

天津津燃公用事業股份有限公司 TIANJIN JINRAN PUBLIC UTILITIES COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability) Stock Code: 1265

> Environmental, Social and Governance Report

ABOUT THIS REPORT

This report is the fifth environmental, social and governance (hereinafter referred to as "ESG") report (hereinafter referred to as "this report") published by Tianjin Jinran Public Utilities Company Limited since 2016. This report is prepared in accordance with the actual operational data of the Company, and responds to the important issues of concern to stakeholders in the main body of the report, which truly reflects Jinran Public's performance of its economic, social and environmental responsibilities. The Board of the Company has reviewed this report and is responsible for the authenticity and validity of the information contained.

1. SCOPE OF THE REPORT

This report focuses on Tianjin Jinran Public Utilities Company Limited and its subsidiaries. This report covers the period from 1 January 2020 to 31 December 2020, and it may include information beyond the period in order to maintain the consistency of information.

2. GUIDANCE FOR THE REPORT

This report is prepared with reference to the requirements of the Environmental, Social and Governance Reporting Guide in Appendix 27 of the Main Board Listing Rules issued by the Stock Exchange of Hong Kong Limited.

3. PREPARATION PRINCIPLES OF THE REPORT

Jinran Public strictly complies with the reporting principles of Materiality, Quantitative, Balance and Consistency outlined in the Environmental, Social and Governance Reporting Guide issued by the Hong Kong Stock Exchange, continues to enhance the ESG management and improve the disclosure level of ESG.

Principle of materiality: In order to clarify the key areas of ESG practice and information disclosure and improve the pertinence of the reporting, Jinran Public identified ESG issues and made material judgments in accordance with the requirements of the Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange to ensure the information disclosed in the report fully covers the key issues of concern to the Jinran Public and stakeholders.

Principle of quantitative: Jinran Public established a standardised ESG indicator management tool covering its subsidiaries, regularly quantified key indicators including all "environment" categories and part of "social" categories in the ESG reporting guide and consolidated such indicators during the year to finally prepare this report for external disclosure. ESG quantitative data are detailed in the sections of this report.

Principle of balance: Jinran Public committed to provide an unbiased picture of the Company's performance, to avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report readers.

Principle of consistency: This report has consistent disclosure scope with that of the previous sustainable development reports, and adopts consistent disclosure statistical methods, and further details part of disclosure categories corresponding to the HKEx ESG reporting guide. The multi-year comparative data of ESG is detailed in the sections of this report.

ABOUT THIS REPORT (continued)

4. EXPLANATIONS ON DATA

The data and cases cited in this report are extracted from the statistical report and the internal communication documents of Jinran Public. In case of any discrepancies between financial data and the annual report, the latter shall prevail. Unless otherwise stated, Renminbi is used in this report as the functional currency.

5. PUBLICATION FORM

This report is published in Chinese and English. Please log in to http://www.jinrangongyong.com/ for the electronic version.

6. EXPLANATIONS ON SHORT NAMES

For ease of presentation, Tianjin Jinran Public Utilities Company Limited is expressed as "Jinran Public", "Company", "we" and "us" in this report.

7. CONTACT INFORMATION

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STATEMENT FROM THE BOARD

The Board of Jinran Public attaches great importance to sustainable development performance and fully recognises the Board's responsibility to monitor and promote ESG performance. The Board caused the formal establishment of an ESG panel to assist it in formulating the Company's ESG-related strategies and overseeing the implementation of ESG initiatives, so as to ensure that risks in all ESG areas are covered and properly managed. We hold regular internal and external events to communicate closely with stakeholders, identify and evaluate important ESG issues, and discuss and address such issues at Board meetings. The Board will consider the work report of the ESG panel, fully discuss and identify the environmental, social and corporate governance risks and opportunities in the context of the external macro environment and the Company's development strategies, and take the management and improvement of key issues as the annual strategic task for sustainable development. In 2020, the Board has urged all responsible departments to carry out environmental data analysis and target-setting work, taking into consideration of the environmental data disclosed in previous years, and plans to disclose Jinran Public's target of reducing emissions including greenhouse gas emissions in 2022. In addition, we will regularly review domestic and international sustainability trends and continue to increase our investment in sustainable development.

This report discloses the details of progress and effectiveness of ESG work of Jinran Public in 2020, which was submitted by the Securities and Legal Department for consideration and approval at the 28th meeting of the sixth session of the Board on 30 March 2021.

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STAKEHOLDER ENGAGEMENT

In order to enhance the public transparency of the Company, Jinran Public attaches great importance to the communication with stakeholders, and through diversified communication methods, understands the expectations from stakeholders in detail and responds to demands of stakeholders in a timely manner.

| Stakeholders | Expectations and Demands | Ways of Communication |
|--------------|--|---|
| Government | Compliance with laws and regulations | Attending meetings |
| | Local employment enhancement Promoting local economic development | Statistical statements Daily communication |
| Shareholder | Reasonable returns | Corporate announcements |
| | Compliance operation | Subject reporting |
| | Corporate governance | Annual reports |
| Client | Steady gas supply | Daily communication |
| onone | Strict performance of obligations in | |
| | accordance with contracts | |
| | | |
| Employee | Legitimate rights protection | Company's website |
| | Employees' compensation and benefits | Labour contracts |
| | Employees' training and development | WeChat platform |
| | | |
| Partner | Supplier management | Forum |
| | Strict performance of obligations in accordance with contracts | Daily visiting |
| | Win-win cooperation | Seminars |
| | · · | |
| Environment | Energy saving | Publicity of environmental protection |
| | Maintaining the creatures' diversity | Media platform |
| | | |
| Community | Communication with communities | Company's official website |
| | Charity events in communities | Daily communication |
| | Involvement in communities | On-site participation |

STAKEHOLDER ENGAGEMENT (continued)

Screening Process of Topics on Environmental, Social and Governance

Topic Sources

- Suggestions from the management of the Company
- Analysis and recommendations from internal and external experts
- Analysis on multimedia information
- Benchmarking research on domestic and overseas players in the industry
- Guidance on social responsibility

Screening Criteria

- Contribution to sustainable development
- Common concerns of stakeholders
- Emphasis of guidance on social responsibility
- Satisfying demands arising from strategic development of the Company

2020 Significant Topics Screening Results

High

6

| to the Stakeholders | Coordinated regional development Supplier management Employees' training and development | Safety guarantee Steady gas supply Integrity and compliance Quality service |
|---------------------|--|--|
| Importance Degree | Charity events in communities | Developing clean energy Green operation |

Importance Degree to the Company

High

ESG MANAGEMENT

In the course of its development and operation, Jinran Public has always been determined in strengthening its management on ESG issues, it has built various ESG related systems and forged an ESG panel which is in the charge of placing effective control over, inter alia, organisation and planning, index management and performance appraisal pertaining to ESG issues.

Decision-Making Body

Communication Body

- Established in the Board of the Company
- Making decisions and playing a leading role in ESG planning and annual report on work
- Deploying and conducting work relating to the Company's ESG
- Assigning responsibilities of ESG tasks to each functional department of the Company
- Supervising ESG events of the Company
- Setting the ESG management approaches and strategies of the Company
- Assessment, adjudgement and management of ESG risks
- Reviewing on the achievement level of ESG goals

- Established in the securities and legal department of the Company
- Carrying out and reporting on ESG tasks
- Establishing an ESG panel which is comprised of staff from each functional department and subsidiaries
- Managing ESG related policies and systems
- Preparing the Company's annual report on ESG
- Controlling over other ESG related issues of the Company on a centralised basis

Executive Body

- Established in each functional department and subsidiaries of the Company
- Identifying and implementing responsibilities for ESG tasks
- Complying with each rules pertaining to ESG
- Enhancing communication with stakeholders
- Assisting in collecting information on and disclosure in report about ESG, etc.
- Carrying out other work as required by the Company's ESG tasks

1. REGIONAL DEVELOPMENT SYNERGY

As a leading natural gas company in Tianjin area, Jinran Public has extensive management and technical experience in the natural gas field. The Company focuses on building livelihood projects and materialising "1+3" reform policies. In 2020, while fully supporting the coordinated regional development, Jinran Public actively promoted the achievement of stable gas supply, explored ways to improve the business environment and facilitated public construction, actively fulfilling its corporate responsibilities and promoting regional development.

