Jilin Province Chuncheng Heating Company Limited* 吉林省春城熱力股份有限公司

(A joint stock limited liability company incorporated in the People's Republic of China) Stock code : 1853

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2021

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I. INTRODUCTION AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

About the Report

The Environmental, Social and Governance Report (the "Report") summarizes the initiatives, plans and performance of Jilin Province Chuncheng Heating Company Limited (the "Company" or "We"), together with subsidiaries, (the "Group") in the environmental, social and governance ("ESG") aspects, and illustrates the sustainability of its business activities in terms of ESG. The Group adheres to the management policies of sustainable ESG development and is committed to handling the Group's ESG matters effectively and responsibly, which we believe are of great significance for our business and operation.

The ESG Governance Structure

ESG Taskforce (the "Taskforce")	 Collecting relevant information on the ESG aspects for preparing the Report; Examining and evaluating the performances in different sustaiable aspects such as environment, health and safety, labour standards and product responsibilities in the ESG aspects; and Regularly reporting to the Board, assists in identifying and evaluating the Group's ESG risks and the effectiveness of the internal control mechanisms.
Board of Directors (the "Board")	 Assessing and confirming this Report is structured and based on the materiality of ESG aspects and respective issues; Monitoring sustainbility performances through reqularly reviewing ESG-related policies and initiatives; Evaluating, identifying and managing sustainability risks; and Observing closely regulatory requirements, relevant updates and industry practices.

Reporting Framework

The Report has been prepared in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") contained in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

For the Group's corporate governance practices and more information, please refer to the Group's 2021 Annual Report. If there is any conflict or inconsistency, the English version shall prevail. If there is any inconsistency or discrepancy between this Report and the Annual Report of the Group, the Annual Report shall prevail.

Reporting Period

The Report elaborates on the Group's ESG events, challenges and measures during the year from 1 January 2021 to 31 December 2021 (the "Reporting Period").



Reporting Scope

During the Reporting Period, the Group's focused areas and its main businesses were as below:

- Heat supply, the Group's core business (the "Heat Supply") — the Company and its subsidiaries (Jilin Province Xixing Energy Limited ("Xixing Energy"), Changchun Yatai Heating Company Limited ("Yatai Heating") and Jilin Province Biomass Power Limited ("Biomass Power"); and
- (2) Construction, maintenance and design services (the "Construction, Maintenance and Design Services") — the Group relies on the heat supply industry chain to provide integrated services including (i) engineering construction, (ii) engineering maintenance, (iii) design services and others.

The Group adheres to the corporate mission of "leading the development of the industry and sincerely serving the society" and undertakes social responsibilities benefiting the society in order to continuously contribute to both the development of heating business and the stability in the people's livelihood. The Group, as a leader in the heating business, raised awareness on the importance of achieving business success and maintaining longterm competitiveness by implementing corporate sustainability. The Group strives to achieve the new development concepts of "innovation, coordination, green, openness, and sharing". With the continuous enhancement of sustainability being at the core of ESG management, the Group has integrated ESG into routine production and operational practice through reinforcement of corporate governance, innovative implementation for society responsibility, community contribution etc.

This Report follows the ESG Reporting Guide with a complete index in compliance is available at the end of this Report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this Report has complied with all the "comply or explain" provisions set out in the ESG Reporting Guide. This year's Report is further enhanced, with a wider range of key performance indicators ("KPIs"). In line with these standards, key stakeholders, including operation departments, management and independent third parties, were engaged in the material assessment and identification of the relevant and important environmental, social and governance policies, for incorporation in this Report.



Stakeholder Engagement

Stakeholders' participation is an indispensable process for the Group to improve its sustainable development performance continuously. Therefore, the Group values the opinions of various stakeholders on its operation and ESG matters. In order to comprehensively understand, respond to and address the major concerns of different stakeholders, the Group has maintained close communication with all these stakeholders, including but not limited to shareholders/investors, customers, contractors/suppliers, employees, the government and regulators, peers, chambers of commerce, industry associations, non-government institutions and media.

Through the diversified and effective communication channels, the expectations of stakeholders are incorporated into our operation and ESG strategies. The stakeholder engagement and communication channels are as follows:

Major Stakeholders	Communication Channel	Major Concern
Employees	Regular performance appraisals Supervisor and talent evaluation mechanism (talent pool)	Employment and labour practices Development and training
	Channels for employees to express their opinions (such as reporting and complaint systems)	Labour standards
	The trade union and department meetings Internal trainings	Health and safety
Investors/Shareholders	Annual general meeting	Corporate governance
	Annual reports and interim reports, announcements and circulars	Risk management
	Investor meetings	Compliance with regulatory requirements
Customers	Customer service hotlines WeChat account management On-site visits	Quality assurance and facility maintenance Update heating information and problem solving
Business partners/Suppliers	Supplier management meetings and events Supplier on-site audit management policy	Compliance with regulatory requirements Supply chain management
The government and regulators	Annual reports and interim reports, announcements and circulars On-site visits and inspections	Compliance with regulatory requirements
Associations, non-government	Voluntary activities	Environmental protection
institutions and media	Group activities ESG reports	Community investment



Materiality Assessment

The management and employees who perform major functions in the Group have all participated in preparing the Report to assist the Group in reviewing its operation, identifying relevant ESG matters, and assessing the importance of such relevant matters to our business and stakeholders. Information was collected from relevant departments and business units of the Group based on the major ESG matters that had been assessed.

The materiality assessment process of ESG aspects includes: (1) identification of ESG reporting issues; (2) importance to the corporation under industry standard; (3) key ESG area prioritization with stakeholder engagement; and (4) evaluation and endorsement by the management. Based on the results of communication among stakeholders and the management as below:

Labour-related issues

The Group strictly complies with the laws and regulations of the national and local governments, adopted a fair, justice and open recruitment process. Relevant systems have been formulated to eliminate discrimination in the recruitment process, and not discriminate based on factors such as race, gender, skin color, age, family background, ethnic traditions, religion, physical fitness and nationality. To help strengthening the corporate culture and sustainable development, the Group organized the trade union to keep well communication between the management and workers.

Intellectual property rights (IPR) protection

The Group has adopted the smart heating network, 5G transmission, big data analysis and other technologies. Therefore, the Group attached much importance to the protection of intellectual property rights (IPR), including protection of patents, trademarks and copyrights. It has formulated policies and systems of IPR protection in order to continuously improve innovation capability. It also has prevented IPR risks and enhanced IPR protection by considering the factors in the core service content of heat supply business, the important of IPR projects etc.

Community activities

The Group participates in activities, supporting charities and caring for underprivileged groups in society. We believe that every action contributes to a better world.

