



**延長石油國際有限公司**

**YANCHANG PETROLEUM INTERNATIONAL LIMITED**

(Incorporated in Bermuda with limited liability)

Stock Code: 00346

**Environmental, Social and  
Governance Report  
2017**

**Yanchang Petroleum International Limited**  
**Environmental, Social and Governance Report**

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## **1. Our Report**

### **1.1 Overview**

This report provides information on the performance of corporate social responsibilities of Yanchang Petroleum International Limited (hereinafter referred to as “Yanchang Petroleum International” or the “Company”) (HKEX Stock Code: 00346) and its subsidiaries (hereinafter collectively referred to as the “Group” or “We”) with respect to the environment, society and governance from 1 January 2017 to 31 December 2017. This report is in compliance with the “comply or explain” provisions of the Environmental, Social and Governance Reporting Guide (the “Guide”) and contains all disclosures as recommended in the Guide.

### **1.2 Scope of the Report**

The Group is principally engaged in oil and gas exploration, exploitation, sale and operation as well as supply and procurement operation of oil related products. This report covers the upstream and downstream business of the oil and gas industry and covers the operating data from the following two major subsidiaries:

- Novus Energy Inc. (“Novus”) – Canada incorporated company engaged in production of oil and natural gas
- Henan Yanchang Petroleum Sales Co., Limited (“Henan Yanchang”) – People’s Republic of China (“PRC”) incorporated company engaged in wholesale, retail, storage and transportation of refined oil

The reason for reporting the above subsidiaries is that those activities are the core business of the Group.

### **1.3 Feedback Mechanism**

We welcome comments and advices from readers on this report or on our corporate social responsibility performance. Whether you are a customer, a business partner, a member of the public, a media institution or social group, your comments and advices will help to determine and reinforce the Group's future sustainability strategy. Please provide your feedback via the following contact information:

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## 2. Stakeholder Engagement

The Group understands that effective and continuous listening to stakeholders' opinions, responding to and addressing their concerns are indispensable for business development and the fulfilment of corporate social responsibility. As such, we strive to get a deep understanding of the concerns of different stakeholders; and build a relationship of mutual trust and mutual benefit with stakeholders to promote sustainable development.

The Group has a shareholder communication policy, effectively promotes communication among shareholders of the Group, the board of directors and the senior management through different formal channels, so that shareholders have equal and timely access to the Group's information.

Stakeholders	Communication Approaches
<b>Shareholders</b>	<ul style="list-style-type: none"><li>• Company's website (<a href="http://www.yanchanginternational.com">www.yanchanginternational.com</a>)</li><li>• Annual reports and interim reports</li><li>• Annual general meeting and other shareholders meetings</li><li>• Press releases, announcements, financial and other information related to the Company's activities</li></ul>
<b>Employees</b>	<ul style="list-style-type: none"><li>• Orientation training, internal training</li><li>• Recreational activities</li><li>• Announcements, intranet, emails</li><li>• Meetings</li></ul>
<b>Clients</b>	<ul style="list-style-type: none"><li>• Company's website (<a href="http://www.yanchanginternational.com">www.yanchanginternational.com</a>)</li><li>• Telephone calls</li><li>• Regular meetings</li></ul>
<b>Suppliers/ Vendors</b>	<ul style="list-style-type: none"><li>• Tendering process</li><li>• Regular meetings</li></ul>
<b>Community</b>	<ul style="list-style-type: none"><li>• Participation in community welfare activities</li><li>• Consultation</li></ul>



### **3. Performance in Environmental, Social and Governance Aspects**

#### **3.1 Environmental Protection**

##### Management approach and policies

The Group understands that the oil industry has a potential impact on the local environment. To avoid causing irreversible damage to the environment, we are committed to protecting the environment and promoting sustainable development. We have formulated a series of policies and measures, including emission reduction, energy conservation, and promotion of clean production, so as to reduce the risks and impact of the Group's business on the environment as much as possible.

The Group strictly complies with all applicable environmental laws and regulations. During the reporting period, there was no case of prosecution against the Group for violation of environmental laws.