1.1 GUARANTEEING STABLE GAS SUPPLY

Stable gas supply is an important task for Jinran Public. Closely focusing on the goal of stable gas supply, and strictly complying with the Code for Design of City Gas Engineering (《城鎮燃氣設計規範》), Code for Construction of City Gas Engineering (《城鎮燃氣建設規範》), Safety Regulations for Gas (《燃氣安全條例》), Implementation Plan for Tianjin Jinran Public Utilities Company Limited for Gas Reporting (Trial) (《天津津燃公用事業股份有限公司用氣報裝實施方案 (試行)》), Special Measures for Green Channels for Gas Reporting (《用氣報裝綠色通道特事特辦辦法》) and other relevant requirements, the Company promoted the application of new technologies, improved the construction of pipeline network facilities and ensured their quality, took the initiative to understand market demand to supply gas on demand, and enhanced online business capacities to provide customers with more convenient services, so as to ensure stable and reliable gas supply to our customers.

In term of the promotion and application of the new technologies, Jinran Public has achieved the visualisation of pipeline inspection by entering into agreements with an intelligent inspection system software company to establish a new intelligent pipeline network management system, which has been put into operation online. In addition, Jinran Public used new technologies to strengthen the management of pipeline network inspection work and improve the quality of inspection, gradually carried out the general inspection of pipeline network, and implemented the special management of pipeline network step by step, so as to ensure the normal production and operation of gas pipeline network, facilities and equipment.

In terms of comprehensive management, Jinran Public required all regional development personnel to step up its efforts in the development of the gas market, ensure more than three days a week for market expansion, learn about the latest gas demand from regional government departments, keep abreast of project progress, and report to the department heads. Moreover, while ensuring project quality, Jinran Public tried to compress the design cycle and actively communicated with the design institute to standardise the design drawings and content requirements of material sheets, and carry out the classification research of modular design based on different gas consumption conditions, so as to achieve stable gas supply on demand. Jinran Public actively developed the gas market to ensure the achievement of the Company's annual development targets. In 2020, a total of 75 projects were accepted, with a total contract value of RMB106.54 million and cumulative project income of RMB98.932 million.

1. REGIONAL DEVELOPMENT SYNERGY (continued)

During the epidemic, in order to ensure the stable gas supply and safety of gas users, Jinran Public provided a number of convenient services, for instance, vigorously promoting one-stop services such as online acceptance and windows service to maximise the convenience of users. The Company uses the security information system to carry out household security check, with a view to improving the quality of security check and ensuring the safe and stable supply of natural gas.

In 2020, Jinran Public sold pipeline natural gas of 517.0735 million cubic meters to customers with the sales volume of gas appliance of 2,804 sets, the length of gas pipeline network of 2,405.82 meters, and the total number of gas users of 532,675, which better served urban development and people's well-being.

1.2 OPTIMISING BUSINESS ENVIRONMENT

In order to further optimise the business environment, Jinran Public continues to strengthen business management, organise and perfect operating system as well as redesign operating work processes and standards, which provide clear standard and basis for the compliance in the process of operation and regulate management norms in the daily operation, forming a systematised, standardised, stylised and normalised operations.

In 2020, pursuant to the Implementation Plan for Further Promoting "1+3" Reform Work by Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司進一步推動「一制三化」改革工作實 施方案》) and the Specific Implementation Measures on the Notice of Suspending Offline Services in the Windows of the Three-level Government Service Centers and Comprehensively Implementing the "Online Services, Without Meeting"(《關於落實暫停三級政務服務中心窗口線下服務全面實行「網上辦、不見 面」的通知具體實施辦法》), Jinran Public deepened the construction of "1+3" reform version 2.0 and comprehensively promoted the reform of "the users handle gas business at most once". Through organising gas service items in all rounds, Jinran Public improved the proportion of online service business and adjusting the internal management process. Jinran Public also fully implemented credit commitment to examination and approval system, allowing the users to resubmit the application materials of gas connection business in absence of such application materials within a specified period, optimising the business process, reducing work procedures and shortening the time limit for handling. Leveraging the upgrade of online platform and IT technology, Jinran Public has gradually formed one-stop "Internet +" service system by integrating online and offline services, which opens convenient network channels for customers. Jinran Public also formulated the Work Plan for "Positive or Negative Feedback" Evaluation on Services (《服務 「好差評」工作方案》) to promote the application of evaluation system of personnel service in windows. which allowed the users to participate in the service supervision and management. Moreover, Jinran Public implemented the special action of "Warmth Raising from Windows" to comprehensively improve the "warmth" of window service, and constantly improved the construction of service guarantee system through multiple measures.

1. REGIONAL DEVELOPMENT SYNERGY (continued)

"1+3" REFORM VERSION 2.0

- Shorten the processing time of the gas connection business to 1 day
 - Reduce the application process to 2 steps
 - Accept a maximum of 2 important documents
 - "Internet +" service system and follow up business in the "Online service hall"
 - Apply the new Internet of Things meter, promote information governance for the business management platform
 - Expand the payment channel of "Jinxin Office" for Internet of Things meter users, and realize online gas business processing for users
 - Develop "online payment (網充寶)" to purchase gas, so that users can realize gas recharge and record on the card
 - Organise the service process
 - Improve the customer working system, and implement evaluation system of window personnel service
 - Find out the weak links in service management, and carry out the publicity and implementation of the Group's quality service guarantee system and provider special training for window service personnel

Jinran Public's "1+3" Reform Version 2.0

1.3 SUPPORTING PUBLIC CONSTRUCTION

Jinran Public actively cooperated with the government to carry out the subway line modification and the old pipeline network reconstruction so as to facilitate the construction of urban public infrastructure and boost urban development.

In 2020, on the basis of the coordination work of reconstruction on subway line 6, Jinran Public signed the contract in relation to the natural gas pipeline network reconstruction work on the Changtaihe East Station of Tianjian subway line 8 with China Railway 20th Bureau. Jinran Public kept weekly communication with its major contract units, and timely started the construction by stages of cooperation according to the schedule requirements of the major contract units of subway, to ensure that does not affect the subway construction progress.

In 2020, Jinran Public was responsible for the reconstruction project of the old natural gas pipeline network, one of the 20 projects in the public interest in Tianjin, which was 15.37 kilometers long in total. Jinran Public actively took various measures to deal with the construction difficulties such as high difficulty, slow progress, frequent shutdown, etc. After communicating with the higher authorities for many times and conducting construction in batch and segment, the natural gas pipeline network reconstruction project in Heping district was successfully completed.

2. SAFETY MANAGEMENT ENHANCEMENT

Safety production is an essential foundation for our development to ensure stable supply of energy sources. Jinran Public attaches great importance to safety management, firmly establishes concept of safety development and red line awareness, comprehensively promotes safety management by continually improving the construction safety system, implementing inspection and monitoring on safety production hidden dangers and carrying out emergency drills, and promoting construction for safety culture, to make sure its stability and continuity of production and operation. Jinran Public has no casualty accident in 2020, and no employee fatalities while on duty for three consecutive years, with an amount of investment in safety production over RMB8.00 million.

2.1 SAFETY RISK MANAGEMENT AND CONTROL

Jinran Public strictly complied with the relevant laws and regulations such as the "Work Safety Law of the People's Republic of China", the "Fire Protection Law of the People's Republic of China", and the "Production Safety Regulations of Tianjin City". In 2020, the Company amended the Safety Management Regulations (《安全管理規定》), Indoor Safety Inspection System (《戶內安檢制度》), Accountability Measures for Safety Production (《安全生產責任追究辦法》), Safe Production Responsibility System on Occupation (《崗位安全責任制》), Safe and Environmental Protection Responsibility System (《安全環保責 任制》)and other systems, in order to implement safety management responsibilities, and provide system guarantees for safety production and safety risk management and control. The Company continued to promote the construction of the safety-focused responsibility system to strictly control safety prevention and management. It has initiated a safety management goal of the "Four Zero", and entered into safety responsibility agreement with internal employees level by level, which shall be evaluated safety responsibility on semiannually basis, to make sure to reach our goal of the "Four Zero".



