



天伦燃气
TIANLUN GAS

China Tian Lun Gas Holdings Limited
中國天倫燃氣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 01600



2020

ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT

China Tian Lun Gas Holdings Limited

2020 Environmental,
Social and Governance Report





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About the Report

China Tian Lun Gas Holdings Limited (the “Company”) (1600. HK) hereby presents the Environmental, Social and Governance Report 2020 (“the Report” or the “ESG” Report) of the Company and its subsidiaries (collectively, the “Group” or “Tian Lun Gas”). Adhering to the mission of developing clean energy and improving living environment, the Group provides customers with safe and clean energy, and promotes environmental improvement and protection. In the Report, the Group demonstrates its practices and performances in various ESG issues in 2020 in an open and transparent manner. The Group strengthens communications with all stakeholders and the public by the Report to let them understand the Group’s practices and performances in environmental and social areas.

Reporting Scope

The Report covers the Group’s principal businesses including its investment, operation and management of gas pipeline connections, transportation, distribution and sales of gas, construction and operation of gas filling stations, and production and sales of liquefied natural gas (“LNG”) in China. The time period covered by this Report is from 1 January 2020 to 31 December 2020 (the “Reporting Period”), and some contents are beyond the above period. There are no significant adjustments in the reporting scope compared with the Tian Lun Gas 2019 ESG Report published on 10 July 2020, but the integrity of the information collected has been improved.

Reference

The Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEX”).

Data

All financial data in the Report are derived from the 2020 Annual Report. Other data are from the Company’s internal management system and statistics, involving some historical data. All Data and figures are reported in RMB in the Report, unless otherwise stated.

Report Availability

The Report is available in electronic version which can be viewed or downloaded on the website of the Company (www.tianlungas.com) and the HKEXnews website (www.hkexnews.hk).

Chairman's Statement

Zhang Yingcen, Chairman



2020 was an extraordinary and extremely challenging year. The sudden hit of Covid-19 has posed great challenges to economic development and social activities. By identifying changes with science, pursuing progress in transformation, and seeking opportunities from the crisis, Tian Lun Gas managed to promote work and production resumption, production and management, and other work while advancing epidemic control. Thanks to unremitting efforts in fully exploring the potential value of the current gas market, the Group has secured stable growth in overall performance.

The Group accommodates social and environmental sustainability while pursuing economic growth. Adhering to the operation principle of sustainable development as the core, Tian Lun Gas listens to different voices, communicates and cooperates proactively with stakeholders, and establishes effective governance and administrative mechanisms for sustainable development. We continuously promote the practical integration of sustainable development into our operations and management to create stable environmental, social and corporate value in the long term.

In the context of China's goal of achieving carbon neutrality by 2060, the Group actively responds to the call of national energy development strategies and provides clean energy optimization and replacement solutions for high-energy consumption and high-polluting enterprises by leveraging our rich experience in professional gas construction and operation as well as strong gas source guarantee capabilities. The Group continues to create natural gas access in rural areas with the exemption of gas connection fees, supporting rural residents to replace coal with clean energy and assisting gas construction in villages. These efforts have effectively promoted green development and lifestyle in rural areas, thus facilitating the clean transformation of regional energy structure. In 2020, the Group operated 67 urban gas projects in 16 provinces. The total volume of its natural gas sales and long-haul pipeline gas transmission reached 2.28 billion m³.

Adhering to the customer-focused philosophy with services as a guarantee, the Group has always been increasing customer loyalty with a high-quality customer service experience to achieve a win-win situation where the brand reputation of Tian Lun Gas can be enhanced with customer recognition obtained. The Group continues to carry out grid operations in pilot areas and improves

the professional skills of front-line employees through a series of evaluations, trainings and inspections. The grid management promotion plan had been completed in 2020, which will further fulfill the precise requirements of customer service. The Group continues to deepen the delicacy management of customers, establish a customer tracking mechanism for key users, update the customer information file with focuses on resource integration. We strive to optimize the customer service systems and improve the overall efficiency and service quality.

With the people-oriented management philosophy, the Group innovates incentive mechanisms. Through the formulation of incentive plans on gas penetration in rural areas and value-added business, as well as the establishment of project contracting mechanism for internal partners in subsidiaries and mid-to-long-term business partnership system, the employees' sense of participation and belonging have been comprehensively heightened with their enthusiasm summoned up. At the same time, the Group continues to improve the talent training system which provides targeted and diversified online and offline training programs for talents in different positions, ranks and development stages. Management trainings for college students and reserve cadres have been actively carried out to achieve the mutual growth of employees and the Group.

