



# 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

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2019

\* For identification purpose only

# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

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# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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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”), together with our subsidiaries, (the “Group” or “We”) 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 to our business and operation.

### *The ESG Governance Structure*

The Group has established the ESG Taskforce (the “Taskforce”). The Taskforce comprises core members from the Group’s different departments and is responsible for collecting relevant information on its ESG aspects for preparing the ESG Report. The Taskforce reports to the Board of Directors (the “Board”), assists in identifying and evaluating the Group’s ESG risks and the effectiveness of the internal control mechanisms. The Taskforce also examines and evaluates its performances in different aspects such as environment, health and safety, labour standards and product responsibilities in the ESG aspects. The Board sets up a general direction for the Group’s ESG strategies, ensuring the effectiveness in the control of ESG risks and internal control mechanisms.

### Reporting Framework

The ESG 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 of the Main Board Listing Rules of the Stock Exchange of Hong Kong Limited (“HKEX”).

For the Group’s corporate governance practices and more information, please refer to the Group’s 2019 Annual Report. If there is any conflict or inconsistency, the English version shall prevail.

### Reporting Period

The ESG Report elaborates on the Group’s ESG events, challenges and measures during the year from 1 January 2019 to 31 December 2019 (the “Reporting Period”).



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## Reporting Scope

During the Reporting Period, the principal operating activities of the Group were as below:

- (1) The core business of the Group is heat supply (“Heat Supply”). The Group purchases heat from local cogeneration plants and delivers it to the main areas of Changchun City; and
- (2) Construction, maintenance and design services (“Construction, Maintenance and Design Services”) which include (i) engineering construction, (ii) engineering maintenance, (iii) design services, and (iv) electrical and instrument maintenance and repair.

The Group was the largest heat service provider in Jilin Province in terms of heat service area in 2019, Heat Supply is our core business, which has more than 20 years of operating history in Changchun. The Group has 6 wholly-owned subsidiaries and 8 heat supply business departments. The business also covers engineering construction, equipment maintenance, design services, electrical and instrument maintenance and repair. The Group has been unstinting in implementing the new strategy of “saving energy, reducing consumption and emissions, and enhancing efficiency”. 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 and innovative implementation.

The directors (the “Directors”) and the board of Directors (the “Board”) of the Company have confirmed that the Report does not contain any false information, misleading statements or material omissions, and collectively and individually, accept responsibility for the truthfulness, accuracy and completeness of its contents.

This Group’s first ESG report following the 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, the Group’s key stakeholders were engaged in material assessment and identification of the relevant and important environmental, social and governance policies, for incorporation in the Report.

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EXECUTION OF DUTY PEOPLE'S LIVELIHOOD



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JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## Highlights of the Group's Achievements in 2019

Awardee	Name of Awards/ Patent Granted	Issuing Authority
Jilin Province Chuncheng Heating Company Limited	Copyright of Chunchen Heat Thermal Vehicle Management System V1.0 (春城熱力車輛管理系統V1.0著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Copyright of Chunchen Heat Special Occupation Management System V1.0 (春城熱力特殊工種人員管理系統V1.0著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Copyright of Chunchen Heat Tool Management System V1.0 (春城熱力工器具管理系統V1.0著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Copyright of Chunchen Heat Technical Information Management System V1.0 (春城熱力技術資料管理系統V1.0著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Copyright of Chunchen Heat Equipment management V1.0 (春城熱力設備管理系統V1.0著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Software copyright of Chuncheng Thermal Smart Customer Service Management System (春城熱力智慧客服管理系統軟件著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Software copyright of Chuncheng Thermal Duty Scheduling System Software V1.0 (春城熱力值班調度系統軟件V1.0軟件著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Software copyright of Chuncheng Thermal Power Consumption Analysis and Evaluation System Software V1.0 (春城熱力能耗分析考核系統軟件V1.0軟件著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Software copyright of Chuncheng Thermal Power Reporting System Software V1.0 (春城熱力生產報表系統軟件V1.0軟件著作權)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Chuncheng Heating Company Limited	Copyright of on-line flushing device for changing fluid direction of plate heat exchanger (一種改變板式換熱器流體方向的線上 沖洗裝置著作權)	National Intellectual Property Administration, the PRC (國家知識產權局)



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## Highlights of the Group's Achievements in 2019 (con't)