Safety Management Goal of the "Four Zero"

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The Company has established a three-level inspection system (《三級檢查制度》) and carried out safety inspection by designating personnel to be responsible for handling with the target issue. The Company has safety personnel in place to carry out safety inspection on weekly basis, and then choose a safety topic to perform random checks. Besides, executives of our Company will carry out regular inspection, especially on key festivals, on which day the executives will carry out safety inspection with its supervised departments in form of establishing supervision and inspection teams. In 2020, the Company implemented special programs to address safety issues in 16 aspects, which involved hazardous chemicals, community safety, incident handling, fire prevention, self-examination and self-correction on gas, prevent damage and others, among which the grid identification and governance for hidden dangers of gas was the most extensive that can help reduce hidden dangers of natural gas.



Safety Drills Site

The Company improves the emergency mechanism and the reporting procedure on event of significance, amends Fire Emergency Plans (《消防應急預案》)and Implementation Rules for Public Reporting Rewards for Hidden Dangers (《安全隱患公共舉報獎勵實施細則》), responds to security incidents in a timely manner through comprehensive/special emergency plans, special disposal plans and encourages our employees report hidden dangers through awards and incentives. In 2020, the Company carried out a total of 11 emergency drills, with the participation of more than 300 staffs, involving various topics such as emergency repair, fire prevention, flood prevention, anti-terrorism and riot emergency.

The Company continually promotes the construction of informationisation on safety management, introduces the "Internet +" technology in the inspection aspect, equipping the inspector with the inspection mobile phone and laser gas telemeter, so that the inspector can upload the inspection results online in real-time manner, which clearly reflects the inspection trajectory of the staff and strengthens its regulation. In addition, we equipped the Company with 13 mobile phones to promote indoor visual inspection. Through equipment upgrading and professional software system, each device of users can be uploaded in real-time manner, so as to facilitate the recording of security inspection data.

The Company insists on safe operations and provides employees with all kinds of necessary labor protection products to ensure employees have a safe working environment and effectively protect the labor safety of employees. The Company provides coveralls for maintenance personnel, provides safety helmets for all personnel entering the site, provides cotton gloves, insulated gloves, goggles, masks and other protective equipment for the frontline workers at the grassroots level, and regularly replaces anti-static work clothes, work caps and work shoes to protect the operation safety of employees. In 2020, there was no work-related accident in Jinran Public.

| Index | | Unit | 2020 |
|----------------------------|---|--------|--------------|
| Specific items invested in | Total amount invested in safety | RMB | 8,075,862.42 |
| production safety | Heatstroke prevention | RMB | 36,002.52 |
| | Pipeline repair | RMB | 3,247,367 |
| | Safety protection facility and equipment expenditure | RMB | 234,651.74 |
| | Testing equipment expenditure | RMB | 331,551 |
| | Operator security | RMB | 640,904.08 |
| | Maintenance of emergency rescue equipment and emergency drills | RMB | 143,522.1 |
| | Rectification of hidden dangers | RMB | 2,659,601 |
| | Inspection and expert consultation standardisation | RMB | 0 |
| | Safety production education and publicity | RMB | 7,025 |
| | Expenditure on new technology, new standards and new equipment | RMB | 73,237.98 |
| | Others | RMB | 702,000 |
| Safety production | Security incidents | Case | 0 |
| incidents | Number of emergency drills | Time | 35 |
| | Hidden dangers found | Case | 276 |
| Employee safety | Work-related casualties | Person | 0 |
| | Lost hours due to work injury | Hour | 0 |

2.2 EMPLOYEE SAFETY TRAINING

Jinran Public has followed laws and regulations such as the "Safety Production Law of the People's Republic of China", the "Dangerous Operation Approval System", the "Labor Protection Supplies Management System" and other laws and regulations, and the "Safety Education and Training System" formulated by the Company, to enrich the types of safety education, improve safety education and training standards, so as to enhance employees' awareness of safety production and improve their ability to prevent and deal with safety accidents. In 2020, the Company organised a total of 155 safety trainings with a total of 26,722 trainees.



Jinran Public strengthens the training intensity of all staff and expands the variety of certificates to be obtained, and requires the personnel who in charge of safety management in all departments to obtain safety certificates, so as to enhance the supervision ability. Jinran Public strengthens the training and continuing education of special operation personnel, and requires all special operation personnel of the Company to comply with the requirements of obtaining certificate and continuing education as required by the state. In addition, site operation personnel, dispatch personnel, interns and other staff are also included in the scope of the requirements of obtaining certificate and continuing education. The Company requires safety training for all staff, and all trainees will be examined based on the training duration and examination. With the joint efforts of all staff, in 2020, the rate of all staff receiving safety education reached 100%, and the rate of certificate obtained by special personnel receiving trainings reached 100%.

| Index | | | Unit | 2020 |
|---|-----------------------------|----------------|--------|--------|
| Coverage of safety trainings | | | % | 100% |
| Total training times of safety training | | | Time | 155 |
| Total duration of safety trainings | | | Hour | 23,156 |
| Total trainees of safety training | | | Person | 26,722 |
| Specific training content | Trainings for certified | Training times | Time | 8 |
| and data statistics | personnel | Trainees | Person | 66 |
| | Trainings for technical and | Training times | Time | 22 |
| | special operation personnel | Trainees | Person | 156 |
| | Fire prevention and | Training times | Time | 20 |
| | security trainings | Trainees | Person | 320 |
| | Safety education | Training times | Time | 105 |
| | | Trainees | Person | 26,180 |

2.3 PUBLICITY ON GAS USE SAFETY

Jinran Public is committed to guaranteeing gas use safety of customers in an all-round way, and carried out the publicity of safety gas knowledge and common sense through various channels such as door-to-door inspections and safety publicity days, so as to develop users' correct safe gas habits, reduce safety hazards for users, and further effectively control the security risks of customers.

With strict implementation of the User Safety Inspection System (《用戶安檢管理制度》), the Company, pursuant to its established safety inspection plan, performs at least one indoor safety inspection every year for those users using IC card natural gas meters in its supplying areas. For those users using basic gas meters, the Company will check meters, charge fees and perform inspection in households every three months to find hidden indoor hazards and vigorously promote knowledge on gas use safety. In 2020, the Company carried out indoor safety inspection with checking safety use of gas for 531,063 households and the rate of indoor safety inspection reaching 96%.

In 2020, the Company continued to promote the publicity work on gas use safety and set 16 June and 7 November of each year as publicity date for gas use safety and arranged staff to publicise gas use safety in community with aims to improve users' awareness on gas use safety and prevent indoor gas accidents. In addition, the Company posted repair calls in all users communities in its supplying areas, sent "letter to users" to remind common sense of gas use safety, held lectures on gas safe use, and continued to carry out the "117. Safety Publicity Day for Gas User" activities. All staff participated in the promotion of gas use safety, especially that party members took the lead in participating in the community promotion for many times, creating a favorable publicity environment.



Staff posting safety publicity signs in community

Case: Winter 100-day safety publicity activities of Jinran Public

On 9 November 2020, Jinran Public launched startup activity for the winter 100-day safety publicity activities themed "Eliminating hidden hazards of gas, deepening the co-construction of communities and enterprises and creating happiness and safety" to help further deepen the safety management of gas enterprises and enhance the safety awareness of the general residents. During the activity, our staff distributed safety publicity materials, visited users on-site and organised safety seminar. Various publicity methods were adopted during the activity to improve gas use safety awareness of users and their abilities to deal with gas emergencies, thereby creating a good atmosphere in which the whole society focuses and emphasises safety.



