



**CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED**  
**中國能源開發控股有限公司\***

(incorporated in the Cayman Islands with limited liability)

Stock Code: 00228

ENVIRONMENTAL, SOCIAL AND  
GOVERNANCE REPORT

**2020**



\* For identification purposes only

# China Energy Development Holdings Limited

## Environmental, Social and Governance Report 2020

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## 1. Introduction

This is the Environmental, Social and Governance Report (this “**Report**”) of China Energy Development Holdings Limited compiled in accordance with the Environmental, Social and Governance Reporting Guide published by The Stock Exchange of Hong Kong Limited (“**SEHK**”). This Report aims to disclose relevant environmental, social and governance (“**ESG**”) information, including information on the policies and compliance with relevant laws and regulations that have a significant impact on the group, as well as environmental key performance indicators (“**KPIs**”), to the stakeholders of the headquarter of China Energy Development Holdings Limited and its subsidiaries.

### Reporting Specification

To improve readability, the headquarter of China Energy Development Holdings Limited will be referred to as “**CEDHL**” or “the **Company**”, Karamay Weirun Gas Company Limited will be referred to as “**KWGCL**”, China Era Energy Power Investment (Hong Kong) Limited will be referred to as “**CEEPIL**” and the Company, KWGCL and CEEPIL will be collectively referred to as “**the Group**”.

### Reporting Standard

This Report is prepared:

- in accordance with Appendix 27, Environmental, Social and Governance Reporting Guide, of the Rules Governing the Listing of Securities on the Main Board of SEHK (“**Main Board Listing Rules**”); and
- with reference to the Global Reporting Initiative Standards published by the Global Reporting Initiative.

### Reporting Boundary

The scope of this Report includes:

- the operation in Hong Kong of the headquarter of China Energy Development Holdings Limited incorporated in the Cayman Islands with limited liability;
- the operation in Xinjiang of Karamay Weirun Gas Company Limited incorporated in the People’s Republic of China (the “**PRC**”) with limited liability (a non-wholly owned subsidiary of the Company in which the Company has an effective interest of 26.01% on look-through basis); and
- the operation in Xinjiang of China Era Energy Power Investment (Hong Kong) Limited incorporated in Hong Kong with limited liability (one of the major subsidiaries of the Group).

## Reporting Period

The reporting period of this Report is from 1 January 2020 to 31 December 2020, which is same as the annual report of the Company.

## Reporting Cycle

This Report is to be published annually.

## Access to the Report

The English and Chinese versions of this Report can be browsed or downloaded from:

- the Company's official website: <http://www.cnenergy.com.hk>
- HKEXnews website by Hong Kong Exchanges and Clearing Limited: <http://www.hkexnews.hk>

## Contact Us

If you have any opinions regarding this Report, please contact the ESG reporting team via email.

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## 2. Preface

This is the ESG Report of the Group, which is prepared in accordance with the Main Board Listing Rules. The Group continues to monitor the public's expectation of sustainable development and disclosure of ESG information. Stakeholders, including government, stock exchange, investors, professional service providers, customers, employees and other social groups, expect to understand the Group's ESG policies and non-financial risks more thoroughly.

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

Acting in an environmentally responsible manner, the Group endeavours to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. The Group also places high value on the corporate governance practices such as employment, labour practices and operating practices, and the Board of Directors (the "**Board**") firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of the Group and its stakeholders. The Group will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and regulations and the Corporate Governance Code and align with the latest developments.

The Group understands the importance of maintaining a good relationship with its professional service providers, customers and other stakeholders to meet its immediate and long-term goals. The Group commits to operate in a sustainable manner and at the same time maintains the balance of rights and interests between different stakeholders. By regular stakeholder engagements via different channels, the stakeholders are encouraged to express their opinions on the Company's ESG policies. In line with the last reporting period, an ESG survey was conducted with the stakeholders of the Group in order to collect their opinions on the ESG strategy of the Group and help the reporting team to assess the materiality of various aspects from the stakeholder's perspective. The Group understands that a better future depends on everyone's participation and contribution. It has encouraged employees, customers, professional service providers and other stakeholders to participate in environmental and social activities which benefit the community as a whole.

To quantify the effectiveness of our ESG policies and management systems of non-financial risks, the Group has measured and reported on various environmental KPIs in this Report. The measurement and reporting of environmental KPIs is an ongoing and consistent process, allowing for meaningful comparisons of ESG data in subsequent ESG reports.

To prepare and compile this Report, the Group has specifically formed a reporting team consisting of the management and external consultant, which updates the Board on a regular basis regarding the reporting progress. When preparing and compiling this Report, the Group has reviewed its existing policies and achieved a better understanding of the values of ESG reporting. During the reporting process through the approach of measurement, management and changes, the Group hopes to drive improvement and innovation while minimizing the Group's non-financial risks.

The Board of the Company is pleased to present the 2020 ESG Report for the period from 1 January 2020 to 31 December 2020, which outlines the Group's policies and performance in four areas which are environmental, employment and labour practices, operating practices and community investment.

## 3. China Energy Development Holdings Limited

### 3.1 Environmental

The principal activity of CEDHL is investment holdings.

The major sources of emissions of CEDHL were from its office and private cars in Hong Kong.

Due to limited number of employees in Hong Kong, the amount of emission was relatively limited. The major sources of emissions were from air conditioning and electricity used in the office.

In the reporting period, CEDHL has complied with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, that have a significant impact on the Group.

#### **3.1.1 Air and Greenhouse Gas Emissions**

In the reporting period of CEDHL, the source of direct air and greenhouse gas emissions from gaseous fuel consumption was from private cars.

The air emissions of the private cars included nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and respiratory suspended particles, while the greenhouse gas emissions of the private cars include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

Other major direct greenhouse gas emissions were hydrofluorocarbons (HFC) and perfluorocarbons (PFC), which are resulted from the use of air conditioning equipment in the office. The central air conditioning was provided by the property management company, therefore such emission data was not available for collection.

Their major indirect greenhouse gas emission was carbon dioxide (CO<sub>2</sub>) resulted from the generation of electricity which is used in the office.

Other minor and indirect greenhouse gas emissions sources were:

- carbon dioxide (CO<sub>2</sub>) emissions resulted from disposal of office solid waste at landfills;
- carbon dioxide (CO<sub>2</sub>) emissions resulted from the electricity used for processing fresh water and sewage by Water Supplies Department; and
- carbon dioxide (CO<sub>2</sub>) emissions resulted from business air travel by employees.

