



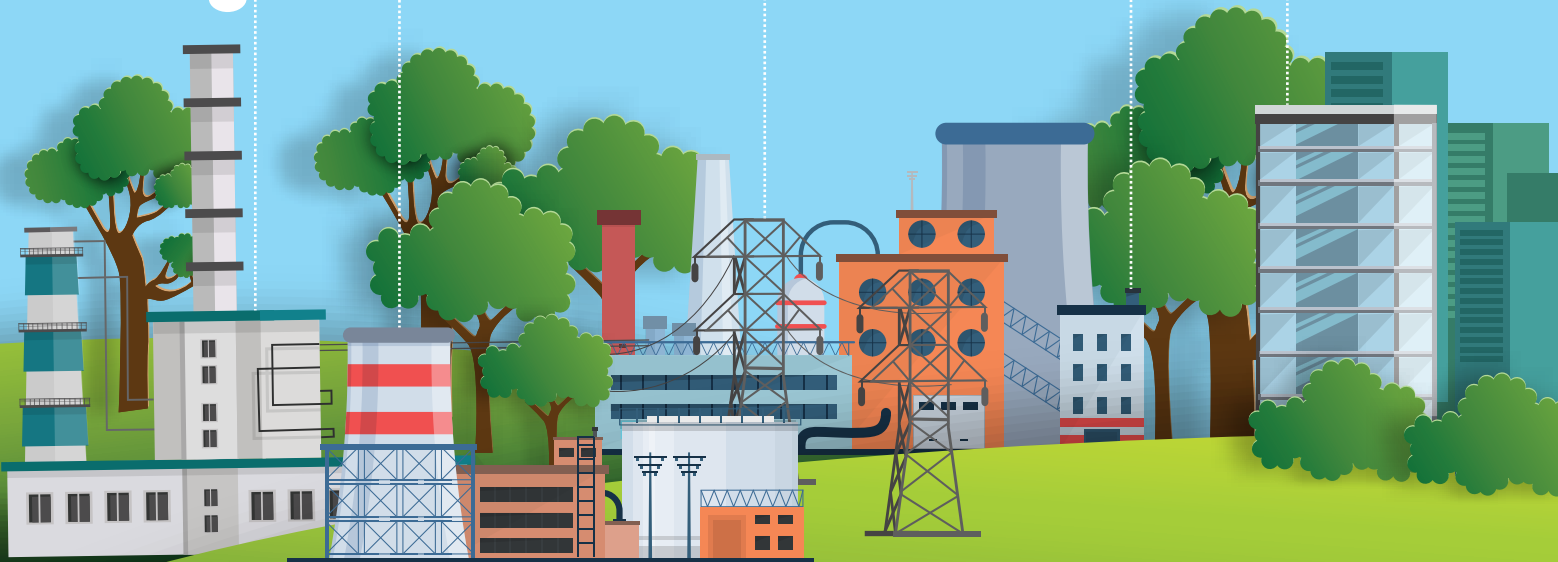
Jilin Province Chuncheng Heating Company Limited*

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

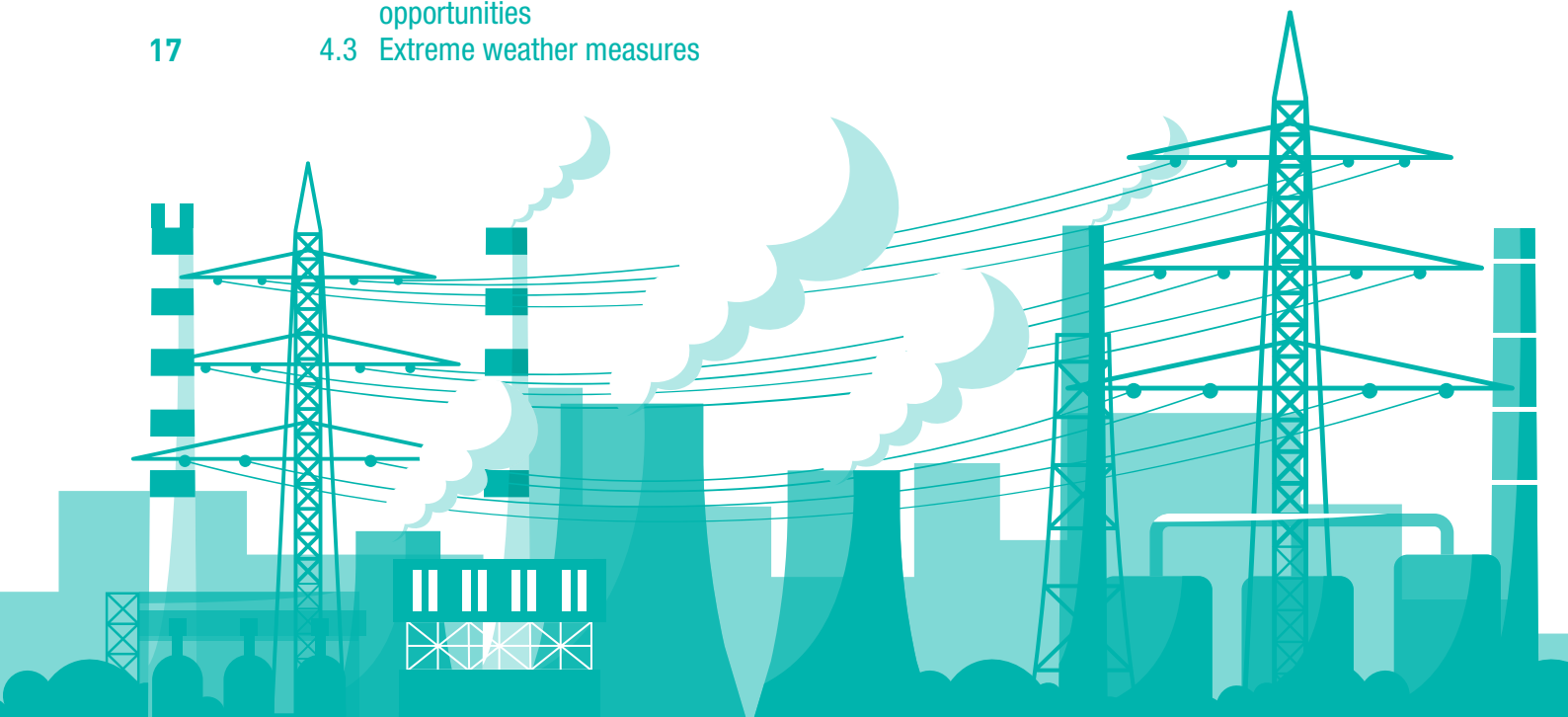
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022