##### **3.1.1 Pollution Control**

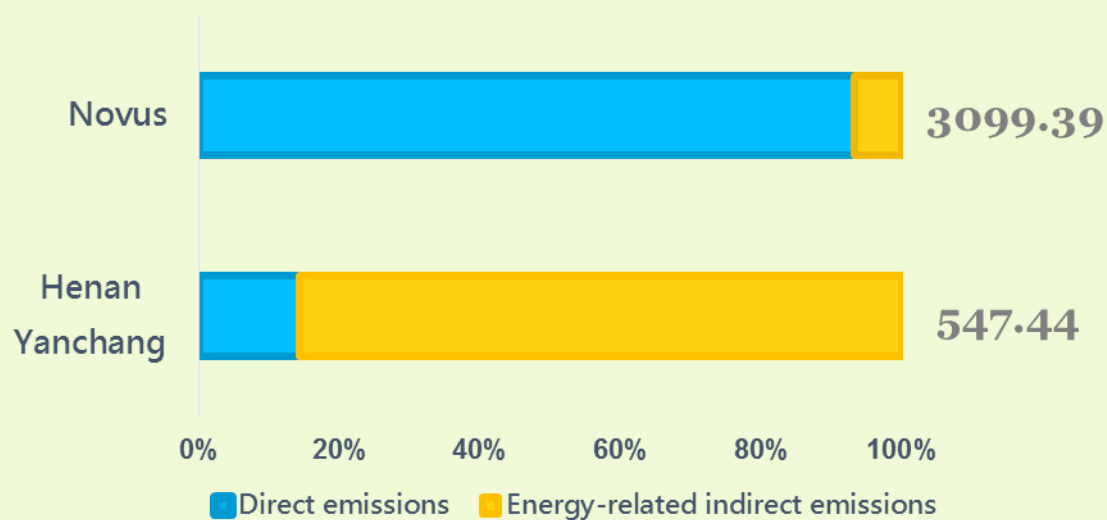
##### Countermeasures to climate change

To demonstrate the Group's commitment to sustainable development, we have formulated a regional procurement policy under which the Group gives priority to select local suppliers who meet our criteria to reduce energy consumption and greenhouse gas emissions due to additional transport processes.

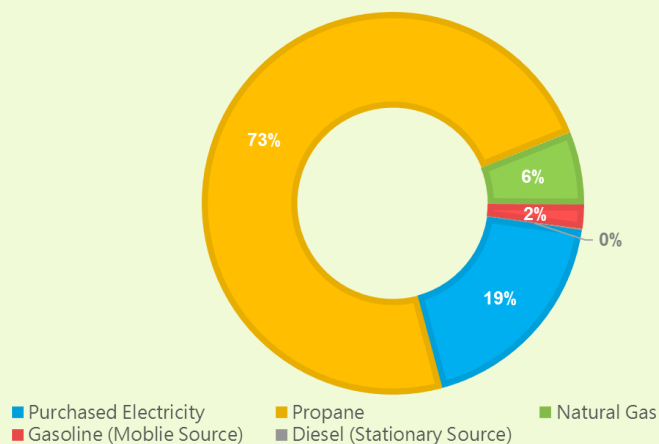
The Group always strives to adopt new technology and equipment, which can improve production efficiency as well as promote environmental performance and reduce energy consumption and carbon emissions. In the business of refined oil trading, storage and transport, Henan Yanchang carries out periodic maintenance of equipment to improve the operational efficiency and reduce time of oil unloading and discharge. To effectively improve oil unloading efficiency, it undertook the project enhancement to modify the unloading facilities in highways in 2017. In addition, in the production of crude oil and natural gas, Novus continues to reduce emissions of methane through gas conservation and pipeline tie-ins enhancement.

The Group is keenly aware that long-distance travel of business trips will increase energy consumption and carbon emissions. As such, we will reduce business trips or avoid meetings requiring long-distance travel as far as practical, replacing them with telephone or video conferences, to reduce carbon emissions from long-distance travel.

During the reporting period, the Group's total greenhouse gas emissions reached 3,646.83 tCO<sub>2</sub>-e.



	Direct emissions	Energy-related indirect emissions (tCO <sub>2</sub> -e)	Total greenhouse gas emissions
Novus	2,890.53	208.86	3,099.39
Henan Yanchang	78.09	469.35	547.44



	Total consumption		Carbon emissions	
Purchased Electricity	1,607,841.00	kWh	678.21	tCO <sub>2</sub> -e
Propane	1,742,374.00	litres	2,665.83	tCO <sub>2</sub> -e
Natural gas	102,542.40	m <sup>3</sup>	224.69	tCO <sub>2</sub> -e
Gasoline (mobile sources)	32,727.50	litres	74.40	tCO <sub>2</sub> -e
Diesel (stationary sources)	1,400.00	litres	3.70	tCO <sub>2</sub> -e



### Waste management

The Group pays much attention to waste management. Henan Yanchang regularly assesses the production process to trace the source of waste and formulates action plans to reduce hazardous waste. More environmental friendly materials are used if applicable, for example, using liquefied petroleum gas instead of coal in kitchens; building materials that are in compliance with government

regulations for buildings renovation; and safety materials at warehouses and petrol stations are used.

