Group’s policies, measures, and performance in ESG. This Report is published in English and Chinese electronic form and has been uploaded to the “HKEXnews” website and the Company’s website (www.8246hk.com). In the event of any conflict or discrepancy between both language versions, the Chinese version shall prevail.

REPORTING PRINCIPLES

The Report has been prepared in accordance with Appendix 20 of the Environmental, Social, and Governance Reporting Guide (the “Guide”) to the GEM Listing Rules and Guidelines for The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). This Report discloses the ESG following the “comply or explain” provisions to provide stakeholders with a comprehensive understanding of the Group’s ESG performance; for an overview of the disclosure of the indicators, please refer to the content index of the Environmental, Social, and Governance Reporting Guide in this Report. The Report content is prepared based on the reporting principles outlined in the Guide, including materiality, quantitative, balance, and consistency; please refer to the table below for details:





ABOUT THIS REPORT

REPORTING SCOPE

This Report covers the period from 1 January 2021 to 31 December 2021 ("Reporting Period"), covering the operations of the New Energy Business during the financial year (the "Year"), which is the Group's principal source of revenue. Compared with the report in 2020, in addition to Tianjin, this year's Report also covers the new energy business in Shanghai, as well as office in Hong Kong. The scope of environmental and social KPI data calculation in this Report is only applicable to the New Energy Business in Tianjin and Shanghai.

DATA PREPARATION

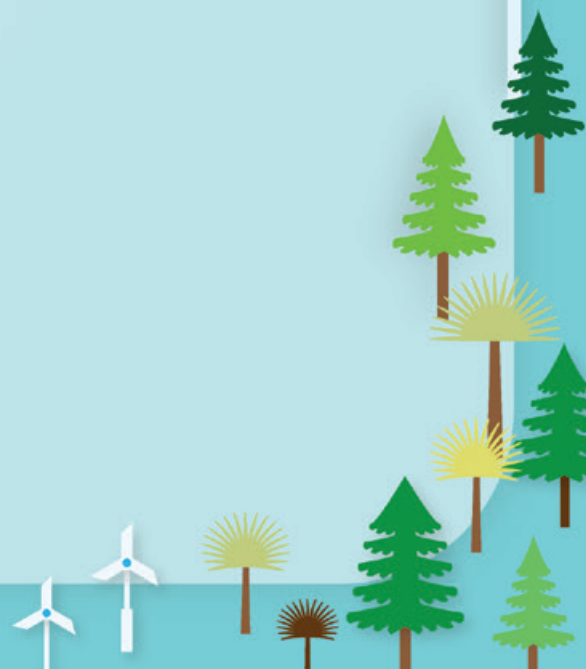
The Group has established internal control and inspection procedures to ensure that the information in this Report is accurate and reliable to a certain extent. The Group acknowledges that all information referenced in this Report is derived from the Group's official documents, statistical data, and other management and operational information.

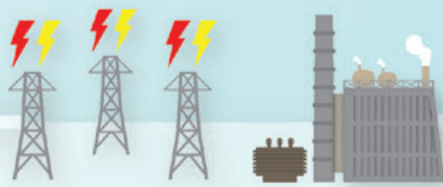
CONFIRMATION AND APPROVAL

This Report has been reviewed and approved by the Board on 10 May 2022.

CONTACT & ENQUIRY

We rely upon the suggestions and opinions from our stakeholders to establish a better long-term sustainability strategy, and the Group hereby invites you to contact us by email (info@8246hk.com) regarding any queries or suggestions in this Report.





ABOUT ZHONGHUA GAS

Zhonghua Gas Holdings Limited (the “Company,” together with its subsidiaries, collectively referred to as “Zhonghua Gas” or the “Group” or “we”) is an investment holding company listed on GEM of the Hong Kong Stock Exchange in 2011. The subsidiaries of the Company are principally engaged in new energy services (“New Energy Business”) and leasing of investment properties (“Property Investments”). The New Energy Business contributed more than 99% to the Group’s total revenue. The Group provides a wide range of integrated new energy services, including technology development of heating and coal-to-gas solutions, construction-related consultancy services, and supply of liquefied natural gas (“LNG”), as well as the sale and purchase of new energy-related industrial products. We expanded our New Energy Business to other potential regions in China. We established a new supply point in Shanghai in the third quarter in 2020, which brought considerable benefits to our business. The Group continued to expand its business scope during the Year, actively exploring potential market opportunities and establishing diversified sales channels through cooperation with different enterprises. In September of this Year, our wholly owned subsidiary entered into a strategic cooperation agreement with a wholly owned subsidiary of a top Fortune Global 500 company, Jiangsu Shagang Group Co., Ltd., intending to create synergies in both LNG refueling stations and pipeline gas supply. At the same time, the Group continues to work with Tracebel Engineering S.A. in France and a number of other significant partners to maintain deep strategic partnerships in the areas of LNG resource supply, technology, and infrastructure.

Looking ahead, the Group will pay close attention to the latest changes in the market and implement corresponding measures to focus on the development of its New Energy Business. In addition to the newly established Shanghai LNG Supply Point, the Group aims to accelerate the expansion of its LNG supply network expansion to other parts of the PRC and pursue development through new joint ventures and consolidation activities. We will leverage the strong growth potential of the New Energy Business segment in China and the advantages of our market position to create additional revenue streams. In the business of Property Investments, the Group will continue to identify investment opportunities in high-yield properties while maintaining ownership of all existing office properties to deliver stable and long-term returns to shareholders.





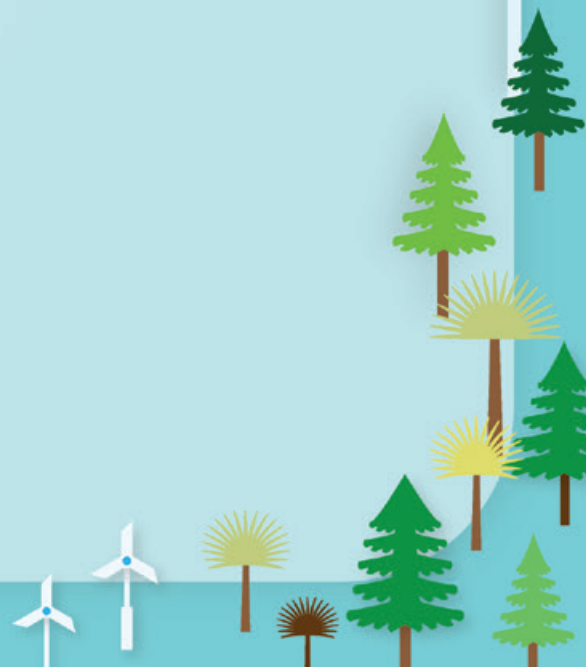
MESSAGE FROM THE MANAGEMENT

Looking back at 2021, the ravages and capriciousness of the novel coronavirus ("COVID-19") pandemic have brought instability to the gradual recovery of the world economy. Although the Group's business has not yet been able to avoid the impact of the COVID-19 pandemic, we believe that every oncoming crisis and challenge creates growth opportunities. While continuing to secure stable supply and achieve LNG supply business growth, the Group will focus on and flexibly promote the sustainable governance of our business to enhance operational resilience and take on more environmental and social responsibility.

During the Year, Zhonghua Gas continued working with the sustainability consultant to progressively improve the Group's sustainability governance structure and reporting disclosure. The Board has increased its participation in the overall environmental, social, and governance strategies. The Group set sustainability goals and issues that we need to focus on in line with business development and industry trends. We are committed to addressing and developing policy measures to reduce our environmental, social, and governance risks by addressing the topic of global climate change, responding to state policies on Carbon Peaking and Carbon Neutrality strategic objectives, and anti-corruption. This Year, we have actively participated in signing environmental protection-related charters as one of the target performances, encouraging the implementation of environmental protection measures within the Group. We look forward to further implementing more targets in the future. The Group continued to carry out epidemic prevention and daily work for safety management under the typical epidemic situation to protect the health and safety of employees. It carried out several measures on the above issues. The Group has responded to the Energy Saving Charter organized by the Environment Bureau from Hong Kong in terms of climate change to reduce carbon emissions. The gas station infrastructure has also strengthened constant inspection and maintenance to ensure that it can be supplied with gas steadily. In view of the issues for anti-corruption, we promote integrity education based on the existing anti-corruption system, provide relevant trainings for management and employees, and firmly guard against corporate governance risks.

We maintain good communication, listen carefully, and collect opinions from various stakeholders through various channels, and respond to the needs and expectations of all parties promptly to work with employees and different stakeholders to seize the opportunities for sustainable development. We will pay close attention to the current development trend of the new energy industry, unremittingly develop new and existing businesses, and establish into the leading diversified, integrated new energy services in the Greater China region. The Board would like to take this opportunity to thank all staffs for their efforts, contributions, and support, as well as to our business partners, customers, and shareholders for their continued trust and support.