Winter 100-day safety publicity activities

| Indicators | Unit | 2020 |
|--|------------|---------|
| Number of security check households | Households | 531,063 |
| Proportion of security check households | % | 96% |
| Number of safety publicity activities conducted in community | Times | 6 |

3. ENTERPRISE OPERATION OPTIMISATION

Jinran Public attaches great importance to integrity and legal operations, repays customers with sincere service, strictly controls the quality of projects to ensure stable and safe gas supply, maintains good relationships with partners, and implements responsible procurement. The Company actively responds to the requirements of "energy-saving lifestyle" (「過緊日子」) by the State-owned Assets Supervision and Administration Commission and energy group, and promotes broadening income sources and expenditure reduction and cultivates such awareness within the Company. The Company formulated the Specific Measures of Jinran Public on Implementation of 15 Provisions for "Practical Energy-saving Lifestyle" of the Energy Group (《津燃公用關於落實能源集團「真過緊日子」 15條的具體措施》), which aimed to achieve cost reduction and efficiency enhancement through measures of strict control of general expenditures and official entertainment, etc.

3.1 INTEGRITY AND LEGAL COMPLIANCE

Integrity and self-discipline have always been the corporate credo of the Company. The Company strictly complies with the Company Law of the People's Republic of China, the Rules Governing the Listing of Securities on the Main Board of the Hong Kong Stock Exchange - Corporate Governance Code and other relevant national laws and regulations and the requirements of the Listing Rules of the Hong Kong Stock Exchange, and has established the Work Plan of Tianjin Jinran Public Utilities Company Limited on Special Treatment of "Hidden Reserves" (《天津津燃公用事業股份有限公司關於開展「小金庫」問題專項治理的 工作方案》) and other integrity promotion systems to promote the construction of the Party conduct and an honest and clean government. In order to normalise the anti-corruption work, the Company promoted the integrity risk investigation and improved the construction of risk prevention and control system, mainly including: organising warning education and education on positive examples, concentrating on watching films such as warning education and public welfare films for a total of 12 times with a total duration of about 40 hours, involving more than 300 cadres and workers educated; educating and preparing the key tasks of annual disciplinary inspection to promote the full implementation of various discipline inspections; carrying out special activities such as special management of "Hidden Reserves" issue and disciplinary inspection organisation construction investigation; organising to learn about clean government and implementing the activity of integrity culture publicity month, throughout the year. Through positive and negative materials, the majority of cadres and workers are warned and educated in their work and life to strictly abide by political discipline and political rules and clarify the discipline through the cases, so as to create an atmosphere of integrity where people do not dare to and do not want to corrupt.

In order to establish a long-term mechanism for the internal audit function of the Company and promote the institutionalisation and standardisation of its internal audit, the Company issued the "Internal Audit System". Meanwhile, the Company sorted out the issues in the audit report in a timely manner and reported the issues found in the audit by the Municipal Audit Bureau, and organised relevant departments and branches of the Company to conduct self-examination and self-correction.

The Company has carried out a series of activities to continue the dissemination of the "Seventh Five-Year Plan". It organised lectures on marriage and family in the Civil Code, filmed videos for the promotion of the law, carried out study and discussion, and conducted the legal promotion activities of the Constitution Publicity Week and organised the quiz on the Constitution.

In 2020, Jinran Public vigorously carried out the integrity culture publicity month activity to promote the integrity culture and establish the awareness of the majority of cadres and workers of clean practice and clean service. During the activity, the Company promoted the culture of integrity and raised the awareness of anti-corruption and integrity through channels such as bulletin boards, WeChat groups and OA systems, etc.

Integrity Culture Publicity Month Activity

- Carry out a special Party class on integrity education with the theme of "Integrity and Honesty of Public Service";
- Organise a party branch meeting on integrity education and watch the public welfare film of Party Flag at the Frontline Against the "Epidemic" (《戰「疫」一線黨旗紅》);
- Carry out the activity of solicitation articles regarding reading and pondering integrity, guide workers to learn the important discourse on the construction of party integrity and party discipline, laws and regulations, and read integrity books and magazines, articles on integrity, etc.;
- Appreciate the history of clean government and its integrity stories to guide the cadres and workers of the Company to take the lead in integrity and self-discipline;
- Solicit work with the integrity-based theme, and actively organise the cadres and workers of the Company to play an active part in those regarding the theme of integrity and self-discipline, integrity and anti-corruption, frugality and anti-extravagance with their specialty.

3.2 HIGH-QUALITY SERVICE

Jinan Public dedicates to accurately knowing the user's feelings and demands in a comprehensive and timely manner, adheres to the problem-oriented and targeted improvement working style and enhances the service capability and standards of the Company.

Institution improvement

Adhering to the customer-oriented service philosophy, Jinran Public supplies safe and clean gas for customers, provides professional, efficient and cordial services, and is committed to continuously improving customer satisfaction with high-quality products and services. In 2020, the Company developed several service rules and regulations to regulate and improve the business management and service standards, including the Implementation Plan for "Positive or Negative Feedback" Evaluation on Services of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司服務「好差評」評價工作實施方案》), Gas Business Service-related Management Standards Documents of Tianjin Energy Group (Trial) (《天津能源集團 燃氣業務服務相關管理標準文件(試行)》), etc. According to the Implementation Plan for Gas Application and Installation (Trial) (《燃氣用氣報裝實施方案(試行)》), the Company divided the implementation plan into four stages, and specified the working days and service contents required in different stages.

Acceptance stage (0.5 working days)

Users apply for gas facilities installation through multiple channels such as "Government Affairs Online (政務一網通)", administrative licensing hall, on site and network, etc., and the application will be reviewed and accepted by the project manager immediately.

Design stage (5-21 working days)

Entrust the design unit to design, carry out on-site surveys, prepare and review the planning scheme, design the construction drawings, and a third-party consulting company shall be entrusted to prepare the budget.



Construction and replacement stage (8-57 days)

Negotiate and sign supporting contracts with users and go through relevant procedures. Sign construction contracts with construction units and carry out project construction. Sign the Gas Supply and Use Contract with users after passing the completion acceptance to open a card for selling gas, and complete the replacement within 0.5 working days.

Ventilation (0.5 working days)

Negotiate with the users to determine the ventilation time, and complete the ventilation within 0.5 working days.

Four-stage implementation plan for gas application and installation

Service optimisation

The Company is committed to providing customers with timely, high-quality and convenient services, rendering intimate and efficient services to its users to meet their needs and establish a good customer service relationship. As a public utility enterprise covering customers of different ages, the Company launched several service reforms, striving to provide the most convenient experience to its customers, including providing both combining online and offline service, shortening the waiting time for gas connection, promoting standardised public services, increasing online services, etc.

Optimise and adjust the gas connection index

- Shorten the processing time of the gas connection business to 1 day
- Reduce the application process to 2 steps
- Accept a maximum of 2 important documents

Optimise the entire flow chart of gas connection

- Develop the flow chart and implementation plan of the gas connection services of the Company
- Shorten the time of business procedures and optimise the whole process into 14 to 79 working days

Promote standardised public services

- Strictly implement the gas public service standards set by the Group
- Strengthen the standardised training of window personnel of service hall

Facilitate the informationisation of customer service

- Follow up the progress of online handling of the six business items of "online service hall"
- Promote informationisation governance on business management platforms, apply new Internet of Things tables to improve convenience services and intelligent management

Implement the "First Response" of user demands

• Analyse the service process, improve the customer work system and find the weak links of service management to improve the quality of service

The Company provides customers with timely replacement service of old gas meters to reduce frequency of failure or safety hazard caused by old meters; as well as provides extended service hours at its business outlets by introducing the service measure of "extending the service hours of external windows to 8:00 pm". The Company provides 24-hour customer service hotline for users all year round to ensure that users' questions can be answered in a timely manner and help users to solve problems in the earliest time.

In order to enhance users' service experience, the Company has provided them with more convenient means of payment through "Internet +" construction, gradually promoting the construction of the "Internet + multi-channel payment" system based on various software and hardware such as the self-service gas selling terminal of Agricultural Bank of China, "Jin E-Life" (津E生活) mobile APP, Alipay, Self-service gas selling terminals, WeChat public platform, etc. At the same time, the Company improved the gas connection application function through WeChat official account and offered progress inquiry service thereon for users to get the real-time progress. In 2020, the WeChat public platform of the Company was subscribed by approximately 42,000 users in total and 24 articles and videos relating to gas in aggregate were posted with a total of approximately 45,000 transactions were carried out thereon. It also set an auto-response function to answer certain basic problems from users.