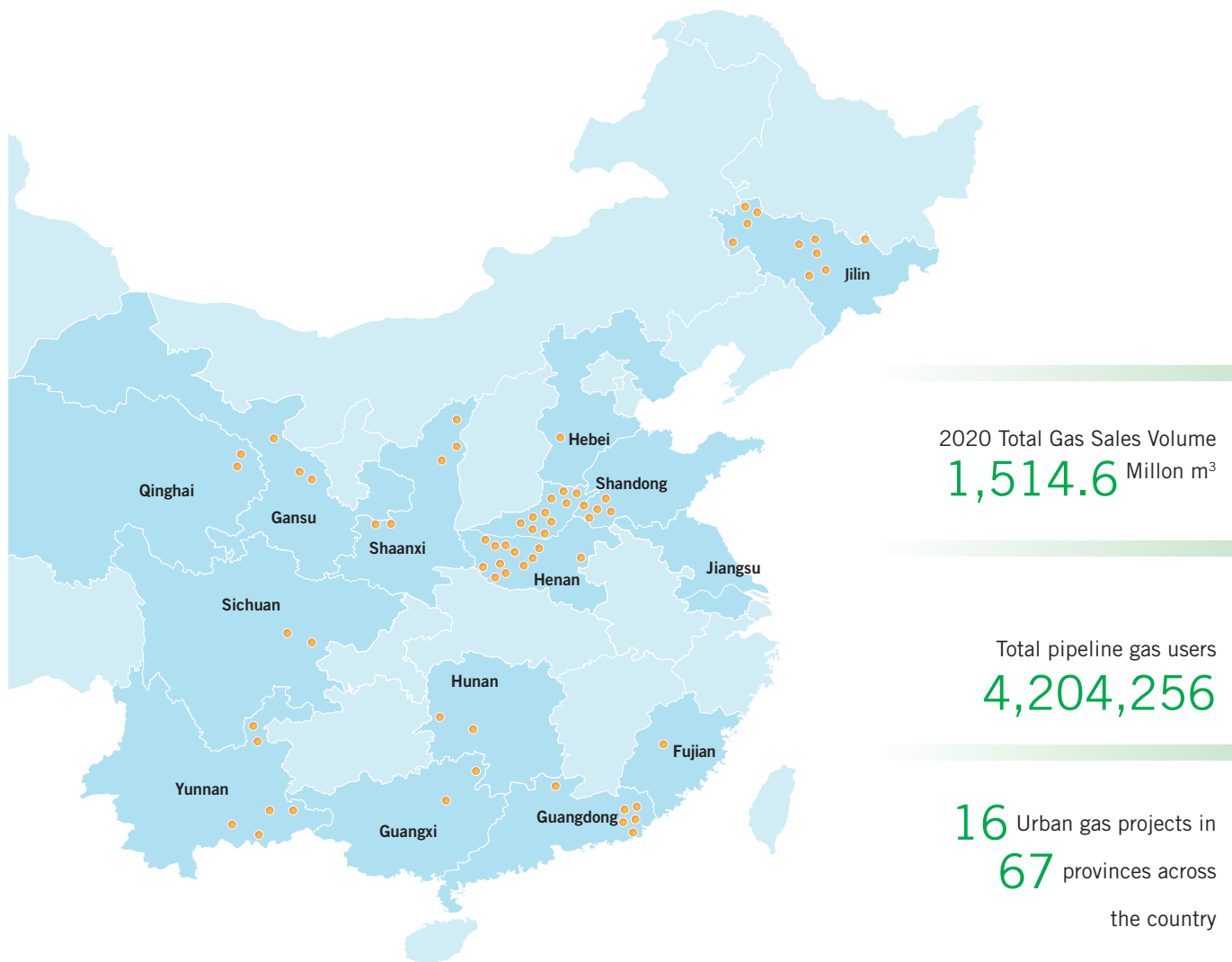
2021 kicks off the fourteenth "five-year plan" and all-around rural vitalization. During the fourteenth "five-year plan" period, building a modern rural energy system with green, low-carbon and clean elements is an important step towards deepening supply-side reform in the countryside, accelerating agricultural and rural modernization, as well as improving living conditions. We will seize critical development opportunities and adhere to the strategy of "gas penetration in urban and rural areas". We will strengthen our gas supply capacity through strengthening cooperation and optimizing gas sources and improve the efficiency of operations and services in the spirit of customer-centered and service-oriented. We will also improve safety operation standards and ESG performance to achieve win-win cooperation.