The Board of Zhonghua Gas Holdings Limited



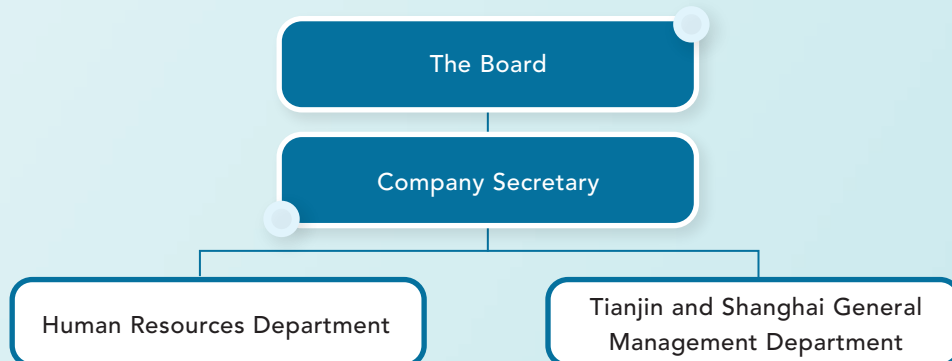


GOVERNANCE FOR SUSTAINABLE DEVELOPMENT

Zhonghua Gas has always adhered to a high level of corporate governance and believes that good corporate governance and the integration of ESG elements can effectively promote the sustainable development of the Group in daily operations. The Board of Directors of the Group has established the ESG Working Group (the “Working Group”) to oversee policies, measures, and effectiveness related to sustainability issues and to assist the Board in decision-making. We will continue to optimize and enhance the ESG governance structure for implementing the value and concept of sustainable development at the enterprise level. In addition, the Group has appointed Riskory Consultancy Limited as the consultant to provide ESG and sustainability consulting services.



This Report provides an overview of the Group’s governance structure and the relevant responsibilities and accountability of the Board in relation to ESG. Regarding the governance responsibilities and terms of reference of the Board and its Remuneration Committee, Audit Committee, and Nomination Committee in other working aspects, the Group has established relevant procedures and regulations in accordance with the requirements of the Corporate Governance Code contained in Appendix 15 of the GEM Listing Rules of the Hong Kong Stock Exchange, which have been disclosed in the section of “Corporate Governance Report” in the Annual Report 2021. Below is the organizational structure of our ESG Working Group:

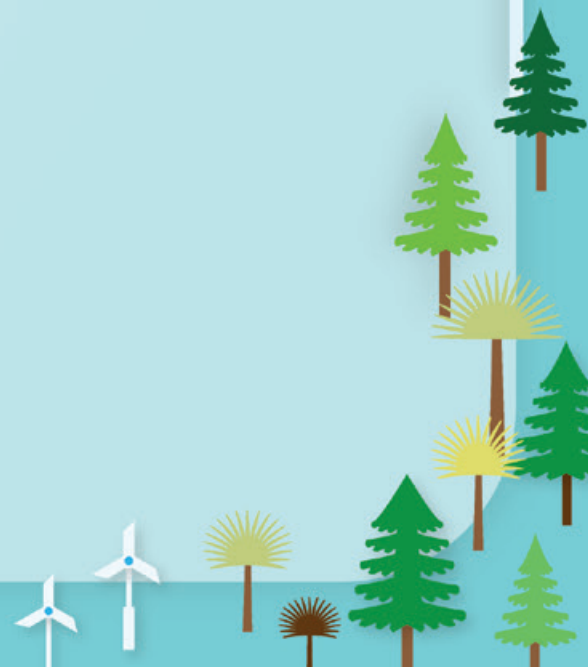




RISK MANAGEMENT

The Group's major risks and the changes thereof are as set out as follows:

Risk	Description	Internal Control Measures	Changes
Market Competition	With the continuous advancement of the "X+1+X" natural gas marketization reform in the PRC, the diversified channel supply of upstream resources and resources has been formed. The development of centralized transportation at the intermediate unified pipeline facilitates fierce competition and price fluctuations in the downstream LNG sales market, resulting in a decrease in gross profit margin.	<ul style="list-style-type: none"> The Group seeks opportunities to expand its New Energy Business to other regions in the north and the Yangtze River Delta in order to seek business growth and mitigate risks The Company keeps abreast of market trends, works closely with upstream gas sources, and uses the changes in LNG prices in different seasons to reduce the economic impact arising from the rise in supply 	Increase
Government Policy Changes	The State Council issued the "Notice of the State Council on Printing and Distributing the Action Plan for Carbon Dioxide Peaking Before 2030" to actively develop new energy, orderly guide natural gas consumption and promote the integration and development of natural gas and various energy sources. Although the investment in the natural gas industry in the PRC will be further increased in the future, at the same time, the relevant policies and regulations will be gradually tightened, which may increase our business operating costs.	<ul style="list-style-type: none"> The management will keep abreast of any change on the relevant policies to promptly adjust the Group's business strategies To expand types of service provided by the Group to diversify risk Improve sales structure analysis in advance, strengthen the continuous optimization of customer structure and enhance LNG sales 	Increase





RISK MANAGEMENT

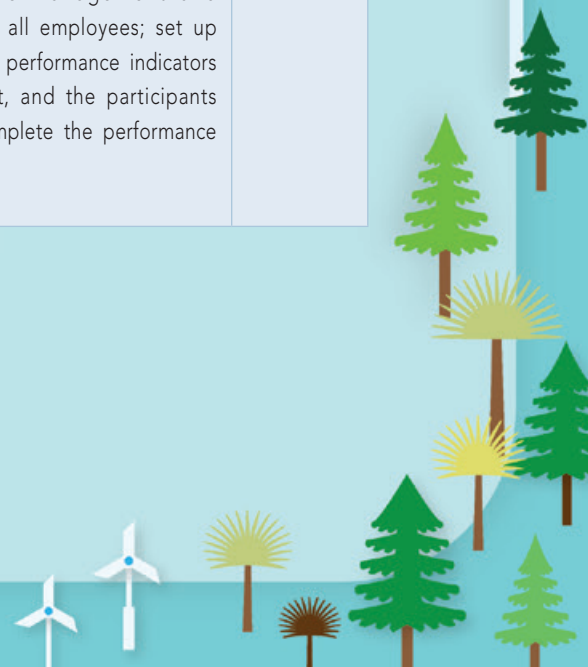
Risk	Description	Internal Control Measures	Changes
<p>COVID-19 Pandemic</p>	<p>Despite the recurrence of the novel coronavirus pandemic (COVID-19) worldwide, the PRC and the global economy have begun to recover gradually. The quarantine measures and travel restrictions implemented in various districts still hinder the consultation and completion of new construction-related and consulting services projects, negatively affecting the Group's business environment.</p> <p>The COVID-19 pandemic may also cause risks to the health of the Group employees and affect the office's regular operation, resulting in losses. The relationship between the epidemic may also affect the scheduled regular business, customer meetings, contract negotiations, etc.</p>	<ul style="list-style-type: none"> • The management closely follows the news, information and policies and adjusts the Group's business arrangements, epidemic prevention measures and work arrangements in a timely manner • Arrange partial audit activities, client meetings, contractual negotiations, etc. by teleconference or video conference as appropriate • Strengthen office cleaning, develop epidemic prevention measures, flexibly arrange employees' working hours and work from home, and temporarily close internal offices 	<p>Unchanged</p>





RISK MANAGEMENT

Risk	Description	Internal Control Measures	Changes
Health and Safety	The Company's business involves LNG, and improper safety management in the course of operation may lead to serious safety accidents and losses, which in turn will affect the Group's operating performance.	<ul style="list-style-type: none"> The Company's operations and onsite operation strictly comply with national regulations on hazardous chemicals and the relevant operational practices of the Group Strengthen the maintenance and management of equipment and facilities, enhance the management level of equipment, and ensure the integrity rate of the equipment. Employ qualified professionals and improve safety awareness among employees through training Timely warning of abnormal conditions through the self-control monitoring system to ensure a 100% monitoring rate of significant production operations Compile the Emergency Plan and continuously improve the team's business capabilities at all levels, such as dispatching operations, onsite operations, line patrol, repair, and maintenance 	Unchanged
Environmental Protection	For the main business, if the Company fails to comply with the regulations and policies issued by China's local environmental protection bureau and other regulatory agencies, it may cause the environmental protection bureau to shut down relevant illegal business until the completion of rectification and to impose administrative penalties. The Company is required to pay the corresponding taxes based on its taxable pollutants, waste, and noise. If the Company does not have related energy conservation and emission reduction measures, the Company may be subject to a high environmental protection tax.	<ul style="list-style-type: none"> The Company complies with the regulatory policies of local regulatory authorities and conducts internal inspections from time to time to reduce the possibility of violating laws and regulations Establish environmental protection norms according to the company's project, organized by the management and complied with by all employees; set up environmental key performance indicators within the project, and the participants in the project complete the performance indicators 	Unchanged





RISK MANAGEMENT

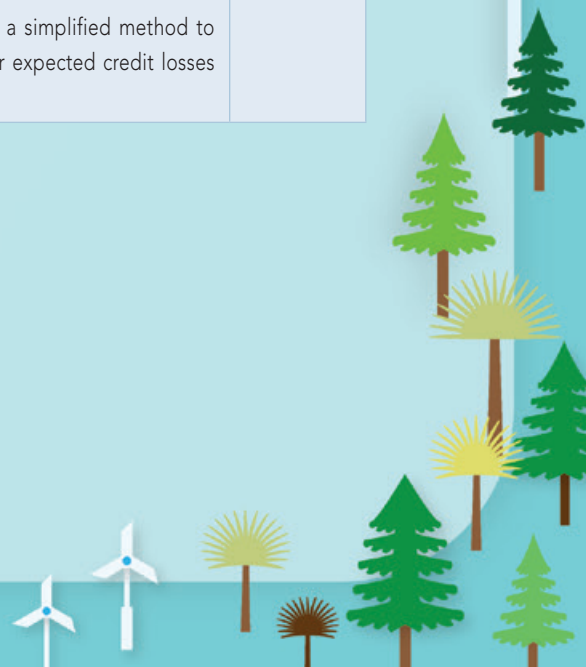
Risk	Description	Internal Control Measures	Changes
Supply Chain	<p>Insufficient natural gas supply due to surges in demand in winter may impact services such as coal-to-natural gas, gas supply, heating, and more. Weak regulation of sub-suppliers may impact the Company's direct suppliers and affect the Company's business. If the Group relies too much on a small number of major suppliers, the risk of supply chain disruption and difficulty of controlling the purchase of LNG prices may increase. In the procurement process in close cooperation with other LNG suppliers, the Group may incur additional costs due to specifications such as pipeline natural gas transportation and quality inspection, which may adversely affect our business.</p>	<ul style="list-style-type: none"> • A stringent assessment will be conducted when choosing suppliers and contractors • Terms of outsourcing contracts will be reviewed by project managers and internal or external legal professional to ensure clear define responsibilities of each party • Person in charge of the project will conduct onsite inspection to examine the quality and performance of suppliers and contractors to ensure that their products and services are up to the standards of the Group • Look for a number of stable LNG suppliers to avoid monopolizing the supply chain of the Company • Make reasonable forecasts for future sales volumes, reserve LNG in advance based on expected sales volumes, and reserve them in seasons with lower prices to cope with sudden price and supply fluctuations • Stabilize supply chain volume and price by, among others, seeking temporary solutions for supply chain and seeking to sign a supply agreement • Cooperate with the Company's direct suppliers and effectively supervise sub-suppliers to reduce the impact of sub-suppliers on the business 	Unchanged
Human Resources	<p>If the Group fails to recruit sufficient key professionals, such as management experts, project engineers, and chief, the normal operations or quality or the development of the Group may be affected.</p>	<ul style="list-style-type: none"> • Maintain a healthy and positive working environment • Regular review of employee benefits • Conduct manpower planning to replenish sufficient staff as soon as possible 	Decrease