The "Internet + multi-channel payment" system

In order to ensure social public security and user gas safety, the Company has actively developed a safety inspection informatisation system and the research and development of system and hardware mobile phone device configuration thereof has been completed so far. The visualised safety inspection helped the Company to enhance the safety inspection quality and efficiency and collect the gas consumption accurately, thereby improving the gas connection ratio and the quality of safety inspection.

During the epidemic, the Company encouraged customers to use online gas purchasing service to avoid health risk caused by offline gathering and strictly carried out the prevention of the epidemic at its service hall to ensure the safety of its users.

Feedback on customers' complaints and suggestions

Jinran Public attaches great importance to customers' suggestions and opinions, and regards this as a driving force for the Company to improve internal processes and service quality. The Company responds patiently to customer needs and gives priority to problem-solving. The Company continuously improves the complaint handling process, proposes corresponding improvement measures for customer complaints to ensure that customers are given correct and effective responses. In order to better assess the customer's evaluation on the Company's service quality, the Company formulated and issued the Implementation Plan for "Positive or Negative Feedback" Evaluation on Services of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司服務「好差評」評價工作實施方案》), established a service evaluation system, and carried out "positive or negative feedback" evaluation on window services as well as online and offline business services, and established a closed loop system of evaluation, feedback, rectification and supervision responsibilities, thereby continuously felicitating the improvement of enterprise service levels.

In 2020, the Company received a total of 42 complaints, all of which were dealt with in a timely manner. After the complaints being dealt with, the Company conducted return visits to the relevant customers to gain an in-depth understanding of their suggestions, as a result, the customer satisfaction rate reached 100%, and the timely handling rate of customer complaints also reached 100%.



Handling process of customers' complaints

Customer privacy protection

As online payment, online maintenance and other services have gradually become the first choice of customers and in order to create a standardised and safe environment for service platform, Jinran Public will formulate relevant systems to protect customer privacy and put forward a series of measures to regulate the use of customer information, in line with the principle of protecting customers' personal information. The Company issued the Administrative Measures for Authority to Use Gas Management Informationisation Integrated Platform System of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司燃氣管理信息化綜合平台系統使用人員權限管理辦法》) to standardise the authority management of platform users, strengthen authority control, and standardise the authority use of operators. Leveraging on such system and following the authority approval principles of strictness, necessity, and minimum, the Company gives authority to system user according to their needs of the position, so as to avoid the illegal disclosure and sale of user private information. Meanwhile, the Company requires employees who use the system to sign a confidentiality agreement to specify the confidentiality obligations and responsibilities for default, so as to ensure the information security.

3.3 PROJECT QUALITY MANAGEMENT

In order to ensure and improve the quality of the project, the Company adopts a sound quality management system, means and methods to control the quality over the whole life cycle of the project, and unswervingly provide residents with safe and high-quality gas. The Company formulated the Project Management System of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司工程管理制度》) to standardise the management of gas engineering construction projects, improve the economic benefits of engineering projects, and prevent internal control risks. The Company has established project quality control and management process to control the project quality through three stages, namely pre-project, project-in-process and post-project, so as to ensure the quality of construction projects.

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| | | | |

make good preparation for the project, and promptly urge the reply of contact forms for any questions about the construction and parts of unclear drawings, so as to avoid delay of the construction period

In-process control:

during the construction process, the supervision engineers and construction units are urged to carry out construction in accordance with the relevant laws and regulations, and manage the construction site, so that each site is being supervised and recorded, and the whole construction site is under control **Post-control:**

process acceptance is strictly carried out in accordance with drawings, contracts and specifications, so that the project quality achieves the expected goals; timely discover quality problems in the construction and rectify them in time

Project Quality Control and Management Process of Jinran Public

For the projects that have been completed, we carry out pipeline network inspections, periodic inspections and other related work on a regular basis to identify the potential safety hazards of projects in a timely manner, thereby ensuring the stable gas supply. The Company organises safety meetings for line inspection and maintenance teams, cooperates with the outsourcing team to improve various rules and regulations, and formulates plans on line inspection and maintenance for gas cylinders, gas gate valves and gas wells. The Company carries out maintenance for gas cylinders, gas gate valves and conducts random safety inspections on the maintenance work site in every spring and autumn.

3.4 SUPPLIER MANAGEMENT

In accordance with the Law of the People's Republic of China on Bidding and Tendering, Regulations on the Implementation of the Law of the People's Republic of China on Bidding and Tendering and other laws and regulations, the Company following the Administrative Measures for the Procurement Management of Tianjin Energy Investment Group Co., Ltd., issued the Implementation Rules on the Procurement Management of Tianjin Jinran Public Utilities Company Limited, which stipulates the purpose, responsibilities, work procedures and other aspects of bidding and procurement management. Adhering to the principles of openness, fairness, justice, integrity, competitiveness, and marketability, the Company manages procurement behavior in an electronic manner, stipulates the management responsibilities of relevant departments, formulates unified procurement procedures to standardise the procurement activities, bidding and procurement behavior, in order to improve procurement efficiency.



Bidding and procurement process of Jinran Public

In the process of selecting and hiring a supplier, the relevant supervisory unit (department) reviews the qualification of the parties to be selected and preferentially selects the one with higher standards of safety and environmental protection. No consideration will be given to a party that does not meet the relevant national standards for safety and environmental protection.

To ensure transparency and fairness in the bidding and procurement process, large-scale procurement is conducted by "compare bids", which is a mode of requesting quotations for comparing prices and finally evaluating prices. Meanwhile, the Company further improved its business process of contract audit by conducting strict internal decision-making procedures on business matters in the contract. Jinran Public focused on the business process of the areas with significant risks, such as the capital-intensive, resource-rich, and asset-aggregation areas, and paid efforts to strengthen the day-to-day supervision of important aspects, such as collective decision making, bidding and selection, budget management, prior to the approval of contracts.

In 2020, the Company had a total of 8 suppliers in Tianjin and 7 suppliers outside of Tianjin.

4. CLEAN DEVELOPMENT ADVOCACY

The Company strictly monitors and continuously reduces the impact of its production and operations on the surrounding environment, and promotes the use of clean energy, carries out green construction and expands green office through a number of measures in accordance with the Environmental Protection Law of the People's Republic of China and the Environmental Impact Assessment Law of the People's Republic of China and other relevant laws and regulations.

Jinran Public is actively preparing to formulate environmental targets. The Company will, on the basis of disclosing environmental data for more than three years and in line with the forecast and planning of future business development and investment in energy conservation and emission reduction projects, formulate environmental targets including greenhouse gas emission target and water use target. As of 2020, the Company has disclosed environmental data for 2017, 2018, and 2019. The Company will carry out environmental data analysis and business situation analysis in 2021 to lay the foundation for the disclosure of environmental targets in 2022.

4.1 DEVELOPING CLEAN ENERGY

The Company has realised that climate change has become an important risk for gas companies, which also represents great opportunity. In order to more effectively reduce and control greenhouse gas emissions and achieve sustainable development, Jinran Public takes the initiative to connect the national development strategy with its own development needs, and takes the promotion of clean energy and the development of public utilities as the main response strategies, to deploy the gas transmission network construction, relying on the newly commissioned pipelines to effectively expand the scope of natural gas supply.

Following national or local policies and initiatives such as the Air Pollution Prevention and Control Action Plan (《大氣污染防治行動計劃》), the Implementation Rules on the Air Pollution Prevention and Control Action Plan for Beijing-Tianjin-Hebei and Surrounding Areas (《京津冀及周邊地區落實大氣污染防治行動計劃實施細則》), and the Work Plan on Strengthening Air Pollution Prevention and Control in Energy Industry (《能源行業加強大氣污染防治工作方案》), the Company actively participates in the battle against air pollution and promotes the use of clean energy. In 2020, the Company vigorously promoted the use of clean energy, understood the latest gas demand in the region, and followed up the progress of the project in a timely manner. In order to expand the share of natural gas market, the Company has strengthened gas education, using WeChat official accounts, business outlets and other channels to vigorously promote the gas connection service, thereby promoting "coal-to-gas" projects and optimising the energy structure. In 2020, the Company accepted a total of 25 new industrial and commercial users and "coal-to-gas" projects, and 50 new residential projects involving a total of 31,933 households, contributing to the development of clean energy.