The following is the total amount of waste produced during the reporting period:

Type of waste	Novus	Henan Yanchang
Hazardous waste	0 ton	2.1 tons
Non-hazardous waste	2,000 tons	13,656 tons

For management of hazardous waste, Henan Yanchang would separately store hazardous waste in specific containers with appropriate labels affixed for identification; and would arrange for qualified disposal companies to handle solid hazardous waste in strictly compliance with relevant laws and regulations.

For management of non-hazardous waste, the Group follows the 3R waste management strategy to reduce waste generation (Reduce) as far as possible, consider reuse (Reuse) and recycle before waste disposal (Recycle), so as to live up to its commitment to waste management. The Group took the following waste reduction measures in the past year:

	Waste reduction measures
Novus	<ul style="list-style-type: none"> <li>Reusing plastic containers in production</li> <li>Arranging for the building management company to sort out office recyclable waste</li> </ul>
Henan Yanchang	<ul style="list-style-type: none"> <li>Setting up recycling bins for disposal of different types of recyclable waste, including plastic, glass and aluminium cans</li> <li>Using waste materials to reinforce crush barriers and sewer manhole covers</li> </ul>

### Reduce wastewater discharge

The Group endeavours to handle wastewater discharge in a responsible manner. Wastewater will be reused that will help to reduce wastewater discharge and conserve water at the same time. During the reporting period, our subsidiaries implemented environmental measures to reduce wastewater discharge:

	<b>Wastewater discharge reduction measures</b>
Novus	<ol style="list-style-type: none"><li>1. Recovering water produced at the field production site for re-use in the fracturing process</li><li>2. Disposing of the remainder either through Novus' own water disposal wells or by trucking to the third-party disposal facilities for handling</li></ol>
Henan Yanchang	<ol style="list-style-type: none"><li>1. Installing wastewater treatment equipment so that the reclaimed water to be re-used</li></ol>

### **3.1.2 Making Good Use of Resources**

In order to effectively make use of resources including energy, water and other natural resources, we have formulated a series of conservation policies to provide our staff with specific advices and measures on managing resources.

### Energy saving

The Group always strives to promote environmental protection and reduce energy consumption. A number of energy-saving projects are implemented. We also regularly inspect the conditions of equipment to reduce energy waste due to mechanical aging.

	<b>Energy saving measures</b>
Novus	<ul style="list-style-type: none"><li>• Using its own natural gas to fuel well sites where available</li><li>• Equipping machines with timers, and using motors instead of natural gas engines</li></ul>
Henan Yanchang	<ul style="list-style-type: none"><li>• Renovating the lighting system, including replacing bulbs with energy-saving lamps and equipping corridors with sound-controlled lights, which save electricity by approximately 5% on an annual basis</li><li>• Using solar energy to heat water, thereby reducing the use of coal or electricity</li></ul>



### Water efficiency

To protect the precious water resources, we actively promote water conservation among employees and strengthen the maintenance and management of water-consuming equipment to achieve the purpose of water conservation.

	<b>Water saving measures</b>
Novus	<ul style="list-style-type: none"><li>• Re-using the reclaimed water in field production site to achieve zero water consumption</li></ul>
Henan Yanchang	<ul style="list-style-type: none"><li>• Posting labels to remind employees and visitors to conserve water</li><li>• Collecting rainwater for irrigation</li><li>• Regularly monitoring and replacing the equipment promptly to prevent leakage</li><li>• Conducting internal inspections periodically to monitor the effectiveness and target of the saving measures</li></ul>

During the reporting period, the major resources were consumed by the Group during operation and production are as follows:

	<b>Total consumption</b>	
<b>Resources</b>	<b>Novus</b>	<b>Henan Yanchang</b>
Power (kWh)	1,099,285	508,556
Propane (litres)	1,742,374	Not applicable
Natural gas (cubic metres)	102,542.40	Not applicable
Gasoline (mobile sources)	Not applicable	32,728
Diesel (stationary sources)	Not applicable	1,400
Water (cubic metres)	Not applicable	13,656
Packaging materials (tonnes)	Not applicable	Not applicable

### **3.1.3 Promoting Green Operations**

#### Advocating green office

The Group integrates environmental responsibility into its daily business operations. We have established the green office policy and green operational measures to reduce environmental impact and the consumption of natural resources.