### **3.1.2 Discharge into Water and Land, and Generation of Hazardous and non-Hazardous Waste**

In the reporting period for CEDHL, the major source of discharge into water was from use of water in the office and the amount of discharge is relatively limited. The processing of fresh water, sewage and solid waste were handled by the property management company or relevant local government departments, therefore such emission data was not available for collection.

Due to their business natures, there is no generation of hazardous waste.

The major source of non-hazardous waste was from the solid waste of the office and the amount of discharge is relatively limited.

### **3.1.3 Policies and Use of Resources**

As enterprises with social responsibility, CEDHL encourages their employees to use their best endeavours to reduce waste and emissions, with a view to contributing to the community and the environment. CEDHL believes in 'many a little makes a mickle', despite the fact that the amount of emission is very limited due to their business natures and relatively passive position in reducing waste and emissions. Regarding emission policies, all emissions are handled by relevant government agencies and property management companies in ways that are in accordance with local laws and regulations. In addition, CEDHL considers the efficient use of resources, such as electricity and water, is of equal importance to emission policies. Efficient use of resources not only can reduce waste and emissions from the sources, but also reduce operating expenses, which is mutually beneficial to the Group and the environment.

Policies relating to reduction of waste and emissions, and efficient use of resources include:

- encourage employees to use their best endeavours to take public transport during business trip;
- encourage employees to reduce unnecessary overseas business trip, thus reducing indirect carbon emissions;
- consider energy efficient products when procuring and replacing equipment, e.g. replacing incandescent lighting with LED lighting;
- turn off electrical appliances or switch them to standby mode when they are not in use, thus reducing the amount of electricity used;
- use duplex printing, recycle papers and use electronic means to reduce paper usage;
- reuse office stationaries (e.g. envelopes and folders);
- turn off all unnecessary lighting, air conditioning and electrical appliances before leaving the office;

- encourage employees to recycle paper, plastic bottle and tin can; and
- encourage employees to recycle equipment such as computers and communication devices through the recycling programme of Environmental Protection Department.

## 3.2 Social — Employment and Labour Practices

CEDHL believes that employees are essential assets in driving corporate sustainable development and long term success, thus maintaining a good relationship with employees is of utmost importance. By regular communication through different channels, the employees are encouraged to express their opinions on the policies relating to employment and labour practices.

In the reporting period, CEDHL has complied with relevant laws and regulations relating to employment, that have a significant impact on the Group.

### 3.2.1 Employment

#### 3.2.1.1 Remuneration

CEDHL has formulated employment policies and guidelines that comply with the employment laws of Hong Kong.

The initial salaries of the employees are based on prevailing local market rate and subject to adjustment based on experiences, qualifications and job positions. To ensure CEDHL can attract and retain outstanding employees, the employees are provided with year-end double pay and remuneration package review on a regular basis.

#### 3.2.1.2 Benefits

CEDHL operates Mandatory Provident Fund Scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to cap of monthly relevant income of HK\$30,000. Contributions to the plan vest immediately.

#### 3.2.1.3 Working Hours

The employees of CEDHL implements 5-day work week with 8 hours a day and 40 hours a week.

Due to operational requirement, employees may be required to work outside the normal working hours. CEDHL encourages the management and employees to maintain a work-life balance, avoid unnecessary overtime and maintain a good corporate culture.



## 3.2.1.4 Holidays

CEDHL provides holidays and leaves for the employees including public holidays, annual leave, sick leave, maternity leave and paternity leave:

- public holidays of 17 days per annum, set by Chapter 149 General Holidays Ordinance of the Laws of Hong Kong. The dates are published in the Government Gazette;
- paid annual leave of not less than 14 days per annum;
- sick leave in accordance with the Hong Kong Employment Ordinance; employees have to provide proper medical certificate;
- 14 weeks of maternity leave, in accordance with the Hong Kong Employment Ordinance; and
- 5 days of paternity leave, in accordance with the Hong Kong Employment Ordinance.

## 3.2.1.5 Recruitment, Dismissal, Equal Opportunity, Diversity and Anti-Discrimination

During recruitment, promotion and daily operation, CEDHL adopts policies relating to equal opportunity which aim to eliminate discrimination of gender, nationality, marital status, religious belief and disability in workplace.

CEDHL has established a complete complaint mechanism. Employees can file complaints to the administration department if discrimination or sexual harassment behaviours are discovered. All complaints filed are confidential and CEDHL is responsible for protecting the legitimate rights and interests of the whistle blower.

CEDHL adopts the Board Diversity Policy in accordance with the requirement set out in the Corporate Governance Code. The Company recognizes that the Board diversity is an essential element contributing to the sustainable development of the Company. In designing the Board's composition, the Board diversity has been considered from a number of aspects, including but not limited to the skills, knowledge, gender, age, cultural and educational background or professional experience. A Board Diversity Policy, with the aim of enhancing the quality of the Board's performance by diversity, was adopted on 27 August 2013 and revised on 31 March 2016.

Dismissal or voluntary termination of employee's contract shall be enforced in accordance with the employment laws of Hong Kong.

## **3.2.2 Health and Safety**

CEDHL is committed to provide employees a safe working environment to protect them from occupational hazards.

During the reporting period, CEDHL has secured employees' insurance policies in accordance with the laws of Hong Kong.

CEDHL has implemented smoke-free workplace policy, which prohibits employees from smoking inside the office including lift lobby and toilet. Employees should ensure that their guests also adhere to the same policy.

If an accident occurs resulting in injury or fire breaks out in the workplace, employees should handle such incident by referring to the companies' internal guidelines with common sense and report to the administration department. First aid box and fire extinguishers are stored in accessible places in the office for emergency.

To prevent influenza and COVID-19 from spreading in the workplace and affecting the health of employees, CEDHL reminds employees to pay attention to personal hygiene practices, including:

- wash hands frequently;
- cover nose and mouth when sneezing or coughing;
- dispose tissue papers properly in rubbish bins;
- put on a surgical mask when having respiratory symptoms; and
- seek medical attention and apply for sick leave if suffering from severe influenza, so as to prevent spreading of infection to colleagues.

Due to employees' prolonged use of computer, CEDHL has provided employees with desks of suitable height and task chairs of adjustable height, and encourages them to pay attention to their usual sitting posture, take breaks and do stretching exercises regularly, thus reducing occupational strain. Employees are also reminded to take safety precautions and use suitable tools when lifting heavy goods or reaching items at height.