Customer satisfaction

The Group attaches great importance to delivering high-quality heating services to customers. We value every piece of opinion from our customers regardless of the nature of the feedback. Different communication channels have been established to facilitate the collection of customer's feedbacks. The Group has always been committed to improving the quality of heating services through technological innovation and refined management.

The Group is committed to regularly reviewing relevant issues, through continuously improving its sustainability performance.

During the Reporting Period, the Group confirmed that appropriate and effective management policies and control systems for ESG matters have been established and that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide. Corporate governance is addressed separately in the "Corporate Governance Report" of the Annual Report.

Contact us

The Group welcomes stakeholders to provide valuable advice on this Report or our sustainability performance. Please give your suggestions or share your views with us via email at ccrl-zqb@ccrljt.com.



II. ENVIRONMENTAL

Major scope & aspects

The Group attaches high importance to environmental management in its businesses and has always been committed to fulfilling the responsibility of a state-owned enterprise. Under the leadership of the Board, the Group cooperates with the Changchun Municipal Government to drive the integration of using clean energy and adopting innovative heating technology, and strives to become an outstanding leader in the clean heating industry.

During the Reporting Period, the Group won the awards of the "The Best Investment Value Listed Company (最具投資價值上市公司)", was ranked 123rd in the "2021 China Top 500 Brands (2021中國 品牌500強)" and was awarded as the "2021 China Brand Day — Top 10 Investment Value Brand (2021中 國品牌日●十大投資價值品牌)". Mr. Liu Changchun, the chairman of the Group, was named as the "2021 China Brand Day - Top 100 Outstanding Brand Entrepreneurs (2021中國品牌日•百名優秀品牌企業 家)". Leading by Mr. Liu, the heat supply area of the Group has reached 61,795,000 (2020: 6,020,000) square meters in Changchun and was responsible for the heating work of more than 500,000 households in Changchun as at the Reporting Period. The Group formulates scientific environmental protection and measures by adopting innovative technologies in its operation. The Group also endeavours to fulfil the social responsibility for environmental protection as its efforts to protect the Earth and build a sustainable future for next generations. In order to monitor the environmental management and minimize the impacts of business operation, the Group has formulated relevant policies for environmental management, while complying with relevant laws and regulations and also promoting employees' awareness on environmental protection.

The principal business of the Group is Heat Supply which is required to comply with the national law and regulation of the countries including but not limited to the "Changchun Urban Heating Supply Regulations"《長春市城市供熱管理條例》, the "Work Safety Law of the PRC"《中華人民共和國安全生產法》。 the "Environmental Noise Emission Standards for Industrial Enterprises"《工業企業廠界環境噪聲排放 標準》, the "Clean Heating Plan for Winter in Northern China"《北方地區冬季清潔取暖規劃(2017-2021) and the Fourteenth Five-Year Plan for Modern Energy System 《「十四五」現代能源體系規劃》. The business is complied with the "Implementation Plan of Jilin Provincial to carry out the Three-Year Action Plan for Winning the Blue Skies Defense War"《吉林 省落實打贏藍天保衛戰三年行動計劃實施方案》. These laws, regulations and rules generally govern the legal requirements, technical standards, and the implementation plan of health, safety and environment.

During the Reporting Period, the Group has not committed to any material breaches of the relevant laws, rules and regulations concerning environmental protection.



1. Emissions

General Disclosures and Key Performance Indicators ("KPIs")

During the Reporting Period, the Group's major types of emission were mainly petrol, diesel, electricity, heat, paper and business air travel, which inevitably release nitrogen oxides (NO_x) , sulphur oxides (SO_x), particulate matter (PM) and carbon dioxide (CO_2) into the air. The Group is committed to continuously improving the environmental sustainability of its businesses and ensuring that environmental consideration remains one of its obligations to both the environment and community. Recognizing the potential impacts of its businesses on the environment, the Group has established relevant emission reduction and energy saving initiatives to manage the emissions and minimize environmental impacts of its operations.

The Group strictly complies with the environmental protection laws and regulation that are applicable to the business operations. The Group's legal team has been working closely with the business units to assess the impact of those promulgated environmental protection laws and regulations such as the "Environmental Protection Law of the PRC" 《中華人民共和國環境保護法》, the "Prevention" and Control of Atmospheric Pollution of the PRC"《中華人民共和國大氣污染防治法》, the "Prevention and the Control of Water Pollution of the PRC"《中華人民共和國水污染 防治法》, the "Prevention and Control of Environmental Pollution by Solid Waste" 《中華人民共和國固體廢物防治法》 and the "National Environmental Emergency Response Plan"《國家突發環境事件應急預案》etc.

During the Reporting Period, the Group complied with relevant laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.



1.1 KPIs of Emissions Management

Types of Emissions and Respective Emission Data

The Group's principal business is Heat Supply by the Company, where most of the heat is purchased from local cogeneration plants. In order to meet the capacity of the Group's heating area, the Group also purchased heat sources from peak-shaving boilers invested by the controlling shareholder of Spring City. The Group has adopted the smart heating network, 5G transmission, big data analysis and other technologies which can help to achieve realtime operation monitoring, equipment remote control, automatic output adjustment and problem solving, as well as the collection and analysis of operation data. The scientific and technological achievements on heat supply service improves the quality of heating, operational efficiency, and energy saving. In order to benefit more users, the Group enhances and increase the professional qualifications on the construction, maintenance and design business, actively promotes the intelligent heating network system for optimizing the old heating pipe network to establish an energy-saving, environmentally friendly and GHG emissions reduction-oriented heating mode. The Group launch the smart heat supply network inspection system based on dual-light imaging from drones, which explores the use of drone technology, together with positioning navigation system and operation terminal, to increase leak inspection of heat supply pipelines.

On the other hand, since Xixing Energy continues to use coal-fired boilers to provide part of the heat, it has installed the electrostatic precipitator and flue-gas desulphurization system as well as managed the facilities, equipment, maintenance works, and operation recording by its internal standard of the "Exhaust Gas and Wastewater Discharge Management System". The management measures for exhaust gas from coal-fired boilers are as follows:

- The entire combustion process is operated by a team with certified boiler workers to ensure the proper use of equipment;
- The exhaust gas emission is regularly provided in the "monitoring information record" to monitor the operation of the boiler;
- The desulfurization device should be well performed to control air pollutants in the environment during operation by recording information in the "fuel information sheets" and the "production facility health record";
- In the event where an equipment is abnormal during operation, the emission shall be stopped immediately. It can only be turned on after the problem is solved; and
- The water spray pumper must be turned on when the flue gas generated by the boiler passes through the desulfurization device minimize dust and enters the 100-meter-high chimney to meet the emission standards.



