



Jintai Energy Holdings Limited

金泰能源控股有限公司

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 2728)

2021

Environmental, Social and Governance Report



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Environmental, Social and Governance Report

ABOUT THIS REPORT

Jintai Energy Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”), is pleased to present this Environmental, Social and Governance Report (the “**Report**”) to provide an overview of the Group’s management of significant issues affecting our operations, including environmental, social and governance (“**ESG**”) issues.

Preparation Basis and Scope

This Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” (“**Guide**”) as set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), which discloses our practices and performance over the issue of sustainable development in a transparent and open manner, in order to increase our stakeholders’ confidence in and understanding of the Group.

This Report summarises the performance of the Group in respect of corporate social responsibility. This Report was prepared in both Chinese and English and is available on the Group’s website www.jintaienergy.com. In the event of any conflict or inconsistency between the Chinese and English versions, the Chinese version shall prevail.

This Report focuses on the operation of the Group which are considered as material by the Group during the Reporting Period, that is, the operations relating to energy trading business, operation of digital energy trading park, provision of oil drilling services and custom declaration services. With the aim to improve the disclosure requirements in the Report, the Group takes an initiative to set up policies, record relevant data, implement and monitor measures as well as review the same regularly.

Reporting Period

This Report demonstrates our sustainability initiatives during the reporting period from 1 January 2021 to 31 December 2021 (the “**Reporting Period**”).

Contact Information

The Group welcomes your feedback on this Report to help us improve our ESG performance and reporting. Please send us your valuable opinions on the contents and presentation of this Report by email at info@jintaienergy.com.

REPORTING PRINCIPLES

The Report is aligned with the four reporting principles of “materiality”, “quantitative”, “balance” and “consistency” as follows.

Materiality: We have conducted a detailed materiality assessment to identify and evaluate the substantive topics that post relatively great impacts on the Company and its internal and external stakeholders, so as to determine the reporting scope and required information for the preparation of this report. For details of the materiality assessment, please refer to the section headed “Materiality Assessment”.

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REPORTING PRINCIPLES *(Continued)*

Quantitative: We have disclosed the ESG key performance indicators (“KPI”) in this Report which are supported by quantitative data and measurable criteria. The measurement standards, methodologies, assumption and/or calculation tools of the KPIs are disclosed and explained in this Report.

Balance: We have prepared this ESG report in a balanced way by making fair disclosures on critical aspects and a complete and comparable overview of the ESG’s policies and performance.

Consistency: We have adopted consistent reporting and calculation methodologies in the preparation of this Report. Material changes that may affect the comparison with previous reports have been explained in the corresponding section.

INTRODUCTION

The Group is principally engaged in six businesses which comprises mainly trading of fuel oil and kerosene, fuel oil and kerosene transportation services, operation of digital energy trading park, provision of oil drilling services, provision of customs declaration services, and speaker manufacturing and trading business. The Group has operations mainly in the People’s Republic of China (“PRC”) and Hong Kong. Sustainable development is an integral part of the Group’s business vision and strategy in order to achieve the sustainability and development of the Group’s business. The Group is committed to operating in a manner that is economically, socially and environmentally sustainable while balancing the interests of our various stakeholders and fostering a positive impact on the society. The sustainability strategy of the Group is based on the compliance with the applicable legal and regulatory requirements, principles of sustainability and opinions from stakeholders. The Group has established and implemented various policies to manage and monitor the risks related to the environment, employment, operating practices and to enhance our social responsibility in the community. Details of the management’s approaches to sustainable development of different areas are illustrated in this Report.

ESG STRATEGIES

The Board of Directors of the Company (the “Board”) has the overall responsibility for the ESG strategies and reporting of the Group in the followings:

- Determine the overall ESG management policies, strategies, priorities and objectives;
- Evaluate the ESG-related risks of the Group;
- Ensure appropriate and effective risk management and internal control systems are well equipped to the Group;
- Review the ESG’s work progress and performance on a regular basis;
- Take appropriate measures and make recommendations in a timely manner regarding the key risks and policies implementation; and
- Review and approve the disclosure of information in the ESG Report of the Group.

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STAKEHOLDERS COMMUNICATIONS

As stated by the Stock Exchange, stakeholder engagement is a widely-employed method for assessing materiality. By communicating with the stakeholders, corporations are able to understand their wide ranging opinions, and identify crucial environmental and social issues.