RISK MANAGEMENT

Risk	Description	Internal Control Measures	Changes
Exchange Rate	The Group has assets and liabilities denominated in Hong Kong dollar and RMB; any fluctuation in the exchange rate may cause loss from currency exchange to the Company.	<ul style="list-style-type: none"> Risk of exchange rate will be monitored on a regular basis and relevant response measures will be formulated Sensitive analysis will be conducted to quantify the risk regularly 	Unchanged
Credit Risk	In view of the instability of the novel coronavirus epidemic, the Group's customers are facing financial difficulties and cash flow constraints and are slowing down repayments. The Group's provision for impairment of trade receivables increased.	<ul style="list-style-type: none"> Each business unit manages customer credit risk in accordance with the policies, procedures, and monitoring mechanisms related to customer credit risk management formulated by the Group To minimize the credit risk of trade receivables, the Group's management has assigned a team to be responsible for the credit lines, credit approvals, and other monitoring procedures to ensure follow-up action on the recovery of overdue debts and to closely monitor the situation of each customer, conducting regular credit surveys on an annual basis and conducting individual credit assessments for all customers exceeding a specific credit limit In addition, the Group's management reviewed the recoverable amount of each individual debt at the end of the reporting period to ensure that sufficient provision for impairment losses was made for the non-recoverable amount of trade receivables, and we also increased the staff of the collection team to ensure a smooth collection process The Group applies a simplified method to make provisions for expected credit losses under IFRS 9 	Increase





RISK MANAGEMENT

Risk	Description	Internal Control Measures	Changes
Climate Change	Abnormal weather, such as extremely high temperature, low temperature, and heavy rain, is likely to cause different degrees of wear and tear or damage the gas station's infrastructure (e.g., transportation pipelines). Consequently, we will face the risk of safety accidents and increased maintenance costs. Frequent extreme weather also has a negative impact on the commuting of the Group's employees.	Regularly conduct safety inspections and rectifications for gas station facilities and ensure the safety of the entire business operation by formulating operational procedures and employee work guidelines for responding to extreme weather in the emergency plan. In the future, research will be undertaken to strengthen the resilience of the supply chain to climate change and further identify the physical and transition risks of climate change to the Group.	Increase





STAKEHOLDER ENGAGEMENT

The involvement of the Group’s stakeholders (including groups and individuals who have a significant impact on or are affected by our business) is essential to our sustainable development. We maintain continuous and dynamic communications with our stakeholders, connecting with our internal and external key stakeholders through a variety of communication methods, including interviews, regular conferences, direct mail, and a telephone hotline. Through continuous communication and feedback, the Group can more effectively formulate policies and measures that respond to stakeholders’ needs, helping us establish a more comprehensive sustainability strategy. The Group’s main communication channels with stakeholders are detailed below:



Employees

- Internal meeting
- Training program
- Intranet and email
- Performance appraisal



Customers

- Company website and publications
- Announcements
- Email and customer service hotline



Investors

- Periodic financial statements
- General meeting
- Announcements and circulars
- Company website and publications



Suppliers

- Supplier site visits
- Business conference
- Supplier evaluation



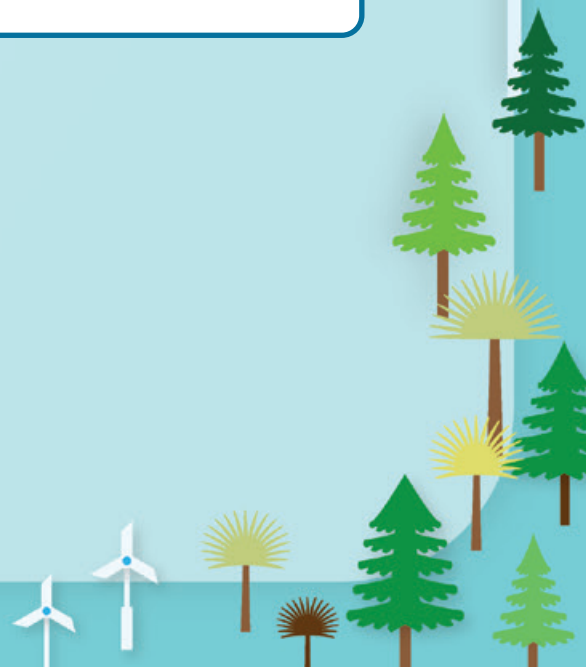
Government and regulatory authorities

- On-site inspections of the operating locations
- Daily reporting and documentary
- Working meeting



Community

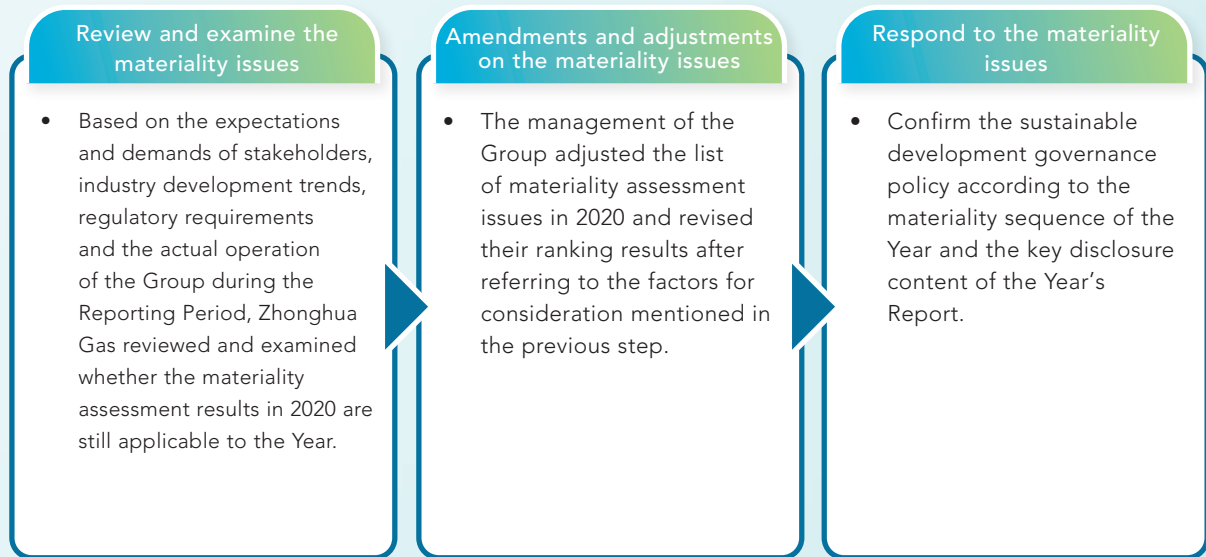
- Charity and public welfare activities
- Volunteer service
- Company website and publications





MATERIALITY ANALYSIS

To ensure that the Report accurately and objectively reflects the performance in the environmental, social, and governance contexts during the Reporting Period, the Group conducted an internal materiality assessment this Year to comprehensively identify the ESG issues concerned by Zhonghua Gas and its stakeholders and to confirm the ranking of the material issues based on the assessment result, the result is also regarded as the essential reference for the formulation of sustainable governance strategies and the ESG Report disclosure. The third-party professional consultant assisted the Group in the following materiality analysis process:



In line with the above steps, the third party professional consultant assisted the Group to conduct the internal materiality assessment; there are two existing issues in this Year's Report have been revised after referring to the Stock Exchange's Environmental, Social, and Governance Reporting Guide, the industry's materiality issues and combining the expectations and aspirations from various stakeholders to ensure that the list of topics effectively reflects the risks and opportunities faced by the Group in relation to environmental, social and governance.