Moreover, while providing construction, maintenance and design services, engineering staffs travel to heating power stations and customer sites by vehicles. The unleaded petrol and diesel consumed also cause air pollutants to be emitted. The treatment methods and emission reduction measures are as follows:

- Adopting a low-carbon travel mode with the concept of "green travel" by encouraging employees to carpool, increase the usage of bicycles and electric vehicles;
- Optimizing operating procedures for increasing the loading rate of vehicles and lowering the idle rate;
- Turning off the engine when the vehicle is not in use;
- Eliminating non-compliant vehicles in accordance with national emission policy regulations; and
- Carrying out regular maintenance and repair of vehicles to effectively reduce fuel consumption and further reduce GHG emissions and exhaust gas emissions.

The Group has formulated relevant policies and procedures to manage the effective use of resources in order to achieve higher energy efficiency and reduce unnecessary material use at corporate offices and daily operations. By adopting the following energy-saving and emission-reduction measures, the Group is actively working to minimize the impact on the environment and continue to respond to environmental issues related to global warming, pollution and environmental diversification.

- Researching and developing the latest low-carbon and energy-saving technologies into the operation in order to deploy the decarbonization efforts;
- Prioritizing the use of equipment and products of low energy consumption and high efficiency;
- Considering the use of renewable energy, whenever appropriate;
- Avoiding unnecessary business trips to reduce carbon emission generated by transportation (eq. air travel);
- Prioritizing the engagement of local suppliers to reduce energy consumption resulting from the transportation of cargoes;
- Ensuring fuel consumption efficiency and road safety by underwent regular maintenance checks with a view to keeping CO₂ emission from the vehicles at the minimum level; and
- Promoting the importance of "reducing carbon emissions" along the supply chain.



KPIs of All Emissions Management

The sources of emissions are mainly from fuel consumption in the use of vehicles and boilers, electricity and natural gas consumption at corporate offices, air travel by employees and paper consumption etc. Due to the Group's effective carbon emission reduction strategies and the epidemic impacts, there was a decrease of 15–20% respectively in each type of emissions compared with the previous year. The tables below set out the Group's overall emission management of each business segment during the Reporting Period.

Exhaust gas emissions¹

Type of emissions	Unit	2021	2020
Nitrogen Oxides (NO _x)	Tonnes	75	90
Sulphur Oxides (SO _x)	Tonnes	109	135
Particulate Matter (PM)	Tonnes	11	13

GHG emissions¹

During the Reporting Period, the GHG emissions of the Group was approximately 221,770.4 tonnes (2020: 273,166.5 tonnes) and

the total GHG emissions per million RMB revenue was 134 tonnes (2020: 144 tonnes). An overview is as follows:

Indicator ¹	Total emissions (in tonnes)	
	2021	2020
Direct GHG emissions (Scope I) — fuel, coal and natural gas consumption	164,421.1	212,896
Carbon removal ² (Scope I) — planting of trees	(4.6)	_
Indirect GHG emissions (Scope II) — electricity consumption	56,122.6	58,984.8
Other indirect emissions (Scope III) — business air travel, paper consumption	1,231.3	1,285.7
Total GHG emissions	221,770.4	273,166.5
Intensity — unit per million RMB revenue ³	134	144

Note:

- Such emission data is calculated in accordance with the emission factors of Appendix 27 to the Main Board Listing Rules and their referred documentation as set out by the HKEX, and the "General Guideline of The Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises"《工業企業溫室 氣體排放核算和報告通則》;
- 2. The tree emission reduction data are calculated based on the number of trees with height of 5 meters or more planted by the Group, and the conversion factors provided by the Hong Kong Environmental Protection Department and the Hong Kong Electrical and Mechanical Services Department; and
- During the Reporting Period, the total revenue of the Group was approximately RMB 1,649,600,000 (2020: RMB 1,896,949,000). Other intensity data in the Report are also measured using this data.



Waste Management

The Group adheres to the principles of waste management and is committed to a sound and proper management of all waste generated during our operation. The Group has also implemented policies to reduce waste generation through environmental education, aiming at waste management from the source.

During the Reporting Period, the Group's waste treatment meets the requirements of relevant laws and regulations.

Non-hazardous waste

For the non-hazardous waste, it is generated from the Group's office operations and daily activities. The Group is committed to establishing an electronic and green headquarters, so all departments make good use of the online system. In order to avoid printing and copying files, general notice and data transmission are carried out through the network system in the office. When it is necessary to copy or print files, the employees can print both sides to reduce the use of paper. They are also encouraged to properly classify waste into recyclable and non-recyclable, such as ash, waste paper or packaging boxes are "recyclable" waste, which is stored in designated collection areas and will be handed over to the recycling companies regularly. Waste disposed by the responsible person in a unified manner and keep the surrounding environment clean. With these measures implemented, employees have enhanced their awareness of waste reduction. During the Reporting Period, the paper consumption decreased by approximately 50% comparing with the previous year.

The table below sets out the data on total waste discharge of the Group during the Reporting Period:

Each waste discharge	Unit (in kg)		
	2021	2020	
Non-hazardous waste — Paper	9,491	18,272	
Intensity — unit per million RMB revenue	5.8	9.6	

Note:

- During the daily operations, the business segments generated an amount of hazardous waste that it is not large. Therefore, the data on hazardous waste was not included in the calculation.
- During the Reporting Period, the company provide the "solid waste management ledger" and all of 16,654.5 tonnes of ash have been handed over to the waste collector for recycling.

Wastewater Discharge

With respect to the wastewater management, the Group ensures all domestic sewage is discharged into the urban sewage pipe network for the proper sewage treatment. The Group advocates water conservation and reduces the generation and waste of domestic wastewater. In view of this, water conservation signs are put up in the pantries, canteens and washrooms to raise employees' awareness of resource conservation for reducing sewage generation. The Group also requires that various chemical and oil contaminants shall not be placed and dumped around the mouth of the domestic waste pipe. In addition, the Group strictly forbids the disposal of pollution sources such as chemicals, oils, solid wastes, etc. at the rainwater pipe network port and separates the rainwater pipes from other sewage ones so that the rainwater can be directly discharged and reused. During the Reporting Period, all domestic sewage by the corporate offices and operations of the Group are considered to be minimal and therefore not reaching to the necessity that requires to be disclosed.



2. Use of Resources/Energy Efficiency Management

General Disclosures and KPIs

The Group upholds and promotes the principle of effective use of resources. To meet the Group's environmental commitments, various efficiency-initiatives have been implemented to minimize resources consumption.

2.1. Energy Consumption

The main types of energy consumed by the Group in its operations include coal, fuel, natural gas and electricity. Its demand for electricity is especially great. The Group has gradually adopted the smart heating network system, which helps it to improve the quality of heating, enhance operational efficiency, and save energy.