Last but not least, on behalf of the board, I would like to extend my sincere thanks to all shareholders, customers and partners for their continued support and all employees of the Group for their hard work!

About the Company

COMPANY PROFILE

Tian Lun Gas was established in 2002 which is one of the earliest enterprises specialized in gas pipeline connections, transportation, distribution and sales of gas, construction and operation of gas filling stations, and production and sales of LNG, etc. On 10 November 2010, the Company was listed on the Mainboard of HKEX with stock code 1600. As of December 31, 2020, Tian Lun Gas has successfully operated 67 urban gas projects in 16 provinces, 1 LNG plant and 6 long-haul pipelines (among which, 4 have been put into operation, 2 are under construction/planning).






COMPANY CULTURE



KEY INDICATORS

2020 ESG key performance indicators of Tian Lun Gas

Indicator	Unit	2020	2019	2018
Economic indicators				
Total assets	Million RMB	12,918	11,939	11,434
Total revenue	Million RMB	6,440	6,549	5,113
Profit for the year	Million RMB	1,064	813	600
Earnings per share — basic	RMB	1.04	0.80	0.58
Total pipeline gas users	Users	4,204,256	3,247,483	2,354,203
Natural gas sales volume	Ten thousand m ³	151,461	156,640	129,236
Long-haul pipeline gas transmission volume	Ten thousand m ³	76,563	76,178	86,759
Social indicators				
Total number of employees	People	2,932	3,159	2,843
Total number of male employees	People	1,817	1,995	1,769
Total number of female employees	People	1,115	1,164	1,074
Percentage of male employees	%	61.97%	63.15%	62.22%
Percentage of female employees	%	38.03%	36.85%	37.78%
Safety inspection completion rate of subsidiaries	%	100%	100%	100%
Donation ¹	Ten thousand RMB	1,000	500	2,000
Environmental indicators				
Gasoline consumption	Tonnes	94.32	248.09	193.43
Diesel consumption	Tonnes	0.00	90.20	102.11
Natural gas consumption	Ten thousand m ³	67.56	58.65	92.09
Purchased electricity consumption	MWh	26,595.28	39,811.11	45,466.21
Purchased heat consumption	GJ	10,696.97	56,290.87	57,766.57
Intensity of energy consumption	MWh/Million RMB revenue	6.76	9.91	14.45
Intensity of greenhouse gas emissions	tCO ₂ e/ Million RMB revenue	3.50	5.74	8.01

¹ The total amount of donations refers to Tian Lun Group.

ESG Management

Tian Lun Gas always adheres to the core values of sustainable development, continuously improves the ESG management system, and incorporates ESG factors into decision-making and daily operations to comprehensively promote the sustainable development of the Group. Moreover, Tian Lun Gas continuously strengthens communication with stakeholders and listens to the opinions of various parties to promote the win-win sustainable development shared by all.



ESG MANAGEMENT SYSTEM

Tian Lun Gas constantly improves the ESG management system. The Group has built an ESG management structure, consisting of the Board of Directors, management, investor relations department, and the ESG working group. Through this structure, Tian Lun Gas conducts ESG management comprehensively from several dimensions, such as strategy, internal control of risks and daily operations, to enhance the ESG management of the Group, thereby effectively responding to the ESG risks and opportunities.



Tian Lun Gas gives full support to the UN Sustainable Development Goals (SDGs) by leveraging the environmental attributes of the business. The Group identified 10 SDGs with the highest relevance based on business characteristics, and committed to supporting and implementing the SDGs in its development strategies and business operations.