4. CLEAN DEVELOPMENT ADVOCACY (continued)

4.2 GREEN CONSTRUCTION

Under the premise of ensuring basic quality and safety requirements, Jinran Public conserves resources and reduces the negative impact on the environment during construction. At the construction site, in order to eliminate dust, noise and other disturbances to the surrounding residents and the environment, the Company strictly follows the principle of six "hundred percent", that is, 100% fencing around the site, 100% coverage of material stockpiles, 100% washing for incoming and outgoing vehicles, 100% ground hardening of the construction site, 100% wet work for demolition and earth work, and 100% containment of dirt hauling vehicles.

The leakage of gases from gas pipeline will not only affect the safety of gas transmission, but also result in the greenhouse gas emissions. In this regard, we conduct regular pipeline inspection and carried out pipeline construction by using an advanced hot tapping method to ensure a stable gas supply to the downstream and effectively reduce the greenhouse gas emissions in the construction process.

In addition, we dispose of sewage and sludge from the construction site in accordance with the environmental protection requirements of Tianjin to ensure that all Indicators are met. The Company entrusts professional and qualified third parties to centralised recycle and dispose of the old gas meters after replacement. During the construction, the Company does not involve the production of a large amount of waste and hazardous waste, and non-hazardous waste mainly includes solid wastes produced from the construction site. In 2020, the Company produced a total of 1,354 tons of solid wastes on operation, all of which were backfilled at the excavation site to reduce the impact on ecology.

4. CLEAN DEVELOPMENT ADVOCACY (continued)

4.3 GREEN OFFICE

Jinran Public has consistently applied the concept of "Low Carbon and Environmental Protection, Resource Conservation" in its daily office work. The Company recorded and continuously optimised the energy consumption breakdown, comprehensively developed green and low-carbon initiatives which may occur during our administrative and office work, strictly managed energy consumption in its operation, and conducted comparative analyses. At the same time, our Company took various measures to save water and power, so as to practice the concept of resource protection while reducing costs.

Initiatives to save electricity

- Reduce the standby time of office equipment, and ensure that lights are switched off when no one is attended for a long time
- Orderly replace lightings with low energy consumption such as LED lights, and advocate the use of natural light
- Purchase energy-saving appliances; stipulate that the air-conditioner's temperature shall be set to no lower than 26°C in summer

Initiatives to save water

- Use water saving facilities, enhance daily maintenance of water-consuming equipment and eliminate drips and leaks
- Replace the Company's bottled drinking water with direct water dispensers and enhanced daily maintenance of waterconsuming equipment

4. CLEAN DEVELOPMENT ADVOCACY (continued)

Based on the principle of "Plan First, Minimum Inventory, Standardised Management, Saving and Recycling", the Company stipulates the annual office expenses standards in accordance with the requirements in respect of management post and the operation post to set an annual cap on the use of paper, and establish breakdown for purchase, use and stock of office supplies with regular stock taking, so as to reduce consumption of disposable office supplies. Furthermore, with response to green office, the Company strives to implement a paperless office and reduced paper consumption. In 2020, the environmental data of the Company is as follows:

| Index | Unit | 2020 | 2019 | 2018 |
|-------------------------------------|--------------------|--------------|--------------|--------------|
| | | | | |
| Greenhouse gas emissions (Scope 1) | ton(s) of carbon | 168.13 | 127.25 | 116.89 |
| | dioxide equivalent | | | |
| Greenhouse gas emissions (Scope 2) | ton(s) of carbon | 2,076.84 | 2,511.85 | 2,189.91 |
| | dioxide equivalent | | | |
| Total greenhouse gas emissions | ton(s) of carbon | 2,244.97 | 2,639.09 | 2306.80 |
| | dioxide equivalent | | | |
| Greenhouse gas emissions intensity | ton(s)/RMB million | 1.67 | 1.76 | 1.52 |
| General waste Domestic garbage | ton(s) | 0.40 | 0.45 | 0.50 |
| Office garbage | ton(s) | 15.00 | 15.15 | 16.15 |
| Asset retirement | ton(s) | 45.00 | 40.00 | 4.81 |
| Integrated energy consumption | 10,000 tons of | 0.054709947 | 0.104147072 | 0.077108219 |
| | standard coal | | | |
| Integrated energy consumption per | ton(s) of standard | 0.004068756 | 0.006937232 | 0.005072909 |
| RMB10,000 in output value | coal/RMB10,000 | | | |
| Total power consumption | kWh | 1,185,253.84 | 1,099,000.00 | 1,054,800.00 |
| Purchased thermal power consumption | GJ | 9,352.00 | 14,000.00 | 11,428.63 |
| Gasoline | litre | 70,612.69 | 57,292.00 | 74,126.76 |
| Diesel | litre | 4,274.65 | | |
| Fresh water usage | ton(s) | 21,161.14 | 15,455.29 | 25,981.00 |

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY

Jinran Public protects the rights and interests of employees in accordance with laws and regulations. By improving and perfecting management methods, unblocking employee communication channels, diversified training, and fair and reasonable evaluation and promotion, we build a stage for employee career development and provide employees with care and assistance within our capacity, striving to become a company responsible for employees. In addition, we further expand the concept of care from the employee level to the social level by carrying out community neighborhood care and charity volunteer activities, so as to fulfill the Company's social responsibilities.

5.1 EMPLOYEES' RIGHTS AND INTERESTS PROTECTION

Jinran Public undertakes to strictly abide by the requirements under national laws and regulations such as the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China, and implements its internal requirements under the Human Resources Management System of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司人力資源管理制度》). Accordingly, the various processes of recruiting and hiring employees shall be regulated and supervised, and any form of discrimination on gender, ethnicity, religion, age, region, etc. shall be strictly eliminated, while child labour and forced labour shall be prohibited, and applicants under the age requirement shall not be hired and be advised to return to school to continue school. By the end of 2020, the Company had 751 regular employees, all of whom signed labour contracts. The Company has no child labour or forced labour.



5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)

| Indicators | | Unit | 2020 | 2019 | 2018 |
|---------------------------|------------------|--------|------|------|------|
| | | | | | |
| Total number of employees | | person | 751 | 787 | 812 |
| Number of employees | Male employees | person | 493 | 517 | 540 |
| by gender | Female employees | person | 258 | 270 | 272 |
| Number of employees | 30 years old | person | 47 | 45 | 49 |
| by age | and below | | | | |
| | 31-50 years old | person | 472 | 446 | 510 |
| | Above 50 | person | 242 | 296 | 253 |
| | years old | | | | |
| Total turnover rate | | % | 1.30 | - | 0.6 |
| Number of employee | Male employees | person | 5 | - | - |
| turnover by gender | Female employees | person | 5 | - | - |
| Number of employee | 30 years old | person | 0 | - | - |
| turnover by age | and below | | | | |
| | 31-50 years old | person | 7 | - | - |
| | Above 50 | person | 3 | - | - |
| | years old | | | | |

During the Reporting Period, to carry out reform based on the three systems, Jinran Public vigorously carried out the reform and revision of the relevant measures of human resources management, involving the transfer of employees from interns to full-time employees, performance appraisal management, as well as reward and punishment management, etc., so as to standardise the management of human resources.

Jinran Public respects the rights of employees to democratic management and democratic supervision, and has opened up multiple channels for the collection and feedback of democratic opinions at the grassroots level. The Company has formulated such systems as the Rules on Meetings for Employee Representatives (《職工代表大會制度》) and the Regulations on the Management of Meetings for Employee Representatives of the Company (《企業職工代表大會管理條例》) to further regulate the proportion of the employee representative structure of the meetings for employee representatives according to the group-level mixed reform arrangement. Specifically, the Company holds meetings for employee representatives to perform democratic procedures, to protect employees' rights to know, participate, express, and supervise in accordance with the law, to guide employees to understand, support and participate in reforms, to encourage them to strengthen democratic communication and management, to give full play to employees' supervisory responsibilities, and to improve the enthusiasm of employees to participate. In 2020, Jinran Public held the Fifth Meeting for the Second Session Employee Representatives of the Company to accept the democratic proposal.