Energy consumption control and energy saving measures include, but are not limited to:

 Great attention to the feasibility and benefits of technology research and development in heating business;

- The upgrading of the existing wiring and establishing the special lines for better electricity transmission in order to reduce damage to the wiring; and
- Optimizing equipment management and improving the technique of the operation to enhance the Group's standards of energy saving and management.

During the Reporting Period, the Group implemented lean management, so the consumption of coal, natural gas and electricity have decreased by 30%, 95% and 5% respectively compared with the previous year. By promoting the reform of using official vehicles, the consumption of diesel has also decreased as a result. Although fuel consumption has increased by 15% but diesel consumption has decreased by 95% compared with the previous year.

Types of energy	Unit	Consum	Consumption	
		2021	2020	
Diesel	L	2,812	13,466	
Intensity — unit per million RMB revenue	L	1.7	7.1	
Unleaded petrol	L	97,621	85,839	
Intensity — unit per million RMB revenue	L	59.2	45.3	
Coal	Tonnes	73,128	102,522	
Intensity — unit per million RMB revenue	Tonnes	44.3	54.1	
Natural gas	m ³	4,019	121,698	
Intensity — unit per million RMB revenue	m	2.4	64.2	
Electricity	kWh	77,991,396	81,968,812	
Intensity — unit per million RMB revenue	kWh	47,279	43,210.9	

The table below sets out the data on energy consumption of the Group during the Reporting Period:



Moreover, the Group has gradually replaced coal by natural gas or electricity in its energy consumption, and developed a number of specific energy-saving initiatives to reduce GHG emissions and conserve energy usage at the corporate offices and operation, including:

- Equipment, machines and electronic devices shall be turned off after office hours;
- Indoor temperature is maintained at an optimal level for comfort;
- Facilities shall regularly be checked and maintained to ensure highest energy efficiency;

- Signage is put up at appropriate areas to raise the awareness of energy-saving; and
- LED lighting system is recommended to set up widely in workplaces in order to save energy during the office hours.

2.2 Water Consumption

During the Reporting Period, the Group's main source of water consumption came from the services operation process and the daily use of water by the employees at corporate offices during office hours. The Group monitors water usage on a monthly basis which allows it to monitor and measure the effectiveness of the implement environment practices for water use of each subsidiary. The consumption of water has decreased by approximately 1% comparing with the previous year.

The table below sets out the water consumption level of the Group during the Reporting Period:

Water consumption	Unit (in m³)	
	2021	2020
Water consumption	3,368,228	3,403,973
Intensity — unit per million RMB revenue	2,042	1,794.5

To boost the water consumption efficiency, the Group has adopted the following measures:

- Great attention to the feasibility and benefits of technology research and development in heating business such as the "Energy Saving Enhancement of Circulating Pumps" and gradually transforming the results of technological R&D into actual production;
- Applying water-saving appliances in water facilities as much as possible;

- The faucets should be closed in time after using water to prevent the wastage and leakage of water; and
- If abnormal conditions are detected, the relevant department should be notified in time to prevent any wastage of water resources.

During the Reporting Period, the Group had no problem in sourcing water.



2.3. Paper Consumption

The Group is committed to a paperless operation, constantly encouraging all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative documents. Reusable paper products, such as envelopes, are properly recycled wherever possible and appropriate; the use of disposable paper products such as paper cups and paper towels, are discouraged wherever possible and appropriate during operations.

2.4 Packaging Material

The Group's business did not involve any use of packaging materials. Hence, no policy has been established and no data is available.

The Group will continue to identify and address any potential environmental risk, and will promptly take measures to improve our level of energy consumption.

3. Environmental Protection and Natural Resources Conservation

General Disclosures and KPIs

The Group is highly aware of adverse impact on the environment and natural resources, and thus taking steps to minimize those negative footprints by Heat Supply and Construction, Maintenance and Design Services' operations. In addition to compliance with the laws and regulations including the "Energy Conservation Law of the PRC"《中華人民共和國節約能源法》。 the"Electric Power Law of the PRC"《中華人民 共和國電力法》 the "Law of the PRC on the Prevention and Control of Environmental Noise Pollution"《中華人民共和國環境噪聲污染防治 法》and the"Noise Limits at the Boundary of Construction Sites"《建築施工場界環境噪聲排 放標準》, the Group has integrated the concept of environmental protection into its internal management and daily operation with an objective of achieving environmental sustainability.

3.1. Prevention Measures

The Group always awards energy saving and low carbon as an unremitting work. During the Reporting Period, the Group adopted a series of smart management measures and established a long-term mechanism to further supplement and improve system for managing energy conservation, focus on the source, details and process of energy-saving and achieve the goal of energy-saving and emissions reduction. Meanwhile, in line with the Group's training scheme, it has further put in efforts for promotion and integrates the cultural concept of energy-saving and emissions reduction into employees' daily work.



Heat Supply

The Group places great attention to the effectiveness of technological R&D in heat supply and production, continues to promote technological R&D projects such as the "Energy Saving Enhancement of Circulating Pumps" and the "Smart System for Heat Supply and Energy Saving in Public Buildings", and gradually transforms the results into actual production. In addition, the Group has also commenced technical research projects such as the "Technical Transformation and Improvement Project on Jet Water-Water Heat Exchange Device", and is committed to making progress in improving heat supply efficiency and reducing energy consumption.

Construction, Maintenance and Design Services The Group endeavors to calculate the number of materials needed for the production based on the principle of minimizing surplus materials. The Group has always been persistent with optimizing the heat supply emergency repair process and upgrading repair facilities and equipment to constantly enhance the heat production capability. Investing in technical R&D and intelligent construction can effectively improve the accuracy of leak detection and inspection coverage for heat supply pipelines and achieve the target of energy conservation and emission reduction.

3.2 Noise Management

The Group strengthened the "Noise Control Measures" for operating area, vehicles, maintenance of machinery and equipment and other construction of projects to reduce environmental pollution caused by noise. The responsible departments under each subsidiary manage and supervise the noise during business operations.

During the Reporting Period, no significant impacts of activities on the environment and natural resources.



4. Climate Change

Recognizing the significant threat posed by climate change to the world, the Group has optimized its management approach to build the climate resilience and enhance the adaptive capacity.

4.1 Responding to Climate Change

Responses are also provided in relation to the physical and transformational risks and opportunities assessed by the Group, as follows:

Physical Climate Risks and Opportunities

In the climate risk, the cost of heating for the heat supply segment is significantly affected by the weather conditions during the heating period. The Company needs to purchase more heat to maintain the desired in-room temperature for its customers when the outdoor temperature is low during the heating period, which will increase the overall cost of the heating business and vice versa. The cost of heating for the heat supply business of the Group may increase in the event of the extreme cold winter. Looking forward, the Group continuously invests on the aspects of higher efficient heating systems, deeper recycling of lowcarbon heat sources, development of zerocarbon heat sources, accelerating the adjustment to the heat source structure etc. to expect gradually minimizing the impact of physical climate change on the heating cost.

