



E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(formerly known as Winsway Enterprises Holdings Limited 永暉實業控股股份有限公司)

(Incorporated in the British Virgin Islands with limited liability)

Stock Code: 1733





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ABOUT THIS REPORT

This report is the fourth Environmental, Social and Governance Report published by E-Commodities Holdings Limited (the “**Company**” or “**E-Commodities**”). The purpose is to report on the philosophy and practice of the environmental, social and governance (hereinafter referred to as “**ESG**”) responsibilities of the Company and its subsidiaries (together referred to as the “**Group**”, “**we**” or “**us**”) in 2019, and to respond to material issues of concern to major stakeholders.

REPORTING SCOPE

Business Scope: This report covers the scopes of business that are directly controlled by the Group, including supply chain trading, supply chain logistics, clean raw materials processing and internet intelligent platform.

Time scope: This report covers the period from 1 January 2019 to 31 December 2019 (the “**Reporting Period**” or “**the Year 2019**”). In order to enhance the integrity of the report, part of the contents precedes or post-dates the Reporting Period, as appropriate.

BASIS OF PREPARATION

The Group has prepared this report in accordance with the reporting principles of materiality, quantitative, balance and consistency as set out in the Environmental, Social and Governance Reporting Guide in Appendix 27 (the “**ESG Guide**”) to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”). This report complies with the “comply or explain” provisions set out in the ESG Guide, and explains the impact of the Group’s business and operational activities on the environment and society accordingly.

APPROVAL AND CONFIRMATION

This report has been reviewed by the board of directors of the Company (the “**Board**”), which is responsible for the authenticity and validity of the information contained, and for ensuring that there is no false record and misleading description in the content.

REPORT DISTRIBUTION CHANNEL

This report is available for review and download on the website of the Hong Kong Stock Exchanges (www.hkexnews.hk) and the Company’s website (<http://www.e-comm.com/tc/IRESGReports.aspx>).

FEEDBACK

Thank you for reading this report. Your comments and suggestions will help us make continuous improvement on the contents of the report and drive the Group to make corresponding contributions to the progress and harmonious development of society in the process of growing together with stakeholders. Please feel free to provide your comments or suggestions via the following contact details:

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I. ABOUT E-COMMODITIES



CORPORATE PROFILE

The Company was incorporated in the British Virgin Islands on 17 September 2007. It has established subsidiaries and offices in Hong Kong, Beijing, Shanghai, Singapore, and Brisbane, Australia. E-Commodities was successfully listed on the main board of the Hong Kong Stock Exchange on 11 October 2010.

With its business expansion and diversified development since its establishment, E-Commodities has not only become one of the major coking coal importers in the People's Republic of China (the “**PRC**”), but also engaged in businesses such as iron ore, petrochemical products and non-ferrous metals. It has successfully established a comprehensive closed loop system of integrated industrial chain with a combination of various sectors including purchasing, processing, logistics, sales and finance. By virtue of a wide network of suppliers and end-users, optimized logistics facilities, and extensive management experience in bulk commodities, E-Commodities provides a platform of well-rounded services for each segment of the relevant bulk commodities value chain. Target users include, among others, mine owners, highway and railway transportation operators, warehousing service providers, clearance declaration and custom clearance agents, shipping agents, financing providers, and end-users.

I. ABOUT E-COMMODITIES

DEVELOPMENT VISION



To effectively combine the four major segments of supply chain trading, supply chain logistics, clean raw materials processing and internet intelligent platform to establish the linkage between the Company's various segments and to bring synergistic advantages;



To pragmatically achieve a combination of information flow, commodities trading flow and capital flow to make commodity trade easier by collecting, integrating and analyzing the data from various aspects of the commodity supply chain; and

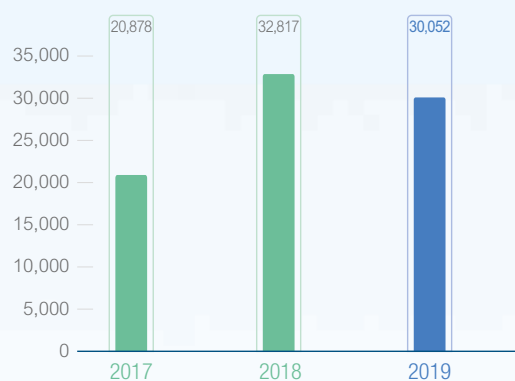


To achieve development in the best interests of both shareholders and staff of the Company under the guidance of core values of "Simplicity", "High-efficiency" and "Contribution".



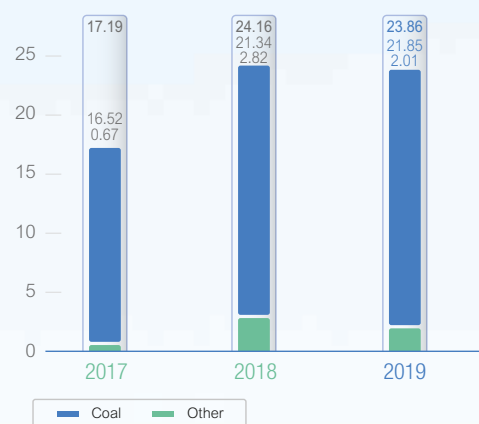
KEY FINANCIALS

Revenue (in HK\$ million)

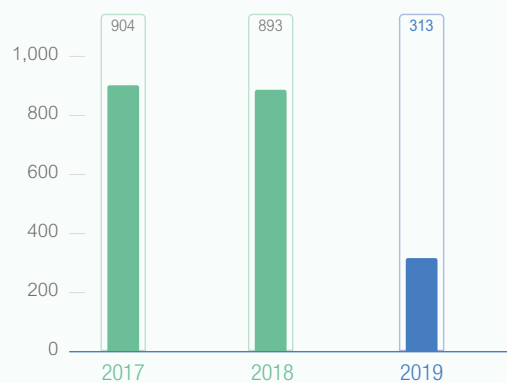


Supply Chain

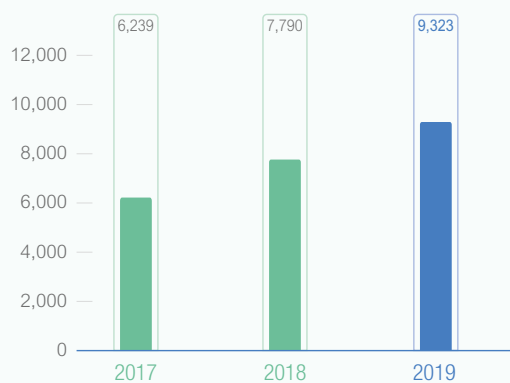
Trading Volumes (in million tonnes)



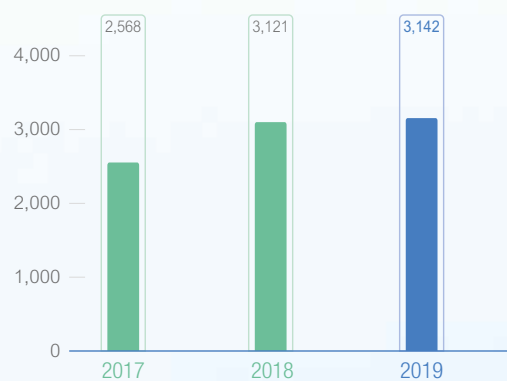
Net Profit (in HK\$ million)



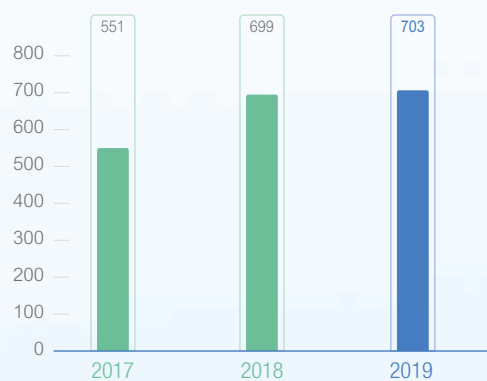
Total Assets (in HK\$ million)



Total equity (in HK\$ million)