For the Group, stakeholders refer to groups and individuals who have significant influence over the Group's business, or those who may be influenced by the Group's business. The Group's stakeholders include not only internal staff, management and directors, but also our shareholders and investors, external customers, business partners and suppliers, regulators and various community groups. In the Reporting Period, we have communicated with key stakeholders in various ways. In the preparation of this Report, the Group has conducted a substantive analysis by interviewing with the management to clarify important reporting issues and to determine the direction of the Group's sustainable development.

Methods of Communications with the Stakeholders during the Reporting Period

Internal stakeholders

- Directors of the Company
- The Management
- Executive officers
- General staff

External stakeholders

- Shareholders and investors
- Banks
- Government and regulatory authorities
- Customers
- Suppliers
- Public and communities

Methods of communications:

The Group communicates with stakeholders through various channels, such as meetings, emails, teleconferences, interviews, website, site visits, trainings, annual and extraordinary general meetings and annual reports.

MATERIALITY ASSESSMENT

According to the actual development of the Group and its ESG system, as well as the ESG substantive topic analysis model of the Company, substantive topics that post relatively great impacts on the Company and its stakeholders were identified. The Group invited certain internal and external stakeholders to participate survey and carry out the materiality assessment of ESG to further determine the focus of the ESG report.

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MATERIALITY ASSESSMENT *(Continued)*

The steps for assessing the materiality and importance of the ESG aspects are set out as follows:

Step 1: Identification

The relevant ESG substantive topics were identified by the Group through the review of the actual development of the Group and the latest sustainability trends in the industry as well as and the requirements of “ESG Reporting Guide”. 22 potential substantive ESG topics with relatively significant impacts to the Group’s business and stakeholders were identified:

ESG Aspects		No.	Substantive ESG Topics
A. Environmental	Aspect A1: Emissions	1	Pollutant emission
		2	Non-hazardous waste discharge
	Aspect A2: Use of Resources	3	Energy consumption
		4	Water consumption
		5	Efficient utilization of resources
	Aspect A3: Environment and Natural Resources	6	Energy saving measures
		7	Green finance development
	Aspect A4: Climate Change	8	Climate change
B. Social	Aspect B1: Employment	9	Equal opportunities
	Aspect B2: Health and Safety	10	Occupational health and safety
		11	Employment environment improvement
	Aspect B3: Development and Training	12	Employee training and education
	Aspect B4: Labour Standards	13	Prohibition of child and forced labour
	Aspect B5: Supply Chain Management	14	Management of social responsibility of suppliers
		15	Supply chain management
	Aspect B6: Product Responsibility	16	Quality of products and services
		17	Quality control management
		18	Complaints handling
Aspect B7: Anti-Corruption	19	Consumer privacy protection	
Aspect B8: Community Investment	21	Anti-corruption and anti-money laundering	
	22	Community investment	

Step 2: Research and Analysis

The Group communicated with stakeholders by conducting questionnaires to assess the substantive ESG topics that they consider to be important to the Group’s strategic and business development.

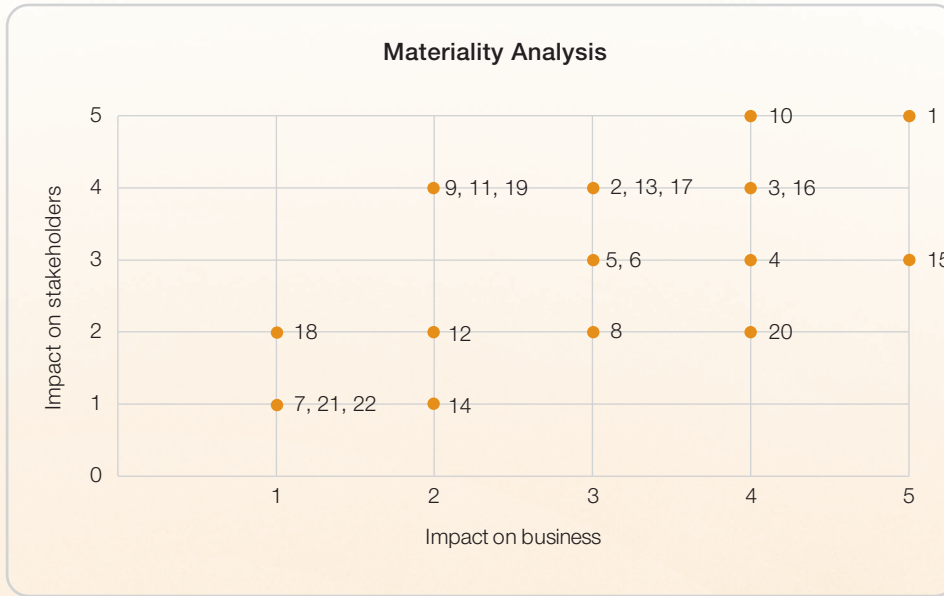
Step 3: Prioritisation

All the substantive ESG topics were prioritized based on the materiality assessment result. The Group takes into account the materiality to stakeholders and materiality to business that are important to the business development and the materiality analysis shown as below. The substantive ESG topics that fall within the top right-hand part are of the greatest importance.