Amendment to existing issues:

- | | | |
|---------------------------------|---|--|
| Risks related to climate change | ▶ | Risks and opportunities related to climate change |
| Anti-fraud and corruption | ▶ | Anti-fraud and corruption (including the provision of anti-corruption trainings) |

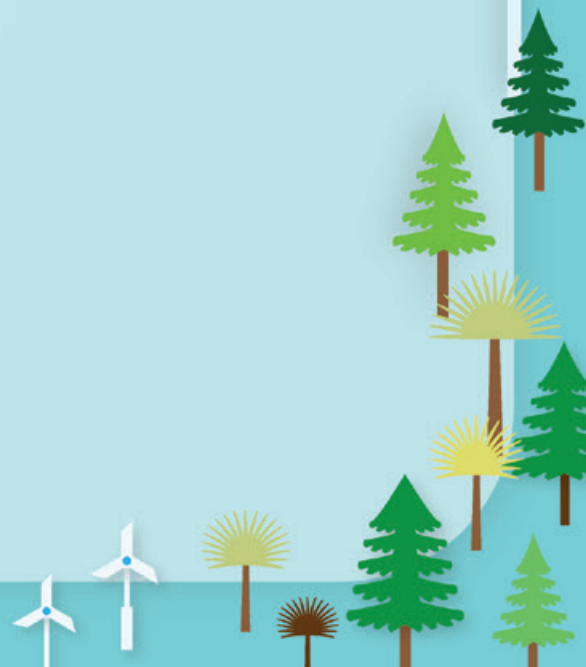




MATERIALITY ANALYSIS

The list of ESG issues in the Year is as follow:

Environmental Protection and Green Operation	Operational Practice	Product and Service Responsibility	Working Environment Quality	Community Contributions
1. Greenhouse gas emissions	9. Supply chain management	13. Product and service quality	19. Equal opportunities, diversity and anti-discrimination	25. Participate in or organize volunteer activities
2. Exhaust emissions	10. Evaluate the supplier's environmental and social performance	14. Product and service safety	20. Employment relationship	26. Charitable donation
3. Electricity and water conservation	11. Anti-fraud and corruption (including the provision of anti-corruption trainings)	15. Customer satisfaction	21. Occupational health and safety	
4. Effective use of resources	12. Crisis or emergency handling	16. Complaint handling	22. Training and development	
5. Hazardous waste disposal (such as waste batteries, waste lamps, etc.)		17. Customer privacy protection	23. Prevention of child labour and forced labour	
6. Non-hazardous waste disposal		18. Advertising and publicity	24. Employee benefits	
7. Green procurement				
8. Risks and opportunities related to the climate change				





MATERIALITY ANALYSIS

After considering and balancing the materiality of each ESG issue towards the Group and various stakeholders, Zhonghua Gas has formulated the list of materiality issues shown as follow:

Degree of importance	The name of ESG issues
Very important	<ol style="list-style-type: none"> 1. Greenhouse gas emissions 2. Exhaust emissions 8. Risks and opportunities related to climate change 9. Supply chain management 11. Anti-fraud and corruption (including the provision of anti-corruption trainings) 12. Crisis or emergency handling 13. Product and service quality 14. Product and service safety 15. Customer satisfaction 20. Employment relationship 21. Occupational health and safety 23. Prevention of child labour and forced labour 24. Employee benefits
Moderately important	<ol style="list-style-type: none"> 3. Electricity and water conservation 10. Evaluate the supplier's environmental and social performance 17. Customer privacy protection 19. Equal opportunities, diversity and anti-discrimination 22. Training and development
Fairly important	<ol style="list-style-type: none"> 4. Effective use of resources 5. Hazardous waste disposal (such as waste batteries, waste lamps, etc.) 6. Non-hazardous waste disposal 7. Green procurement 16. Complaint handling 18. Advertising and publicity
Important	<ol style="list-style-type: none"> 25. Participate in or organize volunteer activities 26. Charitable donation





ZHONGHUA GAS AND EMPLOYEES

OCCUPATIONAL HEALTH AND SAFETY "TOPIC 21"

Safeguarding occupational health and safety is the Group's commitment to all employees and the grounds for our stable LNG supply. As the Group's business involves transportation and natural gas storage procedures, weak links in the relevant safety management work may lead to serious industrial accidents and property damage. Zhonghua Gas strictly abides by laws and regulations that comply with our business operations, including but not limited to the Production Safety Law of the People's Republic of China, the Identification of Major Hazards of Hazardous Chemicals, and the Guidelines for Enterprises to Develop Emergency Response Plans for Workplace Accidents. For the past three years (including during the Reporting Period), the Group has not found any violations of laws and regulations on occupational safety; there have been no cases of work injuries or work-related deaths reported.



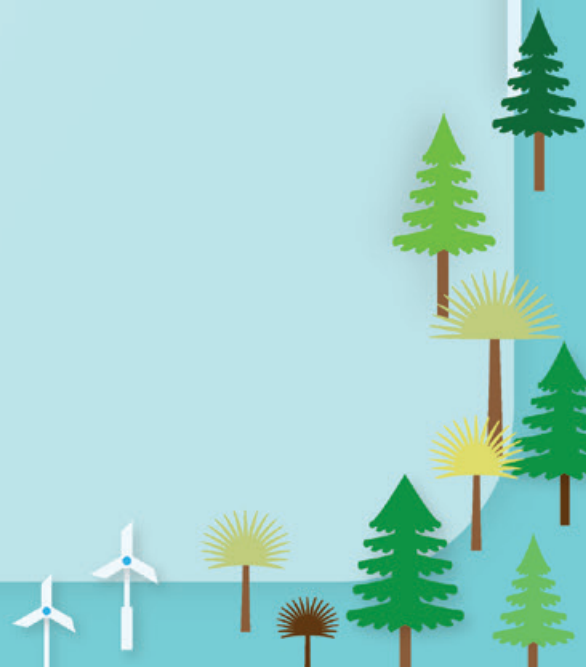
Safety training for LNG gas station

The Group strictly implements safety regulations and conscientiously implements operating procedures. Zhonghua Gas is committed to building a safe and healthy working environment for employees and minimizing work-related safety hazards. We have set out relevant health and safety codes in the ESG Regulations to protect our employees. Based on the principle of "Safety First, Prevention First", we have formulated a series of safety management systems for our business operation, including:



Safety equipment training in the emergency plan

- "Safety Production Management System of Station Area"
- "Safety Management System of LNG Station"
- "Fire Safety Management System of LNG Gasification Station"
- "Outgoing Management System"
- "Compliance with Responsibility System of Personnel"





ZHONGHUA GAS AND EMPLOYEES

The Group precisely manages and executes the relevant safety management work, and employees' safety awareness is also fundamental for policy execution. And we provide corresponding safety training for our technicians according to the needs of the job position to ensure that the safety operation process is standardized. The Group implements a series of management measures that apply to the gas station and offices:

Health and safety management measures for employees

Pandemic prevention measures

- Strictly abide by the national prevention and control guidelines, such as the guidelines for pandemic prevention of the Chinese Center for Disease Control and Prevention, the "Guidance on Prevention and Control Measures for the Resumption of Work and Production in Enterprises and Institutions (企事業單位復工復產疫情防控措施指南)," and the "Technical Guidelines for the Selection and Use of Masks for Preventing of New Coronavirus Infection in Different Populations (不同人群預防新型冠狀病毒感染口罩選擇和使用技術指引)" issued by the State Council;
- Conduct regular cleaning and disinfection in the office;
- Provide employees with sanitizing supplies; and
- Installed air purifiers in the office to improve air ventilation.

Medical benefits

- The provision of medical insurance, such as hospital and outpatient and dental benefits can safeguard our employees with basic medical assurance.





ZHONGHUA GAS AND EMPLOYEES

Safety management measures for gas station

Fire safety

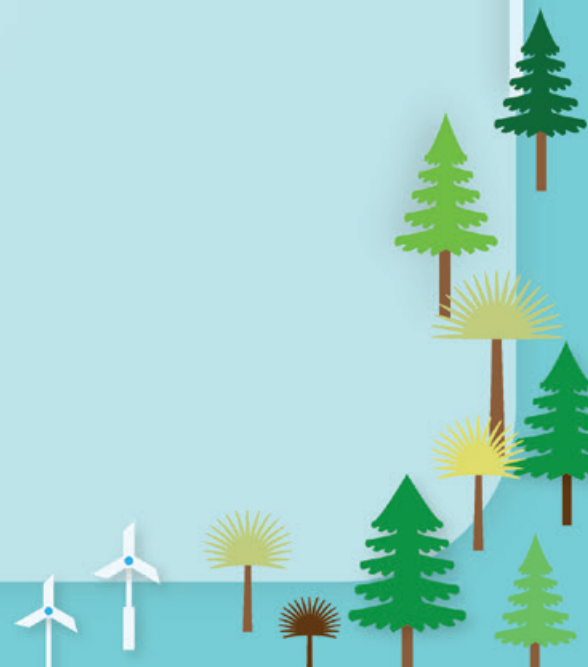
- Setting up safety operating rules as well as equipment operation and maintenance management at LNG Office and LNG station;
- Equipped with proper fire-fighting equipment in accordance with relevant fire-fighting regulations;
- Conducting fire drills 1-2 times a year to enhance employees' awareness of fire safety; and
- Provide safety training for technicians, such as fire water cannon, operations for vehicle unloading, basic safety codes, etc.

Emergency plan

- An emergency team is set up which is responsible for dealing with emergencies;
- The emergency plan defines the basic procedures for commanding, organizing, coordinating, communicating, reporting to the police, and responding to medical emergencies in response to sudden production safety accidents;
- Various types of safety incidents, such as fire explosion, electric shock, container explosion, low-temperature frostbite, etc., have response plans and conduct regular drills;
- Record the progress of the implementation in handling procedures, and perform a summary evaluation after the completion of the practice for timely improvement; and
- Respond to the National Safety Production Month and launch the promotional campaign.

Gas station safety equipment

- Install the excess flow shut-off valves system in storage tanks, vaporizers, self-pressurization units, and other equipment. When the pipeline is damaged, the shut-off valves system can automatically sense the gas pressure change in the pipeline and promptly notify the gas station staff through the alarm system for emergency repairing;
- Arrange for employees and inspection companies to regularly check gas station equipment; and
- During the heating period (approximately from November to March), staff at the gas station are on duty to monitor the operation of the gas station on a 24-hour basis.