* For identification purpose only

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I. INTRODUCTION AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

About the Report

The Environmental, Social and Governance Report (the “Report”) summarizes the initiatives, plans and performance of Jilin Province Chuncheng Heating Company Limited (the “Company” or “We”), together with subsidiaries, (the “Group”) in the environmental, social and governance (“ESG”) aspects, and illustrates the sustainability of its business activities in terms of ESG.

The Group adheres to the management policies of sustainable ESG development and is committed to handling the Group’s ESG matters effectively and responsibly, which we believe are of great significance for our business and operation.

The ESG Governance Structure

The Group monitors developments and trends in areas of sustainability and sustainability reporting to better meet the expectations of our stakeholders in light of evolving business and regulatory requirements. Through the Board of Directors’ specific responsibility, they review the effectiveness of the Group’s sustainability initiatives and the work of the ESG Taskforce.

The Board of Directors’ responsibilities:

- Assessing and confirming this Report is structured and based on the materiality of ESG aspects and respective issues;
- Monitoring sustainability performances through regularly reviewing ESG-related policies and initiatives;
- Evaluating, identifying and managing sustainability risks; and
- Observing closely regulatory requirements, relevant updates and industry practices.

The ESG Taskforce’s responsibilities:

- Collecting relevant information on the ESG aspects for preparing the Report;
- Examining and evaluating the performances in different sustainable aspects such as environment, health and safety, labour standards and product responsibilities in the ESG aspects; and
- Regularly reporting to the Board, assists in identifying and evaluating the Group’s ESG risks and the effectiveness of the internal control mechanisms.

Reporting Principles

The Report has been prepared in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) contained in Appendix 27 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Group has complied with the “comply or explain” provisions set out in the ESG Reporting Guide in 2022. The Report is divided into two parts, namely, environmental and social. The four basis of reporting principles are materiality, quantitative, balance and consistency:

- **Materiality:** Materiality assessment was conducted and reviewed from time to time to assess the relative importance of the ESG topics identified. Topics that are relevant and important to the operations of the Group and various stakeholders must be covered in the Report.
- **Quantitative:** If the key performance indicators (“KPIs”) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions.



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- **Balance:** This Report covers both positive and negative impacts of our performance to provide an unbiased picture of our overall performance.
- **Consistency:** ESG data presented in the Report are prepared using consistent methodologies over time unless otherwise specified either in text or endnote.

Reporting Period

The Report elaborates on the Group's ESG events, challenges and measures during the year from 1 January 2022 to 31 December 2022 (the "Reporting Period").

Reporting Scope

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

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

The Group adheres to the corporate mission of "leading the development of the industry and sincerely serving the society" and undertakes social responsibilities benefiting the society in order to continuously contribute to both the development of heating business and the stability in the people's livelihood. On 22 August, 2022, the Group won the "No. 1 Energy Efficiency Leader in the Heating Industry during the 2020-2021 Heating Period" with the "Excellent Organization Award" issued by the China Urban Heating Association at the main forum of the 5th China Heating Annual Conference. The Group raised awareness on the importance of achieving business success and maintaining long-term competitiveness by implementing corporate sustainability. The Group strives to achieve the new development concepts of "innovation, coordination, green, openness, and sharing". With the continuous enhancement of sustainability being at the core of ESG management, the Group has integrated ESG into routine production and operational practice through reinforcement of corporate governance, innovative implementation for society responsibility, community contribution etc.

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



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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, suppliers, employees, the government and regulators, peers, chambers of commerce, industry associations, non-government institutions and media.

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

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



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Materiality Assessment

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

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

Environmental protection

The Group is committed to the long-term sustainability of the environment in which we operate. The Group is dedicated to meeting the needs of the present without compromising those of the future. We will comply with all relevant laws and regulations regarding environmental issues in the regions where it has business operations during every reporting year.

Climate Change

The Group has strengthened its team's effective climate change risk management through smart heating and revising technical standards related to construction, maintenance and design services, and developing risk management measures and response plans. The Group's businesses and brand value will be more widely recognized and enhanced, which may attract more investors' attention.

Health and Safety

The employees' health and safety have always been on the top of the agenda. The Group endeavours to provide a safe and healthy work environment for employees to protect them from work-related accidents or injuries. The Group shares safety information through drills, reminders etc. reinforcing their safety awareness.

Anti-corruption mechanism

The Group strengthens restrictions on employee's code of conduct and improve the anti-corruption management mechanism of the Company. From individuals to corporate governance, we strictly complied with the nation's regulations, and fulfilled the anti-corruption responsibility of the Group via auditing and supervision.