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT *(Continued)*

Step 3: Prioritisation *(Continued)*



A: ENVIRONMENTAL ASPECTS

A1: EMISSIONS

The Group is committed to supporting environmental sustainability. The Group strictly abides by the national and regional environmental laws and regulations such as the Law of the PRC on Environmental Protection 《中華人民共和國環境保護法》, the Law of the PRC on Evaluation of Environmental effects 《中華人民共和國環境影響評價法》, the Law of the PRC on the Prevention and Control of Environment Pollution by Solid Waste 《中華人民共和國固體廢物污染環境防治法》 and the Law of the PRC on Pollution Prevention and Control (《中華人民共和國污染防治法》), and implement environmental protection policies, to ensure our fulfilment of environmental protection obligations, and monitor and manage the emissions generated during the Group’s operation.

The air pollutants and greenhouse gas emitted by the Group were mainly from fuel consumption during the operations and transportation. It is key to implement emission control measures to reduce the environmental impacts as well as to protect the health of employees. The Group causes direct and indirect emission of greenhouse gas as a result of its operations in our head office. The Group strives to mitigate the generation of air pollutants, direct and indirect emissions by gradually switching to a low-carbon business model and exploring other sustainable investments opportunities. The Group also arranged virtual meetings to replace physical meetings and work from home arrangements to minimize physical travelling which led to reduction in emissions of air pollutants and greenhouse gas emission during the Reporting Period.

Description of air pollutants	Unit	Total amount in 2021	Total amount in 2020	Changes
Nitrogen oxides (NO _x)	kg	0.63	0.84	Decreased by 0.21
Sulphur dioxide (SO _x)	kg	0.008	0.011	Decreased by 0.003
Particulate matter (PM)	kg	0.05	0.06	Decreased by 0.01

Environmental, Social and Governance Report

A: ENVIRONMENTAL ASPECTS *(Continued)*

A1: EMISSIONS *(Continued)*

Description of GHG emissions	Unit	Total amount in 2021	Total amount in 2020	Changes
Scope 1 — direct emissions	mt	1,335	1,760	Decrease by 425
Scope 2 — indirect emissions (electricity)	mt	9	8	Increase by 1
Scope 3 — Other indirect emissions (employees taking business trips by planes)	mt	0.28	0.13	Increase by 0.15
Total emissions	mt	1,345	1,768	Decrease by 423
Total emissions density — by employee	Per employee/mt	7.8	7.6	Increase by 0.2
Indirect emissions density — by employee	Per employee/mt	0.05	0.03	Increase by 0.02

The Group's core business, i.e. energy trading business, operation of digital energy trading park and drilling services is closely related to the natural resources. The Group will continue to take environmental and social factors into consideration when providing its services and to explore business opportunities for sustainable development.

The Group's operations do not involve the production of hazardous wastes. Regarding the non-hazardous wastes of the Group, it is mainly generated from the office of the Group. The Group strives to reduce the amount of wastes generated from office operations and strengthen the environmental awareness of employees by launching waste recycling and implemented different measures including used paper and plastic materials are collected in the office for recycling purpose, encourage employees to reuse stationery and have double-sided printing. The Group hopes to ease the pressure on landfill space and protect the environment.

Description of resource consumption/emissions	Unit	Total amount in 2021	Total amount in 2020	Changes	Unit	Total amount in 2021	Total amount in 2020	Changes
Hazardous waste	mt	nil	nil	N/A	Per employee/mt	nil	nil	N/A
Non-hazardous waste — sewage and solid waste in offices	mt	1,269	2,454	Decrease by 1,185	Per employee/mt	6.9	10.7	Decreased by 3.8

During the Reporting Period, the Group did not have any material non-compliance relating to air and greenhouse gas emissions ("GHG emissions"), generation of hazardous and non-hazardous wastes.

The Group monitors and reviews its operation processes regularly which aims to reduce air-pollutants, emissions, non-hazardous wastes and energy consumption. For the year 2022, the Group will continue to strengthen the improvement measures and management approaches of waste emissions, and targets that the major air pollutants, emissions and non-hazardous wastes in 2022 will be lower than that of 2021.