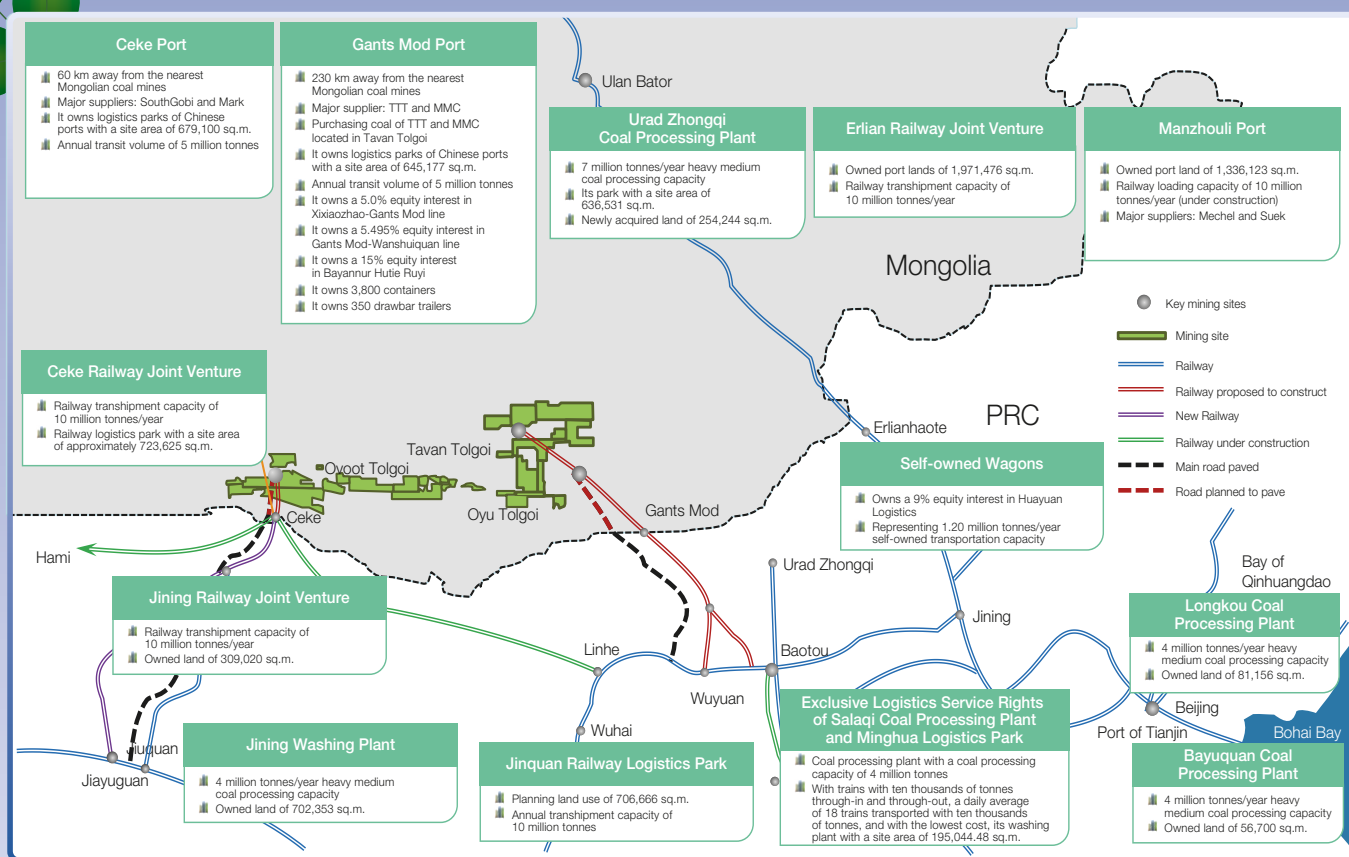
Cash balance (in HK\$ million)



I. ABOUT E-COMMODITIES

ASSETS FOOTPRINT

The Company deploys boundary crossing facilities, strategic land reserves and efficient infrastructure, including, among others, logistics parks, railway parks, transshipment lines, railway equity, railway stations, self-owned wagons and coal processing plants, at and along the Sino-Mongolian border crossing to client-side. In addition, the Company carried out intelligent upgrades of various logistic aspects and developed container transportation to comprehensively improve the efficiency and reliability of the supply chain.





II. SUSTAINABLE DEVELOPMENT

The Group has steadily promoted sustainable development in management, gradually integrated the concept of sustainable development into its existing management system, actively explored the sustainable development management model suitable for the Group, and continuously improved its ability to perform its responsibilities. During the Reporting Period, we initially established a sustainable development management mechanism, with the Board as the highest decision-making level of sustainable development management, providing strategic guidance for the overall management, and ensuring the establishment of an appropriate and effective ESG risk management and internal control; at the same time, the person in charge of major functional departments of the Group coordinates the Group's ESG-related work and reports to the senior management and the Board on a regular basis.

COMMUNICATION WITH STAKEHOLDERS

STEP 1: IDENTIFY KEY STAKEHOLDERS AND ESTABLISH DAILY COMMUNICATION MECHANISM

The Group attaches great importance to the demands and opinions of all stakeholders and comprehensively communicates with them through different channels. We identified the Group's key stakeholders based on the two dimensions of "degree of influence by the enterprise" and "degree of influence on the enterprise", and established extensive and efficient communication channels with key stakeholders to respond to their expectations and demands in a timely manner.

Main stakeholders	Expectations and demands	Communication and response channels
Government and regulatory authorities	<ul style="list-style-type: none">● Healthy and sustainable development● Compliance with laws and regulations● Steady growth in tax revenue● Serving local economy● Facilitating industry development● Safe production● Energy conservation and reduction of emissions	<ul style="list-style-type: none">● Information distribution● Tax returns filing● Government conferences● Railway operation● Business innovation

II. SUSTAINABLE DEVELOPMENT

Main stakeholders	Expectations and demands	Communication and response channels
Shareholders and investors	<ul style="list-style-type: none"> ● Healthy and sustainable development ● Compliance with laws and regulations ● Safe production ● Energy conservation and reduction of emissions ● Risk control ● Return on investment 	<ul style="list-style-type: none"> ● General meeting of shareholders ● Information disclosure ● Daily communication ● Telephone conferences ● Results announcement ● Company website
Business partners and suppliers	<ul style="list-style-type: none"> ● Win-win cooperation ● Quality of products/services ● Abiding by its commitments 	<ul style="list-style-type: none"> ● Open tender ● Contract negotiation ● Daily business exchange ● Supplier access management
Customers	<ul style="list-style-type: none"> ● Quality of products/services 	<ul style="list-style-type: none"> ● After-sales services ● Quality supervision
Employees	<ul style="list-style-type: none"> ● Safe production ● Employees' rights and interests ● Training and development ● Occupational health ● Employee care 	<ul style="list-style-type: none"> ● Employee assemblies ● Corporate notices ● Employee satisfaction survey ● Face-to-face meetings with senior management ● "New Talent Pool" scheme ● Employee development activities
Community	<ul style="list-style-type: none"> ● Environment protection ● Community charity 	<ul style="list-style-type: none"> ● Environment protection ● Community charity

EVALUATION ON MATERIAL ISSUES

STEP 2: IDENTIFY AND VERIFY MATERIAL ISSUES

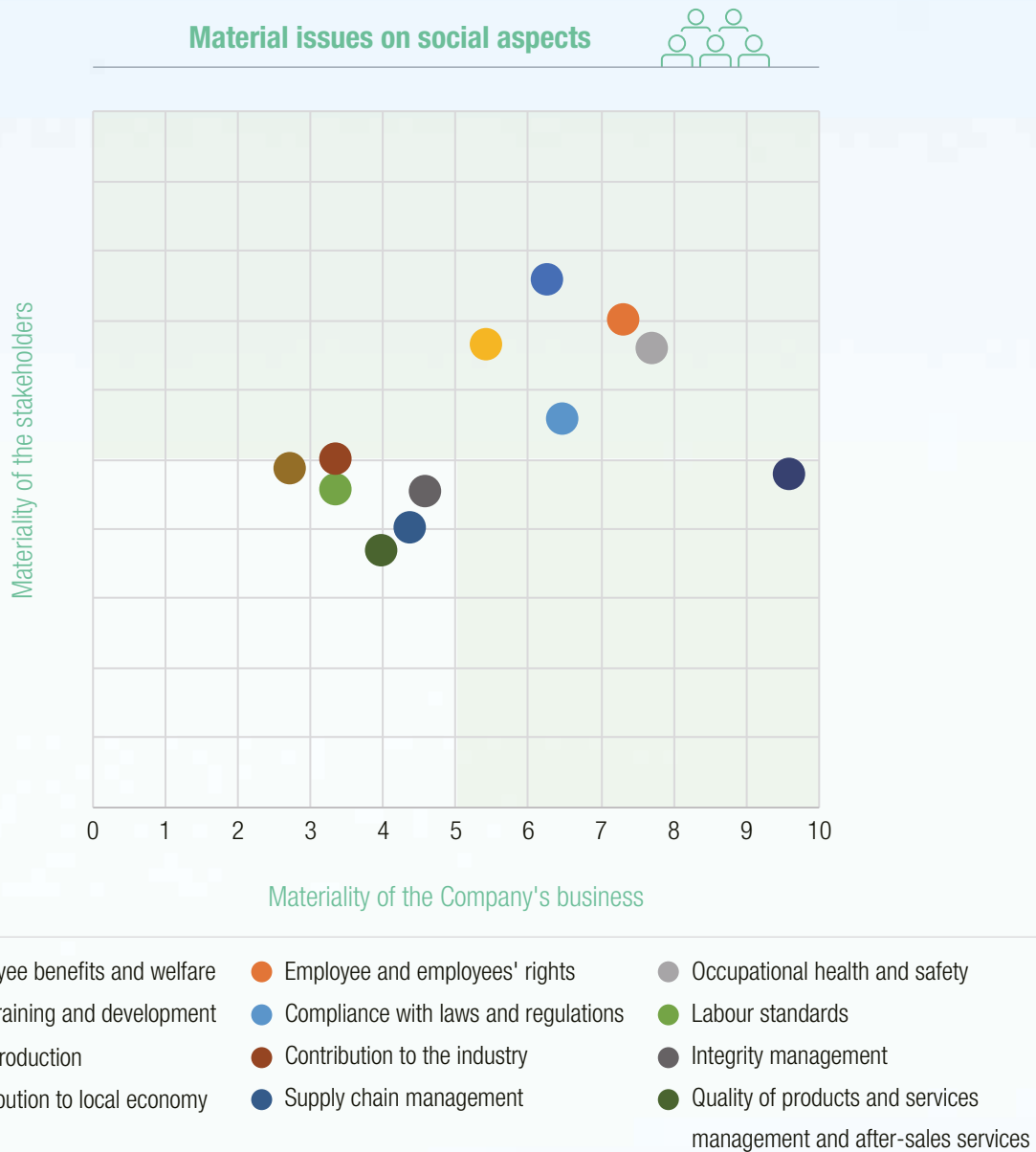
During the Reporting Period, we carried out our first study on material issues with reference to the guidelines on the materiality assessment from the “How to prepare an ESG Report” issued by the Hong Kong Stock Exchange. In view of the limited time and resources, we initially invited the decision-making level and employees of the Company to participate in a questionnaire survey on material issues to further understand the evaluation and expectation of the decision-making level and employees on the Group’s performance of environmental and social responsibilities in the past year, so as to facilitate the Group to improve its sustainable development strategy. Relevant material issues will be the focus of the Group’s sustainable development management in the future, which will be disclosed in detail in the following chapters of this report. In the future, we will deepen and strengthen the communication with stakeholders, evaluate and review the material issues that concern the stakeholders, and continue to improve the management of such issues.