Awardee	Name of Awards/ Patent Granted	Issuing Authority
Jilin Province Heating Engineering Design and Research Company Limited	Third Prize of Provincial Excellent Municipal Public Design in 2019 (2019年度省級優秀市政公用設計三等獎)	Jilin Provincial Association of Survey and Design (吉林省勘察設計協會)
Jilin Province Heating Engineering Design and Research Company Limited	Provincial Excellent Municipal Public Engineering Design Third Prize-Certificate of Honor (省級優秀市政公用工程設計三等獎—榮譽證書)	Jilin Provincial Association of Survey and Design (吉林省勘察設計協會)
Jilin Province Heating Engineering Design and Research Company Limited	High-tech enterprise (高新技術企業)	Department of Science and Technology of Jilin Province, Department of Finance of Jilin Province, Jilin Provincial Tax Service, State Taxation Administration (吉林省科技廳、吉林省財政廳、國家稅務總局吉林省稅務分局)
Jilin Province Heating Engineering Design and Research Company Limited	Little Giant Enterprises in Jilin Province Science and Technology (吉林省科技小巨人企業)	Department of Science and Technology of Jilin Province, Department of Industry and Information Technology of Jilin Province, Department of Finance of Jilin Province (吉林省科技廳、吉林省工信廳、吉林省財政廳)
Jilin Province Heating Engineering Design and Research Company Limited	Little Giant Enterprises in Chuncheng Science and Technology (長春市科技小巨人企業)	Changchun Science and Technology Bureau (長春市科技局)
Jilin Province Heating Engineering Design and Research Company Limited	Invention patent ZL201710568939.1 An Energy Storage Wall with Heating and Cooling Functions (發明專利ZL201710568939.1 一種具有供暖和降溫功能的蓄能牆體)	National Intellectual Property Administration, the PRC (國家知識產權局)

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## Highlights of the Group's Achievements in 2019 (con't)

Awardee	Name of Awards/ Patent Granted	Issuing Authority
Jilin Province Changre Electrical Apparatus Company Limited	Personal performance appraisal system of electric instrument company V1.0 – Computer Software Copyright Registration Certificate (電氣儀錶公司生產人員個人績效考核系統V1.0 – 電腦軟件著作權登記證書)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Changre Electrical Apparatus Company Limited	Chunchen Heat Instrument Maintenance Management System V1.0 – Computer Software Copyright Registration Certificate (春城熱力儀錶檢修管理系統V1.0 – 電腦軟件著作權登記證書)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Changre Electrical Apparatus Company Limited	Chunchen Heat Instrument Inverter Maintenance Statistical Analysis System V1.0 – Computer Software Copyright Registration Certificate (春城熱力儀錶變頻器檢修統計分析系統V1.0 – 電腦軟件著作權登記證書)	National Copyright Administration of The PRC (中華人民共和國國家版權局)
Jilin Province Changre Electrical Apparatus Company Limited	Chunchen Heat Instrument Inverter Maintenance Management System V1.0 – Computer Software Copyright Registration Certificate (春城熱力儀錶變頻器檢修管理系統V1.0 – 電腦軟件著作權登記證書)	National Copyright Administration of The PRC (中華人民共和國國家版權局)



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## 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
Employees	Regular performance appraisals Channels for employees to express their opinions (such as complaint and reporting systems) Department meetings Internal trainings
Investors/Shareholders	Annual general meeting Annual reports and interim reports, announcements and circulars Investor meetings
Customers	Regular customer meetings Customer service hotlines and emails
Contractors/Suppliers	Contractors/Suppliers management meetings and events Contractors/Suppliers on-site audit management policy
The government and regulators	Annual reports and interim reports, announcements and circulars On-site visits and inspections
Associations, non-government institutions and media	Voluntary activities Group activities ESG reports

## Materiality Assessment

The management and employees who perform major functions in the Group have all participated in preparing the ESG 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.

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 Reporting Guide. Corporate governance is addressed separately in the "Corporate Governance Report" of the Annual Report. The Group is committed to implementing the environmental policies and safety assessments in business processes comprehensively, through continuously improving its management systems and measures, aiming to minimize the impact on the environment and to achieve zero employee fatalities in business processes.





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## Contact us

The Group welcomes stakeholders' feedback on its ESG approach and performance. Please give your suggestions or share your views with us via email at [ccrl-zqb@ccrljt.com](mailto: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 its responsibility as a state-owned enterprise and becoming an outstanding leader in the industry. It has 6 wholly-owned subsidiaries and 8 heat supply business departments including heat supply, engineering construction, equipment maintenance, design services, as well as electrical and instrument maintenance and repair.

As at 31 December 2019, the heat supply area of the Group has reached 39.5 million square meters in Changchun. It is responsible for providing heating services to more than 320,000 heat users in Changchun. The Group formulates scientific environmental protection and measures by adopting the world's leading practices 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 the future generations. In order to monitor its environmental management and minimize the impacts of its business operation, the Group has formulated relevant policies for environmental management, while promoting employees' awareness on environmental protection and complying with relevant laws and regulations.

The principal business of the Group is Heat Supply which is required to comply with the national laws and regulations including but not limited to Changchun Urban Heating Supply Regulations 《長春市城市供熱管理條例》, Work Safety Law of the PRC 《中華人民共和國安全生產法》, Environmental Noise Emission Standards for Industrial Enterprises 《工業企業廠界環境噪聲排放標準》 (GB12348-2008) and the Clean Heating Plan for Winter in Northern China (2017-2021) 《北方地區冬季清潔取暖規劃 (2017-2021)》; the total expenditure of municipal heating facility Construction, Maintenance and Design Services grows in the line with the expected increasing areas of municipal heating services. The business of Construction, Maintenance and Design Services is complied with "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, Health-Safety-Environmental (HSE) procedures.