Responses to SDGs

SDGs	Our Responses
	<ul style="list-style-type: none"> • Charitable donations • Charitable activities
	<ul style="list-style-type: none"> • Caring and helping vulnerable groups • Combating the COVID-19 pandemic • Gathering volunteers to serve the society
	<ul style="list-style-type: none"> • Offering equal job opportunities to females • Ensuring full and effective participation of female employees in company decision-making • Guaranteeing equal access to decision-making leadership at all levels for female employees
	<ul style="list-style-type: none"> • Stabilizing the supply of natural gas and continuing to promote the optimization of coal-fired boilers • Promoting the transformation of regional energy mix and building a new pattern of rural development in which human and nature live together in harmony
	<ul style="list-style-type: none"> • Fair and equal employment opportunities • Guaranteeing legitimate rights and interests of employees • Reasonable remuneration • Inclusive and diversified platforms for career development
	<ul style="list-style-type: none"> • Promoting technological exchanges • Driving industry development
	<ul style="list-style-type: none"> • Defending human right systems • Opposing discrimination • Respecting freedom of association
	<ul style="list-style-type: none"> • Promoting application of natural gas and other clean energy sources
	<ul style="list-style-type: none"> • Creating a responsible supply chain with suppliers
	<ul style="list-style-type: none"> • Developing energy-saving work programs • Actively pursuing methane reduction

* For details, please refer to relevant chapters of the Report.

STAKEHOLDER ENGAGEMENT

The opinions of stakeholders from a wide spectrum of society are of great significance to our sustainable development efforts, so Tian Lun Gas highly values communication with all stakeholders. In order to enhance transparency to the public, we understand the expectations of all stakeholders in detail through diversified communication methods and respond to their requirements promptly.

Stakeholder	Expectations and requirements	Communication methods and channels	Response and feedback
Shareholders /Investors 	<ul style="list-style-type: none"> • Development strategies of the Group • Growth potential of the Group • Investment returns • Timely information disclosure • Corporate compliance 	<ul style="list-style-type: none"> • Results conferences • General meetings • Roadshows • Interim and annual reports • Project research 	<ul style="list-style-type: none"> • Disclosure of announcements, resolutions of general meetings and financial reports as required • Strive to improve profitability • Timely disclosure of information • Actively organize field research of projects
Customers 	<ul style="list-style-type: none"> • Safe and stable supply of gas • Service quality • Protection of personal information of customers • Reasonable price 	<ul style="list-style-type: none"> • Customer satisfaction survey • Complaints and advice from multiple channels 	<ul style="list-style-type: none"> • Regular safety inspections for customers • Improvement in service quality • Timely handling of complaints and advice
Employees 	<ul style="list-style-type: none"> • Compensation and benefits • Training and development • Working environment • Relationship with employees 	<ul style="list-style-type: none"> • Staff representatives • Internal and external training for employees • Staff activities 	<ul style="list-style-type: none"> • Establish a fair remuneration and promotion mechanism • Expand the types and methods of training • Care for employee health • Organize staff activities • Provide a healthy and safe working environment
Government/ Regulator 	<ul style="list-style-type: none"> • Pay taxation in accordance with the law • Timely and regulated information disclosure • Safe operation in compliance with the law • Control regulations • Environmental protection 	<ul style="list-style-type: none"> • Institution visits • Give work reports • Daily communication • Information disclosure 	<ul style="list-style-type: none"> • Operation in compliance with the laws and regulations • Accept government inspections and visits • Truthful and accurate information disclosure • Carry out operating activities in accordance with policies
Suppliers/ Partners 	<ul style="list-style-type: none"> • Punctual performance of contractual obligations • Transparent procurement • Corporate reputation 	<ul style="list-style-type: none"> • Supplier discussion meetings • Daily communication • Strategic cooperation 	<ul style="list-style-type: none"> • Open tender and performance of contracts as agreed
Environment 	<ul style="list-style-type: none"> • Energy saving and emission reduction • Reduce environmental impacts 	<ul style="list-style-type: none"> • Environmental impact assessment and external communication • Environment management 	<ul style="list-style-type: none"> • Supply clean energy • Practice resources saving
Community 	<ul style="list-style-type: none"> • Facilitate regional development • Business ethics • Carry out public welfare 	<ul style="list-style-type: none"> • Charity events • Volunteer activities 	<ul style="list-style-type: none"> • Tian Lun Charity Fund • Take part in public welfare
Media 	<ul style="list-style-type: none"> • Transparent information • Smooth communication • Maintain good media relations 	<ul style="list-style-type: none"> • Press conference • Media project investigation • Management Interviews 	<ul style="list-style-type: none"> • Regular press conferences • Distribution of press releases to the media • Update business news on the Group's website • Responses to media inquires • Continuous communication with the media