We conducted analysis in terms of the dimensions of “materiality of the Company’s business” and “materiality of the stakeholders”, the issues that are in the top 50% in either or both of the dimensions simultaneously are considered as material issues (see the matrix below for details). We identified 13 material issues on environmental and social aspects, which have been confirmed by the Board to ensure that they are in line with the actual situation of the Group.



II. SUSTAINABLE DEVELOPMENT

SOCIAL ASPECT



ENVIRONMENTAL ASPECT



III. SAFE PRODUCTION, SOLID AND STABLE DEVELOPMENT

The Group regards safe production as the cornerstone of the sustainable and stable development of its business, and is committed to implementing the sustainable development concept of a safety culture in each step of its production and operation processes. Since 2017, the Group has established a safety management system comprising pre-event identification and assessment, in-progress inspection and review, and post-event evaluation to improve the standard of daily management and allow risks to be controlled from the source, thus strengthening the Group's sustainable development capabilities and propelling it to become a world-class comprehensive bulk commodities trading enterprise.

The Group strictly complies with the relevant national and local laws and regulations as well as industry standards including, among others, the Production Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Road Traffic Safety Law of the People's Republic of China, the Coal Industry Law of the People's Republic of China, the Mineral Resources Law of the People's Republic of China, the Mine Safety Law of the People's Republic of China, the Regulations on the Administration of Railway Safety, the Regulations on Emergency Responses to Work Safety Accidents, and Regulations on Safety Supervision over Coal Mines. During the Reporting Period, the Group did not violate any laws and regulations in relation to production.



SAFETY MANAGEMENT

We always believe that the development of an enterprise must not be at the expense of the safety of its employees. Therefore, we continue to strengthen safety management, lay a solid foundation for safety, strengthen risk management and control, prevent safety accidents and achieve safe production. In order to further improve the level of safety management and ensure the safety of our employees, the Group passed a resolution of the directors on 7 September 2010 to establish the health, safety and environmental committee (“HSE Committee”) to formally operate the HSE management model. The HSE Committee comprises of one executive director, Mr. Wang Yaxu (being the chairman of the HSE Committee) and two independent non-executive directors, Mr. Wang Wenfu and Mr. Gao Zhikai. The primary function of the HSE Committee is to provide opinions and assistance to the Board with respect to health, safety and environmental matters.

We have implemented our health and safety management system and policies in accordance with the standards of GB/T 28001-2011 Occupational Health and Safety Management System, GB/T 24001-2015 Requirements of Environment Management System and User’s Guide and GB/T 33000-2016 Guidelines of China Occupational Safety and Health Management System, and ensured their content and comprehensiveness are in compliance with the relevant laws and regulations, such as the Safety Law of the People’s Republic of China and the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases. The safety management work has gradually improved since the operation of the Group’s occupational health and safety system, the system has also significantly enhanced the safety awareness of staff at each level.

III. SAFE PRODUCTION, SOLID AND STABLE DEVELOPMENT

SAFETY SUPERVISION

Based on the principle of “safe production is the responsibility of us all”, the Group has established systems including, among others, the Safe Production Responsibility System, Safe Production Management System, Emergency Rescue Plan for Occupational Hazards Accidents to effectively implement the occupational health and safety work, strengthen the ability to handle occupational diseases and emergencies, prevent and reduce the frequency of accidents to the maximum extent, and reduce hazards, damage and impacts of accidents.

In order to protect the health and safety of employees and protect the health and related rights and interests of employees, we have standardized and institutionalized the investigation and control work relating to hidden dangers in safety production, adhered to the principle of “hierarchical supervision and respective responsibilities”, established the Safety Production Inspection and Hidden Danger Investigation and Control System to further implement the responsibility to investigate and rectify major hidden dangers, and established a long-term mechanism for the investigation and control of hidden dangers in safety production to effectively eliminate the hidden dangers of accidents.

The Group comprehensively regulates the responsibilities, contents and reporting procedures of the investigation of hidden dangers, and regularly organizes hidden danger investigation activities on comprehensive safety production on a monthly basis. At the same time, in accordance with the definition of production safety accidents in the Regulations on Reporting, Investigation and Handling of Production Safety Accidents, we conduct qualitative or quantitative assessment on the unsafe status and management defects of workplaces, equipment and facilities according to the potential for causing casualties, property losses, consequences of environmental impacts, severity, rectification time and capital investment, and divide the hidden dangers into three levels.



SAFETY TRAINING

The Group values safe production of its employees and always adheres to safety development. The Group has formulated detailed systems and requirements for aspects of, among others, safety, operation, fire safety, occupational health, transportation, public security and environmental protection, and has formulated an annual safety production educational training plan in accordance with the “System of Promotion, Education and Training for Prevention and Control of Occupational Hazards”. The Group requires all employees of production units to attend safety training, and all new employees must attend workshop safety knowledge training before commencing their duties. The main contents of safety training include safety production regulations, safety operation procedures and labour discipline. Special operations personnel (including, among others, electricians, motor vehicle drivers in the factory and mechanical operators) must attend specialist safety knowledge training before commencing their duties.

Resources invested in health and safety production of supply chain logistics segment in the Year 2019: _____

Expenditure	Total participants trained	Total hours trained	On-the-job training rate of special operations personnel
 250,000 (RMB)	 206 (persons)	 56 (hours)	 100%



Safety education and training

III. SAFE PRODUCTION, SOLID AND STABLE DEVELOPMENT

SAFETY PERFORMANCE

During the Reporting Period, the Group has formulated and implemented the safety management objectives and indicators for the Year 2019, and earnestly inspected and examined the equipment on a regular basis. The operating staff with certificates have been trained regularly to work to prevent fire, explosion, serious injury and more serious accidents.

No.	Type of Indicator	Indicator	Unit	2019	2018	2017	Expectation Value
1	Production (inclusive of occupational health and safety)	Fatality in the course of production	person	0	0	0	0
2		Serious injury in the course of production	person	0	0	0	0
3		Slight injury in the course of production	person	0	0	0	≤10
4		Accident related to large equipment	person	0	0	0	0
5		Explosion of pressure vessel (including boiler)	person	0	0	0	0
6		Identified occupational disease (including occupational poisoning)	person	0	0	0	0
7	Fire Safety management	Accident of explosion of inflammable materials (fire and accident of explosion in production)	case	0	0	0	0
8	Public health safety	General and food poisoning	case	0	0	0	0
9		Outbreak of infectious diseases of Class I and Class II	time	0	0	0	0
10	Transportation safety management	General and traffic accident	case	0	0	0	0
11	Safety education and training	Rate of three-tier safety education	100%	100%	100%	100%	100%
12	Safety inspections and rectifications of hidden dangers	Monthly safety inspection at the Company's level and completion rate of rectification	100%	100%	100%	100%	100%

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION



The Group has always adhered to the concept of environmentally friendly and harmonious development in operations to constantly enhance the environmental protection management standard, and maintain a balance between business development and environmental protection. We have formulated the Environmental Protection Management System based on relevant national and local laws and regulations including, among others, the Protection Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes, the Law of the People's Republic of China on Prevention and Control of Environmental Noise Pollution, the Law of the People's Republic of China on Energy Conservation, the Cleaner Production Promotion Law of the People's Republic of China, and the Law of the People's Republic of China on Prevention and Control of Water Pollution, to further regulate the environmental management of construction projects, prevention, control and management of air pollutants and water pollution, management of solid wastes, as well as management of environmental pollution accidents; reduce the discharge of wastes as far as possible; improve the comprehensive utilization efficiency of energy; and reduce the emissions of greenhouse gases and air pollutants, so as to mitigate the negative impacts on the environment and strive to protect the ecology and the resources.

ENVIRONMENTALLY FRIENDLY LOGISTICS

The supply chain logistics segment of the Group primarily consists of supply chain trading business and the provision of warehousing and logistics services to third parties. During the Reporting Period, the total imports and exports of commodities from our warehousing and logistics centres totalled 6.95 million tonnes, and 7.66 million tonnes, respectively. In order to address pollution issues caused by coal transportation, loading and unloading, and warehousing processes at Sino-Mongolian ports, to improve the efficiency of transit, to increase the transit volume, and to promote the development of transit transportation at Sino-Mongolian ports, the Group has strategically deployed a series of environmental initiatives in respect of cross-border, transit transportation and warehousing since 2016 and took the lead in implementing container cross-border transportation business at the Gants Mod port.