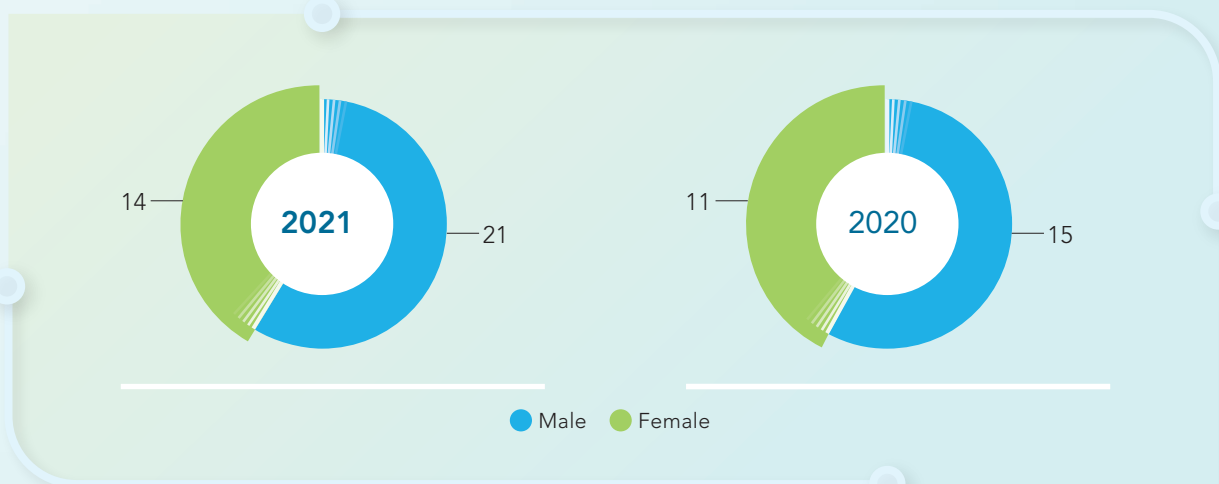
ZHONGHUA GAS AND EMPLOYEES

EMPLOYMENT RELATIONSHIP "TOPIC 19, 20, 23, 24"

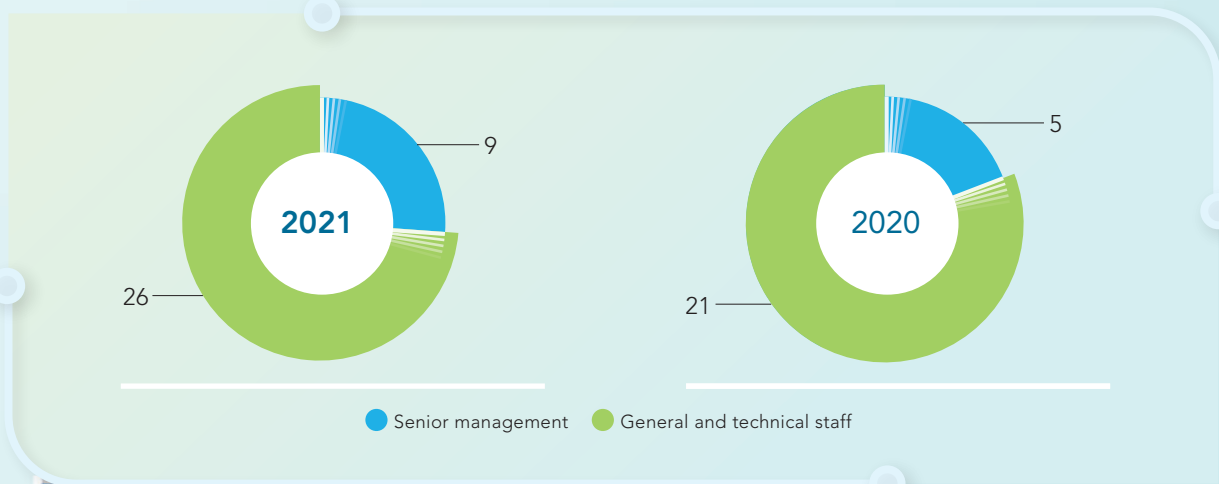
The success of the Group depends on the joint efforts of all employees. We value our relationship with our employees, expect us to grow and progress with them, and strive to create a comfortable and friendly working environment, a diverse and inclusive atmosphere, and competitive returns for them so that employees can develop their strengths in the industry. We have detailed the terms of employment in the ESG Regulations and Employee Handbook to ensure that employees are aware of their rights and responsibilities. The major laws and regulations related to the Group's employment include the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China. During the Reporting Period, there were no cases of violation of relevant laws and regulations in relation to remuneration and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, other benefits and welfare, employment of child labour and forced labour.

The charts below break down the number of employees in the Year and 2020 by gender, age group, and category of employees. As at 31 December 2021, the Group had a total of 35 full-time employees (2020: 26 full-time employees). All employees are from Mainland China.

By employees' gender



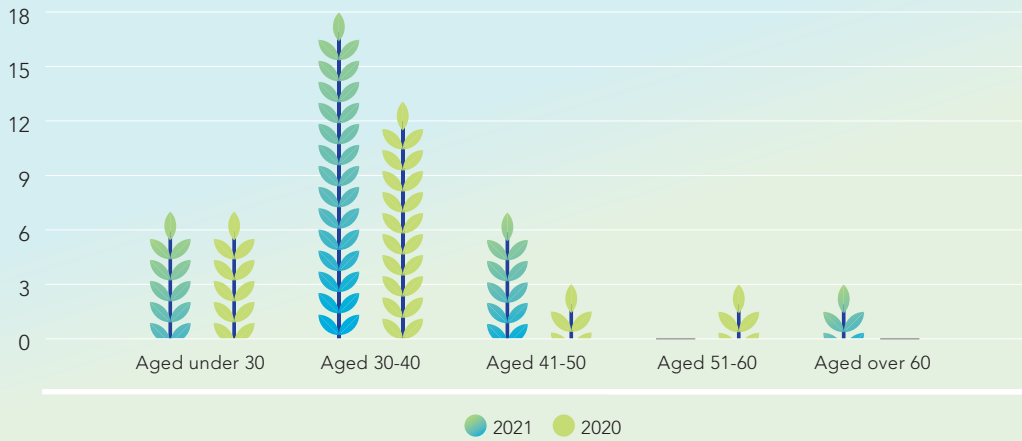
By employee category





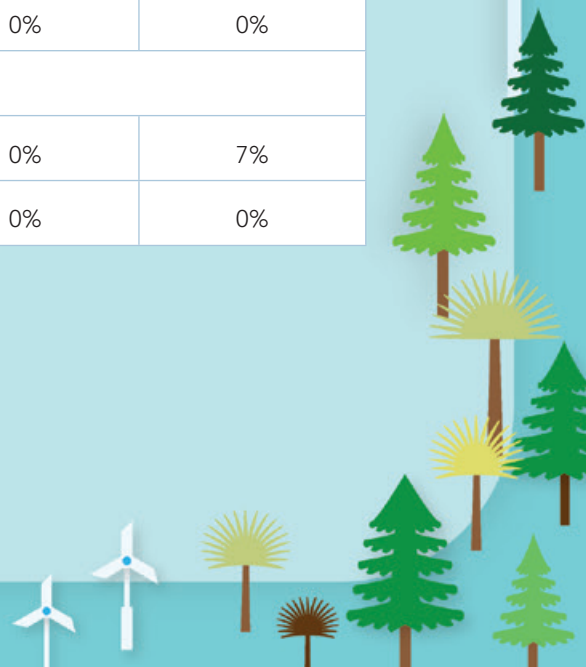
ZHONGHUA GAS AND EMPLOYEES

By employees' age group



The following table breaks down the employee turnover ratio by age group and gender:

Employee turnover rate	In 2021	In 2020
Categorized by age group		
Aged under 30	0%	14%
Aged 30-40	0%	0%
Aged 41-50	0%	0%
Aged 51-60	0%	0%
Aged over 60	0%	0%
Categorized by gender		
Male	0%	7%
Female	0%	0%





ZHONGHUA GAS AND EMPLOYEES

Salary and dismissal

- The Group signs employment contracts with the employed staff, which specify the terms of employment, including salary, probationary period, and arrangements for the termination of employment contracts in order to protect employee rights.

Prevention of child labour and forced labour

- The Group's stance on prohibiting the use of child labour is stipulated in the ESG Regulations. When recruiting employees, the Group will strictly verify the identity documents and other age proof records of applicants. Those who do not meet the requirements will not be hired. The Group also prohibits the employment of forced labour in any form to ensure that all employees are employed voluntarily. If relevant violations are found, we will immediately terminate the contract with the employee and review the employment mechanism to prevent the recurrence of the situation.

Recruitment and promotion

- The Group employs employees according to the terms in the Employee Handbook. The probation period for all newly recruited employees is up to 3 months. Upon completing the probationary period and successful evaluation, they would become regular employees. When promoting employees, the Group takes into account their dedication, professional ability, work performance, team spirit, behavior and conduct, and cultural ethics.

Working hours and holidays

- The Employee Handbook lists the working days and overtime arrangements for employees. According to their job grading, all employees are entitled to annual leave with pay, marriage leave, compassionate leave, and examination leave.

Anti-discrimination

- The Group accepts the race, color, age, gender, sexual orientation, gender identity and expression, national or national origin, disability, pregnancy, religious beliefs, political affiliation, union membership, protection of genetic information, or marital status of all employees or applicants, and will not affect their employment opportunities.