Community activities

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

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

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

Contact us

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



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II. ENVIRONMENTAL

Major scope & aspects

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

During the Reporting Period, the Group won the awards of the “The Best Investment Value Listed Company (投關先鋒獎)” issued by the Flush Finance and Economics and was the best Infrastructure and Public Utility companies (最佳基建及公共事業公司) in the 2022 Global Investment Trends Forum and the 6th Golden Hong Kong Stocks Awards Ceremony (2022 年全球投資趨勢論壇暨第六屆金港股頒獎典禮). Moreover, it won the “Most Investment Value Listed Company” (最具投資價值上市公司) with “Golden Bauhinia Award” (金紫荊獎) at the 12th Hong Kong International Financial Forum and China Securities Award Ceremony. The heat supply area of the Group has reached about 6,521,000 (2021: 6,1795,000) square meters and was responsible for the heating work of more than 530,000 households in Changchun as at the Reporting Period. The Group formulates scientific environmental protection and measures by adopting innovative technologies in its operation. The Group also endeavours to fulfil the social responsibility for environmental protection as its efforts to protect the Earth and build a sustainable future for next generations. In order to monitor the environmental management and minimize the impacts of business operation, the Group has

formulated relevant policies for environmental management, while complying with relevant laws and regulations and also promoting employees’ awareness on environmental protection.

The principal business of the Group is Heat Supply which is required to comply with the national law and regulation of the countries including but not limited to the “Changchun Urban Heating Supply Regulations” 《長春市城市供熱管理條例》, the “Work Safety Law of the PRC” 《中華人民共和國安全生產法》, the “Environmental Noise Emission Standards for Industrial Enterprises” 《工業企業廠界環境噪聲排放標準》 and the Fourteenth Five-Year Plan for Modern Energy System 《“十四五”現代能源體系規劃》. These laws, regulations and rules usually determine the implementation standards and details of relevant legal provisions, technical standards and health, safety and environmental implementation plans.

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



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1. Emissions

General Disclosures and Key Performance Indicators ("KPIs")

During the Reporting Period, the Group's major types of emission were mainly petrol, diesel, electricity, heat, paper and business air travel, which inevitably release nitrogen oxides (NO_x), sulphur oxides (SO_x), particulate matter (PM) and carbon dioxide (CO₂) into the air. The Group is committed to continuously improving the environmental sustainability of its businesses and ensuring that environmental consideration remains one of the keys focuses in fulfilling its obligations to both the environment and community. Recognizing the potential impacts of its businesses on the environment, the Group has established relevant emission reduction and energy saving initiatives to manage the emissions and minimize environmental impacts of its operations.

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

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



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1.1 KPIs of Emissions Management

Types of Emissions and Respective Emission Data

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

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

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



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- If it exceeds the standard, the platform of pollution sources automatic monitoring devices (corporate user) in Changchun city will give an alarm to the discharge port, and will make the discharge meet the requirements according to the national standard.

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

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

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

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



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KPIs of All Emissions Management

The sources of emissions are mainly from fuel consumption in the use of vehicles and boilers, electricity and natural gas consumption at corporate offices, air travel by employees and paper consumption etc. Since 2022, the Group doesn't only reduce the use of gasoline and increase the use of diesel, but also strengthen the promotion, management and supervision of fuel saving. However, due to the impacts of the COVID-19 epidemic and the closed-loop epidemic management in March 2022, the Group's fleet enhanced inspections of heating units ensuring the proper functioning of the company's and its subsidiaries' heat production units. It also frequently delivered epidemic prevention, protection materials and daily necessities for all staff and communities; in addition, in response to of the epidemic, some vehicles used for emergency repairs were transferred from outsourcing to its owned processing, as the result of an increase in the mileage and fuel consumption of diesel vehicles. The tables below set out the Group's overall emission management of each business segment during the Reporting Period:

Exhaust gas emissions

Type of emissions	Unit	2022	2021
Nitrogen Oxides (NO _x)	Tonnes	33	75
Sulphur Oxides (SO _x)	Tonnes	72	109
Particulate Matter (PM)	Tonnes	7	11

GHG emissions

During the Reporting Period, the GHG emissions of the Group was approximately 251,755.7 tonnes (2021: 221,770.4 tonnes) an increase of 14% year-on-year. The total GHG

emissions per million RMB revenue was 152 tonnes (2021: 134 tonnes), an increase of 14% year-on-year. An overview is as follows:

Indicator	Total emissions(in tonnes)	
	2022	2021
Direct GHG emissions (Scope I) — fuel, coal and natural gas consumption	197,455.9	164,421.1
Carbon removal (Scope I) — plating of trees	—	(4.6)
Indirect GHG emissions (Scope II) — electricity consumption	53,161.4	56,122.6
Other indirect emissions (Scope III) — business air travel, paper consumption	1,308.8	1,231.3
Total GHG emissions	251,755.7	221,770.4
Intensity — unit per million RMB revenue	152	134



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Notes:

- Such emission data is calculated in accordance with the emission factors of Appendix 27 to the Main Board Listing Rules and their referred documentation as set out by the HKEX, and the "General Guideline of The Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises" 《工業企業溫室氣體排放核算和報告通則》;
- 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 Department and the Hong Kong Electrical and Mechanical Services Department; and
- During the Reporting Period, the total revenue of the Group was approximately RMB1,654,705,000 (2021: RMB1,649,598,000). Other intensity data in the Report are also measured using this data.

Waste Management

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

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

Non-hazardous waste

For the non-hazardous waste, it is generated from the Group's office operations and daily activities. The Group is committed to establishing an electronic and green headquarters, so all departments make good use of the online system. In order to avoid printing and copying files, general notice and data transmission are carried out through the network system in the office. When it is necessary to copy or print files, the employees can print both sides to reduce the use of paper. They are also encouraged to properly classify waste into recyclable and non-recyclable, such as ash, waste paper or packaging boxes are "recyclable" waste, which is stored in designated collection areas and will be handed over to the recycling companies regularly. Waste disposed by the responsible person in a unified manner and keep the surrounding environment clean. With these measures implemented, employees have enhanced their awareness of waste reduction. During the Reporting Period, the paper consumption increased by approximately 57% comparing with the previous year. And the table below sets out the data on total waste discharge of the Group during the Reporting Period:

Each waste discharge	Unit (in kg)	
	2022	2021
Non-hazardous waste — Paper	14,934	9,491
Intensity — unit per million RMB revenue	9.0	5.8

Notes:

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

- During the Reporting Period, the company provide the "solid waste management ledger" and all of 27,775 (2021: 16,655) tonnes of ash have been handed over to the waste collector for recycling.