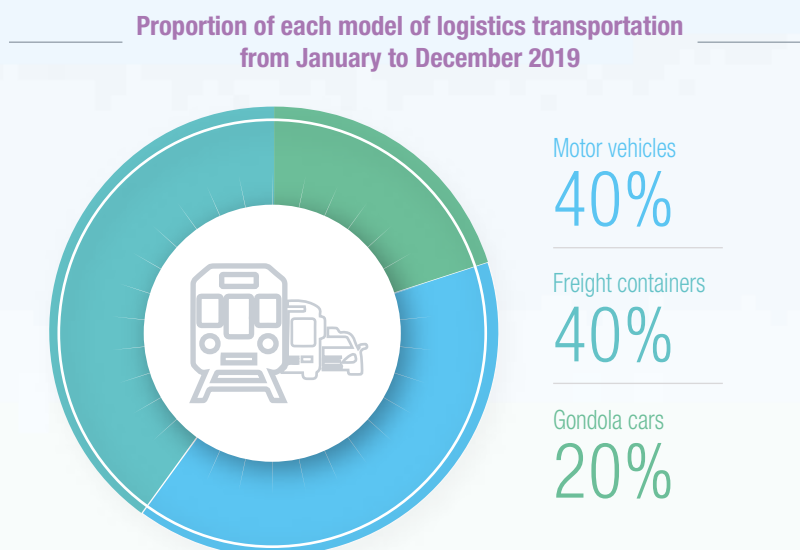
During the Reporting Period, a total of 881 freight train deliveries were made, amounting to a delivery total of 3,103,360 tonnes.

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION

Advantages of Container Transportation	
Environmentally Friendly	★ Transport of cargoes in bulk by containers was achieved. During such transport process, the cargoes were loaded in pitheads and unloaded to other containers at their destinations, preventing material spillage and dust pollution problems emerging from coal transportation, loading and unloading, and warehousing
Reducing Cargo Damage	★ Enclosed transportation ★ Cargoes were fully enclosed all the way from the mine pitheads to domestic bonded zones, significantly reducing cargo damage
Real-time Positioning	★ Location and status of containers were monitored, realizing the purpose of safety supervision throughout the transportation process and improvement in efficiency of customs clearance
Pendulum Transportation	★ Container resources were fully utilized to optimize the transportation layout in order to maximize profit and lower cost for upstream and downstream enterprises
Multimodal Transportation	★ Multimodal transportation was adopted. With the use of highway, railway and sea transport, damage caused by multiple loading and unloading of goods, so as to achieve optimal performance



In recent years, with the continuous promotion of the concept of environmental protection, the Group gradually improved coal warehousing and transportation methods. During the Reporting Period, the proportion of each model of logistics transportation of the Group was as follows:



The main pollutant in the supply chain logistics segment is dust. We proactively complied with various regulations issued by relevant government departments to formulate the Work Plan for the Comprehensive Treatment of 2019, and purchased dust-reducing equipment, implemented measures such as sprinkling, spraying, spraying dust suppressants and building new coal sheds in order to enhance environmental protection efforts and reduce pollutant emissions.

The Group conscientiously implemented the requirements and plans of the State, the Inner Mongolia Autonomous Region, and Bayannur City on environmental management, carried out the implementation plan for the comprehensive improvement of the ecological environment at Gants Mod Port, and further implemented an effective environmental protection according to actual situation to promote pollution control and emission reduction.

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION

In order to reduce the coal dust generated during loading and unloading operations and transportation, we have taken the following specific measures:

- 1 Full implementation of site hardening on outdoor storage areas, with the coals continuing to be covered by crepe or sprayed with crust-forming dust suppressant to reduce the spread of coal dust
- 2 All coal vehicles must be fitted with sealed crepe according to relevant standards. All train compartments and containers on the platform must be sprayed with crust-forming dust suppressant
- 3 Full operation of dust-reducing facilities and increase the frequency of water spraying to reduce dust
- 4 Phased adoption of close-type containers to replace the outdoor storage model and increase the proportion of transportation by container
- 5 Adoption of closed-type coal shed for processes such as coal storage and loading to reduce coal dust pollution arising from loading and increase production efficiency
- 6 In case of bad weather such as strong winds and sandstorms, coal storage venues will suspend loading work
- 8 To increase the frequency of coal dust cleaning
- 9 To exercise strict speed limit of 5km/h on vehicles entering relevant venues
- 10 To minimize pollution caused by the spread of coal dust produced in coal-loading under the traditional model, coal from foreign coal storage yards in Mongolia are directly dispatched to domestic train stations through cross-boundary transportation to reduce pollution arising from the second unloading

During the Reporting Period, we underwent pollution sources detection for Urad Zhongqi Yiteng Mining Co., Ltd., a subsidiary of the Group. After the implementation of a series of environmental measures, the maximum level of fugitive emission of particulate matters inside the plants was 0.892mg/m³, which is in compliance with the Emission Standard for Pollutants from Coal Industry (GB20426-2006) and represents a 53% decrease as compared to 2018. On the other hand, production-related water and domestic use water were mainly sourced from the municipal pipe network.

Since our raw materials and products are bulk commodities transported by containers, no packaging material has been used. Thus, contents in relation to the packaging material used for finished products is not a material issue in view of the Group's business nature.



Dust-controlling Wall



Newly-constructed Coal Shed



Transportation by Container

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION

CLEAN RAW MATERIALS PROCESSING

The Group's clean raw materials processing and washing segment provides coal washing services for our supply chain trading business and third parties. The Group has advanced coal washing and processing technology which ensures our products not only reach the government environmental protection standards, but also meet the requirements of steel mills for clean raw materials. During the Reporting Period, our coal washing plants processed 5.37 million tonnes of raw coal in total. We are vigorously developing advanced coal washing and processing technology, tracking the change of coal quality starting from the raw coal mining stage. The coal washing and allocation center makes good allocations in advance to ensure long-term supply of high-quality coking coal for steel mills.

The Group owns sizeable land reserves with the ability to readily expand the capacity. During the Reporting Period, the actual capacities of the coal washing and allocation centers of the Group were as follows:

Washing bases	Data	Unit
Urad Zhongqi	473.25	ten thousand tonnes
Longkou	55.31	ten thousand tonnes
Salaqi	8.37	ten thousand tonnes

From the beginning of construction period of each washing base, the Group has conducted an environmental impact assessment, and constructed environmental protection equipment and facilities and auxiliary structures for environmental protection projects in accordance with national environmental protection requirements such as the Law of the People's Republic of China on Environmental Impact Assessment. Meanwhile, we formulated the Administrative Measures for Safety and Environment of New Projects, Reconstruction Projects and Expansion Projects to strengthen the control and management of these projects in the bases and their design, implementation and acceptance process, which can effectively control and reduce new source of dangers and environmental influencing factors, and prevent and reduce environmental pollution from the source. If, for instance, new dust and noise are generated due to changes in a technical design or manufacturing process of new products or design, relevant qualified units shall be engaged in time to monitor the data to ensure compliance with national and local emission standards.



Spraying System and Dust Collectors

Energy Management

In order to further strengthen the enterprise energy-saving management, promote the construction of energy conservation projects of the Company, accelerate the progress of transformation in energy-saving technologies and promotion of energy-saving technologies, and improve energy consumption efficiency, the Group issued the Notice on the Adjustment of the Leading Group of Energy Management to implement the Responsibility System for Energy-saving Targets and improve energy conservation management. We have formulated the Energy Management System, established a sound system for energy measurement and statistics, regularly submitted the statement of energy consumption, reasonably equipped with energy measuring instruments and meters, and developed the energy accounts and energy consumption reporting system. In addition, we have conducted an energy audit in accordance with the requirements of the General Rules for Energy Audit Technologies of Enterprises (GB/T 17166), prepared energy conservation plans, analyzed the current energy consumption and tapped into the potential of energy conservation.

In respect of the clean raw materials processing segment, the main sources of energy used are coal and electricity. While strengthening the management of coal and electricity, the Group monitored the energy procurement and consumption procedures, as well as paid more attention to the reform of production and manufacturing processes and improvement of technologies to achieve basic energy conservation. Moreover, training on energy conservation was provided to employees in a timely manner to keep them abreast of the topic and improve their awareness about energy conservation. We conducted a breakdown of the unit energy consumption index and assessed the index at different levels for major products. With regard to power consumption and coal consumption, in accordance with the product output, the unit energy consumption index was calculated and a database was compiled to draw conclusions on and improve the trend analysis so as to provide the Group with effective decision-making information on energy conservation management. Urad Zhongqi Yiteng Mining Co., Ltd., a subsidiary of the Group, actively responded to the “Thirteenth Five-year” Plan for Ecological Environment Protection of the State. In 2019, the energy-saving target was 603 tonnes of standard coal. With 700 tonnes of standard coal practically completed, 115% of the target stated in the annual plan has been achieved.

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION

Water Resources Management

The Group actively publicized and implemented the guidelines and policies of various government departments and the Group on water conservation, imposed regulations for planned water consumption and water conservation, actively promoted advanced experience and technology of water conservation, and applied water-saving equipment and instruments. Water consumption indicators were issued to all production units, requiring each water-consuming unit to actively commence with planned water supply and water conservation. Among which, the water recycling rate of production workshops must exceed 90%, while that of other units must exceed 50%. The business water intake, production-related water and domestic use water of the Group's clean raw materials processing segment were all sourced from the municipal pipe network, and there was no difficulty in sourcing water.