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



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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## 1. Emissions

### *General Disclosures and Key Performance Indicators (“KPIs”)*

Type of emission the Group involved in the reporting period were mainly petrol, electricity, water, paper and business air travel. The business does not involve in consumption of packaging materials and produce production-related air, water, and land pollutions which are regulated under national laws and regulations. The Group purchases residual heat from cogeneration plants for its heat supply business instead of producing heat from coke directly, and therefore strives to reduce greenhouse gases emission through implementing initiatives in saving natural resources.

The Group strictly complies with the environmental protection laws and regulation that are applicable to the business operations. The Group’s legal team have 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》, Prevention and Control of Atmospheric Pollution of the PRC《中華人民共和國大氣污染防治法》, Prevention and Control of Water Pollution of the PRC《中華人民共和國水污染防治法》, Prevention and Control of Environmental Pollution by Solid Waste《中華人民共和國固體廢物防治法》 and 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 Key Performance Indicators (“KPIs”) of Emission Management*

#### **Types of emissions and respective emissions data**

The Group’s principal business is Heat Supply, which heat is purchased from local cogeneration plants. The heat source is more stable, economical and environmentally friendly than coal-fired boilers. The Group has adopted the smart heating network system, which can help it to achieve real-time operation monitoring, equipment remote control, automatic output adjustment and problem solving, as well as the collection and analysis of operation data. This smart heating network system helps it to improve the quality of heating, improve operational efficiency, and save energy.

The following table summarizes the KPIs of the Group’s overall emission management:

Source of emissions arising from fuel consumption in the use of vehicles, electricity consumption from corporate offices and operations, as well as air travel by employees.

Type of emissions	Unit	31 December 2019
Nitrogen Oxides (NO <sub>x</sub> )	Kg	2,450
Sulphur Oxides (SO <sub>x</sub> )	Kg	12
Particulate Matter (PM)	Kg	250

The Group also encourages employees to keep the usage of electricity to a minimum by introducing certain energy conservation measures, such as turning off unnecessary electronic appliances. The Group has also put notes at prominent places to encourage the employees to reduce electricity consumption and conserve energy during office hours.

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## GHG Emission

During the Reporting Period, the GHG emission of the Group was approximately 962,789 kg and the total GHG emission per million RMB revenue was 616 kg. An overview is as follows:

Indicator <sup>1</sup>	Total emissions (kg)	Intensity – Quantity (kg) per million RMB revenue <sup>2</sup>
Direct GHG emission (Scope I)		
– vehicles fuel consumption	173,235	111
Indirect GHG emission (Scope II)		
– electricity, heat	757,693	485
Other Indirect Emissions (Scope III)		
– business air travel, paper, sewage	36,461	23
Carbon removal <sup>3</sup> (Scope I)		
– planting of trees	4,600	3
<b>Total GHG emission</b>	<b>962,789</b>	<b>616</b>

Note:

- Greenhouse gas emission data are presented in terms of carbon dioxide equivalence with reference to the requirements of, including but not limited to, the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard 《溫室氣體盤查議定書：企業會計與報告標準》 published by the World Resources Institute and the World Business Council for Sustainable Development, the Reporting Guidance on Environmental KPIs 《環境關鍵績效指標匯報指引》 published by the Stock Exchange and the 2017 Sustainability Report published by CLP Power Hong Kong Limited.
- During the Reporting Period, the total revenue of the Group was RMB1,561.4 million. Other intensity data in the ESG Report are also measured using this data.
- 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.

## 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 waste management practice is compliant with laws and regulations relating to environmental protection. 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 gas treatment meets the requirements of applicable laws and regulations.

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## Hazardous waste

The disposal of hazardous waste is responsible by an independent third party. Some hazardous waste (such as waste oil rag, organic cleaning waste liquid, waste cutting fluid, waste day light tube, waste empty container, waste dry battery, waste glue water, waste washing machine water and waste engine oil) must be isolated and stored in a designated container to prevent leakage and be recycled and disposed of by a licensed waste collector. The Group also arranges adequate training for our employees to ensure their safety and prepare emergency response plans to prevent leakage.

## Non-hazardous waste

Non-hazardous wastes such as metals, waste residues, plastics, paper and general waste are properly classified according to recyclable waste and non-recyclable waste, and are stored in designated collection areas. The collected recyclable waste is then periodically recycled by the waste collector. The Group identifies and classifies waste, centrally stores it, and disposes it in a unified manner. The persons in charge dispose of waste in a timely manner and maintain environmental sanitation around them.

In addition, the Group is committed to establish an electronic and green headquarter:

- making full use of the online system in the offices, general transaction notification, data transmission, etc. through the network system;
- requiring employees to copy or print on both sides as much as possible;
- using both sides of offices paper as much as possible;
- collecting and recycling metals, plastics and waste paper by the administrative department; and
- disposing of waste packaging boxes as “recyclable” waste.