A2: USE OF RESOURCES

In addition to adjusting its business development strategy, the Group places equal emphasis on applying green office practices in our daily operations. The use of electricity is one of the main energy and resource consumption. Under the "Office Management Regulations of the Group", energy conservation is set as one of the Group's employee discipline requirements. The employees are expressly required to turn off idle lights, computers, air conditioners and other electrical appliances to reduce energy consumption.

Environmental, Social and Governance Report

A: ENVIRONMENTAL ASPECTS *(Continued)*

A2: USE OF RESOURCES *(Continued)*

Description of resource consumption/emissions	Unit	Total amount in 2021	Total amount in 2020	Changes	Unit	Total amount in 2021	Total amount in 2020	Changes
Electricity	KWh	14,251	13,245	Increase by 1,006	Per employee/KWh	83	58	Increase by 25

Papers is another resource which is heavily consumed by the Group in our office operations. The Group encourages employees to reduce paper consumption by implementing the "Office Management Regulations of the Group on Reducing Paper Consumption" (the "Regulations") and by posting reminders in the offices. The Regulations specify the methods to reduce paper consumption, including double-sided printing, electronic file transmission whenever possible, and font and page margin resizing so as to encourage employees to develop a habit of using less papers in their daily works. In addition to reduce wastes at source, the Group requires that recycled papers be used for printing name cards or envelopes whenever possible. We also place recycling bins in the office to collect and recycle paper that is fit for re-use. To ensure that the Regulations are properly observed, the Group has designated employees responsible for monitoring paper consumption.

Description of resource consumption/emissions	Unit	Total amount in 2021	Total amount in 2020	Changes	Unit	Total amount in 2021	Total amount in 2020	Changes
Paper	kilogram	436	755	Decrease by 319	Per employee/kilogram	3	3	N/A

The efficient use of water resources is also one of the Group's initiatives to promote resources conservation, in addition to the conservation of the usage of electricity and paper. The Group's water consumption is relatively insignificant and it mainly involves the use of tap water in our office operations. The Group did not have any issue in sourcing water that is fit for purpose. With the implementation of our "Pantries Management Regulations" and the posting of reminders, employees are encouraged to conserve water. The Group's daily operations do not involve large amount of pollutants such as exhaust gas emissions and wastewater discharge. During the Reporting Period, the Group did not have any non-compliance relating to discharges into water and land.

Description of resource consumption/emissions	Unit	Total amount in 2021	Total amount in 2020	Changes	Unit	Total amount in 2021	Total amount in 2020	Changes
Water	cubic meter	458	417	Increase by 41	Per employee/cubic meter	3	2	Increased by 1

A3: THE ENVIRONMENT AND NATURAL RESOURCES

With the aforementioned measures to reduce emissions, waste and resources consumption, the Group strives to enhance environmental sustainability and minimize its negative impacts on the environment and natural resources. The Group has established environmental policies and procedures to assess the environmental risks and adopted measures to reduce the relevant risks.

A4: CLIMATE CHANGE

The Group is aware that climate changes would have significant impact on its business operations and its property may be damaged by extreme weather conditions, e.g. typhoons and rainstorms, which may further affect the safety of employees. During the Reporting Period, the Group identified, evaluated and managed the climate-related risks. The Group closely monitored the impact of climate change to mitigate the potential risks. In order to safeguard the safety of the employees under extreme weather conditions, the Group has set up typhoon and rainstorm arrangements.

In the future, the Group will continue to closely monitor the effect and potential risks of climate change, and to improve and implement the measures taken to reduce such climate-related risks.

Environmental, Social and Governance Report

B: SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

B1: EMPLOYMENT

Staff are the most valuable asset of the Group and the cornerstone of its continued growth. The remuneration and benefits provided by the Group to its staff are in compliance with the relevant laws and regulations in China, and are no less than the statutory minimum wages and compensation under any circumstances. With the commitment to the philosophy of “maintaining balance between employee benefits and shareholder interests”, the Group provides competitive remuneration packages for its employees. After one year of service with the Group, employees will be assessed in terms of their capabilities and performances, and provided with opportunities for salary increment or promotion if appropriate as an incentive to attract and retain outstanding and competent staff to boost the sustainable development of the Company. With respect to employee benefits, the Group treats every employee equally, regardless of their positions, gender, age, nationality, marital status, disability, race, colour and religion. So far, the Group strictly prohibits any kind of discrimination at workplace, and aims to provide a more equitable working environment for its employees.