The stormwater pond in Longkou was reconstructed in 2019, with its capacity being 292 cubic meters. Upon completion, rainwater could be recycled and used in coal processing as an alternative to tap water (RMB6.2/tonne), implying that RMB12,000 of tap water could be saved for each heavy rainfall.

Waste Management

Industrial solid waste of the Group primarily consisted of gangue, coal sludge and domestic waste, of which, coal gangue and washing coal sludge have been sold for comprehensive utilization, coal sludge in sedimentation tanks has been mixed into clean coal for reuse, coal dust from vehicles has been cleaned by vacuum trucks and recycled for use, and domestic waste was centrally collected by the plants and delivered to the waste treatment stations designated by the government. Pursuant to the Administrative Measures for Solid Waste of the Group, when collecting, storing, transporting, utilizing and disposing of solid waste, measures must be taken to prevent dispersal, loss and spillage. Solid waste shall not be disposed of, stacked, discarded or scattered without authorization but shall be dumped at designated location for classification and immediate cleaning. Furthermore, production units were required to actively participate in the recycling of industrial solid waste generated, with their own economic and technical conditions taken into account.

Wastewater Management

Wastewater of the Group was mainly domestic sewage, which was discharged after being treated in septic tanks and oil separator devices, and the corresponding discharge standards were strictly controlled. Wastewater treatment facilities and equipment including water pools and wastewater treatment tanks were repaired and maintained in accordance with regulations. Anti-leakage measures for toxic and hazardous liquids such as mineral oil, paint and acid were adopted to prevent leakage or potential leakage.

GREEN OFFICE

The Company has always been committed to improving the staff working environment. In recent years, it has constantly cleaned and improved the exterior appearance of the plants to develop an environmentally friendly enterprise with landscaped view. The continuous beautification of the work environment has changed the impression of people towards traditional energy production enterprises.



Landscape of the Yiteng Mining Plant

During the Reporting Period, the Group formulated the Targets for Energy Conservation and Reduction of Emissions to steadily promote the energy-saving and environmental protection work, achieve the goal of broadening sources of income and reducing cost, and strive to develop into a resource-saving enterprise. Taking the year of 2018 as the baseline, we set the following targets for energy conservation and reduction of emissions for 2019:

Electricity saving target of
per capita

100 kWh



Water saving target of
per capita

6 tonnes



Fuel consumption within
per 100 km

12.5 liters



Office supplies saving of
per capita

RMB **100**



Through a series of institutional promotion and implementation, employees of the Group have enhanced their awareness of environmental protection regarding resource consumption efficiency improvement, fuel consumption reduction and office supplies saving, and hence achieved targets for energy conservation and reduction of emissions for 2019.

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION

ENVIRONMENTAL PERFORMANCE

During the Reporting Period, we compiled environmental data on emissions and the use of resource of 27 companies within the scope of this report.

Name	Unit	Amount in 2019
Emission of air pollutant ^{1, 2}		
Nitrogen oxides (NO _x)	kilograms	38,082.42
Sulfur oxides (SO _x)	kilograms	41.56
Carbon monoxide (CO)	kilograms	20,539.35
Fine particulates (PM _{2.5})	kilograms	1,126.47
Respirable particulate matter (PM ₁₀)	kilograms	1,234.50
Resource consumption and intensity		
Total electricity consumption	kWh	47,275,191.31
Intensity of electricity consumption	kWh/HK\$'00,000,000 operating income ³	170,786.05
Total water consumption	tonnes	147,418.70
Intensity of total water consumption	tonne/HK\$'00,000,000 operating income	532.56
Total gas consumption ⁴	cubicle meters	732.00
Intensity of gas consumption	cubicle meter/HK\$'00,000,000 operating income	2.64
Total petrol consumption	litres	190,380.10
Intensity of petrol consumption	litre/HK\$'00,000,000 operating income	687.76
Total diesel consumption	litres	2,347,790.15
Total diesel consumption	litre/HK\$'00,000,000 operating income	8,481.61

1 The calculation method of air pollutant emission data is based on the Technical Guidelines for the Preparation of Emission Inventory from Road Motor Vehicles (Trial) and the Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial) published by the Ministry of Ecology and Environment of the PRC and the EMEP/EEA Air Pollutant Emission Inventory Guidebook – 2016 published by the European Environmental Agency

2 The emission of air pollutant is from the Group's road mobile source (vehicles) and non-road mobile source (engineering machinery) in Mainland China and Hong Kong

3 During the Reporting Period, the operating revenue of the enterprises within the reporting scope of this report was HK\$27.681 billion

4 The total gas consumption is mainly attributable to the gas used in the canteens of some of the Group's subsidiaries



Name	Unit	Amount in 2019
Volume and intensity of greenhouse gases emission ^{5, 6}		
Emission from road mobile source (Scope 1)	tonnes	5,128.89
Emission from non-road mobile source (Scope 1)	tonnes	1,651.79
Emission from purchased electricity (Scope 2)	tonnes	28,838.96
Total emission of greenhouse gases	tonnes	35,619.64
Intensity of total emission of greenhouse gases	tonne/HK\$'00,000,000 operating income	128.68
Volume and intensity of hazardous wastes generated ⁷		
Volume of waste battery generated	kilograms	2.00
Intensity of waste battery generated	kilogram/HK\$'00,000,000 operating income	0.01
Waste ink cartridges generated	box	161.00
Intensity of waste ink cartridges generated	box/HK\$'00,000,000 operating income	0.58

- 5 The calculation method of greenhouse gases (Scope 1) emission data is based on the Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Land Transport Enterprises (Trial) and the Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Public Buildings Operating Enterprises (Trial) published by the Ministry of Ecology and Environment of the PRC, the Guidelines to Account for and Report on Greenhouse Gases Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong (2010 Edition) jointly published by the Electrical and Mechanical Services Department and the Environmental Protection Department, and the Calculation Tool for Greenhouse Gases Emissions from Combustion of Transport or Mobile Sources published by the Greenhouse Gas Protocol
- 6 The calculation method of greenhouse gases (Scope 2) is based on the Notice Regarding Carbon Emissions Reporting and Verification and Emissions Monitoring Program for the year 2018 published by the Ministry of Ecology and Environment of the PRC, the Carbon Calculator from HK Electric Investments Limited, and the Calculation Tool for Greenhouse Gases Emissions from Purchased Electricity published by the Greenhouse Gas Protocol
- 7 All hazardous waste generated is collected and handled by third-party qualified organization

IV. EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION

Name	Unit	Amount in 2019
Volume and intensity of non-hazardous wastes generated ⁸		
Volume of waste plastic bottles generated	kilograms	1,000.00
Intensity of waste plastic bottles generated	kilogram/HK\$'00,000,000 operating income	3.61
Volume of waste paper generated	kilograms	4,500.00
Intensity of waste paper generated	kilogram/HK\$'00,000,000 operating income	16.26
Volume of domestic waste generated ⁹	tonnes	162.56
Intensity of domestic waste generated	tonne/HK\$'00,000,000 operating income	0.59



⁸ Non-hazardous waste generated is classified and stored in specific recycle place, whereas the domestic waste is regularly cleared by third-party organization

⁹ The data collection scope of domestic waste includes the amount of unwanted plastic bottles, waste paper, and disposed office supplies

EFFECTIVE ENVIRONMENTAL PROTECTION, POLLUTION CONTROL AND EMISSION REDUCTION PROMOTION



Name	Unit	Amount in 2019
Disposed office supplies	kilograms	11.00
Intensity of disposed office supplies generated	kilogram/HK\$'00,000,000 operating income	0.04
Volume and intensity of solid wastes generated		
Volume of gangue generated	tonnes	45,043.00
Intensity of gangue generated	tonne/HK\$'00,000,000 operating income	162.72
Volume of coal sludge generated	tonnes	67,059.00
Intensity of coal sludge generated	tonne/HK\$'00,000,000 operating income	242.26
Intensity of sewage generated		
Volume of sewage generated	tonnes	41,536.63
Intensity of sewage generated	tonne/HK\$'00,000,000 operating income	150.05

V. HUMAN-ORIENTED, IMPLEMENTATION OF HARMONIOUS DEVELOPMENT

Employees are the foundation of the Group and high quality talents are our valuable assets. We have always open, innovative and mutually supportive employee relationships and strived to build an efficient, equal and diversified team of employees.

TALENT RECRUITMENT

The Group strictly abides by the relevant PRC laws and regulations including, among others, the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, Employment Promotion Law of the People's Republic of China, Labour Dispute Mediation and Arbitration Law of the People's Republic of China, Law of the People's Republic of China on the Protection of Minors, Social Insurance Law of the People's Republic of China, Regulation on the Implementation of the Employment Contract Law of the People's Republic of China, Regulations on the Management of Employment of Foreigners in China, Regulations for the Recruitment of Personnel for Technical Professions, Special Regulations for the Protection of Female Workers. By adopting a detailed Human Resources Management System of the Group and the establishment of an employee communication channel, we safeguard the rights and interests of our employees, respect human rights, forbid the employment of child and forced labour, and act against any form of discrimination. During the Reporting Period, the Group did not receive any report of events in violation of laws and regulations with respect to the recruitment, dismissal, remuneration, promotion, working hours, holidays, equal opportunity, diversity and anti-discrimination of employees.