Diversity

- The Group has formulated the Board Diversity Policy, which sets out the Board's approach to diversity. The Diversity Policy sets out the approach to create a diversified working environment by recruiting employees from different age groups and backgrounds through various channels.

Equal opportunity

- Employees of any gender are entitled to equal employment and promotion opportunities. The Group ensures that female employees are entitled to maternity leave and ensures that their leaves during pregnancy and lactation are protected, we also ensure that the male employees are entitled with paternity leave.



ZHONGHUA GAS AND EMPLOYEES

TRAINING AND DEVELOPMENT "TOPIC 22"

The Group hopes to promote a culture of learning within the Company and encourage all employees to actively equip themselves and develop into all-round talents by formulating training policies. We invest resources to meet the training needs of our employees at different levels while discovering potential employees during the training process so that they can continue to develop at various stages of their careers.

We set out our employee development and training policies in the ESG Regulations and The Employee Handbook. We are committed to providing learning and training courses for our employees. The Human Resources Department arranges induction training for new employees, department managers offer on-the-job training for their positions, and employees receive appropriate on-the-job professional skills training. In addition, employees engaged in technical and special work must receive training before taking up their posts. The Group also strongly encourages employees to participate in external training; for example, in the past, we arranged for employees to participate in the trade union system training organized by the trade unions in the free trade zone and the epidemic prevention training provided by the Tianjin Science and Technology Museum to enhance the work skills of employees and ensure that their professional knowledge can keep pace with the times. The Group has a regular performance appraisal system to provide outstanding employees with opportunities for development and promotion according to the results of performance appraisals and to allow employees to reflect their opinions through this system. The following chart shows the percentage of employee training and the average number of training hours by gender and employee category:

The percentage of trained employees	In 2021 ¹	In 2020
Categorized by employee category		
Senior management	11%	40%
General and technical staff	20%	48%
Categorized by gender		
Male	30%	60%
Female	0%	27%

The average training hours completed by each employee	In 2021	In 2020
Categorized by employee category		
Senior management	1	4
General and technical staff	1	5
Categorized by gender		
Male	2	5
Female	0	4

¹ Affected by the pandemic quarantine measures, external training for employees has not been arranged this Year, and we will gradually resume relevant training activities in the coming year according to local conditions.



ZHONGHUA GAS AND OPERATION

ANTI-FRAUD AND CORRUPTION “TOPIC 11”

Zhonghua Gas adopts a zero-tolerance approach to unethical acts such as bribery, extortion, fraud, and money laundering. We actively strengthen the Group’s integrity culture to maintain a fair and ethical business and working environment. The Group complies with relevant laws and regulations in Hong Kong and the PRC, such as the Prevention of Bribery Ordinance and the Anti-Money Laundering Law of the People’s Republic of China. The Group’s ESG Regulations clearly set out commitments to prohibit bribery, extortion, fraud, and money laundering. The employees must comply with the code of conduct set in the Employee Handbook.

The Company has also established whistleblowing policy which enhance the awareness of corporate governance and it constitutes an important part of the effective internal control and risk management system. It provides employees or relevant third parties with reporting channels and guidance on whistleblowing about possible improprieties in any matter related to the Company.

The Group prohibits all employees from soliciting, accepting, or offering bribes, accepting any benefits or excessively extravagant hospitality to any person in the performance of their duties, and also establishes rules for hospitality and entertainment for business needs, clearly setting out the established upper limits of the per capita expenses that cannot be exceeded. If employees encounter any conflict of interest, we require them to use the “Conflict of Interest Declaration Form” to report to the persons in charge or their supervisors. Zhonghua Gas actively provides anti-corruption training to the Board and employees, we provided an online training related to anti-corruption to the Board in the Year to enhance their vigilance in the face of the temptation of corruption in their daily operations, and their understanding of anti-corruption legislation and the Group’s internal integrity guidelines, so as to start from our internal business operations to curb corruption.

Suppose any violation of rules and regulations is found. In that case, the Group will take disciplinary actions in accordance with the relevant provisions of the Employee Handbook and transfer the cases to the judicial authority if necessary. Externally, the Group requires suppliers to formulate anti-corruption policies and enhance the transparency of their business activities. The Group and its suppliers shall conduct due diligence before selecting contractors or third-party contractors to ensure that they comply with the code requirements of the ESG Regulations and anti-corruption laws and regulations. During the Year, we did not have any cases of violation of relevant laws and regulations, and we did not receive any corruption lawsuits against enterprises or employees.





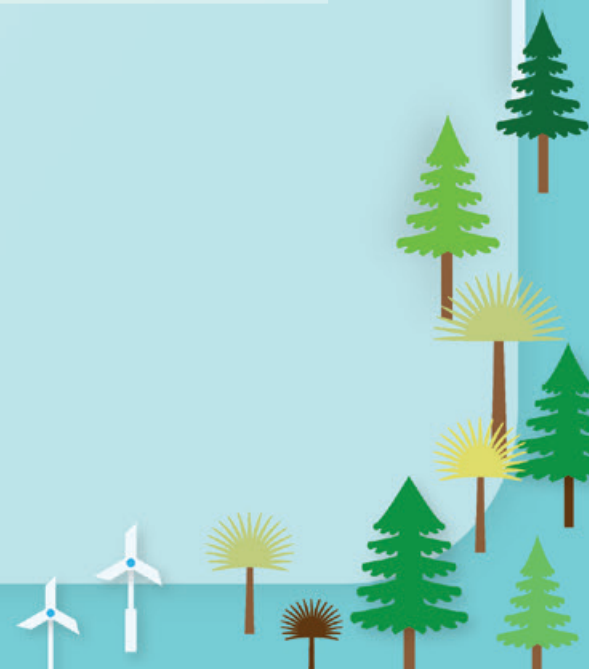
ZHONGHUA GAS AND OPERATION

SUPPLY CHAIN MANAGEMENT "TOPIC 9, 10"

The Group adheres to the integrity of management and abides by business ethics. We uphold the principle of impartiality in the selection of suppliers, ensuring that the evaluation of suppliers can be carried out under the framework of "Fairness", "Impartiality" and "Openness." And the Group expects our suppliers to align with our philosophy of sustainability and reduce the environmental and social impact on the supply chain. The Group has established a supply chain management system in the ESG Regulations, which sets out the process of managing new and existing suppliers and the sustainability factors to be considered in the selection process. During the Reporting Period, the Group had 2 suppliers, all from Mainland China, and had implemented the practice.

NEW SUPPLIER SCREENING

The Group requires potential suppliers to provide qualification proof for our internal assessment and analysis when selecting new suppliers. If necessary, we will set up an investigation team, conduct on-site evaluations, and require general goods or raw material suppliers to obtain relevant international quality management system certification. Subsequently, we will arrange for an investigation team composed of heads from various operational departments to assess the potential suppliers' operational services, quality systems, research and development capabilities, manufacturing, environmental management, labour rights, and ethical integrity. Suppliers who pass the assessment will be included in the Group's list of qualified suppliers. At the same time, the Group pays attention to suppliers' environmental performance when selecting suppliers and requires suppliers to strive for integrating environmental responsibilities into their operations.





ZHONGHUA GAS AND OPERATION

REVIEWING EXISTING SUPPLIERS

The Group will conduct quarterly performance appraisals or annual audits of suppliers in cooperation to ensure that suppliers meet the requirements in terms of quality, delivery time, service, etc., and regularly update the list of qualified suppliers according to the assessment results. If it is found that the performance of suppliers is not satisfactory, the Group will offer them suggestions for improvement. The Group reserves the right to terminate the partnership between suppliers if they fail to comply with the ESG Regulations established by the Group or implement improvement measures in accordance with the plan.

SUPPLIER SAFETY MANAGEMENT

The Group requires suppliers to conduct safety protection, supervision, and management before performing high-risk operations. Supplier employees are required to handle supplies at LNG offices following relevant safety management procedures, including proper management of chemicals, identification of workplace hazards, formulation of emergency response measures and evacuation procedures, and provision of safety training to employees.

ENSURING A STABLE GAS SUPPLY "TOPIC 12, 13, 14"

Stable gas supply is the Group's service commitment to customers. We have always maintained good relations with large suppliers, providing necessary guarantees to maintain stable LNG and reduce the risk of supply chain outages. In addition, we will arrange for gas station staff to be stationed 24 hours during the heating period to monitor the operation of the gas station. The gas station is equipped with a switching valve system in different positions, which can automatically sense the air pressure change in the pipeline through the system when the pipeline is broken, thereby triggering the alarm system to notify the gas station staff for emergency repair. We also examine the gas station equipment to ensure that the condition of all equipment is up to standard.

PROJECT QUALITY MANAGEMENT "TOPIC 13, 14"

The Group has developed different management processes before, during, and after the project's construction to ensure the project's quality. In the early stage of construction, the Group will inspect the construction quality of the construction unit in accordance with the Engineering Construction Management Procedures. If a problem is inspected, we will ask the construction unit to correct it in time. When the key projects are completed, the Group will arrange for the construction unit and the Group's project team to carry out project acceptance to ensure the quality of the project. After completing the construction, the Group will require the construction unit to first self-inspect the project in accordance with the Construction Work Completion and Inspection Management Procedures. Then the Group and the customer representative will jointly carry out the project acceptance. The acceptance process will include on-site measurements and inspection of engineering data.

When the project is handed over to the customer, the Group's project team will follow up on operating equipment under the Engineering Trial Management Procedures. The Group also provides support to its customers, including advice on personnel training and equipment maintenance. In addition to the process control in construction, the Group will also carry out maintenance of gas station pipelines and equipment every 2 years, rearranging the precautionary measures around the pipelines and conducts large-scale review and rectification of firefighting equipment to ensure that the quality of our operating equipment is maintained at a certain level. We have completed the relevant review and rectification this Year and will review the whole process by the relevant government departments. The rectification included re-arranging the power supply line in the gas station office to ensure safe use of electricity, carrying out waterproof engineering renovation on the gas station's roof to prevent water leakage, and repainting the fire pipes of the gas station to prevent rust. We expect the next gas station-related rectification to be carried out in 2023.