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)

Case: Jinran Public held a meeting for employee representatives to fully respect the voting rights of employees

Jinran Public held a meeting for employee representatives on 26 August 2020. The meeting reviewed and voted on the Mixed Ownership Reform Implementation Plan of Tianjin Energy Investment Group Co., Ltd. (Draft) (《天津能源投資集團有限公司混合所有制改革實施方案 (草案)》) and the Personnel Placement Plan of the Mixed Ownership Reform of Tianjin Energy Investment Group Co., Ltd. (Draft) (《天津能源 投資集團有限公司混合所有制改革人員安置方案 (草案)》), and the employees participating in the meeting gave full play to their democratic management power to actively offer their opinions and make suggestions for the development of the Company.



The scene of the meeting for employee representatives of Jinran Public

5.2 EMPLOYEES' TRAINING AND DEVELOPMENT

Jinran Public expects to enhance the staff's overall quality and business capabilities through diversified training methods and to further exploit their potentialities. The trainings provided to the staff of the Company were in line with the principles of system, diversification, consistency and effectiveness, with the combination of professional skills training and ideological education, the combination of current needs and the long-term needs, and the combination of theory and practice, while training fund would be arranged properly. The Company's existing trainings mainly include new employees' training, on-the-job training, and the cultivation of backup talents.

| Training type | | Training content | | | |
|----------------------------|-----------------------------------|---|--|--|--|
| New Employees' Training | | Trainings include, but not limited to, basic corporat information, corporate culture and core values, basic rule and regulations and code of conduct, training and appraisa and basic business knowledge; to promote new employees t agree and integrate with the Company's culture, understan and accept the Company's rules and regulations and code o | | | |
| On-the-job Training | Training for senior management | conduct, clarify their working goals and job duties, and master basic work procedures and methods. Trainings include analysis of the environment and circumstances, discussion about corporate philosophy, research of development strategies, modern corporate management techniques, enhancement of the personal ability and cultivation, and social responsibility, so that senior management personnel would adapt to the changes in operating environment, understand the development trend of the industry, and improve their ability of insight, thinking, | | | |
| | Training for middle management | decision-making and leadership. Training includes basic knowledge of management, business knowledge, operation accounting knowledge, communication and coordination skills, role recognition, personal assessment incentive, so that the middle management would have a better understanding and implementation the decisions from the Company's senior management, and to be cultivated successors for the Company's decision-making body. For the new-appointed middle management personnel, appointment trainings regarding to their job responsibilities and job competency will be arranged. | | | |

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)

| Training type | | Training content |
|--------------------------------------|------------------------------------|---|
| | Training for general employees | Training includes the Company's development goals, management system, skill training on professional knowledge, seminars and forum on business case, to enhance employees' professionality and business ability, so that they would master the new knowledge of profession, therefore improving the quality of employees on a whole. After the re-designation of staff at same job level, job-transfer trainings will be provided for those who will engage in a job that is significantly different |
| The Cultivation of Backup Talents | On-the-job continuing education | from their original job. The Company issues the list of relevant qualification certificates and encourages serving staff to obtain such certificates. The Company trains high-quality talents in a planned way, optimizes talent structure, encourages employees to continue learning and updating knowledge, and improves their working ability and professionality. The Company properly explores, develops and cultivates the backup talents, thereby providing talent guarantee for the |

After trainings, the Company will file and sort the data of training activities, and collect statistics on training performance timely, such as number of personnel trained by internal trainers, training hours and average hours of training. The training performance will be used as one of the main references for departmental performance appraisal and staff promotion appraisal. As of the end of 2020, the Company trained a total of 1,452 persons with the training time amounting to a total of 29,660 hours.

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)

| | Unit | 2020 | 2019 | 2018 |
|-------------------|---|---|--|---|
| | | | | |
| | person | 1,452 | 856 | 997 |
| | % | 100 | 100 | 100 |
| | hour | 29,660.00 | 33,119.00 | - |
| Male employees | hour | 65.00 | 65.69 | - |
| Female employees | hour | 33.00 | 34.31 | - |
| Senior management | hour | 130.00 | 135.00 | 132.00 |
| Middle management | hour | 132.00 | 135.00 | 110.00 |
| Ordinary employee | hour | 84.00 | 80.00 | 85.00 |
| Male employees | % | 66 | _ | - |
| Female employees | % | 34 | _ | _ |
| | | | | |
| Senior management | % | 3.4 | _ | - |
| Middle management | % | 11.6 | _ | - |
| Ordinary employee | % | 85 | _ | - |
| | Female employees Senior management Middle management Ordinary employee Male employees Female employees Senior management Middle management | Person % hour Male employees Female employees Senior management Middle management Male employees Female employees Senior management Middle management | person 1,452 % 100 hour 29,660.00 Male employees hour Female employees hour Senior management hour Middle management hour Male employees hour Senior management hour Male employees % Male employees % Senior management hour Senior management % Senior management % Kanon 34 Middle management % Senior management % Middle management % | person 1,452 856 % 100 100 hour 29,660.00 33,119.00 Male employees hour 65.00 65.69 Female employees hour 33.00 34.31 Senior management hour 130.00 135.00 Middle management hour 84.00 80.00 Male employees % 66 - Female employees % 34 - Senior management hour 84.00 80.00 Male employees % 66 - Female employees % 34 - Senior management % 34.4 - Middle management % 66 - Female employees % 34 - Senior management % 3.4 - Middle management % 11.6 - |

The Company provides sufficient development opportunities for outstanding talents, and selects personnel with outstanding performance in comprehensive quality, skills and performance as reserve talents based on the three requirements of foresight, diversity and dynamism, adhering to the concept of highlighting contributions and focusing on actual performance and following the principles of openness, equality, competition and merit. The Company established a leading group for performance appraisal to objectively and fairly evaluate the moral and talent performance and the actual working conditions of the employees at all levels of the Company, and to evaluate the actual conditions of the employees from four aspects, namely democratic recommendation, organisational inspection, research and approval and inclusion in management, in accordance with the provisions of the Talent Selection Management Measures of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司人才選拔管理辦法》) and the Middle Management Performance Assessment Measures of Tianjin Jinran Public Utilities Company Limited (《天津津燃公用事業股份有限公司小層管理人員績效考核辦法》). Our career development channel consists of two major development sequences:

| Name of Sequence | Grade I | Grade II |
|--|-------------------------------------|--|
| Business management (professional technology) | Middle management of the Company | General management below middle level |
| sequence Grassroots operation sequence | Branch team leader | Grassroots operator of the Branch |
5.3 WELFARE AND CARE FOR EMPLOYEES

Jinran Public places great importance on the sense of access and happiness of its employees at work. We organised various cultural and sports activities, conducted a variety of seminars and paid great attention to giving extra support to special groups of employees such as female employees and those in need. In 2020, the Company continued to do a good job in the areas of employee care for serious illness, major illness relief, exclusive relief protection for cardholders, and mutual assistance protection for members, and pay for mutual assistance protection for all members. All of our employees were included in the body examination programme and social insurance programme.

To relieve work stress, the Company uses various forms both online and offline to conduct lectures on cultural and sports knowledge, training on cultural and sports activities, and cultural activities such as staff painting and calligraphy competitions. We held a chess competition to celebrate the Chinese New Year at the beginning of the year, held a poetry recital and a collection of blessing messages on the eve of the National Day, organised employees to attend lectures on topics such as "Building a good family culture and promoting social harmony" held by the Group and encouraged its employees to participate in the photography and micro-video competition of "Focus on the Most Beautiful Workers Around Us – Dedicated to Winning the 'Three Battles'" and the speech competition of "Tell the Story of Tianjin Energy Staff's Progress – Dedicated to Winning the 'Three Battles'" of the Energy Group Labour Union.