In the reporting period, CEDHL has complied with relevant laws and regulations relating to health and safety, that have a significant impact on the Group.

### **3.2.3 Development and Training**

CEDHL values employees' development of skills and knowledges, believing that talent retention can drive innovations and business development, expecting to grow and create values together with the employees.

CEDHL encourages their staff to participate in external seminars and lectures to keep abreast of changes and updates on areas of legal, compliance, financial accounting and reporting, and market industry practices. Through these types of training, CEDHL believes that the Group can increase its efficiency and productivity while overall reduction of risk and uncertainties of the Group can be reduced.

CEDHL encourages continuous professional development training for the directors and senior management to develop and refresh their knowledge and skills which includes seminars and workshops, updates on regulatory requirements and development and corporate governance practices.

In the reporting period, all directors of the Company have participated their own professional training by attending seminar/programme/reading relevant materials in relation to the business on directors' duties, in accordance with the Corporate Governance Code. The company secretary of the Company undertook over 15 hours of professional training to update his skills and knowledge.

On the subject of employees' career prospects, if vacancies or new positions are available, CEDHL shall consider internal promotion or transfer, thus encouraging upward mobility of employees.

### **3.2.4 Labour Standards**

CEDHL strictly complies with the policies and guidelines in the employment laws of Hong Kong, including elimination of child and forced labour. All professional service providers are required to ensure no child nor forced labour are employed. During the recruitment process, the administration department requires candidate to provide identification document to check if the age of candidate complies with the laws.

In the reporting period, CEDHL has complied with relevant laws and regulations relating to labour standards, that have a significant impact on the Group.

## **3.3 Social — Operating Practices**

### **3.3.1 Supply Chain Management**

CEDHL continues to monitor closely on their daily operation and encourages professional service providers to join force in promoting performance of sustainable development. The professional service providers are bound by contracts and the laws and regulations of Hong Kong, ensuring their compliance with laws and regulations relating to environmental and social policies. For instances, they are forbidden to employ under-age labour.

## **3.3.2 Product Responsibility**

CEDHL has formulated regulations relating to software security, network security and privacy, to ensure confidential information are protected and secured.

Employees must strictly comply with anti-virus protection regulations, the highlights are:

- all computers must be installed with licensed software; Employees are strictly prohibited from installing any pirated software;
- anti-virus software must be installed on all computers;
- update the operating system and anti-virus software on a prompt and regular basis, thus fixing security vulnerabilities;
- backup employees' computers and servers on a regular basis, hence protecting possible data loss caused by hardware or software failures; and
- when computers or servers showing signs of anomaly, promptly notify the administration department, and conduct quarantine and inspection based on relevant protocols, so as to minimize potential risks.

To protect confidential information, privacy and interests of CEDHL and its stakeholders, employees must strictly comply with regulations relating to information handling, the highlights are:

- disclosure of the companies' information relating to copyrights, intellectual property rights and other confidential information, to unrelated third parties or employees, is prohibited;
- employees will have to keep such information confidential after resignation;
- To avoid potential leak of information, meeting with clients and visitors should be carried out in conference room, instead of in working area of the office;
- proper networking and server permissions are configured to avoid employee accessing information unrelated to his work; and
- handle personal information in accordance with Personal Data (Privacy) Ordinance.

In the reporting period, CEDHL has complied with relevant laws and regulations relating to product responsibility, that have a significant impact on the Group.

### **3.3.3 Anti-corruption**

CEDHL considers ethical conduct is of utmost importance in corporate sustainable development and long-term success. Employees must comply with relevant laws and regulations in Hong Kong, prohibiting individual and commercial corruption, bribery, extortion, fraud and money laundering.

CEDHL has formulated guidelines relating to anti-corruption, for instance:

- without consent of CEDHL, employees must not offer nor accept any gifts;
- employees endeavours to avoid conflict of interests and they should report such conflict in advance if any; and
- employees discovering any corruption, bribery, blackmail, fraud and money laundering incidents must report to the administration department. All complaints filed are confidential and CEDHL is responsible for protecting the legitimate rights and interests of the whistle blower.

In the event of corruption, bribery, extortion, fraud and money laundering, CEDHL will investigate in depth and take necessary legal actions to protect the rights and interests of the CEDHL and its stakeholders.

During the reporting period, CEDHL has complied with relevant laws and regulations relating to anti-corruption, that have a significant impact on the Group.

## **3.4 Social — Community**

### **3.4.1 Community Investment**

CEDHL is committed to participate in community events from time to time, and to the improvement of community well-being and social services. CEDHL supports and encourages staff to actively participate in a wide range of charitable events outside working hours, to raise awareness and concern for the community, and to inspire more people to take part in serving the community. Due to their business natures, CEDHL does not have any specific policies in relation to community engagement and donation in the reporting period. In the coming year, the management shall review policies relating to community investment and explore the feasibility of increasing community investment activities.

## 4. Karamay Weirun Gas Company Limited

### 4.1 Environmental

KWGCL is principally engaged in distribution of natural gas. Due to the fact that KWGCL distributes its natural gas entirely through third-party pipelines, its operation has limited impact on the environment. In order to protect the environment and natural resources, prevent accidents and mitigate losses caused by accidents, the management of KWGCL has formulated the "Emergency Plan for the Operation of Hazardous Chemicals for KWGCL" (the "**Emergency Plan**"), in accordance with local laws and regulations.

The scope of the Emergency Plan includes but not limited to:

- classification, identification and evaluation of risks of accidents;
- the system and responsibilities of the emergency organization;
- prevention and early warning, including monitoring of sources of hazards and information reporting mechanisms;
- procedures and measures for handling emergency;
- protection of communication, information, supplies and equipment for emergency; and
- training, drills, maintenance and updates.

On top of that, in order to standardise production safety and provide work regulations for the management and employees responsible for the operations and maintenance, KWGCL has formulated a number of management systems and safety systems, including but not limited to: Shift Handover Management System, Duty Regulations, Pipeline Inspection System, Equipment Management System, Dangerous Goods Safety Management System, Natural Gas Safety Data Sheet, Accident Management Measures, Safety Risk Management System, Emergency Rescue Management System, Fire Safety Management System and Hidden Danger Investigation and Governance System.

The main emphasis of the managements systems and safety systems includes but not limited to:

- employees are not allowed to leave the post before the arrival of employees of next shift;
- employees must check the equipment regularly for leakages when on duty;
- employees must pass relevant professional and operational skills training and exams;
- employees must be familiar with the general physical and chemical properties of natural gas, technical process, use and maintenance of testing equipment, and related safety practices;
- critical parts of the pipelines, that may leak when there are construction, passing of heavy vehicles and etc., must be heavily monitored (24 hours on-site monitor is necessary for crucial parts); and
- keep proper inspection records for future verification and inspection.