Moreover, the engineering maintenance and technical services of construction, maintenance and design services segment also need to fully consider the impact of climate change. The members of engineering teams should strengthen the ability of climate adaptation and awareness of natural disasters. In order to enhance effective climate change risk management, the Group has set out relevant standards to formulate risk management measures and response plans.

Transform Climate Risks and Opportunities

Changes in national and local government policies have a profound impact on the industry. In recent years, the PRC government has issued a series of environmental protection laws and regulations to encourage heat supply enterprises to meet emission standards. By enhancing technology research and development and efficient operational management to monitor and improve energy consumption, the Group's carbon emissions can be reduced accordance to regulatory authorities.

Extreme Weather Measures

In order to strengthen action against extreme weather changes, the Group will fully utilize the smart heating network system to regulate its heat supply capacity and adopt an intelligent control system for rational distribution of heat supply in order to cope with the risk of climate change on the Company's cost structure. At the same time, the Group has also formulated the "Annual Heating Supply Operation and Emergency Response Plan". The "Emergency Command Leading Group" was organized to carry out extreme weather assessment, monitoring and process guidance, and mitigation measures. Through these guidelines and measures, the impacts of extreme weather can be eliminated or mitigated in the Group's daily operations.



III. SOCIAL

Major Scope & Aspects

The Group makes an effort to provide a safe working environment for the employees and to care for the overall wellbeing of the employees. In relation to employment and labour practices, the human resources department focuses on employment, health, safety, development and training. The Group complies with laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity and other benefits as well as anti-discrimination law.

1. Employment and Labour Practices General Disclosure

The Group strictly follows the relevant laws and regulations. The Group determines salaries on the principle of fairness and ensures that wages are no lower than the minimum wage in accordance with the "Measures for Employees' Wage Management". Wages in related markets are also referenced, so that the Group can provide attractive compensation. The Group offers a variety of allowances to qualified employees, and provides staff members with retirement protection plans, as stipulated by law and regulations. The Group welcomes diversity in its staff members. Regardless of ethnicity, religion, gender or age, all people receive equal employment opportunity in such matters as recruitment, development, promotion and training.

During the Reporting Period, the Group had 1,665 full-time employees, 1,427 employees of whom worked for the business segment of Heat Supply including 921 employees of whom for the Company, 69 employees of whom for Xixing Energy, 435 employees of whom for Yatai Heating, 2 employees of whom for Biomass Power, and 238 employees of whom for **Construction Maintenance and Design Services** including 66 employees of whom for Changre Pipelines 《吉林省長熱管網輸送有限公司》, 52 employees of whom for Changchun Runfeng 《長春市潤鋒建築安裝工程有限責任公司》, 46 employees of whom for Changre Maintenance 《吉林省長熱維修實業有限公司》。34 employees of whom for Heating Engineering Design《吉林 省熱力工程設計研究有限責任公司》, 29 employees of whom for Changre Electrical Apparatus 《吉林省長熱電氣儀錶有限公司》, 5 employees of whom for Clean Energy《吉林省 春城清潔能源有限責任公司》。1 employees of whom for Hengda New Energy《吉林省恒達新 能源科技發展有限公司》, and 5 employees of whom for Hengxin Electricity《吉林省恒信售電 有限公司》. 31 employees left the subsidiaries due to business restructure. The employee turnover rate is around 1% of which the male and female employees is 1% respectively. In addition, the turnover rate by age category below 30 and between 30 to 50 is also 1% respectively. In talent development aspect, each employee of the Group obtains evaluation through the "supervisor and talent evaluation mechanism", which is classified and managed in the talent pool by technical experience and job level. It is also used as the basis for determining remuneration, allocation and promotion according to the employee's responsibilities, work experience and current market practices.



The Group has participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the regulations including the "Labour Law of the PRC" 《中華人民共和國勞 動法》, the "Labour Contract Law of the PRC" 《中華人民共和國勞動合同法》and the "Social Insurance Law of the PRC" 《中華人民共和國社 會保險法》.

Employee Relations

To help strengthening the corporate culture and sustainable development, the trade union as the party's bridge links the party with workers and implements the "people-oriented" concept. In addition to comprehensive employee benefits, the trade union organizes a wide range of leisure activities. The colleagues not only cooperate with each other, but also improve work skills by learning from other companies. Besides the aim to cultivate a cozy atmosphere, show care for the Group's employees and foster work-life balance among the staff, these can also be further enhanced the cohesion and centripetal force of its employees. Relevant benefits and activities are as follows:

- Distributing holiday condolences to employees during Spring Festival, Dragon Boat Festival, Mid-Autumn Festival, International Women's Day and other festivals;
- Providing condolence money from the trade union to employees who are sick and hospitalized, and whose immediate family have died; as of the Reporting Period, it benefits 71 employees with the amount of RMB120,000 reached.
- Holding various cultural and sports activities, such as the "celebrating Happy Chinese New Year activity", the "professional skill competition", and the "delivery for the notion of PRC digital citizenship" etc.



Employee Benefits and Activities as Followings:

Photo albums (Trade union activities)

- On 2 June, 2021, the employees participated in the "Jilin Province First Urban Heating Industry Vocational Skills Competition" hosted by the Jilin Provincial Construction Trade Union.
- On 13 July, 2021, the employees participated in the "Jilin Province First Urban Heating Industry Vocational Skills Competition Practical Operation Competition" hosted by the Jilin Provincial Construction Trade Union Committee. After fierce competition in the preliminaries and finals, a total of 3 contestants achieved excellent results and won the place of 14th and 16th in the "Jilin Province Welder Competition" and the 45th in the "Network and Information Security Administrator Competition".
- On 22 July, 2021, the Group launched the activity of the "2021 Employee Skills Training and Competition" in order to further promote the spirit of craftsmen, build a skilled enterprise, and establish and improve a long-term incentive mechanism for corporate talent training.





On 8 March, 2021, the holiday condolences were distributed to female employees on the International Women's Day. While expressing condolences to all female employees, the Group also presented to all female employees and their female families of a free basic women health check.





Equal Opportunity

The human resources department conducts a comprehensive recruitment review to ensure that the data provided by the candidates are accurate. The Group's recruitment and promotion process are carried out in a fair and open manner for all employees; employees are recognized and rewarded by their contribution, work performance and skills, and outcomes will not be affected by any discrimination on the grounds of age, gender, physical or mental health status, marital status, family status, race, skin color, nationality, religion, political affiliation and sexual orientation and other factors.