The Group is committed to creating an environment where our staff can strike a work-life balance. The Group is in compliance with 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), Employment Ordinance (Chapter 57 of the laws of Hong Kong) and the relevant laws and regulations. The Group did not have any non-compliance relating to employment and labour practices during the Reporting Period. In addition to strictly comply with the national legal and regulatory requirements for employees' working hours and providing employees with statutory holidays, the Group also provides extra holidays to employees to meet the needs of their personal life. For example, employees who have served the Group for over two years are entitled to have paid maternity leave.

Summary of Employment Performance Indicators

Gender	Aged under 30		Aged 30-50		Aged over 50		Total number of employees		Male to female ratio		Changes
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	
Male	11	30	44	68	11	21	66	119	0.63:1	1.07:1	Decrease by 53
Female	22	26	72	74	11	11	105	111			Decrease by 6

Ratio of Average Remuneration between Male against Female

2021	2020
1.60:1	1.06:1

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B1: EMPLOYMENT *(Continued)*

Summary of Employment Performance Indicators *(Continued)*

Employment Type	Number of employees	
	2021	2020
Full-time	171	230
Part-time	0	0

Employment Category	Number of employees	
	2021	2020
Senior Management	20	20
Middle Management	48	49
General	103	161

Geographical Region	Number of employees	
	2021	2020
PRC	170	227
Hong Kong	1	3

Resigned Employees	Aged under 30						Aged 30–50		Aged over 50		Percentage of resigned employees to total number of employees	
	2021		2020		2021		2020		2021		2020	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020		
Male	17	22	37	9	14	3	68	34	103%	29%		
Female	23	15	17	4	0	1	40	20	38%	18%		

Resigned Employees	Turnover rate ¹	
	2021	2020
PRC	54%	37%
Hong Kong	67%	–

1. Turnover rate refers to total number of resigned employees divided by the average number of employees during the Reporting Period

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B2: HEALTH AND SAFETY

There are no operation at the Head Office of the Group which may expose our staff to high risks of occupational hazards. Nevertheless, the Group prescribes rules on occupational safety in the “Employee Manual”, aiming at creating a safe and comfortable work environment for our employees. For example, fire extinguishers are placed in the office, which are checked regularly on a monthly basis. Employees are provided with proper trainings on how to use fire extinguishers so as to raise their safety awareness and their capabilities to handle emergency. The Group also implemented measures to prevent occupational hazards in office operations including placing warning signs at those facilities and machines that may cause potential hazardous or cause accidents to staffs. The Group inspected the workplace regularly to ensure that safe working environment is provided to the employees. The Group did not have any non-compliance with the relevant laws and regulations relating to provision of a safe working environment and protection of employees from occupational hazards during the Reporting Period.

Response to COVID-19 Pandemic

During the Reporting Period, the COVID-19 pandemic is still spreading over the world and the following measures was adopted in order to protect the life and health of all the employees:

- Strictly required all the employees to wear masks in all work places and avoided physical contact as far as is practicable;
- Strictly complied with all the precautionary regulations by the local governments;
- Disinfected and cleaned the office areas regularly;
- Monitored the body temperature of all employees daily and provided sufficient surgical masks and alcohol-based sanitisers to employees;
- Adopted flexible work arrangements including work from home and work on shift to ensure social distancing;
- Tried to arrange virtual meetings instead of physical meetings in order to lower the risk of virus spreading.

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B2: HEALTH AND SAFETY *(Continued)*

Summary of Health and Safety Performance Indicators of Employees

Gender	Number of work injury cases	Rate of work injuries (per thousand employees)	Number of working days lost due to work injuries	Number of working days	Percentage of working days lost due to work injuries	Total hours of absence	Total working hours	Total absence rate
2021								
Male	0	0	0	10,177	0%	0	79,381	0%
Female	0	0	0	16,191	0%	0	125,480	0%
2020								
Male	0	0	0	13,708	0.04%	2,224	105,626	1.9%
Female	1	0	9	11,371	0.04%	1,450	88,176	1.9%

B3: DEVELOPMENT AND TRAINING

Outstanding and competent employees are the most valuable key to our success. The Group treats them as the most important assets. It is the Group's belief that the cultivation and retention of outstanding and competent employees is the key to ensure our development and strengthening our competitiveness. The Group considers the staff as its strategic partners, and provides staff training and development plans in a systematic way. Each of our employees caters for the actual needs of different departments and roles and enable them to be capable of working in all aspects. The Group also provides training programmes for new recruits in various areas, including induction training, corporate culture, system learning, introduction to product knowledge and purposes of all product lines, anti-corruption and anti-commercial bribery management, office management and safety, so as to enable employees to keep improving in all aspects, including job skills and professional capabilities.