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

2. Use of resources/Energy Efficiency Management

General Disclosures and KPIs

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

2.1. Energy Consumption

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

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

- Great attention to the feasibility and benefits of technology research and development in heating business;
- The upgrading of the existing wiring and establishing the special lines for better electricity transmission in order to reduce damage to the wiring;
- Optimizing equipment management and improving the technique of the operation to enhance the Group's standards of energy saving and management; and
- Adopting the measurement of energy saving and carbon reduction, such as "dividing and conquering", "repairing instead of buying", "replacing when ultimatum broken", etc.



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During the reporting period, the major energy consumption is natural gas by some subsidiaries. The consumption of natural gas increased by approximately 5,358% year-on-year. On the other hand, the electricity consumption decreased by about 5% year-on-year; during the epidemic, the Group takes the lead in response to the government's call to increase the number of days of heating supply and improve the quality of heat supply,

so that the coal consumption, fleet inspections, and transportation has been increased. Therefore, the rise of coal and diesel consumption were about 20% and 809% year-on-year. Moreover, by promoting the reform of official vehicles, the consumption of petrol has decreased by about 38% year-on-year. The table below sets out the data on energy consumption of the Group during the Reporting Period:

Types of energy	Unit	Consumption	
		2022	2021
Diesel	L	25,554	2,812
Intensity — unit per million RMB revenue	L	15.4	1.7
Unleaded petrol	L	60,915	97,621
Intensity — unit per million RMB revenue	L	36.8	59.2
Coal	Tonnes	87,585	73,128
Intensity — unit per million RMB revenue	Tonnes	52.9	44.3
Natural gas	m ³	219,328	4,019
Intensity — unit per million RMB revenue	m	132.6	2.4
Electricity	kWh	73,876,296	77,991,396
Intensity — unit per million RMB revenue	kWh	44,646	47,279



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

- Equipment, machines and electronic devices shall be turned off after office hours;
- Indoor temperature is maintained at an optimal level for comfort;
- Facilities shall regularly be checked and maintained to ensure highest energy efficiency;
- Signage is put up at appropriate areas to raise the awareness of energy-saving; and
- LED lighting system is recommended to set up widely in workplaces in order to save energy during the office hours

- Factors including safety, reliability, maintenance cost, fuel efficiency, and price, etc should be considered more while selecting vehicles.

2.2 Water Consumption

During the Reporting Period, the Group's main source of water consumption came from the services operation process and the daily use of water by the employees at corporate offices during office hours. The Group monitors water usage on a monthly basis which allows it to monitor and measure the effectiveness of the implement environment practices for water use of each subsidiary. During the Reporting Period, the consumption of water increased by approximately 7% year-on-year due to the increase in the heating area of the Group and the increase in the number of heating days due to the epidemic. The table below sets out the water consumption level of the Group during the Reporting Period:

Water consumption	Unit (in m ³)	
	2022	2021
Water consumption	3,590,766	3,368,228
Intensity — unit per million RMB revenue	2,170	2,042



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

- Paying great attention to the research and development of automatic control system in heating business and continue to promote the technical application of energy saving, environmental protection and hydraulic balance;
- Applying water-saving appliances in water facilities as much as possible;
- The faucets should be closed in time after using water to prevent the wastage and leakage of water;
- Scheduled inspection and maintenance of equipment; and
- If abnormal conditions are detected, the relevant department should be notified in time to prevent any wastage of water resources.

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

2.3. Paper Consumption

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

2.4. Packaging Material

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

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

3. Environmental Protection and Natural Resources Conservation

General Disclosures and KPIs

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



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3.1. Prevention Measures

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

Heat Supply

The Group places great attention to the effectiveness of technological R&D in heat supply and production, continues to promote technological R&D projects such as the "Fuel Management System", the "Big Data Analytics for Heat Supply", the Biomass-Coal Co-Combustion test and the "Biomass Container" devices, and gradually transforms the results into actual production. In addition, the Group has explored and attempted on energy-saving projects such as the "Smart System for Heat Supply and Energy Saving in Public Buildings" and the "Technical Transformation and Improvement Project on Jet Water-Water Heat Exchange Device", and is committed to making progress in improving heat supply efficiency and reducing energy consumption.

Construction, Maintenance and Design Services

In terms of the construction service, the Group endeavours to calculate the number of materials needed for the production based on the principle of minimizing surplus materials; at the same time, it optimizes the heat supply emergency repair process and upgrades repair facilities and equipment. In terms of maintenance service, reduce the consumption of maintenance materials by dividing and conquering, repairing instead of buying, replacing when ultimation broken. At the same time, optimize the emergency repair process of the heating pipe network and upgrade emergency repair facilities and equipment. In terms of design service, relevant departments collaborate the latest measures of energy-saving and improve the design level through advanced energy-saving technologies, processes, and materials, so as to achieve energy-saving and emission-reduction goals.

3.2 Noise Management

The Group strengthened the "Environmental Quality Standard for Noise (GB3096-2008)". If the noise exceeds the standard, the heat exchange station will be sound-proofed and noise-reduced by adding or replacing the shock-absorbing device; or the equipment of the noise source will be replaced. Every subsidiary is responsible for submitting the noise test from each heat production unit in order to manage and supervise the noise during business operations.