ZHONGHUA GAS AND OPERATION

CUSTOMER FEEDBACK MANAGEMENT "TOPIC 15, 16"

Zhonghua Gas is committed to providing customers with quality products and services and attaches great importance to the support and feedback of customers; we continue to improve the Group's customer opinion management system, hoping to enhance the customer service experience. We firmly believe that customer feedback is the driving force for the Group to move forward. If customers are dissatisfied with the service process, they can lodge a complaint with the Group by letter, phone call, or in person. After the complaint case has been investigated, the Group will reply to the customer on the investigation results and discuss rectification actions with the customer, such as arranging product recall. The Group will also train relevant staff to take charge of customer relationship management and customer opinion handling.

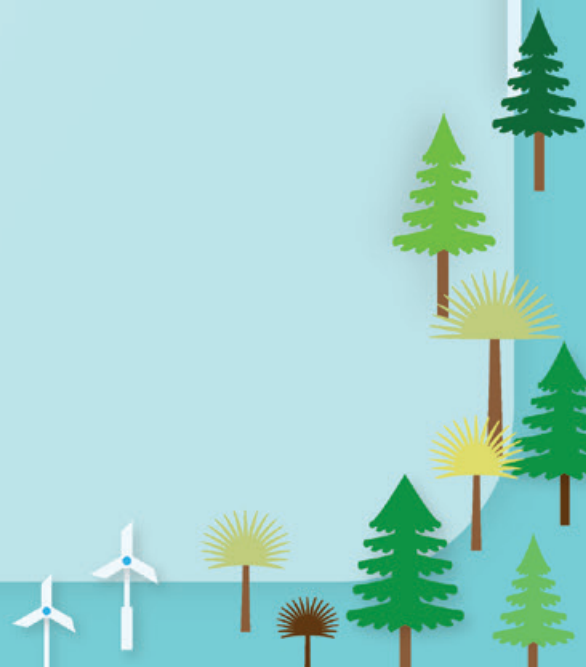
During the Reporting Period, the Group did not have any products to be recalled for safety and health reasons and any complaints about the products. Since the business nature of the Group does not involve advertising and labeling, therefore we did not receive complaints about non-compliance with advertising and labels related to products and services during the Reporting Period.

CUSTOMER PRIVACY PROTECTION "TOPIC 17, 18"

The Group attaches great importance to the privacy protection of its customers. It is committed to complying with relevant laws and regulations, such as the Personal Data (Privacy) Ordinance and the Archives Law of the People's Republic of China. The Group requires all employees not to disclose confidential data without authorization in the Employee Handbook, and the ESG Regulations requires employees and suppliers to protect customers and their information. At the same time, dedicated staff manage customer personal data and take security measures for the Group's information technology equipment, such as encryption, to prevent misuse or leakage of customer data.

During the Year, we did not have any cases of violations of relevant laws and regulations regarding product health and safety, advertising, labeling, and privacy matters.

The nature of the Group's business does not involve intellectual property rights, as there is no patent applied.





ZHONGHUA GAS AND ENVIRONMENT

The Group's ESG Regulations covers the policies of emission and resources management and it sets out the commitment to reduce impacts on the environment and natural resources. We have complied with the PRC laws and regulations relating to the Group's environmental protection, such as the Environmental Protection Law of the People's Republic of China. During the Year, the Group did not receive any violations of relevant environmental laws or regulations on environmental issues that had a material impact on the Group.

CLIMATE CHANGE "TOPIC 8"

The Board is responsible for monitoring our risk management structure and environmental, social, and governance-related risks, including climate-related risks, and discussing these issues with the ESG Working Group. Although the abnormal climate change did not affect the Group's LNG service demand and heating period, we understand that climate change poses physical risks such as flooding caused by heavy rains and rising temperatures. These extreme weather events not only may cause damage to our gas station facilities but also negatively affect the safety of employees. Therefore, we regularly conduct safety inspections and rectifications for our gas station facilities and ensure the safety of our entire business operations by developing operational procedures and working guidelines for the employee to respond to extreme weather in the contingency plan.

On the other hand, climate change also offers us opportunities; China, one of the world's largest economies, has also contributed to achieving carbon neutrality by 2060. Adhering to the concept of sustainable development and actively responding to national policies, the Group strives to promote the "coal to gas" and the use of natural gas extensively so that more people can benefit from this clean energy source and assist corporates to reduce air pollutants and greenhouse gas emissions. We are planning to explore further the financial impacts of climate change and other risks and opportunities in the future.

EMISSIONS

Compared to 2020, the Group's air pollutant emissions are derived from the fuel consumption of its vehicles as the New Energy Business office in Shanghai is included in the reporting scope in this Year's Report. To reduce air pollutants and greenhouse gas emissions from our business operations, we promote and implement "Green Mobility" measures to minimise the use of non-essential vehicles and encourage online video or teleconferencing to progressively achieve our carbon reduction targets.

EXHAUST EMISSIONS "TOPIC 2"

Exhaust emissions	Unit	In 2021 ²	In 2020 ³
Nitrogen oxides	kilogram	2.43	0.00
Sulfur oxides	kilogram	0.06	0.00
Particulate matter	kilogram	0.18	0.00

² Only air pollutants generated from gasoline and diesel usage in the vehicles are included.

³ As the use of vehicles was not involved in the scope of operations reported in 2020, no air pollutant emissions were generated.





ZHONGHUA GAS AND ENVIRONMENT

GREENHOUSE GASES EMISSIONS "TOPIC 1"

Greenhouse gases	Unit	In 2021	In 2020
Scope 1 ⁴	Tonnes of carbon dioxide equivalent	10.12	0.00
Scope 2 ⁵	Tonnes of carbon dioxide equivalent	28.66	37.49
Total greenhouse gases emissions	Tonnes of carbon dioxide equivalent	38.78	37.49
Intensity of greenhouse gases (by revenue) ⁶	Tonnes of carbon dioxide equivalent/RMB million ⁷	0.09	0.15

HAZARDOUS AND NON-HAZARDOUS WASTE TREATMENT "TOPIC 5, 6, 7"

Regarding non-hazardous waste, the Group has set up wastepaper recycling bins in its offices to encourage the staff to collect reusable paper and print internal reading documents as much as possible during their daily office hours. In addition, the staff from property management of the Group's office building will collect and dispose of the household garbage. In the area of hazardous waste, the Group's business does not involve the production of significant hazardous waste, and we advocate the recycling and return of toner cartridges used in the office to the manufacturer. As the Group's business is not produced, it does not involve the use of finished product packaging materials. We are committed to reducing waste at the source and generating waste by implementing relevant measures. The Group also has no significant impact on the environment or natural resources. The New Energy Business in Tianjin and Shanghai does not involve projects that have substantially impact towards the environment. When ordering stationery supplies for our offices, we select suppliers that provide non-disposable products and less packaging to reduce the resource consumption.

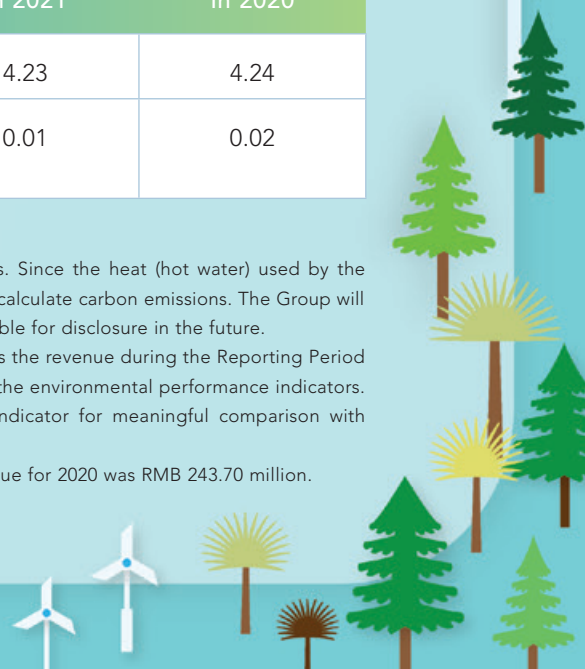
Non-hazardous waste	Unit	In 2021	In 2020
Total non-hazardous waste	Tonnes	4.23	4.24
Intensity of non-hazardous waste (by revenue) ⁶	Tonnes/RMB million ⁷	0.01	0.02

⁴ Scope 1 includes the emissions from fossil fuel combustion from mobile sources.

⁵ Scope 2 includes the emissions from the purchased electricity from the power companies. Since the heat (hot water) used by the Group is supplied by the central system, it is not possible to obtain sufficient information to calculate carbon emissions. The Group will negotiate with the building management office and expect that sufficient data will be available for disclosure in the future.

⁶ Due to the addition of a New Energy Business office in Shanghai this Year, the Group adopts the revenue during the Reporting Period (RMB million) as the density indicator to ensure that the Report can more effectively reflect the environmental performance indicators. The density calculation of 2020 has been converted into revenue (RMB million) as an indicator for meaningful comparison with previously reported data.

⁷ The total revenue of Zhonghua Gas for the Year was RMB 420.66 million, and the total revenue for 2020 was RMB 243.70 million.





ZHONGHUA GAS AND ENVIRONMENT

USE OF RESOURCES "TOPIC 3, 4"

The Group's business does not involve significant electricity and water resources consumption. We have not encountered any issue in sourcing water and energy that fits the purpose.