The major sources of emissions of KWGCL were from the office, dormitory, private cars in Xinjiang and business air travel by employees.

Due to limited number of employees in Xinjiang, the amount of emission from the office and dormitory are relatively limited. The major sources of emissions were from air conditioning, electricity used, water used and natural gas used for heating.

During the reporting period, KWGCL has complied with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, that have a significant impact on the Group.

## **4.1.1 Air and Greenhouse Gas Emissions**

During the reporting period of KWGCL, the source of direct air and greenhouse gas emissions from gaseous fuel consumption was from the private cars.

The air emissions of the private cars included nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and respiratory suspended particles, while the greenhouse gas emissions of the private cars include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

Other major direct greenhouse gas emissions were hydrofluorocarbons (HFC) and perfluorocarbons (PFC), which are resulted from the use of air conditioning equipment in the office and dormitory.

Its major indirect greenhouse gas emission was carbon dioxide (CO<sub>2</sub>) resulted from business air travel by employees and the generation of electricity, which was used in the office and dormitory.

Other minor and indirect greenhouse gas emissions sources were:

- carbon dioxide (CO<sub>2</sub>) emissions resulted from disposal of solid waste at the office and dormitory;
- carbon dioxide (CO<sub>2</sub>) emissions resulted from the electricity used for processing fresh water and sewage for the office and dormitory; and
- carbon dioxide (CO<sub>2</sub>) emissions resulted from the use of natural gas for heating.

## **4.1.2 Discharge into Water and Land, and Generation of Hazardous and non-Hazardous Waste**

During the reporting period for KWGCL, the major source of discharge into water was from use of water in the office and dormitory, and the amount of discharge is relatively limited.

Due to its business nature, the generation of hazardous waste was limited.

The major source of non-hazardous waste was from the solid waste of the office and dormitory and the amount of discharge was relatively limited.



## 4.1.3 Policies and Use of Resources

As enterprises with social responsibility, KWGCL encourages their employees to use their best endeavours to reduce waste and emissions, with a view to contributing to the community and the environment. KWGCL believes in 'many a little makes a mickle', despite the fact that the amount of emission is very limited due to their business natures and relatively passive position in reducing waste and emissions. Regarding emission policies, all emissions are handled in accordance with local laws and regulations. In addition, KWGCL considers the efficient use of resources, such as electricity and water, is of equal importance to emission policies. Efficient use of resources not only can reduce waste and emissions from the sources, but also reduce operating expenses, which is mutually beneficial to the KWGCL and the environment.

Policies relating to reduction of waste and emissions, and efficient use of resources include:

- encourage employees to use their best endeavours to take public transport during business trip;
- encourage employees to reduce unnecessary overseas business trip, thus reducing indirect carbon emissions;
- consider energy efficient products when procuring and replacing equipment, e.g. replacing incandescent lighting with LED lighting;
- turn off electrical appliances or switch them to standby mode when they are not in use, thus reducing the amount of electricity used;
- use duplex printing, recycle papers and use electronic means to reduce paper usage;
- reuse office stationaries (e.g. envelopes and folders);
- turn off all unnecessary lighting, air conditioning and electrical appliances before leaving the office;
- encourage employees to recycle paper, plastic bottle and tin can; and
- encourage employees to recycle equipment such as computers and communication devices through recycling programme.

## 4.2 Social — Employment and Labour Practices

KWGCL believes employees are essential assets in driving corporate sustainable development and long term success, thus maintaining a good relationship with employees is of utmost importance. By regular communication through different channels, the employees are encouraged to express their opinions on the policies relating to employment and labour practices.

In the reporting period, KWGCL has complied with relevant laws and regulations relating to employment, that have a significant impact on the Group.

### 4.2.1 Employment

#### 4.2.1.1 Remuneration, Benefits, Working Hours and Holidays

KWGCL has formulated employment policies and guidelines that comply with the local Employment Law and Employment Contract Law.

The initial salaries of the employees are based on prevailing local market rate and subject to adjustment based on experiences, qualifications and job positions. Performance bonus is determined according to the employee's work performance, labour achievement and actual contribution, and evaluated according to the internal distribution method. To ensure KWGCL can attract and retain outstanding employees, the employee remuneration package shall be reviewed on a regular basis. KWGCL shall reasonably adjust the employee's salary according to the internal salary growth method, the economic benefits of the company, the salary guideline issued by the local labour administrative department, the labour cost information and other systems. If work is suspended due to insufficient production tasks or other reasons, the employees' living expenses shall be paid according to the minimum living security of the city. Employee remuneration is paid monthly on a regular basis.

KWGCL participates in social insurance in accordance with the laws and pays various social insurance premium on time. The part that should be paid by the employees according to the laws shall be withheld and paid by the employees' salary, and the social insurance contribution shall be monitored by and presented to the employees yearly. Employees are entitled to leave and vacation in accordance with the laws, including the national statutory holidays, family leave, marriage and bereavement leave, maternity leave and paid annual leave.

KWGCL has implemented a standard working hour system, employees work on average of no more than 40 hours per week. If employees are required to work overtime due to work requirements, KWGCL should discuss with the labour union to extend the working hours by no more than 3 hours per day, 36 hours per month, and give employees compensation leave or overtime pay according to the laws. If an employee's job duty requires a comprehensive calculation of working hours or irregular working hour system, the system must be approved by the labour administrative department before implementation.

## *4.2.1.2 Recruitment, Dismissal, Equal Opportunity, Diversity and Anti-Discrimination*

The major principle of recruitment is the suitability of the candidates in relation to the positions. Other factors such as required practical knowledge of the position, the quality, working attitude, skill, potential and working experience of the candidates are also considered. During recruitment, KWGCL encourages to provide equal opportunity to people with different social statuses, races and genders, with a view to increasing internal diversity and strengthening competitiveness.

Dismissal or voluntary termination of employee's contract shall be enforced in accordance with the local Employment Contract Law.

KWGCL has established a complete complaint mechanism. Employees can file complaints when:

- having any dissatisfaction with the work or the company; or
- discovering any illegal activities conducted by employee or the company; or
- having any dissatisfaction with the work or the company in relation to providing equal opportunity, diversity and anti-discrimination.