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



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4. Climate Change

Recognizing the significant threat posed by climate change to the world, the Group has optimized its management approach to build the climate resilience and enhance the adaptive capacity. Responses are also provided in relation to the physical and policy transformational risks and opportunities assessed by the Group, as follows:

4.1 Physical Climate Risks and Opportunities

In the climate risk, the cost of heating for the heat supply segment is significantly affected by the weather conditions during the heating period. The Company needs to purchase more heat to maintain the desired in-room temperature for its customers when the outdoor temperature is low during the heating period, which will increase the overall cost of the heating business and vice versa. The cost of heating for the heat supply business may increase in the event of the extreme cold winter. In this regard, the Company will utilize the advanced management model through the heating network platform and the self-adjustment advantages of multi-heat source network, as well as to adopt scientific and intelligent adjustment methods to rationally allocate heat source output in order to reduce the adverse impact of climate risks on the company's heating costs. The smart heating network platform and management model will help promote the society's tackling of climate change, and the Group's business and brand value will be more widely recognized and enhanced, which may attract more investors' attention.

Moreover, the engineering maintenance and technical services of construction, maintenance and design services segment also need to fully consider the impact of climate change. The members of engineering teams should strengthen the ability of climate adaptation and awareness of natural disasters.

4.2 Policy transformation risks and opportunities

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

4.3 Extreme weather measures

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



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III. SOCIAL

Major Scope & Aspects

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

1. Employment and Labour Practices

General Disclosure

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

During the Reporting Period, the Group had 1,562 full-time employees in the PRC, 1,338 employees of whom worked for the business segment of Heat Supply including 858 employees of whom for the Company, 70 employees of whom for Xixing Energy, 408 employees of whom for Yatai Heating and 2 employees of whom for Biomass Power, and 224 employees of whom for Construction Maintenance and Design Services including 65 employees of whom for Changre Pipelines 《吉林省長熱管網輸送有限公司》, 56 employees of whom for Changchun Runfeng 《長春市潤鋒建築安裝工程有限責任公司》, 35 employees of whom for Changre Maintenance 《吉林省長熱維修實業有限公司》, 34 employees of whom for Heating Engineering Design 《吉林省熱力工程設計研究有限責任公司》, 29 employees of whom for Changre Electrical Apparatus 《吉林省長熱電氣儀錶有限公司》 and 5 employees of whom for Clean Energy 《吉林省春城清潔能源有限責任公司》. There were two male employees with the age between 30 to 50 years old left the subsidiaries. The employee turnover rate is around zero. In talent development aspect, the Group obtains talent evaluation mechanism, which is classified and managed in the talent pool by technical experience and job level. It is also used as the basis for determining remuneration, allocation and promotion according to the employee's responsibilities, work experience and current market practices.



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

Employee Relations

To strengthen the corporate culture and sustainable development, the Group’s trade union comprehensively provides employee benefits and organizes a wide range of leisure activities. Besides the aim to cultivate a cozy atmosphere, show care for the Group’s employees and foster work-life balance among the staff, these can also be further enhanced the cohesion and centripetal force of its employees. On 1 December, 2022, the Group awarded the “Jilin Province Star Staff Representative Conference” by the Office of the Jilin Provincial Federation of Trade Unions Disclosure of Factory Affairs Leading Group.

Relevant benefits and activities are as follows:

- Establishing the employees’ congress system to provide their opinions and suggestions on major decisions of the Group, such as setting up employee appeal centers, etc.;
- Organizing and participating in national, provincial and municipal professional skills competitions, the implementation plan of “Study to realize your dreams”;
- Distributing holiday condolences to employees during Chinese traditional festivals, International Women’s Day, etc.;
- Providing condolences who are in difficulties, and whose immediate family have died; sending birthday cards to employees; and
- Holding and joining various cultural and sports activities, such as the badminton competitions, basketball competitions, exhibitions of employees’ calligraphy and painting, top ten singer activities, etc.



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Photo albums (Trade union activities)

During the Reporting Period, the Group held and joined the badminton competitions, basketball competitions and exhibitions of employees' calligraphy and painting.



Equal Opportunity

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

In line with the national "three-child policy", the Group provides comprehensive support to employees, including 15 days of marriage leave, 15 days of prenatal leave, 180 days of postnatal leave, and 15 days of maternity leave under special circumstances, additional 15 days of the maternity leave for multiple births and each additional baby, 25 days of nursing leave for men (all excluding public holidays and national statutory holidays), licensed breastfeeding time, extended maternity leave under special circumstances, etc.; the employees who also accept family planning surgery leave in accordance with the "Jilin Province Population and Family Planning Regulations 《吉林省人口與計劃生育條例》".