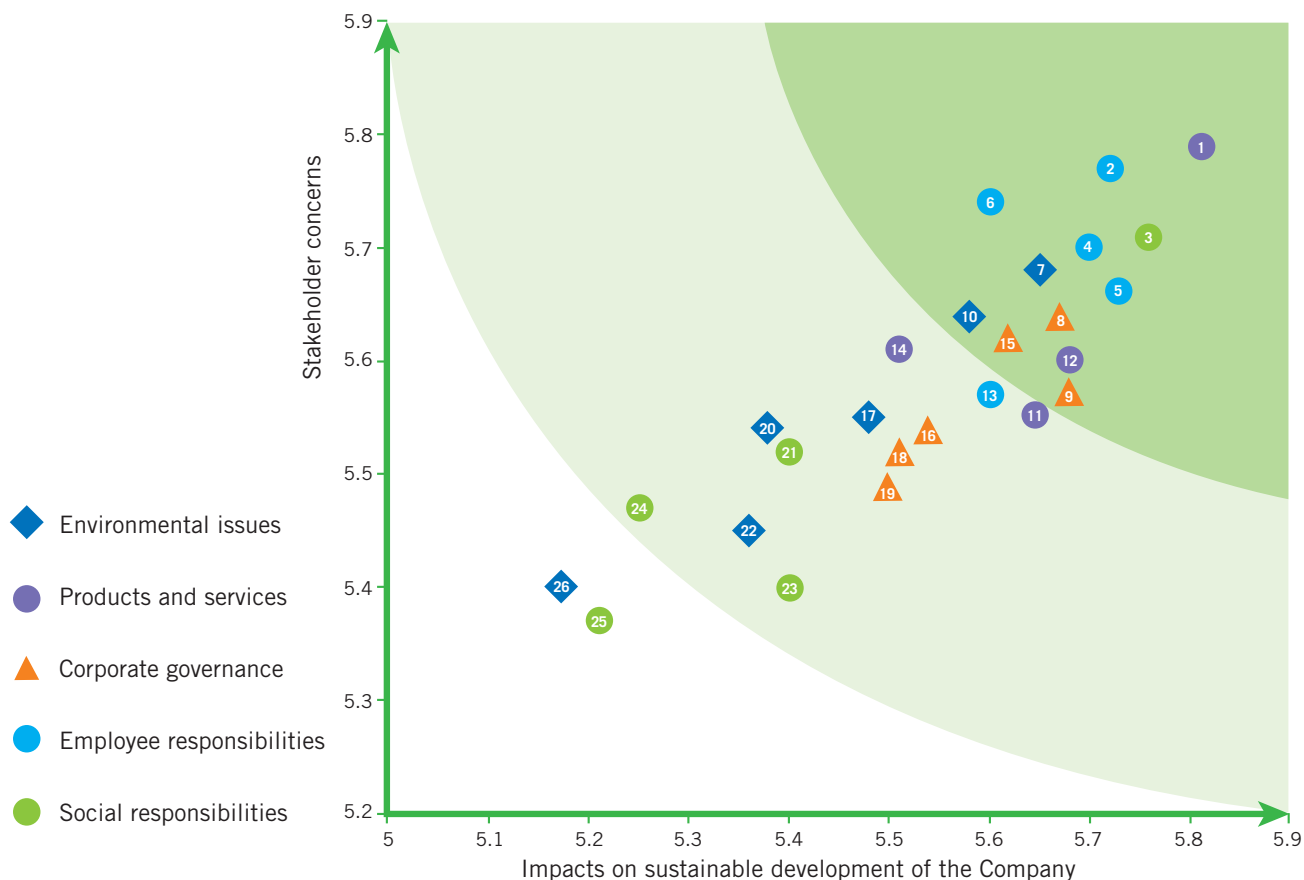
In 2020, Tian Lun Gas continued to maintain daily communication with stakeholders to receive feedback and suggestions from external stakeholders on ESG issues, and took the opportunity of preparing the Report to conduct five interviews to understand the concerns and expectations of all stakeholders, in a bid to adjust the results of the materiality assessment in a targeted manner.