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

Waste discharge	Unit (Kg)	Intensity – Quantity (Kg) per million RMB revenue
Type of hazardous waste	N/A*	–
Type of non-hazardous waste – Paper	7,413	5

Note:

- \* During the daily operations, the business segments generated the amount of hazardous waste that it is not large. Therefore, the data on hazardous waste was not included in the calculation.



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## 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 table below sets out the data on total wastewater discharge of the Group during the Reporting Period:

Wastewater discharge	Unit (m <sup>3</sup> )	Intensity – Quantity (m <sup>3</sup> ) per million RMB revenue
Sewage	298	0.2

## 2. Use of Resources/Energy Efficiency Management

### General Disclosures and KPIs

#### 2.1 Energy Consumption

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

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

- the upgrading of the existing wiring and establishment of special lines for better electricity transmission and for reducing 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.

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

Types of energy	Unit	Consumption	Intensity – Unit per million RMB revenue
Diesel	L	605	0.4
Unleaded petrol	L	7,723	5
Purchased gas	Kg	12,697	8
Purchased natural gas	m <sup>3</sup>	72,061	46
Purchased electricity	kWh	1,052,936	674



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Moreover, the Group has developed a number of energy-saving specific initiatives to reduce greenhouse gas emission and conserve energy usage throughout its 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;
- LED lighting system is recommended to set up widely in workplaces in order to save energy during the office hours; and
- telecommunication system is recommended to replace unnecessary travel arrangements wherever appropriate and possible.

## 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 employees at offices during working hours. The Group recycles the water from services operation and reuses it after treatment. All sewage produced are collected and processed by qualified sewage treatment companies. The domestic sewage is directly discharged into municipal sewage pipelines. In order to seek continuous improvement, 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 in its company.

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

Water consumption	Unit (m <sup>3</sup> )	Intensity – Quantity (m <sup>3</sup> ) per million RMB revenue
Water consumption level	38,114	24

During the reporting period, we 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 whereas the use of disposable paper products, such as paper cups and paper towels, are discouraged wherever possible and appropriate during our operation.

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

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## 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' operation. In addition to compliance with the laws and regulations including Energy Conservation Law of the People's Republic of China 《中華人民共和國節約能源法》 and Electric Power Law of the People's Republic of China 《中華人民共和國電力法》, 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 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 its training scheme, the Group further has made efforts to promote the energy saving and emissions reduction work and had the cultural concept of energy saving and emissions reduction deeply rooted in people's hearts, so as to facilitate the energy saving and emissions reduction work.

#### **Heat Supply**

The Group adopts a smart heating network system, which allows it to conduct the heat supply business precisely and efficiently. The Group ensures that when purchasing new equipment, using new technologies, and undertaking technologically innovative projects, priority is given to new energy saving technologies, processes, equipment and materials. In particular, energy-saving products that are recommended by the PRC or internationally recognized bodies shall have first preference.

#### **Construction, Maintenance and Design Services**

The Group endeavors to calculate the amount of materials needed for its production based on the principle of minimizing surplus materials. In addition, the Group puts in place a scrap metal recycling mechanism to sell the wasted steel produced in our process of production to recycling companies.

#### 3.2 *Daily Administration*

The Group is aware that the major contribution to the greenhouse gas emission and energy footprints lies on the electricity consumption by the Group's offices and business premises. As such, the Group actively maintains a steady focus on reducing the energy consumption to manage the impacts on the environment, being committed to observing the Indoor Temperature Energy Saving Charter and the No Incandescent Light Bulbs ("ILB") energy saving charter.

The measures include:

- turning off lights and air conditioners at the conference rooms and other places after use, and also promulgating natural ventilation instead of air conditioners;
- requiring the employee who is the last one to leave the office on any workday to turn off all the lights in the office unless otherwise instructed;
- using daylight or task light to reduce electricity consumption;
- cleaning light fitting regularly to maximise its effectiveness and extend its life; and
- trying to clean with a broom and cloth and reducing the use of vacuum cleaners.



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## III. SOCIETY

### 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 resource 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 (《勞動工資管理辦法》). 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. The Group supports and advocates 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 has 1,081 full-time employees, 886 of whom works for the business segment of Heat Supply and 195 of whom for Construction Maintenance and Design Services (including 52 of whom for Changre Pipelines《吉林省長熱管網輸送有限公司》, 50 of whom for Changchun Runfeng《長春市潤鋒建築安裝工程有限責任公司》, 37 of whom for Changre Maintenance《吉林省長熱維修實業有限公司》, 35 of whom for Heating Engineering Design《吉林省熱力工程設計研究有限責任公司》, 18 of whom for Changre Electrical Apparatus《吉林省長熱電氣儀錶有限公司》 and 3 of whom for Biomass Power《吉林省春城生物質能源有限公司》). There were only 4 employees left the Group that it is not a large number. The Group's employee turnover rate is approximately zero percent. The Group decides the remunerations payable to its staff based on their duties, work experience and the prevailing 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 Labour Law of the PRC《中華人民共和國勞動法》, Labour Contract Law of the PRC《中華人民共和國勞動合同法》 and Social Insurance Law of the PRC《中華人民共和國社會保險法》.