Our Training Programmes During 2021

Training Programmes/Content	Trainees	Form of Training	Time
New employee training	New employees	Internal training	As needed
Introduction of staff handbook, attendance record and promotion mechanism	New employees	Internal training	June 2021
Introduction to administrative structure, management system and digital platform	New employees	Internal training	September 2021
Operation procedures and financial policies	All personnel	Internal training	April 2021
Use digital media to develop business	All personnel	Internal training	May 2021
Emergency plan for fire extinguishing	All personnel	Internal training	July 2021
Enterprise risk control management	All personnel	Internal training	August 2021
Basic knowledge of traffic safety	All personnel	Internal training	October 2021
Procurement management, anti-corruption and anti-money laundering	All personnel	Internal training	November 2021
Enterprise digital standardization training	All personnel	Internal training	December 2021
Hazardous chemicals enterprise safety training	Operation staffs	Internal training	April 2021

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B3: DEVELOPMENT AND TRAINING *(Continued)*

Summary of Development and Training Performance Indicators

Gender	Percentage of employees trained	
	2021	2020
Male	98%	95%
Female	99%	98%

Employee category	Percentage of employees trained	
	2021	2020
Senior Management	100%	95%
Middle Management	98%	98%
General	98%	99%

Gender	Average training hours completed per employee	
	2021	2020
Male	13.8	19.0
Female	13.0	19.0

Employee category	Average training hours completed per employee	
	2021	2020
Senior Management	17.4	18.9
Middle Management	13.9	18.9
General	12.2	18.9

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)*

EMPLOYMENT AND LABOUR PRACTICES *(Continued)*

B4: LABOUR STANDARDS

The Group recognizes that employing child labour or forced labour are violations of basic human rights and international labour conventions, and poses threats to the sustainable development of the society and the economy. The Group strictly abides by the Labor Law of the People's Republic of China. Further, the Group will only enforce the requirements in a standard labour contracts instead of setting unfair restrictions on the employment relations between any employee and the Company in any manner. The Group strictly prohibits the use of child labour and forced labour. Subject to the relevant laws and regulations, employees have the right to terminate their labour contracts at liberty.

During the Reporting Period, the Group was not aware of any material non-compliance with child or forced labour related laws and regulations that would have a significant impact to the Group, including but not limited to the Law of the PRC on the Protection of Minors, the Labour Law of the PRC, the Labour Contract Law of the PRC, the Employment Ordinance.

OPERATING PRACTICES

B5: SUPPLY CHAIN MANAGEMENT

In a globalized economy, outsourcing is a common business practice for companies. However, outsourcing does not mean that a company can escape its responsibilities or risks arising from poor ESG performance of the third party supplier or service provider. The Group realizes that the Group should play a role in every stage of the entire cycle of its products and services, and that proper management of the supply chain is critical for the Group to maintain its reputation, ensure business sustainability, and manage operating costs.

The Group has established a supply chain management mechanism, which takes quality, capability, service, environmental protection and work safety as prerequisites for the selection of suppliers. Before engaging new suppliers, the staff of relevant departments are required to examine their qualifications and complete a "Supplier Examination Form". The Group will take into account various factors such as whether the supplier is subject to any controversial practice, complaint, punishment, legal dispute, industry qualification, certification, safety management, environmental protection, employee health and social responsibility. Only entities that meet all our requirements upon examination can be selected by the Group as its qualified service providers.

The Group maintains a long-term cooperative relationship with key suppliers at strategic level, establishes supplier profiles and assesses the performance of each supplier. In its day-to-day operations, the Group meets the suppliers on a regular basis to gain a better understanding of their operations and share industry updates and market information, in order to ensure a smooth exchange of information for timely management. In the future, the Group will place more importance on ESG performance of its business partners by taking environmental and social factors into consideration for its supply chain management and require our business partners to pay more attention to their performance in sustainable development.

Amid intense competition in the current market environment, our customers have become increasingly demanding on the quality of products and services. Moreover, the Group realizes that our customers are very concerned about the quality of energy products provided by the Group. As an energy trader, the Group ensures that the quality of all products it purchases and sells comply with all applicable international standards and PRC laws and regulations, and leads the Group and its customers to achieve a win-win situation.