Measure	Measure details
Green office	<ul style="list-style-type: none"> <li>• Encouraging paperless office for electronic documentation</li> <li>• Setting air conditioners to keep the temperature at 25°C</li> <li>• Seasonally adjusting outdoor lighting system controls</li> <li>• Turning off unused equipment or machinery</li> </ul>
Promoting environmental protection in the supply chain	<ul style="list-style-type: none"> <li>• Requiring suppliers to comply with environmental protection laws and regulations as well as the standards of the Group</li> <li>• Encouraging sub-contractors to comply with environmental protection measures through posters and emails</li> </ul>
Providing environmental protection training	<ul style="list-style-type: none"> <li>• The Group provides environmental protection training for new join so that they can understand the requirements and standards of the industry and the Group on environmental protection</li> <li>• Reminding the environmental protection of the Group at daily meetings to ensure all environmental protection measures are effectively implemented</li> </ul>
Green purchase	<ul style="list-style-type: none"> <li>• Choosing suppliers of green products at priority</li> </ul>

#### Environmental impact assessment policy

Before drilling, Novus conducts environmental impact assessments on the drilling activity to avoid, reduce and mitigate the impacts on the surrounding environment. After a well is abandoned in accordance with the applicable laws and regulations, the site is restored to its natural state in accordance with relevant laws and regulations.



## 3.2 Caring for People

### Management approach and policies

In the process of business development, the Group always keeps in mind its social responsibilities and upholds the belief of mutual respect and harmony. It is dedicated to the best possible treatment of employees and customers. At the same time, we actively



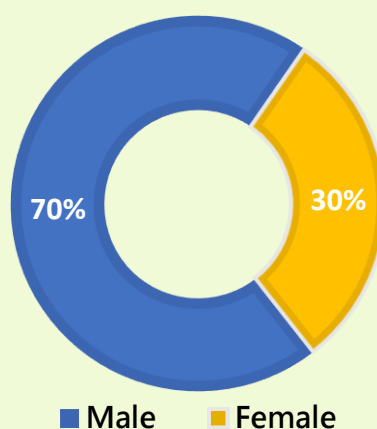
participate in and sponsor community programs and activities. We also care about, and thus introduce an array of programs and measures to facilitate the career development and physical and mental health of our employees. On this basis, we provide safe and reliable products to achieve the vision of creating a better society.

### 3.2.1 Equal Employment

#### Management approach and policies

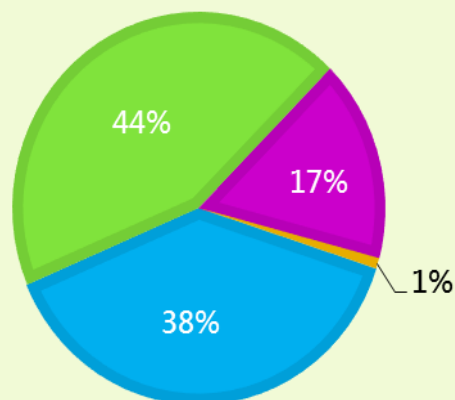
Aiming to become the “best employer”, we are committed to create a working environment that features mutual respect and harmonious atmosphere. We emphasize work safety, and through providing training courses, we help employees keep improving in work and career development. We have a dedicated human resources department to regularly review and improve the relevant policies, so as to ensure that they are in compliance with local laws and industry guidelines. During the reporting period, the Group did not find any violations or receive complaints concerning discrimination or recruitment.

Overview of the Group's employees over the past year:



Employee gender profile

Male	80
Female	34



■ 18-30 ■ 31-45 ■ 45-60 ■ >60

**Employee age profile**

18 - 30 years old	44
31 - 45 years old	50
45 - 60 years old	19
60 years old or above	1

#### Equal opportunity and diversity

We adopt a policy of diversity and non-discrimination to ensure that each job applicant has equal right to apply for a job, and that employees are treated fairly and impartially in recruitment, probation, promotion, resignation and other aspects. In considering recruitment and promotion, we refer to the job performance, experience and personal ability of the employee for the promotion criteria, and the staff will not be discriminated against on the grounds of sex, age, race or physical condition.

#### Employee benefits

We sign employment contracts with employees in accordance with local regulations to protect employees' legal rights and interests, and provide medical insurance, ensuring minimum wage and maximum working hours and paid leave, sick leave, work-related injury leave and maternity leave in accordance with statutory requirements. Moreover, the Group has always determined employees' remuneration based on fairness, employee performance and current market practices.