In line with the national "three-child policy", the Group provides comprehensive support to

employees, including 15 days of marriage leave, 15 days of prenatal leave, 158 days of postnatal leave, and 15 days of maternity leave under special circumstances, 15 days of nursing leave for men (all excluding public holidays and national statutory holidays), licensed breastfeeding time, extended maternity leave under special circumstances, etc.; the employees who also accept family planning surgery leave in accordance with the "Jilin Province Population and Family Planning Regulations《吉林省人口與計劃生育條例》".

During the Reporting Period, the Group did not identify any major non-compliance with laws and regulations in relation to the employment practices.

The charts below set out the employees of each business segment of the Group during the Reporting Period:



Total number of employees by categories of business segment





Total: 1,665 employees (at as 31 December, 2021)

Note:

- 1. The category of senior employees of the Group are director grade.
- 2. The category of middle-level employees of the Group includes all ranks of administrators, managers and supervisors;
- 3. The category of general level of the group includes employees of other ranks; and
- 4. This classification for job level is also used on the employees' training hours and percentages of the Group in this Report.



2. Health and Safety General Disclosure

The Group puts particular emphasis on health and safety and attaches great importance to health protection and a safe working environment as it firmly upholds the principle of "prevention and implementing comprehensive management". The security emergency department maintains the risk management system including identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries. We have taken the following measures:

- Installing air purifiers in relatively crowded areas such as conference and meeting rooms;
- Prohibiting smoking and abuse of alcohol and drugs in the workplace;
- Providing clean and tidy rest area such as dressing room;
- Providing adjustable chairs and monitors for eye protection;
- Setting up posters of proper working postures and lifting method accessible on the intranet;
- Providing the Personal Protective Equipment (PPE) products for anti-dust, noise, toxin etc at workplace.
- Conducting fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip them with appropriate knowledge and skills in the event of emergency; and

 Improving the fire evacuation plans by providing first aid kits and fire extinguishers in workplace in response to emergencies.

In order to protect the health of the employees, the Group relieves the financial burden of medical expenses caused by hospitalization and accidents. The group has newly participated in the "Employee Comprehensive Mutual Aid Insurance Plan for Inpatient Medical Care" for all employees as well as comprehensively implemented the "Employee Mutual Aid Insurance Plan for Serious Illness" and the "Female Employee Insurance Plan for Special Illness" at the same time.

Prevention and Control Measures for the Epidemic

In 2020, the Group continued to implement the management and control of the COVID-19 epidemic in the daily operations, it fully demonstrated the responsibility of state-owned enterprises through providing services for people and maintaining social stability. For Heat Supply, each department set up special taskforce to ensure stabilization of heating service for each sector. Moreover, in accordance with notices issued by the "Changchun New Coronary Pneumonia Epidemic Prevention and Control Work Team", the Group strictly implemented the prevention and control of the hygiene for employees, including urging and guiding all departments to strengthen employee health management, well promoting and educating associated safeguard measures, and timely distributing epidemic prevention materials to on-site staffs. The Group ensures physical health of employees and a safe workplace to prevent disruption to all operations.



Safety Management

The Group complied with the "Work Safety Law of the PRC《中華人民共和國安全生產法》" and the "Regulations of Chuncheng on Safe Production 《長春市安全生產條例》", by ensuring that the employees are working in a safe environment; as well as providing induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can. The Group firmly established the concept of safety development implementing the principal responsibilities of safety production, and sturdily promoted the threeyear special rectification action on safety production with the objectives of "preventing risks, eliminating hazards and curbing accidents". Through effective practical work such as the "signing of safety responsibility letters with all production units" and "conducting of special inspections on safety production site management", the Group has enhanced the safety awareness of staff, improved the safety management level, strengthened the effort on safety management, comprehensively improved the quality of corporate safety management and safeguarded the continuous stability for the Group's safety production. During the Reporting Period, the Group did not have any major safety incidents.

The summary of work-related fatalities and injuries in the past of three years:

Item	Unit	2021	2020	2019
No. of Work-Related Fatalities	ppl	_	_	
Rate of Work-Related Fatalities	%	_	—	_
No. of Injuries at Work 2 ppl	ppl	—	1	2
Lost Days due to Injury at Work	days	_	60	14

In the past of three years, the Group did not encounter any severe injuries or casualties, did not record any accidents that resulted in death or serious bodily injury, did not pay any reimbursements or compensations to the Group's employees due to such accidents, and was not aware of any major violations against laws and regulations related to employees' health and safety.



3. Development and Training General Disclosure

Talent development is an important part of the Group's strategy for managing human resources. Being closely related to corporate sustainable development, training can enhance the overall quality of staff members, and this enables them to adapt to new job requirements, as well as improve their capabilities to perform their current duties.

The Group strives to raising the safety awareness of its employees through promotion on bulletin boards and posting of safety signs. More importantly, the Group has also established safety training and education system. Occupational health and safety training courses are conducted regularly to the employees, training topics include general occupational health and safety education, correct usage of personal protective equipment etc. In addition, the certificate of competency is required for professional positions, such as boiler workers, electrical engineers, and welders must be trained by relevant departments and pass the examination before they can take up the job. The mental well-being of employees has been valuable assets for the Group, and the Group has alleviated employees' working pressure through arrangement of various activities such as mental well-being courses and group sharing.

During the Reporting Period, Xixing Energy actively carried out emission reduction and conservation, improved the environmental protection awareness of company employees and provided training and role playing in order to implement the document of the "Notice of Jilin Provincial Department of Ecology and Environment on Doing a Good Job in Revision of Emergency Plans for Heavy Pollution Weather and Emergency Emission Reduction List (Jihuan Daqizi [2020] No. 9)《吉林省生態環 境廳關於做好重污染天氣應急預案和應急減排 清單修訂工作的通知》(吉環大氣字[2020]9號)" and the "Notice of Changchun City Heavy Pollution Emergency Headquarters Office on Printing and Distributing Changchun City's Heavy Pollution Weather Emergency Emission Reduction List (Changgi Yingzhiban [2020] No. 9) 《長春市重污染應急指揮部辦公室關於印發長春 市重污染天氣應急減排清單的通知》 (長氣應指 辦[2020]9號]".

Moreover, the Group held 7 meetings for safety production, organized 48 safety trainings and 68 emergency drills during the year. 23 inspections on grassroot level led by the management and more than 200 inspections led by the safety management department were conducted with a potential hazard rectification rate of 100%.



The table below sets out the employees' training hours and percentages of the Group during the Reporting Period:

		Percentages
Employees' category	Hours	(in %)
Total no. of training hours received/rate of employees trained	253	42
Average no. of training hours per employee/rate of employees trained by level		
Senior	75	1
Middle-level	47	20
General	131	79
Average no. of training hours per employee/rate of employees trained by gender		
Male	196	86
Female	57	14



Photos album (Trainings)

2021 Extreme Air Pollution Emergency Record in the Xixing Energy- Role Playing

The role playing included following the superiors' instructions, handling methods by technicians, and cultivating the good psychological quality, etc., which could train them to response for emergency, practice on-site operation and execute problem solving skill in the extreme air pollution.