Energy consumption	Unit	In 2021	In 2020
Direct energy ⁸	kWh	35,252.28	0.00
Indirect energy ⁹	kWh	46,973.00	42,397.00
Total energy consumption	kWh	82,225.28	42,397.00
Intensity of energy consumption (by revenue) ¹⁰	kWh/RMB million ¹¹	195.47	173.97

Water consumption	Unit	In 2021	In 2020
Total water consumption	m ³	319.00	310.00
Intensity of water consumption (by revenue) ¹⁰	m ³ /RMB million ¹¹	0.76	1.27

Although the Group's business does not involve significant electricity and water use, we still hope to fulfill our civic responsibilities. We are committed to promoting and implementing relevant measures to further reduce overall energy and water consumption. We will reserve monthly water and electricity consumption records to monitor the usage, preclude abnormal use of resources, and propose corrective measures based on the situation. In addition, the Group strengthens internal resource conservation education and enhances the implementation awareness of employees. The Group does not have significant sewage discharges; all sewage is discharged to the municipal sewage pipe network and transported to the sewage treatment facilities for purification.



Energy

- Turn off air conditioning in unoccupied office areas to reduce energy consumption
- Ask employees to turn off office electrical equipment during the lunch break

Water

- Repair damaged water equipment immediately
- Use purchased drinking water to be disposed of for flowering and office cleaning
- Make water-saving signs to remind employees for water conservation
- Replace water-saving equipment such as water-saving faucets to reduce water usage



⁸ Since the Group did not have vehicle usage in 2020, there were no direct energy consumption.

⁹ Only emissions from the purchased of electricity from the power companies are included. Since the heat (hot water) used by the Group is supplied by the central system, it is not possible to obtain sufficient information to calculate carbon emissions. The Group will negotiate with the building management office and expect that sufficient data will be available for disclosure in the future.

¹⁰ Due to the addition of a New Energy Business office in Shanghai this Year, the Group adopts the revenue during the Reporting Period (RMB million) as the density indicator to ensure that the Report can more effectively reflect the environmental performance indicators. The density calculation of 2020 has been converted into revenue (RMB million) as an indicator for meaningful comparison with previously reported data.

¹¹ The total revenue of Zhonghua Gas for the Year was RMB 420.66 million, and the total revenue for 2020 was RMB 243.70 million.

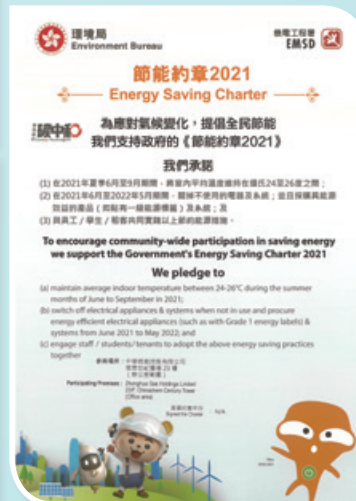


ZHONGHUA GAS AND ENVIRONMENT

ACTIVELY PARTICIPATE IN AND RESPOND TO ENVIRONMENTAL PROTECTION ACTIVITIES

The Group is committed to integrating sustainability concepts into day-to-day operations, corporate management, and decision-making. Our ESG Working Group will begin to study the establishment of environmental, social, and governance performance indicators step by step. We begin to set the sustainable development goals by providing trainings to promote them to all stakeholders, including employees, and support the signatory of the charter to formulate the action plan. During the Year, our office in Hong Kong signed the Food Wise Charter and the Energy Saving Charter 2021 to encourage the Group to strengthen the implementation of environmental protection measures. We hope to continue participating in more environmental, social, and governance-related certification or charter schemes in the coming future.

Food Wise Charter



Energy Saving Charter 2021

ZHONGHUA GAS AND COMMUNITY

ZHONGHUA GAS AND COMMUNITY "TOPIC 25, 26"

Adhering to the concept of "Serving the community and being public-spirited," fulfilling the responsibility of citizenship, and positively impacting society, the Group has established and promoted a culture of caring for the community. The Group is actively researching ways to increase community participation and plans to help people in need in the community through different channels in the future. The Group will continue to look for areas of focus on community investment and looks forward to practicing a range of community investment projects in the coming future.





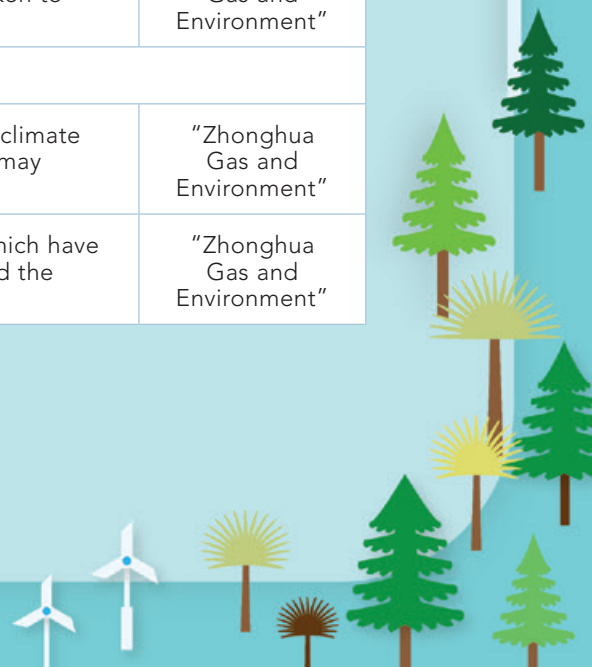
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspects	Description	Chapter of this Report/Notes
Mandatory Disclosure Requirements		
Governance Structure	A statement from the board containing the following elements: (a) a disclosure of the board's oversight of ESG issues; (b) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (c) how the board reviews progress made against ESG-related goals and targets with an explanation of how they related to the issuer's businesses	"About this Report", "Governance for Sustainable Development", "Risk Management" and "Materiality Analysis"
Reporting Principles	A description of, or an explanation on, the application of the Reporting Principles (Materiality, Quantitative and Consistency) in the preparation of the ESG report	"About this Report"
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report	"About this Report"
"Comply or explain" Provisions		
A. Environment		
A1 Emissions		
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 air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	"Zhonghua Gas and Environment"
A1.1	The types of emissions and respective emissions data	"Zhonghua Gas and Environment"
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions and intensity	"Zhonghua Gas and Environment"
A1.3	Total hazardous waste produced and intensity	The Group's business does not involve hazardous waste
A1.4	Total non-hazardous waste produced and intensity	"Zhonghua Gas and Environment"
A1.5	Description of emissions target(s) set and steps taken to achieve them	"Zhonghua Gas and Environment"
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	"Zhonghua Gas and Environment"



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspects	Description	Chapter of this Report/Notes
A2 Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	"Zhonghua Gas and Environment"
A2.1	Direct and/or indirect energy consumption by type in total and intensity	"Zhonghua Gas and Environment"
A2.2	Total water consumption and density	"Zhonghua Gas and Environment"
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	"Zhonghua Gas and Environment"
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	"Zhonghua Gas and Environment"; no issue in sourcing water
A2.5	Total packaging material used for finished products and with reference to per unit produced	The Group's business does not involve the use of packaging materials
A3 The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources	"Zhonghua Gas and Environment"
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	"Zhonghua Gas and Environment"
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	"Zhonghua Gas and Environment"
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	"Zhonghua Gas and Environment"





ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspects	Description	Chapter of this Report/Notes
B. Society		
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	"Zhonghua Gas and Employees"
B1.1	Total workforce by gender, employment type, age group and geographical region	"Zhonghua Gas and Employees"
B1.2	Employee turnover rate by gender, age group and geographical region	"Zhonghua Gas and Employees"
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	"Zhonghua Gas and Employees"
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	"Zhonghua Gas and Employees"
B2.2	Lost days due to work injury	"Zhonghua Gas and Employees"
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	"Zhonghua Gas and Employees"
B3 Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	"Zhonghua Gas and Employees"
B3.1	The percentage of employees trained by gender and employee category	"Zhonghua Gas and Employees"
B3.2	The average training hours completed per employee by gender and employee category	"Zhonghua Gas and Employees"



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspects	Description	Chapter of this Report/Notes
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	"Zhonghua Gas and Employees"
B4.1	Description of measures to review employment practices to avoid child and forced labour	"Zhonghua Gas and Employees"
B4.2	Description of steps taken to eliminate such practices when discovered	"Zhonghua Gas and Employees"
Operating Practices		
B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	"Zhonghua Gas and Operation"
B5.1	Number of suppliers by geographical region	"Zhonghua Gas and Operation"
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	"Zhonghua Gas and Operation"
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	"Zhonghua Gas and Operation"
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	"Zhonghua Gas and Operation"
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	"Zhonghua Gas and Operation"; The Group's business does not involve products and services labelling
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	"Zhonghua Gas and Operation"
B6.2	Number of products and service related complaints received and how they are dealt with	"Zhonghua Gas and Operation"



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Aspects	Description	Chapter of this Report/Notes
B6.3	Description of practices relating to observing and protecting intellectual property rights	The Group's business is not involved in intellectual property matters
B6.4	Description of quality assurance process and recall procedures	"Zhonghua Gas and Operation"
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	"Zhonghua Gas and Operation"
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	"Zhonghua Gas and Operation"
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	"Zhonghua Gas and Operation"
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	"Zhonghua Gas and Operation"
B7.3	Description of anti-corruption training provided to directors and staff	"Zhonghua Gas and Operation"
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	"Zhonghua Gas and Community"
B8.1	Focus areas of contribution	"Zhonghua Gas and Community"
B8.2	Resources contributed to the focus area	"Zhonghua Gas and Community"