In addition, the Company attaches importance to the work and life of frontline and special employees. In 2020, we carried out the caring activities of "sending coolness in summer and warmth in winter" to the production frontline and grass-roots teams; carried out "Action for the Care of Female Employees" to continue to improve mutual aid protection for female workers, paid the insurance premiums for the Female Workers' Health and Safety Plan for all female workers, and promoted the construction of a home for loving mothers. We also continued to improve our work on maternity, marriage, retirement and condolences for the death of employees or their immediate family members, and worked with relevant departments to complete the statistics and notification of information related to the body examination of 237 retired employees in 2020. As of the end of 2020, the Company had implemented various types of condolences for more than 2,500 people and invested more than RMB1.3 million in condolence expenses throughout the year.

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)

In order to support the epidemic prevention and control, the Company carried out a series of anti-epidemic measures under the leadership of party general branch committee of the Company according to the deployment requirements of Tianjin Federation of Trade Union and Energy Group Union to "do well in epidemic related work". We publicized the knowledge of epidemic prevention through the Company's work WeChat, publicity boards and LED electronic displays, disseminating epidemic prevention knowledge to employees to minimize the risk of epidemic spread. At the same time, under the premise of ensuring safety, we insisted on expressing our condolences to the staff who worked on the frontline during the epidemic and the families of the medical staff who worked on the frontline of the epidemic. In addition, the Company also purchased epidemic prevention products, such as masks, disposable gloves and protective clothing for the grass-roots frontline anti-epidemic workers. After the full resumption of work and production, the Company organised a condolence activity for all employees and sent them basic living security supplies.

Anti-epidemic measures to safeguard the safety of employees of Jinran Public

- 1) Leaders arrive early to conduct anti-epidemic arrangements;
- 2) Daily cleaning and disinfection, regular disinfection of vehicles;
- 3) Purchasing anti-epidemic materials and distributing disinfection supplies;
- 4) Online meeting, reducing the gathering of people;
- 5) Maintaining body temperature check record, green code access for persons from other places.

5.4 JOINING ACTIVELY INTO SOCIAL WELFARE ACTIVITIES

Jinran Public continually adheres to the development trend of mutual progress of business and social responsibility, and actively participates in social welfare activities while promoting the development of business. In 2020, the Company actively responded to the "Juneng Caring Education Action (聚能愛心助學行動)" initiated by Tianjin Energy Investment Group Co., Ltd., and set up the "Juneng Charity Scholarship (聚能愛心助學金)" in Tianjin Urban Construction Management College to subsidise the newly enrolled poverty-stricken students with excellent academic performance, with a total of RMB8,850 in donations being raised. In addition, the Company organised donation activities during the epidemic and raised a total of RMB5,650 in voluntary donations from party members, cadres and employees.

The Company also attaches great importance to participating in community activities. In 2020, the Company carried out voluntary activities for safe gas use in multiple communities. As of the end of 2020, the Company has invested a total of 159 hours in public welfare activities, with a total investment of RMB29,820.

Voluntary activities for safe gas use in communities by Jinran Public in 2020

- The Jinran Public Youth League branch, together with the Company's Party general branch committee and sales department posted safety promotional materials in Kuanfuli, Qianfuli and other communities.
- With the theme of "Welcome the Mid-Autumn Festival and National Day Celebration", Jinan Public carried out gas safety publicity activities in Minxing Park to promote the concept of saving, eliminating waste and civilized festivals, and publicize the knowledge of safe gas use.
- Jinran Public carried out a 100-day gas safety publicity activity in the Yiyayuan community to deliver common sense of safe gas use for community users, prevent gas accidents, and explain specific precautions for safe gas use to residents on the spot.

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)



Photos of Community Activities

Posters and flyers promoting for safe gas use in communities

5. COMMON PROSPERITY FOR EMPLOYEES AND THE SOCIETY (continued)





Sites of promotion activities for safe gas use in communities





HKEx ESG REPORTING GUIDE CONTENT INDEX

| Aspect | Content | Reference Section or Explanation |
|-----------------|--|----------------------------------|
| A1 Emissions | General Disclosure Information on: | 4. Clean development advocacy |
| | (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, generation of hazardous and non-hazardous wastes, etc. | |
| | A1.1 The types of emissions and respective emissions data. | 4. Clean development advocacy |
| | A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 4. Clean development advocacy |
| | A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 4. Clean development advocacy |
| | A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). | 4. Clean development advocacy |
| | A1.5 Description of measures to mitigate emissions and results achieved. | 4. Clean development advocacy |
| | A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. | 4. Clean development advocacy |

| Aspect | Content | Reference Section or Explanation |
|------------------------|--|----------------------------------|
| A2 Use of Resources | General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. | 4. Clean development advocacy |
| | A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). | 4. Clean development advocacy |
| | A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). | 4. Clean development advocacy |
| | A2.3 Description of energy use efficiency initiatives and results achieved. | 4. Clean development advocacy |
| | A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. | 4. Clean development advocacy |
| | A2.5 Total packaging materials used for finished products (in tonnes) and, if applicable, with reference to per unit produced. | 4. Clean development advocacy |

| Aspect | Content | Reference Section or Explanation |
|---|--|---|
| A3 The Environment and Natural Resources | General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources. | 4. Clean development advocacy |
| | A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. | 4. Clean development advocacy |
| B1 Employment | General Disclosure Information on: | 5. Common prosperity for employees and the society |
| | (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. | |
| | B1.1 Total workforce by gender, employment type, age group, and geographical region. | 5. Common prosperity for employees and the society |
| | B1.2 Employee turnover rate by gender, age group and geographical region. | Common prosperity for employees and the society |

| Aspect | Content | Reference Section or Explanation |
|-----------------------------------|--|---|
| B2 Health and Safety | General Disclosure Information on: | 2. Safety management enhancement |
| | (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. | |
| | B2.1 Number and rate of work-related fatalities. | 2. Safety management enhancement |
| | B2.2 Lost days due to work injury. | 2. Safety management enhancement |
| | B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored. | 2. Safety management enhancement |
| B3 Development and Training | General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. | 5. Common prosperity for employees and the society |
| | Note: Training refers to vocational training. It may include internal and external courses paid by the employer. | 3 |
| | B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management). | 5. Common prosperity for employees and the society |
| | B3.2 The average training hours completed per employee by gender and employee category. | Common prosperity for employees and the society |

| Aspect | Content | Reference Section or Explanation |
|----------------------------------|---|--|
| B4 Labour Standard | General Disclosure Information on: | 5. Common prosperity for employees and the society |
| | (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. | |
| | B4.1 Description of measures to review employment practices to avoid child and forced labour. | 5. Common prosperity for employees and the society |
| | B4.2 Description of steps taken to eliminate such practices when discovered. | 5. Common prosperity for employees and the society |
| B5 Supply Chain Management | General Disclosure Policies on managing environmental and social risks of the supply chain. | 3. Enterprise operation optimisation |
| | B5.1 Number of suppliers by geographical region. | 3. Enterprise operation optimisation |
| | B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. | 3. Enterprise operation optimisation |

| Aspect | Content | Reference Section or Explanation |
|---------------------------------|---|--------------------------------------|
| B6 Product Responsibility | General Disclosure Information on: | Not involved |
| | (a) the policies; and (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress. | |
| | B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons. | Not involved |
| | B6.2 Number of products and service related complaints received and how they are dealt with. | Not involved |
| | B6.3 Description of practices relating to observing and protecting intellectual property rights. | Not involved |
| | B6.4 Description of quality assurance process and recall procedures. | 3. Enterprise operation optimisation |
| | B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. | Not involved |

| Aspect | Content | Reference Section or Explanation |
|-------------------------------|---|---|
| B7 Anti-corruption | General Disclosure Information on: | 3. Enterprise operation optimisation |
| | (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. | |
| | 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. | 3. Enterprise operation optimisation |
| | B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. | 3. Enterprise operation optimisation |
| 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. | Common prosperity for employees and the society |
| | B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). | Common prosperity for employees and the society |
| | B8.2 Resources contributed (e.g. money or time) to the focus area. | Common prosperity for employees and the society |