The Group is also attentive to the physical and mental health of employees, and therefore encourages employees to achieve work-life balance. Novus organizes breakfast gathering and Christmas party which not only allow employees to celebrate holidays, but also enhance the communication among staff. Henan Yanchang provides recreation facilities, farms and gardens within the company's area for employees' enjoyment, and arranges cultural activities to help them relieve stress from work, and strengthens the cohesion of employees and their sense of belonging towards the company.



### **3.2.2 Occupational Health and Safety**

#### Management approach and policies

Employees are our most valuable resources. We endeavour to create the safest and most appropriate working environment and achieve the goal of zero work accident. We take various measures to prevent the occurrence of occupational diseases and industrial casualties among our staff. We have in place a sound management system for occupational health and safety and conduct regular reviews and assessments to meet regulatory requirements. No violation of local occupational health and safety laws and regulations were found during the reporting period. At the same time, there were no work-related fatalities and lost days during the reporting period.

#### Occupational health and safety policy

Both subsidiaries have established and implemented the occupational health and safety management system, formulated emergency plans and comprehensive safety management measures to prevent oil spills. Novus has specifically prepared Drilling, Completions and Field Operator Handbooks to provide guidelines and policies to govern a safe working environment; and Henan Yanchang had been certified to OHSAS 18001 Occupational Health & Safety Assessment Series since 2013.

#### Safety training

As a responsible employer, we also provide employees with adequate training on occupational health and safety and appropriate protective equipment, with a view to enabling them to identify high-risk area in the workplace and work out solutions to lower work-related risks, prevent accidents in the course of operation and reduce occupational hazards. Also, to allow employees to understand and practise the emergency measures in the event of accidents, we arrange different emergency drills each year, such as fire drill and comprehensive emergency drill.

#### Employee communication

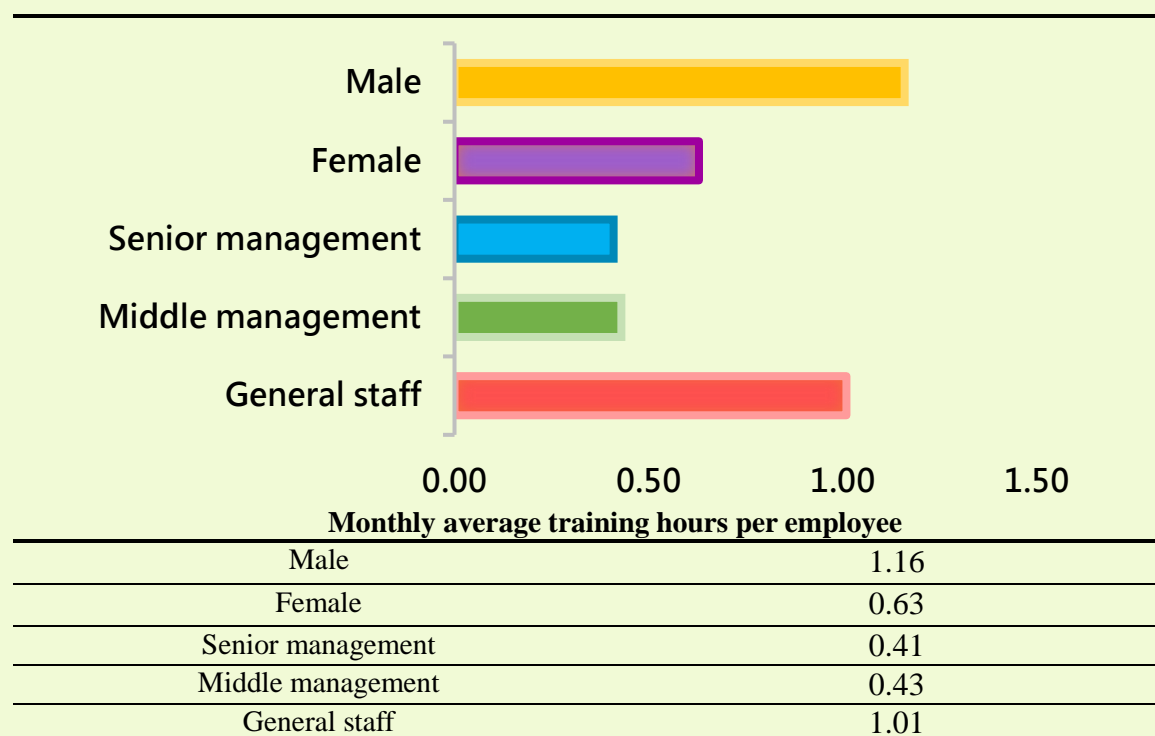
The Group welcomes and values employees' opinions. Employees may voice their opinions on the Company's management system and approach to safety matters through the opinion collection box and the Company email. We will also send employees messages about occupational safety and health on an irregular basis to heighten their concern for safety matters.