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

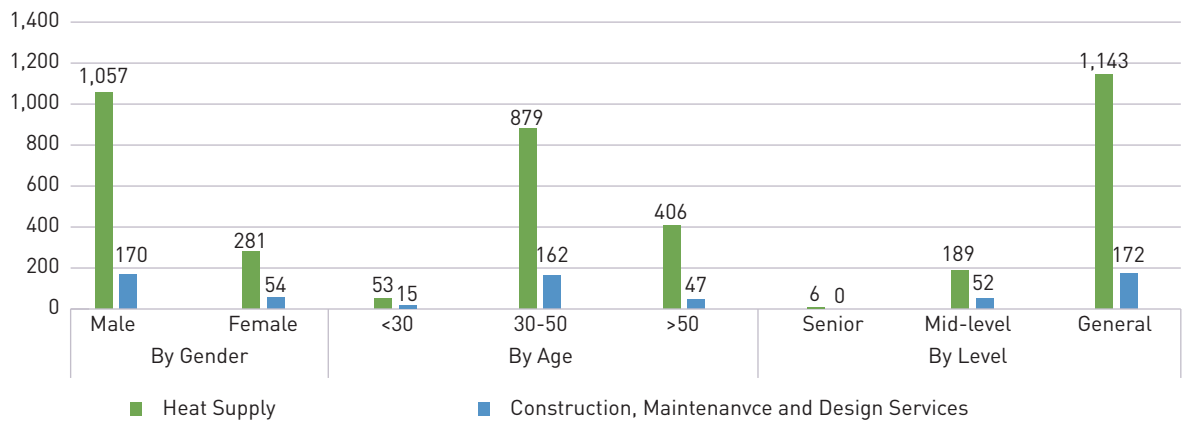


THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

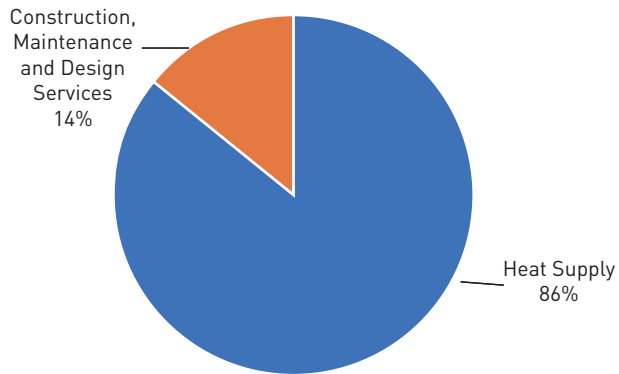
As at 31 December 2022

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

Total number of employees by categories of business segment



Employee ratio by business segment (in % share)



Total: 1,562 employees (at as 31 December, 2022)

Notes:

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



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2. Health and Safety

General Disclosure

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

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

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

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

Prevention and Control Measures for the Epidemic

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



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Safety Management

The Group complied with the "Work Safety Law of the PRC 《中華人民共和國安全生產法》" and the "Regulations of Chuncheng on Safe Production 《長春市安全生產條例》", by ensuring that the employees are working in a safe environment; as well as providing induction programs and safety training programs to new employees such that they can be familiar with our corporate policies in relation to health and safety matters as quickly as they can. The Group has comprehensively implemented all major decisions and deployments from the government at all levels with regard to safety production, firmly established the concept of safety development, determined the principal responsibilities in relation to safety

production, and sturdily promoted the three-year special rectification action on safety production, with the objectives of "preventing risks, eliminating hazards and curbing accidents". Through effective practical work such as the "signing of safety responsibility letters with heat production units" and "conducting of special inspections on safety production site management", the Group has enhanced the safety awareness of staff, improved the safety management level, strengthened the effort on safety management, comprehensively improved the quality of corporate safety management and safeguarded the continuous stability for the Group's safety production. During the Reporting Period, the Group did not have any major safety incidents. The summary of work-related fatalities and in juries in the past of three years

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

Item	Unit	2022	2021	2020
No. of Work-Related Fatalities	ppl	—	—	—
Rate of Work-Related Fatalities	%	—	—	—
No. of Injuries at Work	ppl	1	—	1
Lost Days due to Injury at Work	days	185	—	60

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



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3. Development and Training

General Disclosure

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

The Group strives to raising the safety awareness of its employees through promotion on bulletin boards and posting of safety signs. More importantly, the Group has also established safety training and education system. Occupational health and safety training courses are conducted regularly to the employees, training topics include general occupational health and safety education, correct usage of personal protective equipment etc. In addition, the certificate of competency is required for professional positions, such as instrument technicians,

boiler workers, electrical engineers, and welders must be trained by relevant departments and pass the examination before they can take up the job. The mental well-being of employees has been valuable assets for the Group, and the Group has alleviated employees' working pressure through arrangement of various activities such as mental well-being courses and group sharing. Furthermore, the Group encourages and supports employees to participate in personal and professional trainings in response to the relevant evolving market needs, such as changes in laws and regulations, market trends, product trends and customer behaviours. Based on the needs of individual employees, we also provide education allowances to facilitate improvement of their job skills and encourage them to maintain the non-stop learning spirit. The table below sets out the number of employees, training hours and percentages of the Group during the Reporting Period:

Employees' category	Hours	Employees	Percentages (in %)
Total no. of employees, training hours and percentages	1,192	621	40
No. of employees/average no. of training hours/rate of employees trained by level			
Senior	55	6	1
Middle-level	300	291	47
General	837	324	52
No. of employees/average no. of training hours/rate of employees trained by gender			
Male	1,052.5	506	82
Female	139.5	115	18



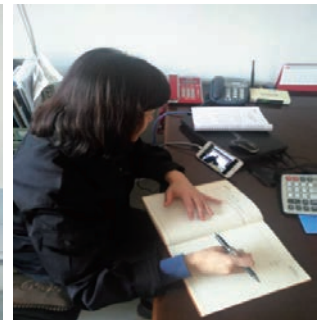
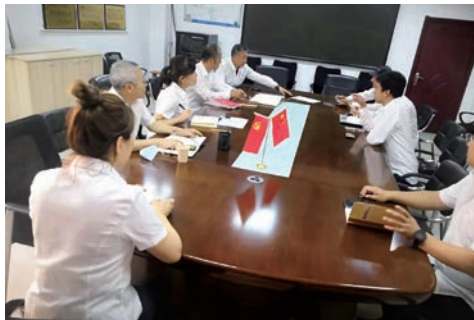
THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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Photos album (Trainings)

(1) Business operational training:

In May 2022, the instrument company organized training for instrument workers, including explanation, analysis, and grade examination, with a pass rate of 100%.



(2) Health and safety training:

In June 2022, the pipeline network transportation company and the maintenance industry company jointly organized the 2022 safety production month fire protection knowledge training and emergency evacuation drill.





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(3) *Managerial training:*

In August 2022, members of the group's party committee and all middle-level managers participated in a special training session on the reform and development of state-owned enterprises and party building.

In September 2022, all middle-level managers of the Group participated in the "Enterprise Digital Strategic Transformation" training organized by the Group in the form of a video conference.



4. Labour Standards

General Disclosure

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

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

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



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5. Supply Chain Management Mechanism

General Disclosure

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

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

the Corporate Governance required by the Stock Exchange. The Group is obliged to terminate the cooperation contract with suppliers that may cause or have caused serious pollution or serious social accidents.