An employee can file the complaints directly to his/her senior or to the administration department. If the reply to the complaint is not satisfactory or if the employee does not want the complaint to be handled by his/her senior nor the administrative department, he/she can report it directly to the general manager. All complaints filed are confidential and KWGCL is responsible for protecting the legitimate rights and interests of the whistle blower.

## **4.2.2 Health and Safety**

KWGCL has provided workplace that meets the national labour hygiene standards in accordance with local labour protection regulations, and effectively protects the health and safety of employees. If an employee is likely to have an occupational hazard during his or her work, KWGCL shall truthfully inform the employee and protect the employee's health and related benefits in accordance with the provisions of the Occupational Disease Prevention and Control Act. If the management has an indifferent act to the employee's life safety and physical health, the employee has the right to criticize and complain to the relevant departments for accusation.

If unfortunate events happen and employees suffer from physical injury when carrying out work duties, the employee can apply for work injury holiday to his or her department. Other policies regarding occupational safety and production safety have been set out in Section 4.1 of this report.

During the reporting period, KWGCL has complied with relevant laws and regulations relating to health and safety, that have a significant impact on the Group.

## **4.2.3 Development and Training**

KWGCL values employees' development of skills and knowledges, believing that talent retention can drive innovations and business development. KWGCL expects to grow and create values together with its employees.

If an employee is required to receive professional technical training, KWGCL shall sign an agreement with the employee to clarify the rights and obligations of both parties, and the training fees shall be paid by KWGCL.

On the subject of employees' career prospects, if vacancies or new positions are available, KWGCL shall consider internal promotion or transfer, thus encouraging upward mobility of employees. External recruitment shall take place if:

- there is no suitable candidate internally; or
- there is not enough workforce internally; or
- talents with professional knowledges or specific skillset are required.

## **4.2.4 Labour Standards**

KWGCL strictly complies with the policies and guidelines in the local Employment Law and Employment Contract Law, including elimination of child and forced labour. All operating units have to ensure no child or forced labour are employed. During the recruitment process, the human resources department requires candidate to provide identification document to check if the age of candidate complies with the laws.

During the reporting period, KWGCL has complied with relevant laws and regulations relating to labour standards, that have a significant impact on the Group.

## 4.3 Social — Operating Practices

### 4.3.1 Supply Chain Management

KWGCL continues to monitor closely on its daily operation and encourages suppliers and contractors to join force in promoting performance of sustainable development. Suppliers and contractors are bound by contracts and the local laws and regulations, ensuring their compliance with laws and regulation relating to environmental and social policies. For instances, they are forbidden to employ under-age labour and the products supplied must meet environmental standards. During procurement, the procurement manager is responsible for selecting and reviewing suppliers. More environmental friendly products or services should be procured when it is feasible, with a view to minimizing negative impacts to the environment and human health, and also conserving natural resources.

### 4.3.2 Product Responsibility

To protect confidential information, privacy and interests of KWGCL and its stakeholder, employees must strictly comply with the terms in the employment contracts and other regulations regarding the code of practice, the highlights are:

- disclosure of information of KWGCL relating to strategies, researches, technologies, financial, clients and other confidential information, to unrelated third parties or employees, is prohibited;
- employees will have to keep such information confidential after resignation;
- To avoid potential leak of information, meeting with clients and visitors should be carried out in conference room, instead of in working area of the office;
- reading other employees' working information, computer and personal items without consent is prohibited;
- permissions must be granted before entry to the finance office or server room with confidential information; and
- proper networking and server permissions are configured to avoid employee accessing information unrelated to his work.

During the reporting period, KWGCL has complied with relevant laws and regulations relating to product responsibility, that have a significant impact on the Group.

### **4.3.3 Anti-corruption**

KWGCL considers ethical conduct is of utmost importance in corporate sustainable development and long-term success. Employees must comply with the Anti-Unfair Competition Law and relevant local laws and regulations, prohibiting individual and commercial bribery, extortion, fraud and money laundering.

KWGCL has established a complete complaint mechanism. If an employee discovers illegal activities within the company, he/she can report it to the administrative department or his/her senior. If the reply to the complaint is not satisfactory or if the employee does not want the complaint to be handled by his/her senior nor the administrative department, he/her can report it directly to the general manager. All complaints filed are confidential and KWGCL is responsible for protecting the legitimate rights and interests of the whistle blower.

If any corruption, bribery, blackmail, fraud and money laundering incidents are discovered, KWGCL will take necessary legal actions to protect the rights and interests of KWGCL and its stakeholders.

During the reporting period, KWGCL has complied with relevant laws and regulations relating to anti-corruption, that have a significant impact on the Group.

## **4.4 Social — Community**

### **4.4.1 Community Investment**

KWGCL is committed to create a positive impact on the communities in which it operates. Employees are encouraged to participate in community projects and activities. Due to its business nature, KWGCL does not have any specific policies in relation to community engagement and donation during the reporting period. In the coming year, the management shall review policies in relation to community investment and explore the feasibility of increasing community investment activities.

## 5. China Era Energy Power Investment (Hong Kong) Limited

CEEPIL, an indirect wholly-owned subsidiary of the Group, entered into a petroleum contract with China National Petroleum Corporation (“**CNPC**”) for the drilling, exploration, development and production of oil and/or natural gas within the specified site located in North Kashi Block, Tarim Basin, Xinjiang, PRC (the “**Petroleum Contract**”).

Pursuant to the Petroleum Contract, CEEPIL shall bear all costs required for the evaluation operations, and the development costs shall be borne by CNPC and CEEPIL in the proportions of 51% and 49%, respectively. In addition, CNPC’s portion of operating costs shall be advanced by CEEPIL and recovered from the production of oil and gas.

Under the terms of the Petroleum Contract, the evaluation costs, development costs and operating costs are to be recovered under mechanisms of cost-recovery and investment-recovery through oil and gas production. The remaining oil and gas production, after deducting cost and all taxes and royalty applicable in the PRC, will be available for profit-sharing as to 51% and 49% between CNPC and CEEPIL, respectively.

As the operation under the Petroleum Contract is jointly managed by CEEPIL and CNPC, disclosure of ESG information of CEEPIL in relation to the Petroleum Contract is subject to approval by CNPC. Upon materiality assessment through stakeholder engagement and discussion with the ESG reporting team, the Group has decided to include CEEPIL in the reporting boundary of this Report. The ESG information of CEEPIL in relation to the Petroleum Contract approved for disclosure is limited, and the Group will endeavour to communicate with our business partners to enhance ESG disclosure of CEEPIL in coming years.