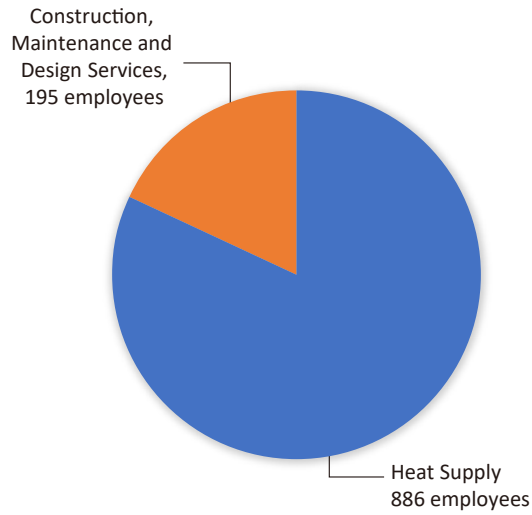


# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

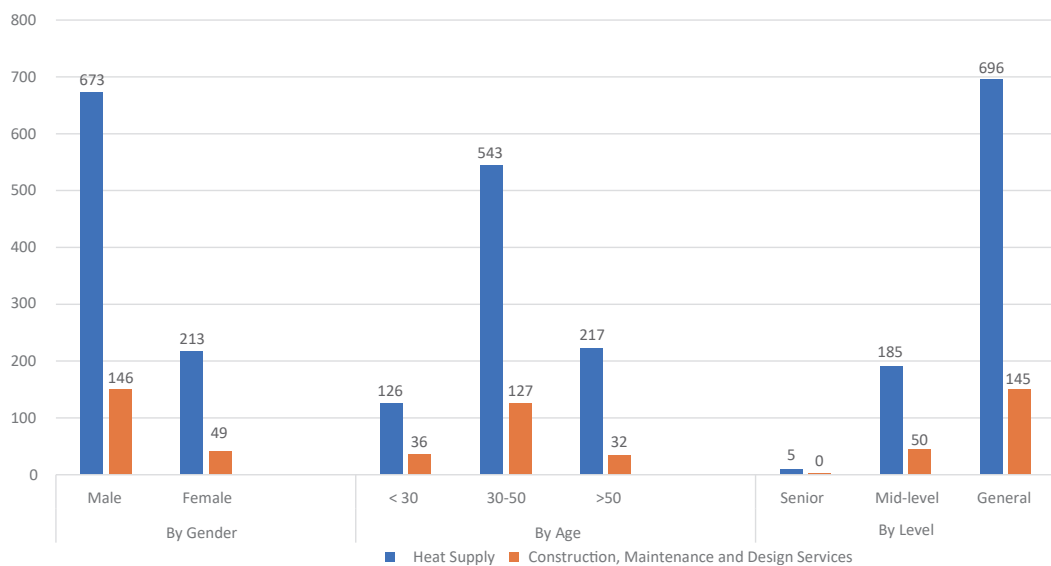
The charts below set out the employees of each business segment of the Group during the Reporting Period:

## Total numbers of employees by business segment



Total: 1,081 (As at 31 December 2019)

## Total numbers of employees by categories of business segment



In addition, 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.

# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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The Group strictly prohibits the employment of children or forced labor and sets out the policies in the labor code to eradicate child labor, juvenile workers and forced labor.

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

## 2. Health and Safety

### General Disclosure

The Group puts particular emphasis on health and safety and attaches great importance to health protection and places a safe working environment as it firmly upholds the Principle of Safety First and Prevention Prevails. The Group's Security 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 corridors and pantry;
- providing adjustable chairs and monitors for eye protection;
- setting up posters of proper working postures and lifting method accessible on the intranet and at appropriate locations in offices;
- conducting fire drills and emergency evacuation simulations to raise the employees' awareness of fire prevention and to equip employees 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.

During the Reporting Period, the Group complies with Work Safety Law of the PRC 《中華人民共和國安全生產法》 and 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 summary of work-related fatalities and injuries of the Group during the Reporting Period:

No. of Work-Related Fatalities	–
Rate of Work-Related Fatalities	–
No. of Injuries at Work	2 ppl
Lost Days due to Injury at Work	14 days

During the Reporting period, the Group did not encounter any major violations against laws and regulations related to employees' health and safety.



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## 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.

To match the Group's development strategy and meet the demand for training, the Group has organized a series of programmes including "From Technology to Management" (《從技術走向管理》), "Corporate Operations and Interpretation of Financial Statements" (《企業經營與財務報表解讀》) and "Public Offering and Legal Compliance" (《上市資本路徑與法律規範》). The Group also constantly held technical skills competitions of water and heat, supply, welding and electricity, to aim to enhance their skills by way of competition instead of practice.