RESPONDING TO ESG REPORTING PRINCIPLES

Materiality: In order to define the key areas of ESG practices and information disclosure and to improve the pertinence of the Report, Tian Lun Gas identified ESG issues and conducted a materiality assessment in accordance with the requirements of the ESG Reporting Guide to ensure that the information disclosed in the Report comprehensively covered the key issues of concern to Tian Lun Gas and its stakeholders. Based on the results of the previous questionnaire survey, Tian Lun Gas continued to listen carefully to the comments and suggestions of stakeholders on the Group's work related to ESG issues and conducted stakeholder questionnaires survey in 2020. With employee interviews, on-site visits, questionnaires, and other forms of communication, Tian Lun Gas understood the sustainable development issues of concern to its internal and external stakeholders. Based on the identification and assessment of the issues of concern to stakeholders, Tian Lun Gas ultimately identified the reporting extent and boundary of material issues to ensure accurate and comprehensive information disclosure.

Screening process of ESG issues

Collecting related issues	The identification of material issues was conducted by independent third-party consultants of the Group. There were 26 ESG issues collected for the assessment, which were identified through a wide range of data sources, including the ESG Reporting Guide, GRI Standards, stakeholder engagement and their opinions, policies and management strategies of the Group, industry benchmarking, ESG rating system analysis, internal publications and media coverage.
Investigating the degree of concern	Tian Lun Gas conducted a questionnaire survey on 11 major stakeholder groups and invited stakeholders to prioritize all issues from their perspectives, with 1,222 valid questionnaires returned.
Analyzing the operational impact	Consulting senior management for the opinions on the importance of the issues to Tian Lun Gas from the Group's perspective.
Confirming issue priority	These issues were analyzed in terms of their importance to each stakeholder and Tian Lun Gas. They were expressed in a matrix. This matrix of material issues will serve as an important reference for future strategy formulation, goal setting and continuous information disclosure.



Number	Issues	Number	Issues
1	Safe and stable supply of gas	14	Customer privacy protection
2	Occupational health and safety	15	Supplier management
3	Epidemic prevention and control	16	Anti-unfair competition practices
4	Equal employment	17	Environment emergency management
5	Protection of employees' rights and interests	18	Intellectual property protection
6	Preventing forced and child labour	19	Industry collaboration
7	Tackle climate change	20	Pollutant emissions
8	Anti-corruption	21	Community relations
9	Revenue and performance	22	Biodiversity protection and land use
10	Resource and energy conservation	23	Social welfare
11	Customer service	24	Protection of the rights and interests of locations of operation/local residents
12	Product and technology innovation	25	Targeted poverty alleviation
13	Employee training and development	26	Noise control


Quantitative: Tian Lun Gas regularly collects quantitative key performance indicators (“KPIs”) in all environmental aspects and some social aspects set forth in the *ESG Reporting Guide*, and summarizes them during the year to prepare the Report for public disclosure. Quantitative ESG data are detailed in relevant chapters of the Report.

Consistency: There are no significant adjustments to the reporting scope in this Report compared to previous ones, with consistent methodologies used and some of the disclosure categories further refined in line with the *ESG Reporting Guide*. Comparisons of ESG data over years are detailed in relevant chapters of the Report.

Compliance and Win-win Partnership

Tian Lun Gas has deeply recognized the value and importance of corporate governance to enterprise growth. In accordance with the modern enterprise system and the articles of association, the Group has been improving its corporate governance level, standardizing the development of internal systems, enhancing the risk-resistance capacity, highlighting the compliance with business ethics, and improving the compliance management system, to regulate business and employee behaviors and ensure fair and efficient operation. Tian Lun Gas regards suppliers as important partners. The Group devotes itself to building a mutually beneficial and win-win business environment for sound and long-term value creation together with suppliers.



Major issues addressed in this section	SDGs issue addressed in this section	HKEX ESG indicators involved in this section
<ul style="list-style-type: none"> • Anti-corruption • Supplier management • Anti-unfair competition practices • Industry collaboration 		B5 Supply chain management B7 Anti-corruption