## 5.1 Environmental

CEEPIL is principally engaged in drilling, exploration, development and production of oil and/or natural gas in Xinjiang, PRC.

Following the operation of the new gas processing facilities on 1 July 2020, the Joint Management Committee of North Kashi Block Cooperation Project resolved that the commercial production stage commenced with effect from 1 October 2020.

CEEPIL has compiled the “Environmental Impact Report of the Overall Development Plan” in accordance with local regulations. The Akemomu Gas Field project is a natural gas exploration and extraction project and its environmental impact factors are mainly from gas well and related processes such as drilling, gas production, shaft operation, and natural gas gathering and transportation. The impact results include ecological impacts and environmental pollution caused by pollutants discharged. There are no sensitive areas such as nature reserves, scenic spots, cultural relics and historic sites protection area, and water source protection areas within the scope of the project. There is no fixed and concentrated crowd activity area, except for the company staff working in the gas field area.

During the reporting period, the measured major sources of emissions of CEEPIL are from the office, dormitory and private cars in Xinjiang and business air travel by employees.

Due to limited number of employees in Xinjiang, the amount of emission from the office and dormitory are relatively limited. The major sources of emissions are from air conditioning, electricity used, water used and natural gas used for heating.

During the reporting period, CEEPIL has complied with relevant laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, that have a significant impact on the Group, including but not limited to:

- The Environmental Protection Law of the PRC;
- The Water Pollution Prevention Law of the PRC;
- The Solid Waste Pollution Prevention Law of the PRC;
- Integrated Emission Standard of Air Pollutants of the PRC; and
- Integrated Wastewater Discharge Standard of the PRC.



## 5.1.1 Air and Greenhouse Gas Emissions

The impact of the Akemumu Gas Field project on the atmospheric environment can be divided into two stages, namely the development period and the operation period. The development period is mainly the impact of the flue gas emitted by the high-power diesel engine used in the drilling process on the atmosphere. The impact on the atmosphere during the development period is mainly the flue gas emitted by the high-power diesel engines used in the drilling process, while the impact on the atmospheric environment during the operation period is mainly the combustion flue gas generated by various heating furnaces and boilers.

The exhaust gas during the drilling process in the development period mainly comes from the combustion flue gas generated when the high-power diesel engine is running. The main pollutants are hydrocarbons, nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>). Since the construction during the drilling period is a short-term activity with a short duration, the impact of the construction process on the atmospheric environment is temporary and localized, which ends with the construction. The impact time is short and the impact area is small. The environmental impact of the drilling process during the construction period is relatively light.

The impact of the project on the atmospheric environment during the operation period is a continuous long-term impact. The emissions are mainly from the flue gas discharged from various natural gas-fired heating furnaces and boilers in the gas field and the unorganized volatile hydrocarbon gas in the station. The main pollutants in the combustion flue gas are nitrogen oxides (NO<sub>x</sub>) and soot. The air and greenhouse gas emissions of the project are in compliance with "Ambient Air Quality Standards" and "Comprehensive Emissions Standards for Air Pollutants".

During the reporting period of CEEPIL, the measured source of direct air and greenhouse gas emissions from gaseous fuel consumption was from the private cars.

The air emissions of the private cars included nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and respiratory suspended particles, while the greenhouse gas emissions of the private cars include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

Its major indirect greenhouse gas emission is carbon dioxide (CO<sub>2</sub>) resulted from business air travel by employees and the generation of electricity, which is used in the office and dormitory.

Other minor and indirect greenhouse gas emissions sources are:

- carbon dioxide (CO<sub>2</sub>) emissions resulted from disposal of solid waste at the office and dormitory;
- carbon dioxide (CO<sub>2</sub>) emissions resulted from the electricity used for processing fresh water and sewage for the office and dormitory; and
- carbon dioxide (CO<sub>2</sub>) emissions resulted from the use of natural gas for heating.

## **5.1.2 Discharge into Water and Land, and Generation of Hazardous and non-Hazardous Waste**

During the operation period of the project, the wastewater generated by the production and domestic use are treated and discharged into the evaporation pond, which has little impact on the surface water; the oil and gas pipeline crossing the surface water has good anti-corrosion measures, during its normal operation, it is not easy to leak and the impact on the surface water is also limited. As long as the gas pipeline is regularly inspected for leaks and the leaked products are recovered in time, the impact on the surface water during the project operation period can be reduced to a minimum.

Under normal production conditions, sewage and oil generated during gas field construction and production operations have little impact on the underground water environment. The domestic water consumption of this project is limited and will not affect the underground water in the area. The main water pollutants in the operation period are produced water from gas fields. The produced water mainly comes from the bottom water and edge water of the gas reservoir itself. The produced water of this project will be injected into the stratum after being treated by the sewage treatment device to meet the standard. The sewage evaporation pool of this project has been treated with anti-seepage treatment at the bottom and the wall of the pool, which can effectively avoid the pollution of the underground water in the project area.

The drilling waste generated during the project development period is treated with the drilling waste non-landing treatment technology, no waste liquid pool is built, and the treated waste is used to pave the well site. Domestic waste is regularly transported to sanitary landfills. During the operation period, a certain amount of oil sludge and sludge generated in the storage tank and sewage treatment device in the natural gas processing station are hazardous wastes. They are regularly sealed, loaded and transported to the operation area for temporary storage, and finally they are transported to the environmental treatment station for treatment. The solid waste generated during the development and operation of the project is classified and safely disposed according to its waste attributes and in accordance with the requirements of general solid waste and hazardous solid waste, without adversely affecting the regional environment.

During the reporting period for CEEPIL, the measured major source of discharge into water is from the use of water in the office and dormitory, and the amount of discharge is relatively limited.

The measured major source of non-hazardous waste is from the solid waste of the office and dormitory and the amount of discharge is relatively limited.

## **5.1.3 Policies and Use of Resources**

As enterprises with social responsibility, CEEPIL encourages their employees to use their best endeavours to reduce waste and emissions, with a view to contributing to the community and the environment. Regarding emission policies, all emissions are handled in accordance with local laws and regulations. In addition, CEEPIL considers the efficient use of resources, such as electricity and water, is of equal importance to emission policies. Efficient use of resources not only can reduce waste and emissions from the sources, but also reduce operating expenses, which is mutually beneficial to the CEEPIL and the environment.