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)* OPERATING PRACTICES *(Continued)*

B5: SUPPLY CHAIN MANAGEMENT *(Continued)*

Summary of Supply Chain Management Performance Indicators

Geographical Region	Number of suppliers	
	2021	2020
PRC	138	121

B6: PRODUCT RESPONSIBILITY

The quality and transportation of all oil products purchased and sold by the Group strictly complies with all applicable international and domestic laws and regulations, including those related to environmental protection. The Group provides a commodity inspection report issued by SGS, an independent global leading inspection, verification, testing and certification company, to ensure the quality of the oil products. As oil products are dangerous goods under statutory regulations, the Group is extremely concerned about safe operations in those processes as such loading, transporting and warehousing during trading. Pursuant to the “Regulations on the Safe Management of Hazardous Chemicals”, oil products shall be properly stored in dedicated warehouses, premises or storage rooms equipped with fire-extinguishing facilities as well as communication and alarm devices in accordance with fire control regulations to prevent accidents. Furthermore, our “Training for Personnel-in-charge and Safety Managers on Hazardous Chemicals” are organized annually, and examinations and tests are conducted after these training programmes to ensure that employees have a good knowledge of the procedures and practices for handling dangerous goods, so that they can react instantly in case of an accident or emergency. The Group did not have any non-compliance with the relevant laws and regulations involving product liability during the Reporting Period.

Quality Control Management

The Group strives to provide high standards and quality of all the products or services of the Group to our customers. The Group implemented “Product Quality Assurance Procedure” to ensure the quality and safety of our products. The Group monitored carefully in order to ensure that the quality of products or services meets our customers requirements. The Group also reviewed and monitored the quality management system and implemented measures to improve the system so that high quality of products and services can be provided to our customers.

Product Recall Management

The Group implemented “Product Recall Procedure” to ensure that the recalled products are handled by the relevant departments and employees in a timely manner and followed the suitable procedures. During the Reporting Period, the percentage of total products sold or delivered subject to recalls for safety and health reasons was nil.

Complaints Handling

Customers’ feedback is valuable to the Group to improve its performance. The Group implemented “Customers Complaint and Services Management Procedures” which sets out the system to handle the complaints from customers and to ensure the complaints are handled promptly and effectively. During the Reporting Period, the Group did not receive any material complaint. The Group also designated staff to handle all complaints received promptly and review the procedures regularly for any improvement to prevent any recurring complaints.

Environmental, Social and Governance Report

B: SOCIAL ASPECTS *(Continued)* **OPERATING PRACTICES** *(Continued)*

B6: PRODUCT RESPONSIBILITY *(Continued)*

Customer Data Protection and Privacy

The Group believed that information security and privacy is the key principle to success of the business. All personal data collected from customers and suppliers are kept strictly confidential. Further, computers and servers are protected by access passwords. According to the staff handbook of the Group and the employment contract, employees are required to protect the privacy of customers and any other sensitive information. Legal action will be taken to the employees who are in breach of the requirements. The Group will inspect regularly to ensure the compliance of the Policy. During the Reporting Period, the Group is not aware of any non-compliance with the relevant laws and regulations in the PRC and Hong Kong, and is not aware of any material violation of the Policy of the Group.

B7: ANTI-CORRUPTION

The Group is committed to upholding high standards of business ethics and integrity. The Group believes that operation in good faith is not only a foundation for corporate social responsibility, but also a cornerstone of corporate competitive advantage and on-going operations. In addition to the compliance with the Company Law of the PRC, the Criminal Law of the PRC, Prevention of Bribery Ordinance, Independent Commission Against Corruption Ordinance, Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》), the Anti-money Laundering Law of the PRC (《中華人民共和國反洗錢法》) and other relevant laws and regulations in the PRC and Hong Kong, the Group has also developed the “Anti-Corruption and Anti-commercial Bribery Management System of Jintai Energy” which sets out clearly defined duties and code of conduct for the management, procurement personnel, sales personnel, accountants and cashiers respectively. The Group conveys its firm stance against corruption and fraud to its employees. The Group has a whistle-blowing mechanism in place to ensure that reported cases are submitted to the head of responsible departments, who shall keep the information confidential and earnestly handle any alleged cases. The Group will investigate and handle the case once internal corruption related information is received. There were no cases of non-compliance with the abovementioned legislations involving the Group and our employees during the Reporting Period.