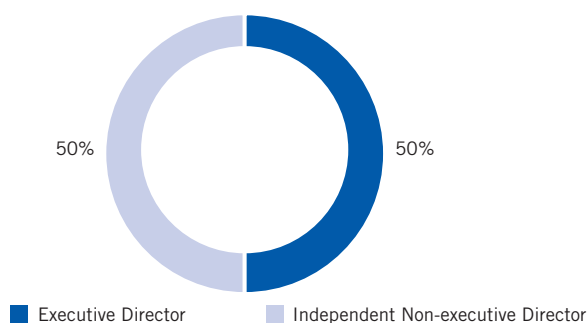
IMPROVEMENT OF CORPORATE GOVERNANCE

Tian Lun Gas has gradually improved its corporate governance and constantly optimized the information disclosure system and process, which are strictly in accordance with the *Company Law of the People’s Republic of China*, the *Securities Law of the People’s Republic of China*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, the *Securities and Futures Ordinance* and other relevant rules and regulations, and according to the *Memorandum and Articles of Association* and other relevant systems, to enhance communications with investors. The Group has also convened the general meetings, the meetings of the Board of Directors, and the meetings of the Board of Supervisors that are strictly in line with the rules of procedure, ensuring the robust and sound operation of the Group. In 2020, Tian Lun Gas convened two general meetings, seven meetings of the Board of Directors, two meetings of the Audit Committee, one meeting of the Remuneration Committee, and one meeting of the Nomination Committee.

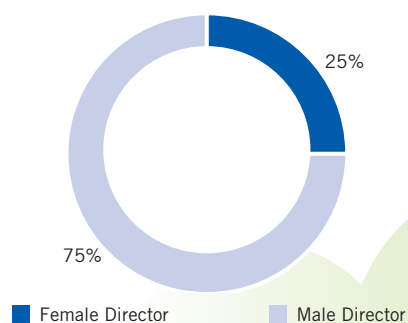
Tian Lun Gas highly values the structural diversity of the Board of Directors. The Group selects any Director candidate or appoints any Director in accordance with the *Board Diversity Policy* and the *Scope of Duties and Responsibilities of the Board of Directors* developed. In electing any member of the Board, the Group considers various factors such as gender, cultural and educational background, professional development, term of office, and knowledge about the Company. As of December 31, 2020, the Board of Directors of Tian Lun Gas had eight directors, including four executive directors and four independent non-executive directors. The number of independent non-executive directors accounted for half of the total number of directors. The number of female directors accounts for 25% of the total number of directors. Each of the independent non-executive directors of the Group has a professional background, involving capital market, financial accounting, equity investment, HR management, marketing, and national layout management.

Tian Lun Gas actively performs its obligations in disclosing information. The Group announces the updates on its operation and management and any issues with great influence in a truthful, accurate, complete and timely manner. The investor relations department has established normalized and effective communication channels to coordinate investor relations, greet the visiting shareholders, respond to investors’ queries, etc. In 2020, Tian Lun Gas had nearly 100 telephone conferences with investors and analysts. Over 17 organizations participated in those conferences.

Composition of Tian Lun Gas’s Board of Directors



Composition of Tian Lun Gas’s Board of Directors



ENHANCEMENT OF RISK CONTROL

Tian Lun Gas strictly complies with the *Rules and Regulations for Internal Audit of Tian Lun Group* and the “real-time tracking + key focus + regular audit” model to audit important business processes properly, conduct post-investment evaluation over previous important investment projects, and regulate all risk points involved in business operations and standardize corresponding internal control measures and processes.

Tian Lun Gas manages various risks in accordance with the organization system and management requirements of Tian Lun Group. In 2020, Tian Lun Group revised the *Risk Management Manual of Tian Lun Gas Group* to include the identification of risk points in 10 business management modules (i.e. newly-added materials management, project management, financial management, administrative management, and capital market management), to prevent and control risks in eight aspects (i.e. internal environment, goal setting, risk identification, risk evaluation, risk response, control activity, information and communication, and international supervision and evaluation) and achieve standardized and systematic overall risk evaluation.

In 2020, Tian Lun Gas adopted a supervision-and-audit joint-action mechanism, where the supervision department coordinates with the internal audit to fully assess grassroots units. The mechanism better performs the dual functions of audit supervision and cadre-level work style development. The Audit and Supervision Center of the Group implemented a linkage investigation for Shijiazhuang Jinming and Dongkou companies by means of supervision and audit. It evaluated the performance of middle and senior management and key staff in local companies through interviews, questionnaires, and other methods, and combined audit and supervision to urge grassroots units to actively remedy the identified risks and management problems.