We adhered to the recruitment policy taking into account of morality, avoidance of relatives' interference, teamwork, professionally focused, putting less emphasis on formality and scientific evaluation in commencing our recruitment work. In order to ensure the Group's ability to select variously talents in a scientific and reasonable way and to recruit them in a timely manner, the Group stipulated that the Human Resources Department should be in charge of establishing a talent assessment system which covers the assessment method, assessment indicators, assessment contents and assessment task force, and should keep enriching and improving the system in the course of practical work. Specific contents of the assessment include, but are not limited to:

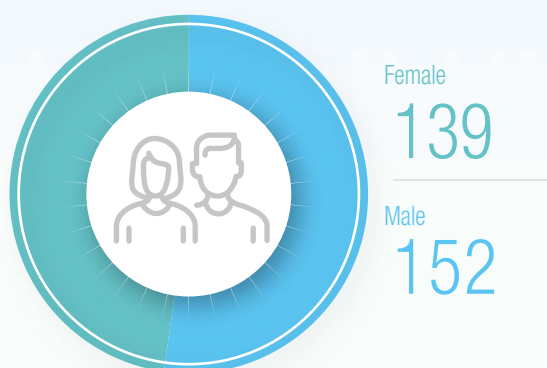


HUMAN-ORIENTED, IMPLEMENTATION OF HARMONIOUS DEVELOPMENT

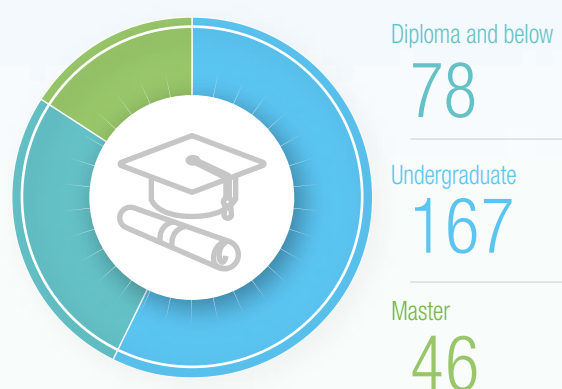
In the recruitment process, the Group uncompromisingly put an end to child labour by checking the age of applicants and comparing with the information on their identity cards; in the hiring process, the Group clarified the labour relationship and eliminated forced labour by signing labour contracts with employees. During the Reporting Period, there was no child labour or forced labour in the Group.

As at 31 December 2019, there were 291 full-time employees in the Group (excluding 958 dispatch staff from domestic subsidiaries). The number of employees by different categories is as follows:

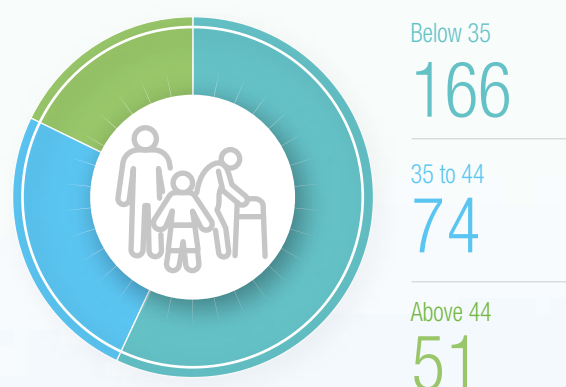
Number of employees by gender (person)



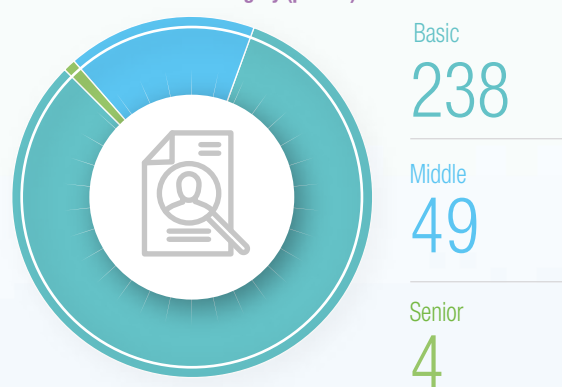
Number of employees by education background (person)



Number of employees by age group (person)

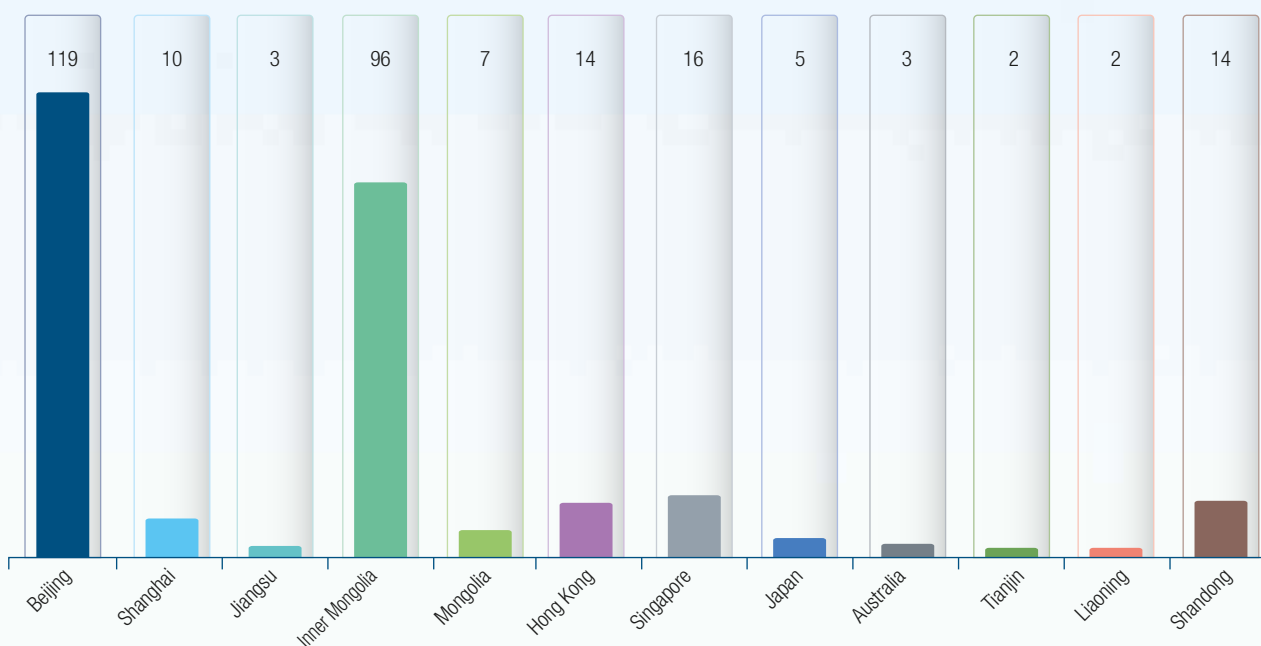


Number of employees by employee category (person)

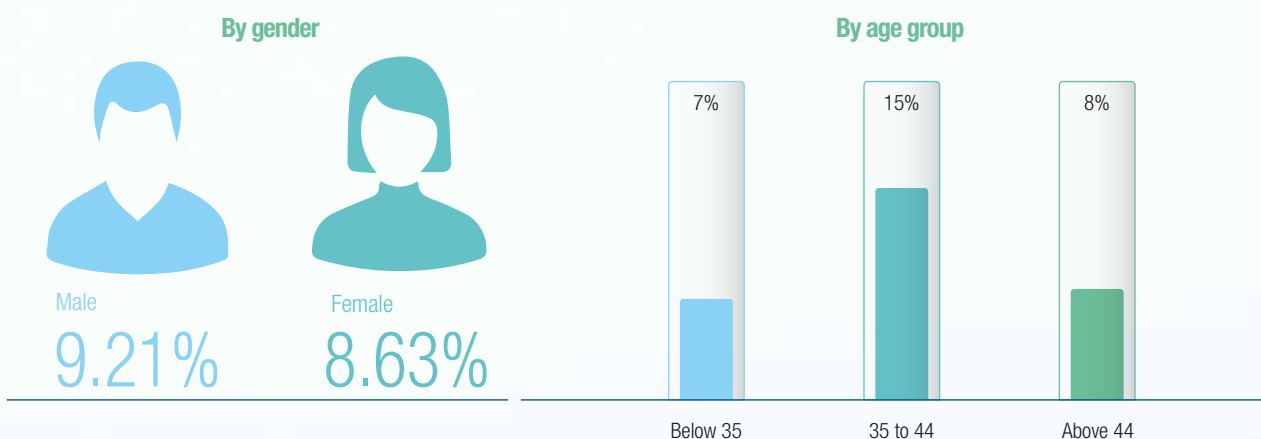


V. HUMAN-ORIENTED, IMPLEMENTATION OF HARMONIOUS DEVELOPMENT

Number of employees by region



Employee turnover rate



HUMAN-ORIENTED, IMPLEMENTATION OF HARMONIOUS DEVELOPMENT

TALENT CARE

In order to scientifically regulate the working hours of employees and effectively improve the level of employee benefits, the Group scientifically regulated the working hours of employees in accordance with the relevant national and local policies and regulations on labour, insurance and welfare, and provided that employees are able to enjoy, among others, sick leave, work injury leave, maternity leave, marriage or bereavement leave and paid annual leave. In addition, the Group has always adhered to the provision of equal employment opportunities and reasonable compensation and benefits in order to protect and safeguard the legitimate rights and interests of employees. Specific policies and measures are as follows:



We have set “Total Rewards” as our goal, which aims to enhance the happiness of employees, pay attention to their demand, identify core talents, and focus on inspiring employees’ sense of mission and dedication.