Policies relating to reduction of waste and emissions, and efficient use of resources include:

- encourage employees to use their best endeavours to take public transport during business trip;
- encourage employees to reduce unnecessary overseas business trip, thus reducing indirect carbon emissions;
- consider energy efficient products when procuring and replacing equipment, e.g. replacing incandescent lighting with LED lighting;
- turn off electrical appliances or switch them to standby mode when they are not in use, thus reducing the amount of electricity used;
- use duplex printing, recycle papers and use electronic means to reduce paper usage;
- reuse office stationaries (e.g. envelopes and folders);
- turn off all unnecessary lighting, air conditioning and electrical appliances before leaving the office;
- encourage employees to recycle paper, plastic bottle and tin can; and
- encourage employees to recycle equipment such as computers and communication devices through recycling programme.

## 5.2 Social — Employment and Labour Practices

CEEPIL believes employees are essential assets in driving corporate sustainable development and long term success, thus maintaining a good relationship with employees is of utmost importance. By regular communication through different channels, the employees are encouraged to express their opinions on the policies relating to employment and labour practices.

In the reporting period, CEEPIL has complied with relevant laws and regulations relating to employment, that have a significant impact on the Group.

### 5.2.1 Employment

#### 5.2.1.1 Remuneration, Benefits and Holidays

CEEPIL has formulated employment policies and guidelines that comply with the local Employment Law and Employment Contract Law.

The initial salaries of the employees are based on prevailing local market rate and subject to adjustment based on experiences, qualifications and job positions. To ensure CEEPIL can attract and retain outstanding employees, the employee remuneration package shall be reviewed on a regular basis. CEEPIL shall reasonably adjust the employee's salary according to the internal salary growth method, the economic benefits of the company, the salary guideline issued by the local labour administrative department, the labour cost information and other systems.

CEEPIL participates in social insurance in accordance with the laws and pays various social insurance premium on time. The part that should be paid by the employees according to the laws shall be withheld and paid by the employees' salary, and the social insurance contribution shall be monitored by and presented to the employees yearly. Employees are entitled to leave and vacation in accordance with the laws, including the national statutory holidays, family leave, marriage and bereavement leave, maternity leave and paid annual leave.

## *5.2.1.2 Recruitment, Dismissal, Equal Opportunity, Diversity and Anti-Discrimination*

The major principle of recruitment is the suitability of the candidates in relation to the positions. Other factors such as required practical knowledge of the position, the quality, working attitude, skill, potential and working experience of the candidates are also considered. During recruitment, CEEPIL encourages to provide equal opportunity to people with different social statuses, races and genders, with a view to increasing internal diversity and strengthening competitiveness.

Dismissal or voluntary termination of employee's contract shall be enforced in accordance with the local Employment Contract Law.

CEEPIL has established a complete complaint mechanism. Employees can file complaints when:

- having any dissatisfaction with the work or the company; or
- discovering any illegal activities conducted by employee or the company; or
- having any dissatisfaction with the work or the company in relation to providing equal opportunity, diversity and anti-discrimination.

An employee can file the complaints directly to his/her senior or to the administration department. If the reply to the complaint is not satisfactory or if the employee does not want the complaint to be handled by his/her senior nor the administrative department, he/she can report it directly to the general manager. All complaints filed are confidential and CEEPIL is responsible for protecting the legitimate rights and interests of the whistle blower.

## **5.2.2 Health and Safety**

CEEPIL has provided workplace that meets the national labour hygiene standards in accordance with local labour protection regulations, and effectively protects the health and safety of employees. If an employee is likely to have an occupational hazard during his or her work, CEEPIL shall truthfully inform the employee and protect the employee's health and related benefits in accordance with the provisions of the Occupational Disease Prevention and Control Act. If the management has an indifferent act to the employee's life safety and physical health, the employee has the right to criticize and complain to the relevant departments for accusation.

Regarding production safety, CEEPIL has complied with the "Safety Production Law of the People's Republic of China", conducted safety pre-assessment in accordance with local regulations and formulated the "General Response Plan for Emergencies". Employees must strictly implement the relevant requirements of the "General Response Plan for Emergencies", strengthen the training and drills of emergency plans, implement the foundation of emergency rescue work, improve emergency response capabilities, and ensure timely, orderly, effective and correct handling of emergencies in order to minimize potential losses.

If unfortunate events happen and employees suffer from physical injury when carrying out work duties, the employee can apply for work injury holiday to his or her department.

During the reporting period, CEEPIL has complied with relevant laws and regulations relating to health and safety, that have a significant impact on the Group.

### **5.2.3 Development and Training**

CEEPIL values employees' development of skills and knowledges, believing that talent retention can drive innovations and business development. CEEPIL expects to grow and create values together with its employees.

On the subject of employees' career prospects, if vacancies or new positions are available, CEEPIL shall consider internal promotion or transfer, thus encouraging upward mobility of employees. External recruitment shall take place if:

- there is no suitable candidate internally; or
- there is not enough workforce internally; or
- talents with professional knowledges or specific skillset are required.

### **5.2.4 Labour Standards**

CEEPIL strictly complies with the policies and guidelines in the local Employment Law and Employment Contract Law, including elimination of child and forced labour. All operating units have to ensure no child or forced labour are employed. During the recruitment process, the human resources department requires candidate to provide identification document to check if the age of candidate complies with the laws.

During the reporting period, CEEPIL has complied with relevant laws and regulations relating to labour standards, that have a significant impact on the Group.

## **5.3 Social — Operating Practices**

### **5.3.1 Supply Chain Management**

CEEPIL continues to monitor closely on its daily operation and encourages suppliers and contractors to join force in promoting performance of sustainable development. Suppliers and contractors are bound by contracts and the local laws and regulations, ensuring their compliance with laws and regulation relating to environmental and social policies. For instances, they are forbidden to employ under-age labour and the products supplied must meet environmental standards. During procurement, the procurement manager is responsible for selecting and reviewing suppliers. More environmental friendly products or services should be procured when it is feasible, with a view to minimizing negative impacts to the environment and human health, and also conserving natural resources.

## **5.3.2 Product Responsibility**

To protect confidential information, privacy and interests of CEEPIL and its stakeholder, employees must strictly comply with regulations relating to information handling, the highlights are:

- disclosure of information of CEEPIL relating to strategies, researches, technologies, financial, clients and other confidential information, to unrelated third parties or employees, is prohibited;
- employees will have to keep such information confidential after resignation;
- To avoid potential leak of information, meeting with clients and visitors should be carried out in conference room, instead of in working area of the office;
- reading other employees' working information, computer and personal items without consent is prohibited;
- permissions must be granted before entry to the finance office or server room with confidential information; and
- proper networking and server permissions are configured to avoid employee accessing information unrelated to his work.