In order to strengthen the self-discipline awareness of directors and employees of the Group and emphasize the importance of integrity and ethics, the Group also arranged internal trainings to directors and employees as well as provided articles and leaflets regarding anti-corruption and anti-money laundering.

COMMUNITY

B8: COMMUNITY INVESTMENT

The Group has in place a Corporate Social Responsibility Policy which is regarded as an important part of the enterprise management strategy. It incorporates the value into the culture of the enterprise, where the Group actively plays the role as a corporate citizen, strictly enforces corporate governance, implements employee care, practises environmental protection and social welfare, maintains a sound corporate physique, promotes brand value and sustains the development of the enterprise.

Along with escalating market concerns about corporate behavior and the “Social License to Operate”, the pursuit of short-term and maximum financial performance to reward shareholders is no longer the only goal of business management. The Group cherishes its harmonious and inclusive relationship with the communities where it has a presence. It offers support to a variety of programs in the communities, including academic researches and education, community environmental protection and construction as well as cultural exchange. It also encourages its employees to participate in volunteer services to show their care for the society through actions.

As a proactive corporation, the Group has a profound understanding on the importance of meeting different stakeholders expectations as well as the expectations of the communities where the Group operates. In terms of the long-term development, the Group places emphasis on striking a balance between the interests of shareholders, all other stakeholders and the society as a whole, and tries to identify what these communities need so as to contribute to the sustainable development of these communities.

Environmental, Social and Governance Report

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
A. Environmental			
A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	"Emissions"	6
KPI A1.1	The types of emissions and respective emissions data	"Emissions"	6
KPI A1.2	Greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	"Emissions"	7
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	"Emissions"	7
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility)	"Emissions"	7
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	"Emissions"	7
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled and a description of reduction target(s) set and steps taken to achieve them	"Emissions"	7

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX *(Continued)*

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in building, electronic equipment, etc.	"Use of Resources"	7
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility)	"Use of Resources"	8
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	"Use of Resources"	8
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	"Use of Resources"	7
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	"Use of Resources"	8
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	"Use of Resources"	–
A3: The Environment and Natural Resources			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	"The Environment and Natural Resources"	8
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	"The Environment and Natural Resources"	8
A4: Climate Change			
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	"Climate Change"	8
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	"Climate Change"	8

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX *(Continued)*

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
B. Social			
Employment and Labour Practices			
B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	"Employment"	9
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	"Employment"	9–10
KPI B1.2	Employee turnover rate by gender, age group and geographical region	"Employment"	10
B2: Health and safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards	"Health and Safety"	11
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	"Health and Safety"	12
KPI B2.2	Lost days due to work injury	"Health and Safety"	12
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	"Health and Safety"	11

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX *(Continued)*

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	"Development and Training"	12
KPI B3.1	The percentage of employee trained by gender and employee category (e.g. senior management, middle management)	"Development and Training"	13
KPI B3.2	The average training hours completed per employee by gender and employee category	"Development and Training"	13
B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour	"Labour Standards"	14
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	"Labour Standards"	14
KPI B4.2	Description of steps taken to eliminate such practices when discovered	"Labour Standards"	14
Operating Practices			
B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain	"Supply Chain Management"	14
KPI B5.1	Number of suppliers by geographical region	"Supply Chain Management"	15
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	"Supply Chain Management"	14

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX *(Continued)*

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
KPI B5.3	Description of practices used to identify environmental and social risk along the supply chain, and how they are implemented and monitored	“Supply Chain Management”	14
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	“Supply Chain Management”	14
B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact of the issuer relating to health and safety, advertising, labelling and privacy matters, relating to products and services provided and methods of redress	“Product Responsibility”	15
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	“Product Responsibility”	–
KPI B6.2	Number of products and service related complaints received and how they are dealt with	“Product Responsibility”	–
KPI B6.3	Description and practices relating to observing and protecting intellectual property rights	“Product Responsibility”	–
KPI B6.4	Description of quality assurance process and recall procedures	“Product Responsibility — Quality Control Management”	15
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	“Product Responsibility — Customer Data Protection and Privacy”	16

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING INDEX *(Continued)*

Subject areas, aspects, general disclosures and Key Performance Indicators (KPIs)		Sections	Pages
B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering	"Anti-corruption"	16
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the case	"Anti-corruption"	–
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	"Anti-corruption"	16
KPI B7.3	Description of anti-corruption training provided to directors and staff	"Anti-corruption"	16
Community			
B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities taken into consideration the communities' interests	"Community Investment"	16
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport)	"Community Investment"	–
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	"Community Investment"	–