### **3.2.3 Training and Development**

#### Management approach and policies

We firmly believe that on-going training and development of our staff are critical for the continuous success of our business. As such, the Group supports employees to improve their skills relating to their positions and assists them in developing their potential so that they can grow with the Company. The head of each department of the Company will assess the functional needs of the employees to recommend and arrange appropriate training courses for them; and employees can apply to the relevant training courses based on the needs of their positions.

During the reporting period, the percentage of trained employees in the Group and the average number of training hours per employee are as follows:



#### Training System

Because Novus' main operation is crude oil and gas production, the company pays great attention to the knowledge and ability of front-line staff in terms of technology and safety. Therefore, Novus implements a Buddies Mentoring Scheme under which a senior employee is appointed as the mentor for each front-line employee to provide guidance for them and share experience with them, so as to ensure that they are all informed of proper mechanical operation procedures and familiar with the operation process, to achieve the goal of effective and safe production.

Henan Yanchang establishes Thursday as the "Study Day" on which internal study is carried out through classroom lectures and video viewing with internal employees serving as training lecturers, so as to improve employees' skills for their work positions. As for management training on occupational safety and health, the Company will engage external professional lecturers to provide training for employees.

### **3.2.4 Protection of Rights and Interests**

#### Management approach and policies

The Group and its subsidiaries hold zero-tolerance towards any use of child labour, and the Company employs no child labour or forced labour in any form whatsoever. During the recruiting process, we will examine applicants' valid identification documents such as ID cards to verify their age. The Group also prohibits forced labour. Novus strictly adheres to all provincial and federal labour requirements regarding standard work hours. Henan Yanchang also regularly checks whether there is forced labour. If there is a case, it will immediately stop any involuntary overtime working. During the reporting period, the Group did not find the use of child or forced labour.

### **3.3 Operational Commitment**

#### **3.3.1 Supply Chain Management**

#### Management approach and policies

In addition to proactively consolidating the internal sustainable development, the Group wishes to exert its influence within the supply chain to jointly contribute to sustainable development with suppliers, clients, and other stakeholders. The Group has established an internal policy to regulate the tendering and quotation process, which requires that detailed assessments must be performed on suppliers and contractors to ensure that they meet the Group's internal requirements; meanwhile, we will inform our partners of our principles and expectations, and establish an effective mechanism to ensure that the parties act in strictly compliance with laws and regulations.

#### Supplier selection criteria

The subsidiaries have in place different criteria for different types of suppliers. For example, in the production of oil and gas, Novus employs authorised contractors with proper licenses and adequate insurance in the government database to conduct drilling and oil production. In addition, Novus requires the contractors and suppliers to comply with its environmental and safety policy. In the business of refined oil trading, storage and transport, Henan Yanchang requests suppliers and contractors to obtain corporate social responsibility awards or certification. The coverage includes products and service quality, environmental management and conscientious employer. Also, suppliers and contractors are required to comply with the code of “Wholesale and Retail Customer Management” implemented by Henan Yanchang.

#### Stringent regulation

Henan Yanchang will hold materials procurement meetings to discuss and analyse the qualifications of suppliers to ensure that the engaged suppliers meet the requirements of the company. The company will also require relevant employees to evaluate suppliers' performance on a regular basis and carry out field investigations, or will suspend cooperation with suppliers if they do not meet the requirements.

Moreover, the Group gives priority to local suppliers and contractors. At present, both subsidiaries use only local suppliers and contractors in operations.

### 3.3.2 Safe Production

#### Management approach and policies

The Group has always regarded the quality of products as the key to our business success. Therefore, we strive to provide customers with high-quality, healthy and safe products and services in accordance with applicable local and international laws. A sound safety and quality management system is in place which helps us to prevent major accidents and supplies quality products and services to meet customer requirements. In the course of operations, the Group strictly abides by national laws and regulations and industry quality standards to protect the basic rights and interests of customers.

During the reporting period, the Group did not have any reported cases of product recall for safety or quality reasons and received no complaints.