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

Indicators	Heat Supply		Construction, Maintenance and Design Services	
	Hours	Percentages (%)	Hours	Percentages (%)
Total no. of training hours received/enrollment rate	60	37	282 <sup>2</sup>	83
Average no. of training hours/participating rate by level				
Senior <sup>1</sup>	–	–	–	–
Middle-level	30	21	176	10
General	30	16	106	73
Average no. of training hours/participating rate by gender				
Male	35	22	223	66
Female	25	15	59	17

Note:

- The senior employees of the Group were not assigned to participate in training, but they attended on the whole training contents.
- The total training hours were collected from the 6 subsidiaries of Construction, Maintenance and Design Services.



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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Furthermore, the Group encourages and supports employees to participate in personal and professional trainings in response to evolving market needs, such as changes in laws and regulations, market trends, product trends and customer behaviours. Based on the needs of individual employees, the Group also provides 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 violates 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》, 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 non-compliance with the laws and regulations related to the prevention of child labour or forced labour have been found by the Group.





## THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

### 5. Supply Chain Management Mechanism

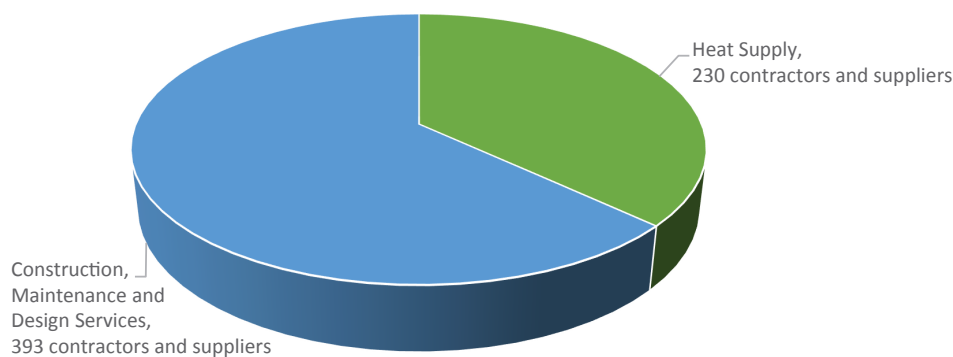
#### General Disclosure

The Group believes the value in ethics, honesty and integrity, operating in compliance with applicable laws and regulations. The Group encourages our business partners to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business. The Group collaborates closely with its suppliers through an improved market management and centralized procurement system. Attention is also paid to the quality of the goods in all operations. All its processes for procurement, price control, resource management are carefully documented and managed. In order to guarantee the safety of its products and services, every single purchase is registered with the authority before being put to use and sold.

In addition to purchasing products and services according to the Group's specified standards of Administrative Measures on Suppliers 《供應商管理辦法》 and Tender for Procurement 《招標採購》, the Group has developed a contractor and supplier selection mechanism in which it requires them 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 has caused serious pollution or serious social accidents.

During the Reporting Period, the total number of contractors and suppliers were 623, in which 230 from the business segment of Heat Supply and 393 from Construction Maintenance and Design Services. The Group continues to promote 100% from the PRC, the localization of contractors and suppliers. Under the same terms and conditions, the Group prioritizes a mutually beneficial partnership with local contractors and suppliers. With the application of scientific technology in logistic management, the Group is committed to shortening material delivery time, while controlling warehouse storage and delivery pressure, reducing vehicle emissions and negative impact on the environment.

Total numbers of contractors and suppliers by business segment



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

# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## *Fair and Open Procurement*

The Group's procurement process strictly implements the Bidding Law of the PRC 《中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 supplier, and employees and other individuals who have an interest in the relevant suppliers will not be allowed to participate in related procurement activities.

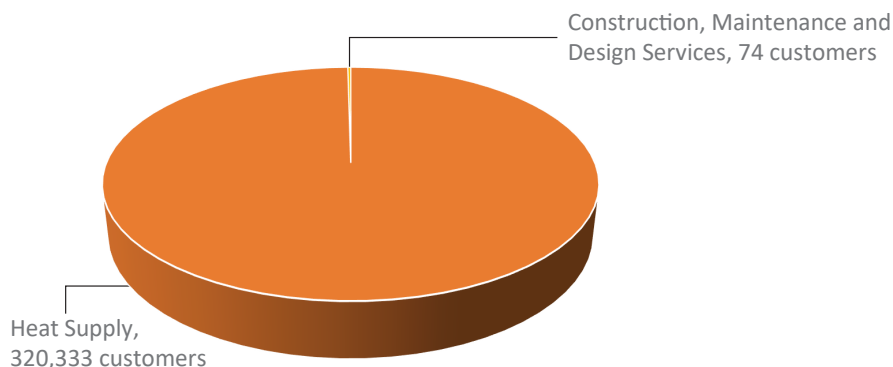
## 6. **Product Responsibility**

### *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", the highest standards of services we deliver.

During the Reporting Period, the total number of customers was 320,407, in which 320,333 customers were from the business segment of Heat Supply and 74 customers were 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》, Consumer Protection Law of the PRC 《中華人民共和國消費者權益保護法》, Advertising Law of the PRC 《中華人民共和國廣告法》 and 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.