We have integrated the characteristics of production enterprises of the Group, and implemented new performance plans in different regions, ensuring that the more productive employee will receive more rewards, as well as attracting talents to join the Company.



We have fully paid the social insurance for all regular staff in a timely manner, and paid commercial accident insurance for all staff to eliminate the employee’s fears and worries on accessibility to medical treatment, retirement and child birth in order to effectively ensure the vital interests of all employees.



We provided various welfare benefits to our staff, such as providing staff welfare on Mid-Autumn Day, National Day and Spring Festival, awarding female staff on “Women’s Day”, employee health examinations and a long-term service incentive scheme.



Spring Festival Party



Employee Birthday Party (excerpt)



Team building activities

V. HUMAN-ORIENTED, IMPLEMENTATION OF HARMONIOUS DEVELOPMENT

TALENT TRAINING

Based on the core values of the enterprises, we have established a sound talent training mechanism and are committed to providing employees with a broad development platform and leading all employees to realize their own values. The Group encourages and supports employees to continuously improve their own abilities. By providing various forms of training resources, development platforms, and appropriate job opportunities to exercise and demonstrate their personal abilities, the Group integrated employee development with corporate development and adapted to the needs of change and innovation.

In accordance with the Human Resources Management System of the Group, we provided diversified training activities to our employees. The major training categories are “Management Training”, “Knowledge and Skills Training” and “Corporate Culture Training”.



Management training includes: middle and senior management training, basic management training and manager training of production enterprises

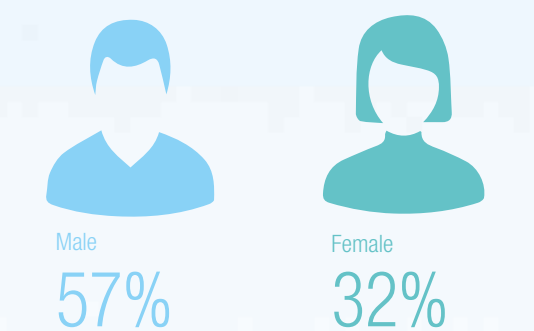


Knowledge and skills training includes core business knowledge training, professional knowledge training and operation job skills training

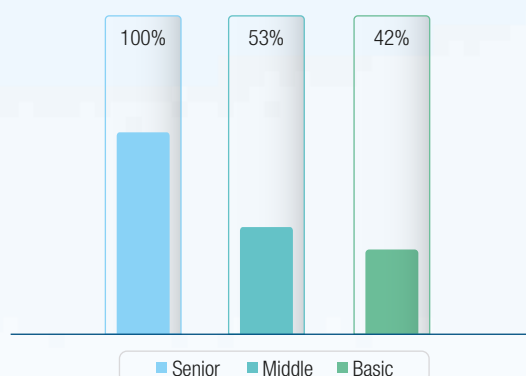


Corporate culture training includes trainings on the inheritance of corporate history, experience sharing, themed exchange, as well as various employee activities for the purpose of cultivating sentiment, enriching cultural life and relaxing the body and mind

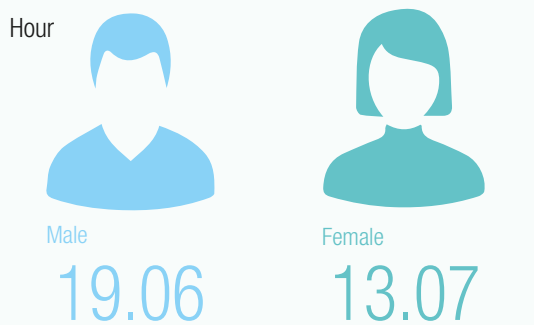
Percentage of employees trained by gender



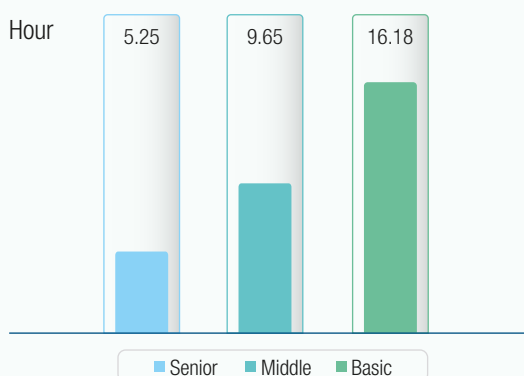
Percentage of employees trained by employee category



Average training hours per employee by employee category



Average training hours per employee by employee category



V. HUMAN-ORIENTED, IMPLEMENTATION OF HARMONIOUS DEVELOPMENT



Outstanding team leader training activities of Yiteng Mining



Coking coal knowledge training activities

New employee orientation training activities

VI. INTEGRITY MANAGEMENT, QUALITY ASSURANCE IMPROVEMENT



The Group has always believed that integrity management is the foundation for sustainable development of enterprises. We worked together to uphold a clean, self-disciplined and law-abiding working style and protected the legitimate rights and interests of enterprises and shareholders. We took customer needs as the starting point, strictly controlled product quality, improved service standards, and continuously created social and economic benefits to safeguard the stable operation of the Group.

INTEGRITY MANAGEMENT

The Group strictly complied with the provisions of the Criminal Law of the People's Republic of China, the Company Law of the People's Republic of China, and the Anti-Money Laundering Law of the People's Republic of China and other regulations on prevention of bribery, extortion, fraud and money laundering. Through the issuance of Conflicts of Interest Policies and Anti-fraud Policies, the Company regulated the relationships between employee and stakeholders such as the Company, customers, business partners, competitors, supervisors and other staff. During the Reporting Period, the Group did not receive any report of events in violation of laws and regulations with respect to bribery, extortion, fraud and money laundering.

The Group required employees to report to the audit committee of the Board and/or the head of Supervision of the Technical Supervision Department and the head of the Human Resources Department on the Company's financial standards, financial control and audit system, and to report frauds committed by relevant enterprises, employees or agents of the Company as well as concerns and information on the violation of laws. Reporting matters include but are not limited to:

- Violations of the Company's regulations and systems, provisions and employee code; acceptance of bribes and kickbacks; illegal use of the company assets, corruption, embezzlement, encroachment, theft of company assets
- Non-compliance with provisions or failure to perform duties properly, resulting in significant economic losses to the Company; intentional concealment or incorrect report of any transaction; conflicts of interest of employees, including senior members
- Fabrication and misrepresentation of documents for personal interests
- Reveal of any trade secret or secret technique of the Company; non-compliance with internal control of the Company; other corrupt practices which are detrimental to the Company's financial benefit.

VI. INTEGRITY MANAGEMENT, QUALITY ASSURANCE IMPROVEMENT

In addition, in order to further avoid conflicts between stakeholders, the Group specifically emphasized and updated the relevant content on personal business ethics in the newly revised employee handbook; at the same time, having established the technical supervision department, the senior management of the Group served as the head of the supervision work and special persons served as the senior supervisor. The senior supervisor supervises each business division and subsidiary, receives and handles complaints and reports, and seeks to completely eradicate any violations of laws and regulations and behavior that damages the Company's interests.

QUALITY ASSURANCE

The Group has established the concept of "quality first", continuously improved the construction of quality management system, strengthened quality management, inspection and assessment, strengthened quality process control, gradually consolidated market competitiveness and enhanced market influence.



Quality Management

The Group attached great importance to the inspection and control of product quality to ensure the timely and stable delivery of products to customers. The Group has formulated the Technical Supervision and Management System, which is based on the basic principles of "products not inspected are prohibited from incoming" and "products unqualified are prohibited from outgoing" and has carried out prosecution and control from the aspects of procurement and storage, production and delivery, and transportation quality to ensure quality control at source. During the Reporting Period, the Group did not require any recoveries due to the quality of the products, nor did the products sold or shipped have to be recovered for safety and health reasons.

I. Source Storage

The scope of source storage mainly includes the inspection of raw materials into and out of the warehouse, the supervision of the inventory quantity and the assurance of pass rate of incoming raw coal and the prevention of accidents.

Incoming raw coal
inspection:

Conducts sampling and inspection of the incoming raw coal according to the national standards and the Company's regulations

Outgoing raw coal
inspection:

Conducts sampling and inspection of the outgoing raw coal according to the national standards and the Company's regulations

II. Washing Bases

Washing bases are places where raw materials are processed for the purpose of obtaining products that meet the contract requirements for sale. Incoming raw materials inspection, in-process control and finished product inspection are carried out in the washing bases to ensure that qualifying products are available continuously and stably. We also conduct final inspection of final finished products to control their quality.

Incoming raw coal inspection:

Conducts inspections of incoming raw coal to ensure the pass rate of incoming raw coal and analyzes the raw coal to estimate the performance and production volume of the final product

In-process control:

Conducts regular and random sampling in the production process to ensure the stability of production operation and quality of finished products

Finished product inspection:

Conducts inspection of finished products, and re-processes or re-produces products found to be unqualified

Outgoing inspection:

Conducts final inspection of products to control the quality of products

III. Transit Warehouses

Transit warehouses are places where the products are stored off-site and transferred. Incoming and outgoing quality controls are carried out in transit warehouses.