#### Product safety

In order to ensure that our products meet industry and national safety standards, we conduct product testing with specific and effective methods to make sure that our products meet quality and technical requirements and to correct any serious problems in a timely manner. We only deliver products meeting quality and technical requirements to customers. To ensure that the products sold by the Group meet the requirements of clients, the subsidiaries adopt the following product safety maintenance measures:

	<b>Product safety maintenance measures</b>
<u>Novus</u>	<ul style="list-style-type: none"> <li>• Petroleum products must be tested for quality and safety</li> <li>• As per the requirements of the oil and gas distributors, an annual product quality analysis is performed</li> </ul>
<u>Henan Yanchang</u>	<ul style="list-style-type: none"> <li>• Using the established sample quality testing procedures, oil samples are sent to a laboratory for analysis against national standards</li> <li>• Suppliers of equipment related to the production, transport and storage of petroleum products must have relevant product qualification certificates</li> <li>• Before putting the equipment into use, Henan Yanchang will arrange for relevant departments to perform acceptance inspection thereof, and require employees to conduct routine inspection and regular maintenance of related equipment</li> </ul>



#### After-sales service

Customer feedback is the biggest contributor to driving the Group forward, and hence we maintain good communication with our customers to understand their requirements for improvement of our products and services. Both Novus and Henan Yanchang have set up complaint mechanism for customers to send their feedback to the Group through complaint channels. Relevant departments will follow up on the complaints and respond to the complainant about the follow-up results. The Group will analyse any product recall from four aspects: economic, technological, environmental impact and related policies. After considering various factors, the product recall process will be started as required. Henan Yanchang has also developed an after-sales service policy, holding regular meetings with customers and reviewing their opinions on the products or services supplied to develop measures for enhancing and increasing customer satisfaction and to establish long-term, harmonious and stable relationships.

#### Privacy of consumer data

The Group focuses on information security and confidentiality, and requires all employees to comply with policies and local regulations on personal information privacy to protect customer information. In addition to complying with applicable local legislation and regulations, the Group also provides appropriate data protection policies in line with subsidiaries' different business natures.

Novus properly protect the personal information that it collects and holds, and prohibits its employees from disclosing any confidential or proprietary information to any third parties to prevent information leakage.

Henan Yanchang's business involves a large amount of customer information. To better store customers' information and protect it against stealing, Henan Yanchang establishes a dedicated customer information system that is provided and maintained by a professional technology company, which a system safety reports will be sent to the IT Security Department of Henan Yanchang on a monthly basis to evaluate the stability of the security system, and will report, track and follow up on any anomaly. In addition, Henan Yanchang will not use customer data for promotion purpose without customers' consent.

### **3.3.3 Corporate Governance**

#### Management approach and policies

The Group has always been operating its businesses with honesty, business ethics, integrity, and professionalism. We do not tolerate any form of corruption, including bribery and solicitation, fraud, and money laundering. As such, to create an ethical corporate culture, the Group has established an effective internal monitoring and management system to ensure that employees act with integrity, impartiality, and honesty.

### Preventive regulation

To prevent any corruption, both of our subsidiaries have in place internal anti-corruption policies, including Code of Business Conduct and Ethics of Novus and Management Policies for Executive Business Expenses of Henan Yanchang. All employees are required to comply with the policy and the code. We have also formulated fair, open and impartial procedures for product or service procurement and tendering to inhibit any potential corruption. In addition, the Group employs independent auditors to conduct auditing the Group's financial statements, to ensure that the Group's accounts are fairly presented and to strengthen financial control to protect the interests of shareholders.

### Whistle-blowing procedures

As part of our anti-corruption measures, we have developed the Whistle-blowing Policy to encourage and support employees to report inappropriate and illegal instances of fraud, corruption and other incidents to the Chief Executive Officer of the Company (or the Chairman of the Company if the concern involves the Chief Executive Officer himself). All reported cases will remain confidential and thoroughly investigated by the Chairman or Chief Executive Officer or the personnel appointed to investigate the complaint. The investigation results will be delivered to the whistle-blower.

Based on the above-mentioned monitoring and prevention measures, there were no cases of corruption involving either of the subsidiaries or individual employees of the Company during the reporting period, and no corruption was found.

### 3.4 Giving Back to the Society

We are committed to creating sustainable prosperity for all stakeholders, making direct contribution to social economy, and bringing positive impacts and effects to the society. The Group welcomes cooperation with community groups that match the Group's corporate responsibility concept, and responds to the social needs in culture, education and other aspects by supporting non-profit organizations through donation and sponsorship.

Novus has a dedicated department to collect the views of neighbouring community groups and consult them before project commencement. Production will start after obtaining local communities' consent to prevent production activities affects the neighbourhood. In addition, Novus also actively supports community activities in the operating area, particularly local cultural and sports development, including sponsorship of the Wild Cow Milking game and the hockey team.