Total numbers of customers by business segment



### **IPR protection**

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.

## THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

### Feedback Management

The Group has set up various complaints and feedback channels, such as telephone hotline, WeChat, email and website, to collect suggestions and advice from customers. The customer data protection and privacy is followed to company policy of “Customer Management”《客戶管理制度》.



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.

### 7. Anti-corruption Mechanism

#### General Disclosure

Ethics and integrity are the cornerstones of the Group's success. The Group adopts a zero-tolerance 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 Criminal Law of the PRC《中華人民共和國刑法》and 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 participated in anti-corruption training, campaigns to educate the public on how to comply with law and case analysis so as to promote the importance of anti-corruption 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.

## THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

### 8. Community Investment

#### General Disclosure

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

Looking ahead, the Group will continue to focus on community services, motivate employees to actively participate in volunteer services in the future. The Group strives to increase our social investment to create a better environment for the community as well as our business.

This year, the Company continued to actively participate in poverty alleviation work, tree planting activities, etc:

#### Poverty Alleviation Work

The Party Committee of the Group (集團黨委) implemented the precise poverty alleviation work arrangement and carried out poverty alleviation work in accordance with the requirements of "Two-cares and Three-guarantees" (兩不愁三保障). All branches of the Party Committee of the Group actively sign up to tasks to ensure that the Group's poverty alleviation work is completed. 13 branches of the Party including 2nd Road, Fourth ring road and others branches which undertook certain missions earnestly implemented the spirit of the central government and the requirements of the Party Committee of the Group. More than 100 people, divided into 4 batches, visited the homes of the poor, sent condolences and goods, and helped solve production and life difficulties, to promote the completion of the goals and tasks of poverty alleviation.

#### Planting Trees for Public Welfare

On 23rd April 2019, the Party Committee of the Group organized a voluntary tree planting activity of "Protecting the ecological environment and Building beautiful homes" (保護生態環境建設美好家園). A total of more than 100 volunteers from management cadres of the Party Committee of the Group and youth representatives of the Party went to the Lianhua Mountain Ecological Tourism Resort in Shijiazhi Township (蓮花山生態旅遊度假區四家子鄉) to participate in the tree planting activity.

#### Community Activities

- On 7th March 2019, the Sub-Branch Party of the Maintenance Industry (維修實業黨支部) and the Yongji Community (永吉社區) visited the home of the receiver of poverty alleviation Liu Tong (劉瞳). The Sub- Branch Party of the Maintenance Industry delivered greetings and care with condolence gifts and cash RMB2,000 on behalf of the Company and all staff of the Group.
- On 20th May 2019, the Sub-Branch of the Party of Kuancheng Business Department (寬城事業部黨支部) organized on staffs to make a caring donation to Liu Yuxin (劉雨欣), who was desperately in need of help. The staffs enthusiastically participated in donation which raised more than RMB5,000.
- On 5th June 2019 before the Dragon Boat Festival, staffs of the Sub-Branch Party of the Maintenance Industry (維修實業黨支部), under the leadership of the Party Committee, they made donation spontaneously, purchased holiday condolences, and went to the staff new village community of Nanguan District (南關區職工新村社區) to send poor users Holiday condolences such as rice dumplings and eggs, and send the most sincere holiday greetings and care.



## THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

- The Sub-Branch of the Chao Second Division of the Business Division of the Party and the Peony Garden Community of the Yongchang Sub-district Party Construction (朝二事業部黨支部與永昌街道區域化黨建聯盟牡丹園社區) jointly held the “Celebrating the 70th Anniversary of the Founding of New China and Concentrating Together to Build a Chinese Dream Gala” (慶祝新中國成立70周年凝心聚力共築中國夢大聯歡) event. The theme of the event was to commemorate the 70th anniversary of the founding of the People’s Republic of China. There were 10 series performance and nearly 100 performers. The Party Branch of the Second Division of carefully performed two programs which were “Dancing with Youth” (舞動青春) and “Never forget why you started” (不忘初心).
- The Sub-Branch Party of Nanguan (南關黨支部) and the Community formed a Sub-Branch Party of WangGe (網格黨支部) to carry out activities together and promote mutual communication and connection.



### 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 included in this Report. The Group is committed to improving its regular ESG reporting. As such, the Group is also committed to improving its policies on and procedures for management, as well as the measurement and the monitoring of the progress that it makes in its strategy for sustainability.