During the Reporting Period, the total number of business partners and suppliers were 418 (2021: 862), in which 192 (2021: 301) from the business segment of Heat Supply and 226 (2021: 561) from Construction Maintenance and Design Services. The Group continues to promote the localization of business partners and suppliers and all of them are from the PRC. Under the same terms and conditions, we prioritize a mutually beneficial partnership with local contractors and suppliers. With the application of scientific technology in logistic management, we are committed to shortening material delivery time, while controlling warehouse storage and delivery pressure, reducing vehicle emissions and negative impact on the environment. The Group believes that through the above review process, we can minimize the potential environmental and social risks associated with the supply chain management.

Fair and Open Procurement

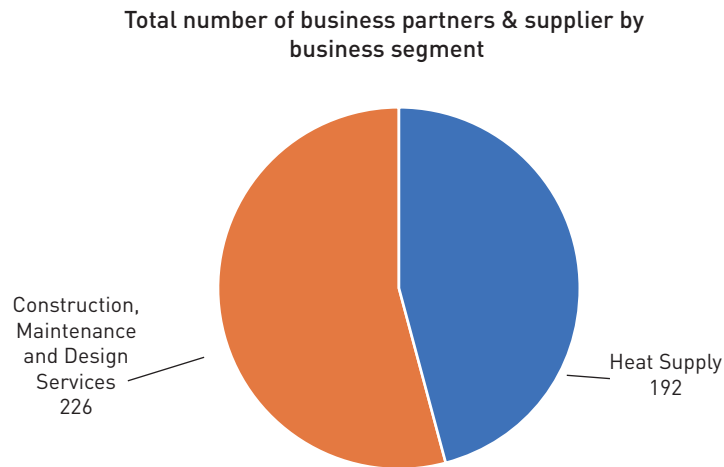
The Group's procurement process strictly implements the "Bidding Law of the PRC" 《中華人民共和國招標投標法》 and is conducted in an open, fair and impartial manner. The Group does not discriminate against any business partners, suppliers, and employees and other individuals who have an interest in the relevant suppliers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



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



6. Product Responsibility

General Disclosure

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

During the Reporting Period, the total number of customers was 533,461 (2021: 508,033) in which 533,368 (2021: 507,853) from the business segment of Heat Supply and 93 (2021: 180) from Construction Maintenance and Design Services. The Group has established

stringent processes and systems to ensure that all products and services comply with all the relevant laws and regulations, as well as internal rules including but not limited to the company policy of the “Intangible Access Management” 《無形資產管理制度》, the “Consumer Protection Law of the PRC” 《中華人民共和國消費者權益保護法》, the “Advertising Law of the PRC” 《中華人民共和國廣告法》 and the “Product Quality Law of the PRC” 《中華人民共和國產品品質法》, by ensuring that there are no false and misleading messages in our advertisements and promotion activities.



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IPR protection

To facilitate the implementation of the “14th Five-Year” National Science and Technology Innovation Plan” 《“十四五”國家科技創新規劃》, the Group continuously contributes to the investment in technological innovation. With the efforts of the technical team, there were a total of 7 (2021: 13) patents issued by the State Intellectual Property Office including invention patents, utility model patents, appearance patents, as well as a total of 5 (2021: 37) computer software copyright licenses by the National Copyright Administration during the Reporting Period. On 21 November, 2022, the Heating Engineering Design also awarded bronze medal of the “BIM Competition” in the third “Smart Construction Cup” of International Smart Construction Innovation Grand Prix. Therefore, the Group will continuously improve innovation capability, and took into account factors such as core service content of heat supply business and the importance of IPR projects, so as to prevent IPR risks and enhance IPR protection.

Feedback Management

The Group has set up various complaints and feedback channels, such as telephone hotline, wechat, emails and websites, to collect suggestions and advice from customers. For Heat Supply business, the Group adopted the innovative service method “Internet Plus” and mobile app “Heat Supply e-Home” to improve the quality of customer services. It can immediately and widely receive customers’ feedback and suggestions in order to solve as many as actual heating problems for them. The business has actively established 977 (2021: 980) wechat groups of heating community management, which can release instant heating information and fulfill customers’ demands online. During the reporting period, there was a year-on-year decrease of 3% due to the merger of the wechat groups. The customer data protection and privacy is followed to company policy of the “Customer Management”.

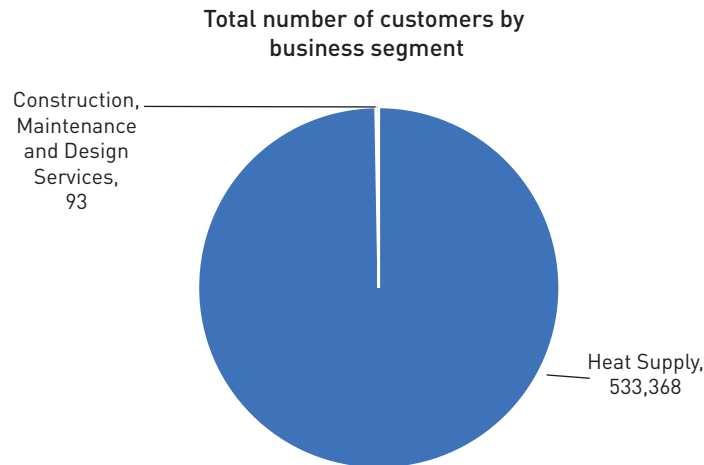
During the Reporting Period, the Group was not aware of any major violations against laws and rules that were related to the health and safety, advertisements, labels, privacy and remedial measures for or of the products and services it offered and that had material impacts on the Group.