Incoming inspection:

Conducts sampling and inspection of the incoming products according to the national standards and the Company's regulations

Outgoing inspection:

Conducts sampling and inspection of the outgoing products according to the national standards and the Company's regulations

VI. INTEGRITY MANAGEMENT, QUALITY ASSURANCE IMPROVEMENT



Customer Services

In order to ensure a convenient communication channel for customers and improve the product and service quality of the Group, we have adopted a customer feedback mechanism which allows feedback on relevant products and services in the forms of e-mail and telephone. We have established a complaint management mechanism to handle the complaints and opinions from customers. A special investigation team will be formed after the complaint is received to prepare an investigation record, which are completed through on-site investigation, evidence collection, interviews with personnel, account checking and auditing and other ways. We will ensure that investigation conclusions are issued based on thorough communication and facts, and guarantee regular checks on the progress of complaint handling to ensure timely and effective complaint response. During the Reporting Period, the Group did not receive any complaints about products and services.



Reasonable Marketing

In compliance with the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China and other relevant laws and regulation regarding advertising and labeling, we formulated the Sales Management System according to the principles of objectiveness, effectiveness and accuracy, which clearly requires sales personnel to be clean and self-disciplined, work impartially without seeking personal interests in sales businesses. This is to further regulate advertising and use of label in relation to product sales and marketing services to avoid misleading information.

In addition, the Group assigned specialists that are responsible for applying, managing, and protecting intellectual property rights and software copyrights; and collaborated with professional intellectual property agency to provide us with professional consultation and advice and avoid infringement or misappropriation of relevant intellectual property rights.



Privacy Protection

Safeguarding the interests of customers and protecting the safety of their information has always been the focus of the Group's work. During the Reporting Period, the Group strictly abided by relevant laws and regulations including, among others, the Law of the People's Republic of China on Protection of Consumer Rights and Interests, the Cybersecurity Law of the People's Republic of China, the Administrative Measures for Internet Information Services and the Administrative Measures for Internet Information Services to continuously improve various confidentiality policies and organize educational and training sessions on confidentiality for staff regularly. Furthermore, we signed Confidentiality Agreements with staff to regulate their behavior, effectively prevent internet and information security accidents and safeguard the privacy and business interests of the Group's customers and partners. The Group has established an accountability system for information security, which requires the responsible rapporteur of equipment that possesses confidential information to conduct regular inspection on the equipment, promptly investigate and rectify the problems found and recover the losses.

RESPONSIBLE PROCUREMENT

The Group insists on the mutual development with suppliers to achieve compliance with laws and mutual benefits for both parties in the course of the cooperation and jointly fulfill our responsibility for the environment and the society. The Group continuously improves its procurement management system and process according to the Bidding Law of the People's Republic of China by evaluating the capability of suppliers from multiple perspectives, such as quality, cost, compliance and system certification, to effectively manage the environmental and social risks in the supply chain.

The Group has established a sound risk control management system and mechanism in the process of supply chain management and strictly implemented the supplier access standard according to the Risk Control System to comprehensively identify and evaluate risks of all business activities, which mainly include, but not limited, to market risks, operational risks, legal risks, credit risk and environmental risks. For construction suppliers, we also formulated the Management System for Construction Suppliers, which requires the suppliers to have excellent ability for quality assurance, ability for fund turnover, business reputation, and the conditions for qualification required include: providing copies of business licenses, tax registration certificates, franchise certificates and ISO quality system certification, legitimate business licenses and relevant licenses for special equipment, including certificate of conformity and manufacturing license. In addition, in the Group's Administrative Measures for Safety and Environment of New Projects, Reconstruction Projects and Expansion Projects, the Group stipulates in detail the safety clauses and the safety and environmental protection agreements when material suppliers are providing hazardous chemicals, specialized equipment or other materials or equipment that is more dangerous to be included in the supply contracts entered into with the suppliers, so as to ensure the product quality and safety and environmental protection matters of the parties in the course of cooperation and operation.

VII. GIVING BACK TO THE SOCIETY, BENEFITTING THE LOCALS

The Group places importance on the economic, social and environmental issues in the areas in which we operate, commits ourselves to integrating social development needs into corporate practice, and makes use of our own resources and strengths to actively contribute to local economy and assist in the friendly development of local communities. Meanwhile, we believe that the sustainable development of an enterprise relies on the support and influence of the communities of the areas in which we operate. We have helped the community residents improve employability skills and reduce poverty through creating employment opportunities and carrying out skill training, with a view to making a contribution to the development of the local economy and society in remote areas.

We follow the relevant labour laws of the areas in which we operate, establish labour systems that comply with the local requirements, proactively provide employment opportunities to the local residents and promote the local tax revenue. As of the end of the Reporting Period, the Group indirectly employed over 900 local workers in, among others, Inner Mongolia, Shanxi, Hebei, Shandong and Liaoning. Our investment in Inner Mongolia region has directly promoted the development of the local economy and total tax paid to Inner Mongolia region was HK\$222,012,000 in 2019.



Longkou Winsway Energy Co., Ltd., a subsidiary of the Group, was awarded the Enterprise with Outstanding Contribution Award, which is a comprehensive assessment of economic and social development for 2019 given by the local government.



E-Commodities (Beijing) Supply Chain Management Company Limited, a subsidiary of the Group, actively responded to and cooperates with the Administration Committee of the Beijing Economic-Technological Development Area, operated with integrity in compliance with the law, paid tax in accordance with the law, actively participated in activities organized by the Administration Committee of the Development Area about aspects such as green health, environmental protection and community charity, and was awarded the Partnership Enterprise by the Beijing Yizhuang government.



The Group actively paid attention to the policies and needs of local communities, joined the exchange meetings organized by local governments and participated in the party committee publicity activities in the community. In 2019, E-Commodities (Beijing) Supply Chain Management Co., Ltd., a subsidiary of the Group, participated in the party-building series of "Embrace 1 July and Celebrate the Party's Grace" organized by the Party Committee of Beijing Economic and Technological Development Zone, including themed public welfare activities such as community charity, caring for the environment, promoting green and fitness activities.



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Content			Relevant sections/explanations	Specific page number
A. Environmental				
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.	Environmentally Friendly Logistics, Clean Raw Materials Processing	17-19, 22-24
	A1.1	The types of emissions and respective emissions data.	Environmental Performance	26-27
	A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	27
	A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	27
	A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Performance	28-29
	A1.5	Description of measures to mitigate emissions and results achieved.	Environmentally Friendly Logistics, Clean Raw Materials Processing, Green office	17-25
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Environmentally Friendly Logistics, Clean Raw Materials Processing, Green office, Environment Performance	17-25, 27-28

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

		Content	Relevant sections/explanations	Specific page number
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Environmentally Friendly Logistics, Clean Raw Materials Processing	17, 23-24
	A2.1	Direct and/or in direct energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Performance	26
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Performance	26
	A2.3	Description of energy use efficiency initiatives and results achieved.	Clean Raw Materials Processing	23
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Clean Raw Materials Processing	24
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable – no special packaging required	/
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	Environmentally Friendly Logistics, Clean Raw Materials Processing	17, 22
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environmentally Friendly Logistics, Clean Raw Materials Processing	20, 22

CONTENT INDEX OF ESG REPORTING GUIDE

	Content	Relevant sections/explanations	Specific page number
<i>B. Social</i>			
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.	Talent Recruitment, Talent Care 30, 33
	B1.1	Total workforce by gender, employment type, age group and geographical region.	Talent Recruitment 31-32
	B1.2	Employee turnover rate by gender, age group and geographical region	Talent Recruitment 32
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.	Safety Management, Safety Supervision, Safety Training 13-15
	B2.1	Number and rate of work-related fatalities.	Safety Performance 16
	B2.2	Lost days due to work injury.	Plan to disclose in the future /
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Safety Management, Safety Supervision, Safety Training 13-15

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

		Content	Relevant sections/explanations	Specific page number
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Safety Training and Talent Training	15, 34
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Safety Training and Talent Training	15, 35
	B3.2	The average training hours completed per employee by gender and employee category.	Talent Training	35
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.	Talent Recruitment	30-31
	B4.1	Description of measures to review employment practices to avoid child and forced labour.	Talent Recruitment	31
	B4.2	Description of steps taken to eliminate such practices when discovered	Talent Recruitment	31
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Responsible Procurement	41
	B5.1	Number of suppliers by geographical region.	Plan to disclose in the future	/
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Responsible Procurement	41

	Content	Relevant sections/explanations	Specific page number
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.	Quality Assurance	38-40
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Quality Assurance 38
	B6.2	Number of products and service related complaints received and how they are dealt with.	Quality Assurance 40
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Quality Assurance 40
	B6.4	Description of quality assurance process and recall procedures.	Quality Assurance 38-39
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Quality Assurance 40

APPENDIX: CONTENT INDEX OF ESG REPORTING GUIDE

		Content	Relevant sections/explanations	Specific page number
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.	Integrity Management	37-38
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Integrity Management	37
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Integrity Management	37-38
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.	Giving Back to the Society, Benefiting the Locals	42
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Giving Back to the Society, Benefiting the Locals	42
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Plan to disclose in the future	/



E-COMMODITIES HOLDINGS LIMITED
易大宗控股有限公司