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspects, General Disclosures and KPIs	Description	Relevant pages in the ESG Report & Remark
<b>A</b>	<b>Environmental</b>	<b>P. 8-14</b>
<b>Aspect A1</b>	<p><b>Emissions</b> General Disclosure</p> <p>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.</p>	<b>Emissions</b>
<b>KPI A1.1</b>	Types of emissions and respective emissions data.	Emissions – Key Performance Indicators (“KPIs”) of Emission Management
<b>KPI A1.2</b>	Greenhouse gas emissions in total and, where appropriate, intensity.	Emissions – Key Performance Indicators (“KPIs”) of Emission Management
<b>KPI A1.3</b>	Total hazardous waste produced and, where appropriate, intensity.	Not applicable to the Group’s core operation.
<b>KPI A1.4</b>	Total non-hazardous waste produced and intensity.	Emissions – Key Performance Indicators (“KPIs”) of Emission Management
<b>KPI A1.5</b>	Description of measures to mitigate emissions and results achieved.	Emissions – Key Performance Indicators (“KPIs”) of Emission Management
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved.	Emissions – Key Performance Indicators (“KPIs”) of Emission Management

# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (CON'T)

Aspects, General Disclosures and KPIs	Description	Relevant pages in the ESG Report & Remark
<b>Aspect A2</b>	<b>Use of Resources/ Energy Efficiency Management</b> General Disclosure  Policies on the efficient use of resources, including energy, water and other raw materials.	<b>Use of resources/ Energy Efficiency Management – Energy Consumption</b>
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type in total and intensity.	Use of resources/ Energy Efficiency Management – Energy Consumption
<b>KPI A2.2</b>	Water consumption in total and intensity.	Use of resources/ Energy Efficiency Management – Water Consumption
<b>KPI A2.3</b>	Description of energy use efficiency initiatives and results achieved.	Use of resources/ Energy Efficiency Management – Energy Consumption
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved.	Use of resources/ Energy Efficiency Management – Water Consumption
<b>KPI A2.5</b>	Total packaging material used for finished products, and if applicable, with reference to per unit produced.	Not applicable to the Group's core operation.
<b>Aspect A3</b>	<b>The Environment and Natural Resources Conservation</b> General Disclosure  Policies on minimising the issuer's significant impact on the environment and natural resources.	<b>Environmental Protection and Natural Resources Conservation</b>
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them.	No significant impacts of activities on the environment and natural resources during the Reporting Period.



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (CON'T)

Aspects, General Disclosures and KPIs	Description	Relevant pages in the ESG Report & Remark
<b>B</b>	<b>Society</b>	<b>P. 15-24</b>
<b>Aspect B1</b>	<p><b>Employment and Labour Practices</b> General Disclosure</p> <p>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.</p>	<b>Society – Employment and Labour Practices</b>
<b>KPI B1.1</b>	Total workforce by gender, employment type, age group and geographical region.	Society – Employment and Labour Practices
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Society – Employment and Labour Practices
<b>Aspect B2</b>	<p><b>Health and Safety</b> General Disclosure</p> <p>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.</p>	<b>Society – Health and Safety</b>
<b>KPI B2.1</b>	Number and rate of work-related fatalities.	Society – Health and Safety
<b>KPI B2.2</b>	Lost days due to work injury.	Society – Health and Safety
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Society – Health and Safety

# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (CON'T)

Aspects, General Disclosures and KPIs	Description	Relevant pages in the ESG Report & Remark
<b>Aspect B3</b>	<b>Development and Training</b> General Disclosure  Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	<b>Society – Development and Training</b>
KPI B3.1	The percentage of employees trained by gender and employee category.	Society – Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Society – Development and Training
<b>Aspect B4</b>	<b>Labor Standards</b> General Disclosure  Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	<b>Society – Labour Standards</b>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Society – Labour Standards
KPI B4.2	Description of steps taken to eliminate child and forced labour practices when discovered.	Not encounter any eliminate child and forced labour practices during the Reporting Period.
<b>Aspect B5</b>	<b>Supply Chain Management Mechanism</b> General Disclosure  Policies on managing environmental and social risks of the supply chain.	<b>Society – Supply Chain Management Mechanism</b>
KPI B5.1	Number of suppliers by geographical region.	Society – Supply Chain Management Mechanism
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.	Society – Supply Chain Management Mechanism



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (CON'T)

Aspects, General Disclosures and KPIs	Description	Relevant pages in the ESG Report & Remark
<b>Aspect B6</b>	<p><b>Product Responsibility</b> General Disclosure</p> <p>Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	<b>Society – Product Responsibility</b>
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No products were recalled for safety and health reasons.
KPI B6.2	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 B6.3	Description of practices relating to observing and protecting intellectual property rights.	Society – Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Society – Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Society – Product Responsibility
<b>Aspect B7</b>	<p><b>Anti-corruption Mechanism</b> General Disclosure</p> <p>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.</p>	<b>Society – Anti-corruption Mechanism</b>
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 cases.	No concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle – blowing procedures, how they are implemented and monitored.	The Group is working on this aspect.



# THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

JILIN PROVINCE CHUNCHENG HEATING COMPANY LIMITED

## V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE (CON'T)

Aspects, General Disclosures and KPIs	Description	Relevant pages in the ESG Report & Remark
<b>Aspect B8</b>	<p><b>Community Investment</b> General Disclosure</p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.</p>	<b>Society – Community Investment</b>
KPI B8.1	Focus areas of contribution.	Society – Community Investment
KPI B8.2	Resources contributed to the focus areas.	Society – Community Investment