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



7. Anti-corruption Mechanism

General Disclosure

Ethics and integrity are the cornerstones of the Group's success. The Group adopts a 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 the "Criminal Law of the PRC" 《中華人民共和國刑法》 and the "Punishing corruption and regulations of the PRC" 《中華人民共和國懲治貪污條例》. All employees not only have responsibility to understand and comply with above policies on preventing bribery, extortion, fraud and money-laundering, but also have an obligation to report violation to the senior management of the Group. Any person who contravenes the regulations will be reported to the authorities.

In January and July 2022, the work conferences of "Party Style and Clean Government Construction" was held respectively. It is necessary to pay close attention to important time nodes such as New Year, Lunar New Year, Labour Day, and National Day throughout the entire year, and put forward disciplinary requirements in due course. At the same time, the Group issued relevant anti-corruption notices, including the "Notice on Doing a Good Job of Positive Wind and Discipline During the New Year and Lunar New Year in 2022", the "Notice on Integrity and Discipline in the Dragon Boat Festival", "Notice on Integrity and Discipline in the Mid-Autumn Festival" and "Notice on Integrity and Discipline During the National Day Holiday" to educate all employees on how to comply with law and case analysis so as to promote the importance of anti-corruption practices. 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.



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

8. Community Investment

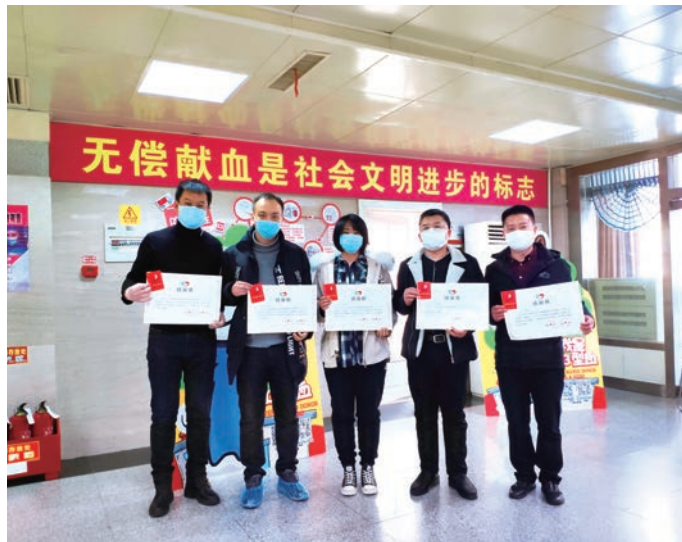
General Disclosure

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

Photo albums (Community activities)

(1) Voluntary blood donation activities

From 19 to 25 December, 2022, in response to the initiative of the Organization Department of the Changchun Municipal Party Committee and the Municipal State-owned Assets Supervision and Administration Commission to actively participate in voluntary blood donation, the Group organized two rounds of voluntary blood donation activities. 25 party branches' and 65 cadres' employees in Changchun City participated and registered, and 27 employees successfully donated blood to act the social responsibility of national enterprises.





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(2) *Alleviate the impact of the epidemic*

From 30 March 30, 2022 to 30 April, 2022, in order to coordinate and solve the shortage of living materials from employees, the Group's party committee appointed the trade union joint material management office for immediately action. The management office purchased a total of 528 packages of vegetable packages, 154 packages of meat packages, 81 packages of fruit packages, rice noodles, oil, instant noodles and other daily necessities and epidemic prevention material.



Looking ahead, the Group will continue to focus on social activities and motivate employees to actively participate in volunteer services in the future. The Group is committed to increasing social investment and creating a better environment for its society and business.

IV. CONCLUSION

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



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V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspects, General Disclosures and KPIs	Description	Relevant Pages In The Report & Remark
A	Environment	P 6–17
Aspect A1	Emissions	P 7
KPI A1.1	Types of emissions and respective emissions data	P 8–12
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	P 10–11
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Not applicable to the Group's core operation.
KPI A1.4	Total non-hazardous waste produced and intensity	P 11
KPI A1.5	Description of measures to mitigate emissions and results achieved	P 11
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	P 11–12
Aspect A2	Use of Resources	P 12–15
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	P 13–14
KPI A2.2	Water consumption in total and intensity	P 14
KPI A2.3	Description of energy use efficiency initiatives and results achieved	P 12–14
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	P 14–15
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not applicable to the Group's core operation.
Aspect A3	The Environment and Natural Resources	P 15–16
KPI A3.1	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.
Aspect A4	Climate Change	P 17
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.	P 17



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Aspects, General Disclosures and KPIs	Description	Relevant Pages In The Report & Remark
Aspect B	Social	P 18–32
Aspect B1	Employment	P 18–21
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	P 21
KPI B1.2	Employee turnover rate by gender, age group and geographical region	P 18
Aspect B2	Health and Safety	P 22–23
KPI B2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting year	P 23
KPI B2.2	Lost days due to work injury	P 23
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P 22–23
Aspect B3	Development and Training	P 24–26
KPI B3.1	The percentage of employees trained by gender and employee category	P 24
KPI B3.2	The average training hours completed per employee by gender and employee category	P 24
Aspect B4	Labour Standards	P 26
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	P 26
KPI B4.2	Description of steps taken to eliminate such practices when discovered	No such practices when discovered during the Reporting Period.
Aspect B5	Supply Chain Management	P 27–28
KPI B5.1	Number of suppliers by geographical region	P 27–28
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	P 27
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P 27
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P 27



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Aspects, General Disclosures and KPIs	Description	Relevant Pages In The Report & Remark
Aspect B6	Product Responsibility	P 28–30
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's core operation.
KPI 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	P 29
KPI B6.4	Description of quality assurance process and recall procedures	Not applicable to the Group's core operation.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P 29
Aspect B7	Anti-corruption	P 30–31
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	P 30
KPI B7.3	Description of anti-corruption training provided to directors and staff.	P 30
Aspect B8	Community Investment	P 31–32
KPI B8.1	Focus areas of contribution	P 31–32
KPI B8.2	Resources contributed to the focus areas	P 31–32