Henan Yanchang motivates employees to carry out a fund-raising activity named "Donate to Help Poverty Alleviation" to help underprivileged people to alleviate poverty.

### 3.5 Future Prospects

Protecting the environment and cherishing resources are the social responsibilities to be shouldered by every company. The Group continuously integrates social responsibilities into its corporate development. We will continue to invest more resources in environmental protection, safe production, employee training, and community responsibility, while strictly abiding by all relevant laws and regulations. We will also strive to spread the sustainable development concept to every level along the supply chain, protect stakeholders' current and future welfare, promote sustainable development of the society, and achieve harmonious co-existence with nature.



#### 4. Performance Data Summary

Environment			
Pollutant emissions	Unit	Novus	Henan Yanchang
Solid waste			
Hazardous waste	kg	Not applicable	2,100.00
Hazardous waste intensity	kg/'000 production units <sup>1</sup>	Not applicable	0.75
Non-hazardous waste	tonnes	2,000.00	13,656.00
Non-hazardous waste intensity	tonnes/'000 production units <sup>1</sup>	1.97	4.90
Greenhouse gas emission and intensity			
Total greenhouse gas emissions	tCO <sub>2</sub> -e	3,099.39	547.44
Direct emission	tCO <sub>2</sub> -e	2,890.53	78.09
Energy-related indirect emissions	tCO <sub>2</sub> -e	208.86	469.35
Emission intensity	tCO <sub>2</sub> -e/'000 production units <sup>1</sup>	3.06	0.20
Use of energy			
Power purchased	kWh	1,099,285.00	508,556.00
Power intensity	kWh/'000 production units <sup>1</sup>	1,083.97	182.64
Gasoline (mobile sources)	litres	Not applicable	32,727.50
Gasoline use intensity	litres/'000 production units <sup>1</sup>	Not applicable	11.75
Municipal water	cubic metres	Not applicable	13,656.00
Water use intensity	cubic metres/'000 production units <sup>1</sup>	Not applicable	4.90
Diesel (stationary sources)	litres	Not applicable	1,400.00
Diesel use intensity	litres/'000 production units <sup>1</sup>	Not applicable	0.50
Propane	litres	1,742,374.00	Not applicable
Propane use intensity	litres/'000 production units <sup>1</sup>	1,718.11	Not applicable
Natural gas	cubic metres	102,542.40	Not applicable
Natural gas use intensity	cubic metres/'000 production units <sup>1</sup>	101.11	Not applicable

Notes:

1: Henan Yanchang's production unit is ton, and Novus' production unit is barrel of equivalent ("BOE").



Society			
Employee	Unit	Novus	Henan Yanchang
Total number of employees	person	15	99
Age distribution			
18 - 30 years old	person	1	43
31 - 45 years old	person	8	42
45 - 60 years old	person	5	14
60 years old or above	person	1	0
Gender distribution			
Male	person	9	71
Female	person	6	28
Employment type			
Full-time	person	15	99
Function distribution			
Senior management	person	4	7
Middle management	person	3	12
General staff	person	8	80
Employee turnover			
Turnover rate (monthly average)	Percentage	4.44	2.10
Age distribution			
18 - 30 years old	Percentage	1.67	1.00
31 - 45 years old	Percentage	0.56	0.93
45 - 60 years old	Percentage	1.11	0.00
60 years old or above	Percentage	1.10	0.17
Gender distribution			
Male	Percentage	2.22	1.26
Female	Percentage	2.22	0.84
Health and Safety			
Work-related deaths	person	0	0
Number of work days lost due to work-related injuries	days	0	0

Society			
Training and development	Unit	Novus	Henan Yanchang
Total training hours for the year	hour	1,275	1,180
Average hours for each employment category			
Male	hour	4.31	0.69
Female	hour	2.78	0.30
Senior management	hour	1.94	0.18
Middle management	hour	1.39	0.28
General staff	hour	3.76	0.53
Trained employees as a percentage of total employees			
Male	Percentage	60.00	68.69
Female	Percentage	40.00	28.28
Senior management	Percentage	26.67	7.07
Middle management	Percentage	20.00	12.12
General staff	Percentage	53.33	77.78
Product Responsibility			
Percentage of products that must be recalled for health and safety reasons	Percentage	0	0
Number of complaint cases about products and services	case	0	0
Anti-corruption			
Number of concluded corruption cases brought against the issuer or its employees during the reporting period	time	0	0

## 5. Hong Kong Stock Exchange Environmental, Social and Governance Reporting Guide Index

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