Furthermore, the Group encourages and supports employees to participate in personal and professional trainings in response to the relevant evolving market needs, such as changes in laws and regulations, market trends, product trends and customer behaviours. Based on the needs of individual employees, we also provide education allowances to facilitate improvement of their job skills and encourage them to maintain the non-stop learning spirit.



4. Labour Standards General Disclosure

Being fully aware that exploitation of child and forced labour violate human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour. New employees are required to provide true and accurate personal data when they are onboard. Recruiters should strictly review the entry documents including medical examination certificates, academic certificates and identity cards. The Group constantly rejects to engage suppliers and contractors, that hire child labour or forced labour in their operations, to provide administrative supplies and services.

The Group strictly complies with the relevant laws and regulations, including the "Labour Law of the PRC《中華人民共和國勞動法》" and the "Protection of Minors and the Prohibition of Using Child Labour of the PRC《中華人民共和 國未成年人保護法》/《禁止使用童工規定》".

During the Reporting Period, no material noncompliance with the laws and regulations related to the prevention of child labour or forced labour has been found by the Group.

5. Supply Chain Management Mechanism General Disclosure

The Group believes the value in ethics, honesty and integrity, operating in compliance with applicable laws and regulations. The Group encourages the business partners and suppliers to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business. The Group cooperates closely with business partners and suppliers through a comprehensive market analysis and centralized procurement system, and pays attention to the quality of purchased materials throughout the operation process. All the processes for procurement, price control, resource management are carefully monitored and documented. In order to guarantee the safety of our products and services, every single purchase is registered with the authority before being put to use and sale.

In addition to purchasing products and services according to the Group's specified standards of the "Administrative Measures on Suppliers" etc., the Group has developed a business partners and supplier selection mechanism in which it requires the potential business partners or suppliers to comply with all the applicable laws and regulations and confirm their compliance with safety, environment, and social aspects. Inspection and assessments may be conducted by the Group if deemed necessary. To maintain a good corporate control and governance, the Group has developed a series of management system as and procedures in alignment with the Corporate Governance required by the Stock Exchange. The Group is obliged to terminate the cooperation contract with suppliers that may cause or have caused serious pollution or serious social accidents.



During the Reporting Period, the total number of business partners and suppliers were 862 (2020: 738), in which 301 (2020: 194) from the business segment of Heat Supply and 561 (2020: 544) from Construction Maintenance and Design Services. The Group continues to promote the localization of business partners and suppliers and all of them are from the PRC. Under the same terms and conditions, we prioritize a mutually beneficial partnership with local contractors and suppliers. With the application of scientific technology in logistic management, we are committed to shortening material delivery time, while controlling warehouse storage and delivery pressure, reducing vehicle emissions and negative

impact on the environment. The Group believes that through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management.

Fair and Open Procurement

The Group's procurement process strictly implements the "Bidding Law of the PRC" $\langle\!\langle +$ 華人民共和國招標投標法》and is conducted in an open, fair and impartial manner. The Group does not discriminate against any business partners, suppliers, and employees and other individuals who have an interest in the relevant suppliers will not be allowed to participate in related procurement activities.

The chart below sets out the contractors and suppliers of each business segment of the Group during the **Reporting Period:**



Total number of business parteners



6. Product Responsibility General Disclosure

As a leading business in heating industry, the Group keeps good communication with its customers to ensure that it understands and fulfils their needs and expectations, so that the Group can improve the quality of our services in the long run. The Group is committed to "optimizing heating business [優化供熱業務]", the highest standards of services we deliver.

During the Reporting Period, the total number of customers was 505,963 (2020: 505,945) in which 505.783 (2020: 505.788) from the business segment of Heat Supply and 180 (2020: 157) from Construction Maintenance and Design Services. The Group has established stringent processes and systems to ensure that all products and services comply with all the relevant laws and regulations, as well as internal rules including but not limited to the company policy of the "Intangible Access Management"《無形資產管理制度》, the "Consumer Protection Law of the PRC"《中華 人民共和國消費者權益保護法》, the "Advertising Law of the PRC"《中華人民共和國廣告法》and the "Product Quality Law of the PRC"《中華人 民共和國產品品質法》, by ensuring that there are no false and misleading messages in our advertisements and promotion activities.

IPR protection

To facilitate the implementation of the "14th Five-Year" National Science and Technology Innovation Plan"《「十四五」國家科技創新規劃》, the Group continuously contributes to the investment in technological innovation. With the efforts of the technical team, there were a total of 13 (2020: 20) patents issued by the State Intellectual Property Office including invention patents, utility model patents, appearance patents, as well as a total of 37 (2020: 63) computer software copyright licenses by the National Copyright Administration during the Reporting Period. On 27 August 2021, the Group was awarded the "Excellent Organization of the 4th China Heating Academic Annual Conference (2021)" by the China District Heating Association. Therefore, the Group attaches much importance to the protection of intellectual property rights (IPR), including protection of patents, trademarks and copyrights. It has formulated policies and systems of IPR protection, and continuously improved innovation capability, and took into account factors such as core service content of heat supply business and the importance of IPR projects, so as to prevent IPR risks and enhance IPR protection.

Feedback Management

The Group has set up various complaints and feedback channels, such as telephone hotline, wechat, emails and websites, to collect suggestions and advice from customers. For Heat Supply business, the Group adopted the innovative service method "Internet Plus" and mobile app "Heat Supply e-Home" to improve the quality of customer services. It can immediately and widely receive customers' feedback and suggestions in order to solve as many as actual heating problems for them. The business has actively established 980 (2020: 886) groups of heating community management, which can release instant heating information and fulfill customers' demands online. The customer data protection and privacy is followed to company policy of the "Customer Management".

During the Reporting Period, the Group was not aware of any major violations against laws and rules that were related to the health and safety, advertisements, labels, privacy and remedial measures for or of the products and services it offered and that had material impacts on the Group.



The chart below set out the customers of each business segment of the Group during the Reporting Period:



7. Anti-corruption Mechanism General Disclosure

Ethics and integrity are the cornerstones of the Group's success. The Group adopts a zerotolerance approach to bribery, extortion, fraud and money-laundering. All Directors, management personnel and staff members must comply with all relevant national and local laws and regulations on preventing bribery, extortion, fraud and money-laundering in regions and areas where they operate businesses, such as the "Criminal Law of the PRC"《中華人民共和國刑法》and the "Punishing corruption and regulations of the PRC"《中華 人民共和國懲治貪污條例》. All employees not only have responsibility to understand and comply with above policies on preventing bribery, extortion, fraud and money-laundering, but also have an obligation to report violation to the senior management of the Group. Any person who contravenes the regulations will be reported to the authorities.