During the reporting period, CEEPIL has complied with relevant laws and regulations relating to product responsibility, that have a significant impact on the Group.

## **5.3.3 Anti-corruption**

CEEPIL considers ethical conduct is of utmost importance in corporate sustainable development and long-term success. Employees must comply with the Anti-Unfair Competition Law and relevant local laws and regulations, prohibiting individual and commercial bribery, extortion, fraud and money laundering.

CEEPIL has established a complete complaint mechanism. If an employee discovers illegal activities within the company, he/she can report it to the administrative department or his/her senior. If the reply to the complaint is not satisfactory or if the employee does not want the complaint to be handled by his/her senior nor the administrative department, he/her can report it directly to the general manager. All complaints filed are confidential and CEEPIL is responsible for protecting the legitimate rights and interests of the whistle blower.

If any corruption, bribery, blackmail, fraud and money laundering incidents are discovered, CEEPIL will take necessary legal actions to protect the rights and interests of CEEPIL and its stakeholders.

During the reporting period, CEEPIL has complied with relevant laws and regulations relating to anti-corruption, that have a significant impact on the Group.

## **5.4 Social — Community**

### **5.4.1 Community Investment**

CEEPIL is committed to create a positive impact on the communities in which it operates. Employees are encouraged to participate in community projects and activities. Due to its business nature, CEEPIL does not have any specific policies in relation to community engagement and donation during the reporting period. In the coming year, the management shall review policies in relation to community investment and explore the feasibility of increasing community investment activities.



## 6. Environmental Key Performance Indicators

The Group continually improves by managing, monitoring and reporting its environmental KPIs. The tables below present a quantitative overview of our 2020 performance.

### KPI A1.1:

#### The types of emissions and respective emissions data

Item	Unit	2019	2020
Private cars NO <sub>x</sub> emissions	g	26,646	10,439
Private cars SO <sub>x</sub> emissions	g	405	295
Private cars RSP emissions	g	1,962	769

### KPI A1.2:

#### Greenhouse gas emissions in total and, where appropriate, intensity

Item	Unit	2019	2020
<b>Scope 1 — Direct emissions from sources</b>			
CO <sub>2</sub> equivalent emissions from private cars	kg	74,605	54,335
<b>Scope 2 — Energy indirect emissions</b>			
CO <sub>2</sub> equivalent emissions from purchased electricity	kg	24,449	14,865
CO <sub>2</sub> equivalent emissions from purchased natural gas	kg	1,925	342
<b>Scope 3 — Other indirect emissions</b>			
CO <sub>2</sub> equivalent emissions from paper waste	kg	1,842	1,711
CO <sub>2</sub> equivalent emissions from fresh water processing	kg	40	39
CO <sub>2</sub> equivalent emissions from sewage processing	kg	27	27
CO <sub>2</sub> emissions from business air travel	kg	52,051	11,250
Total CO <sub>2</sub> equivalent emissions	kg	154,939	82,568
Revenue	HK\$'000	158,060	173,480
CO <sub>2</sub> equivalent emissions intensity	kg/HK\$'000 Revenue	0.98	0.48

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## KPI A2.1:

### Direct and/or indirect energy consumption by type in total and intensity

Item	Unit	2019	2020
Energy consumption by private cars	kWh	267,248	194,636
Energy consumption by purchased electricity	kWh	34,544	20,347
Energy consumption by purchased natural gas	kWh	9,534	1,692
Total energy consumption	kWh	311,326	216,676
Revenue	HK\$'000	158,060	173,480
Energy consumption intensity	kWh/HK\$'000 Revenue	1.97	1.25

## KPI A2.2:

### Water consumption in total and intensity

Item	Unit	2019	2020
Total water consumption	m <sup>3</sup>	160	158
Revenue	HK\$'000	158,060	173,480
Water consumption intensity	m <sup>3</sup> /HK\$'000 Revenue	0.001	0.001

## 7. Index of Environmental, Social and Governance Reporting

Subject Areas and Aspects	CEDHL	KWGCL	CEEPIL
<b>Subject Area A — Environmental</b>			
<b>Aspect A1: Emissions</b>			
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KPI A1.1 The types of emissions and respective emissions data.	Page 32	Page 32	Page 32
KPI A1.2 Greenhouse gas emissions in total and, where appropriate, intensity.	Page 32	Page 32	Page 32
KPI A1.3 Total hazardous waste produced and, where appropriate, intensity.	Page 6	Page 15	Page 25
KPI A1.4 Total non-hazardous waste produced and, where appropriate, intensity.	Page 6	Page 15	Page 25
KPI A1.5 Description of measures to mitigate emissions and results achieved.	Page 5-6	Page 13-16	Page 23-26
KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Page 6	Page 16	Page 26

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KPI A2.2	Water consumption in total and intensity	Page 33	Page 33	Page 33
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Page 6	Page 16	Page 26
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Page 6	Page 16	Page 26
KPI A2.5	Total packaging material used for finished products and, if applicable, with reference to per unit produced.	Not applicable, due to the Group's business nature, its products do not require packaging material		
<b>Aspect A3: The Environment and Natural Resources</b>				
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.		Page 6	Page 13-16	Page 23-26
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Page 6	Page 13-16	Page 23-26

Subject Areas and Aspects	CEDHL	KWGCL	CEEPIL
<b>Subject Area B — Social Employment and Labour Practices</b>			
<b>Aspect B1: Employment</b>			
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.	Page 7-8	Page 17-18	Page 27-28
<b>Aspect B2: Health and Safety</b>			
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.	Page 9	Page 18	Page 28-29
<b>Aspect B3: Development and Training</b>			
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Page 10	Page 19	Page 29
<b>Aspect B4: Labour Standards</b>			
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.	Page 10	Page 19	Page 29

Subject Areas and Aspects	CEDHL	KWGCL	CEEPIL
<b>Operating Practices</b>			
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure Policies on managing environmental and social risks of the supply chain.	Page 10	Page 20	Page 29
<b>Aspect B6: Product Responsibility</b>			
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.	Page 11	Page 20	Page 30
<b>Aspect B7: Anti-corruption</b>			
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.	Page 12	Page 21	Page 31
<b>Community</b>			
<b>Aspect B8: Community Investment</b>			
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.	Page 12	Page 21	Page 31



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