In order to strengthen the anti-corruption measures, the Board has delegated a team to carry out anticorruption measures, commence special issues auditing and supervision processes in due course, investigate loopholes and rectify faults, and review the legality, reasonableness of practices and stringency of implementing anti-corruption measures in respective businesses. The management of each subsidiary of the Group also dedicates itself to promoting an anti-corruption culture and carrying out the anti-corruption measures. The Group establishes and improves various internal systems to specify the anti-corruption management disciplines and conduct requirements of the Company, so that corruption can be eliminated with the help of an established system and better management approach.



Meanwhile, the Group participates in anticorruption training, campaigns and distributes relevant brochures to educate all employees on how to comply with law and case analysis so as to promote the importance of anticorruption practices. The Group sets up various channels such as telephone hotlines, an email address and mailbox for whistleblowing. Dedicated staff members collect and sort reported information on a regular basis, as well as oversee and investigate reported matters referred to the audit department. The Group also adopts various measures to encourage staff members to proactively report acts of violation of rules and regulations, and strengthens the privacy protection of the whistleblower.

During the Reporting Period, the Group was not aware of any corruption litigation cases against the Group or its staff members.

8. Community Investment

General Disclosure

The Group promotes the social contribution of all members. It attaches great importance to inspiring a sense of social responsibility in employees and encourages them to make a greater contribution to our community both at work and in their spare time.

Photo albums (Community activities)



On 5 March, 2021, the employees of the Youth League participated in the educational activity on the theme of the "learning from comrade Lei Feng".

During the event, they completely removed the posting street tricks and plastic garbage near the Hongcheng International Relocation Building.







In addition, they also distributed free eco-friendly bags and paper towels with the Group's logo to the community neighborhood, and further demonstrate the importance of low-carbon environmental protection, energy conservation and emission reduction in a practical way. Everyone should contribute the construction of a happy and beautiful ecological home.



At the event, the employees built energetic teamwork spirit participating in environmental protection and building a green city together.

• On 21 April 2021, the employees of the Communist Youth League participated in the "Co-planting "Youth Forest" and the "Voluntary Tree Planting" activity by the Jilin Provincial Party Committee, the Communist Youth League Changchun Municipal Party Committee and the Changchun Forestry and Landscape Bureau. The activity demonstrated the yearning and struggle of contemporary youth to pursue a green ecological environment. It is everyone's responsibility to be merciful, stay young, and take care of the environment. Looking ahead, the Group will continue to focus on social activities and motivate employees to actively participate in volunteer services in the future. The Group is committed to increasing social investment and creating a better environment for its society and business.



At the event, the employees orderly joined the queue having clear responsibilities and demonstrating enthusiasm of the labour participation.



IV. CONCLUSION

The Group has conducted the ESG reporting in accordance with the ESG Reporting Guide. All the ESG information available for the Reporting Period are obtained ESG "Key Performance Indicators" information through the Group "Operational Control Mechanism". The Group is evaluating its policies on and procedures for management, as well as the measurement and monitoring of the progress that it makes in its strategy for sustainability. The Group will continue to expand the scope of disclosure and strive to improve its regular ESG reporting in the future.

V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspects, Gene		
Disclosures a KPIs	Description	Relevant Pages In The Report & Remark
Aspect A	Environment	P 6-16
Aspect A.1	Emissions	P 7
KPI A.1.1	Types of emissions and respective emissions data	P 8-9
KPI A.1.2	Greenhouse gas emissions in total and, where appropriate, intensity	P 10
KPI A.1.3	Total hazardous waste produced and, where appropriate, intensity	Not applicable to the Group's core operation.
KPI A.1.4	Total non-hazardous waste produced and intensity	P 11
KPI A.1.5	Description of measures to mitigate emissions and results achieved	P 8–10
KPI A.1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	P 11
Aspect A.2	Use of Resources	P 12–14
KPI A.2.1	Direct and/or indirect energy consumption by type in total and intensity	P 12
KPI A.2.2	Water consumption in total and intensity	P 13
KPI A.2.3	Description of energy use efficiency initiatives and results achieved	P 12–14
KPI A.2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	P 13
KPI A.2.5	Total packaging material used for finished products, and if applicable,	Not applicable to the
	with reference to per unit produced	Group's core operation.
Aspect A.3	The Environment and Natural Resources	P 14–15
KPI A.3.1	Description of the significant impacts of activities on the environment	No significant impacts of
	and natural resources and actions taken to manage them	activities on the
		environment and natural
		resources during the
		Reporting Period.



Disclosures a	nd	Relevant Pages In
KPIs	Description	The Report & Remark
Aspect A.4	Climate Change	P 16
KPI A.4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P 16
Aspect B	Social	P 17–32
Aspect B.1	Employment	P 17–21
KPI B.1.1	Total workforce by gender, employment type, age group and geographical region	P 20-21
KPI B.1.2	Employee turnover rate by gender, age group and geographical region	P 17–21
Aspect B.2	Health and Safety	P 22–23
KPI B.2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting yearNo work-related fatalities during the Reporting Period	P 23
KPI B.2.2	Lost days due to work injury	P 23
KPI B.2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P 22-23
Aspect B.3	Development and Training	P 24–26
KPI B.3.1	The percentage of employees trained by gender and employee category	P 25
KPI B.3.2	The average training hours completed per employee by gender and employee category	P 25
Aspect B.4	Labour Standards	P 27
KPI B.4.1	Description of measures to review employment practices to avoid child and forced labour	P 27
KPI B.4.2	Description of steps taken to eliminate such practices when discovered	No such practices when discovered during the Reporting Period.



KPIs	Description	Relevant Pages In The Report & Remark
Aspect B.5 KPI B.5.1	Supply Chain Management	P 27–28 P 28
KPI B.5.2	Number of suppliers by geographical region Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P 27-28
KPI B.5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P 27–28
KPI B.5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P 28
Aspect B.6	Product Responsibility	P 29-30
KPI B.6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's core operation.
KPI B.6.2	Number of products and service-related complaints received and how they are dealt with	No products and service- related complaints received during the Reporting Period.
KPI B.6.3	Description of practices relating to observing and protecting intellectual property rights	P 29
KPI B.6.4	Description of quality assurance process and recall procedures	Not applicable to the Group's core operation.
KPI B.6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P 29
Aspect B.7	Anti-corruption	P 30-31
KPI B.7.1	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	No concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B.7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P 30
KPI B.7.3	Description of anti-corruption training provided to directors and staff.	P 31
Aspect B.8	Community Investment	P 31-32
KPI B.8.1	Focus areas of contribution	P 31-32
KPI B.8.2	Resources contributed to the focus areas	P 31–32