REINFORCEMENT OF ANTI-CORRUPTION EFFORTS

Tian Lun Gas strictly complies with relevant laws and regulations such as the *Company Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, the *Anti-unfair Competition Law of the People's Republic of China*, and the *Interim Provisions on Banning Commercial Bribery* of the State Administration for Industry and Commerce of the People's Republic of China. Meanwhile, Tian Lun Gas implements the policies developed by Tian Lun Group such as the Cadre Management Rules, the *Three Red Lines and Five Bans*, and the *Violation Punishment Management Rules*. Furthermore, Tian Lun Gas makes efforts to avoid bribery, extortion, fraud and money-laundering, etc., as a member of the National Anti-fraud Alliance.

The Group pays high attention to anti-corruption and integrity. It has signed *Employee Integrity Commitments* with all employees and *Integrity Agreements* with suppliers, specified clear anti-corruption provisions in the *Materials Procurement Contract*, and required all suppliers and employees to maintain integrity and self-discipline, so as to achieve full coverage of anti-corruption efforts.

In order to further avoid bribery, corruption, and other unethical business practices, Tian Lun Gas has adopted the Integrity Supervision Information Card from the Tian Lun Group and set up a whistle-blowing mechanism to encourage employees and suppliers to publicly report corruption or any other breach of business ethics identified in business operations. Upon receipt of such reports, Tian Lun Gas will classify the cases and submit them to relevant authorities for a timely review and investigation, while taking strict confidentiality measures to protect the personal information of whistle-blowers.

In order to improve the anti-corruption awareness among employees and suppliers, Tian Lun Gas has actively developed a culture of integrity, formulated an *Integrity Handbook*, further publicized incorruptible culture among employees and suppliers, and organized anti-corruption trainings for directors, management, and general employees to popularize anti-corruption knowledge among them. During the reporting period, Tian Lun Gas carried out 23 educational activities for the culture of integrity.

In 2020, Tian Lun Gas carried out **23** educational activities for the culture of integrity.



Case

A presentation about integrity delivered to Xuchang Company by the Group

During their regular inspection in March 2020, in order to foster an atmosphere of integrity in the company and set up an incorruptible team, the Audit and Supervision Center of the Group held a presentation about integrity for staff above manager level in Xuchang Company. The presentation focused on corporate culture, corporate rules and regulations, case sharing, complaint and reporting channels, etc. and was widely recognized by employees.



The Group held a presentation about integrity for managers of Xuchang Company.

SUPPLY CHAIN MANAGEMENT

In supply chain management, Tian Lun Gas strictly abides by relevant national laws and regulations. By reference to the *Contract Law of the People's Republic of China*, the *Bidding Law of the People's Republic of China*, the *Regulation on the Implementation of the Bidding Law of the People's Republic of China*, and other relevant laws and regulations, the Group has formulated materials procurement and management policies such as the *Material Management Policy of Tian Lun Gas*, the *Bidding Management Measures of Tian Lun Gas*, the *Measures for Management of Acceptance of Purchased and Received Materials of Tian Lun Gas*, the *Measures for the Management of Market Survey for Material Procurement*, and the *Supplier Evaluation Form*, which cover the full process of material procurement, supplier access and evaluation, improving the procurement efficiency while ensuring fair and just procurement. In 2020, the Group had a total of 156 suppliers, all of which are from the Mainland China.

Tian Lun Gas has developed the *Supplier Examination and Appraisal Form* to standardize the evaluation of suppliers' on-site environment and corporate governance. The final appraisal result will be taken into considerations for supplier access. In 2020, Tian Lun Gas evaluated suppliers in an all-round way in terms of suppliers' product quality, supply level, service level, and other aspects, graded over 100 suppliers included in the *List of Suppliers Selected by Gas Group in 2020*, selected suppliers based on the results of grading and the feedback from relevant companies, and took remediation measures for those suppliers with very low scores.

Tian Lun Gas places emphasis on suppliers' environment and safety governance levels, deems ISO 9001 certification (quality management system certification) as one of the compulsory clauses for supplier access, and counts ISO18001 certification (environment management system certification) and ISO14001 certification (occupational health and safety management system certification) as award points for supplier access. In 2020, 78% of suppliers of the Group obtained the three ISO certifications stated above.



Tian Lun Gas has developed diversified interactions and cooperation with suppliers in an open, cooperative, equal and mutually beneficial manner. It has established strategic partnerships with excellent suppliers in the industry to break technological bottlenecks, develop technological, professional and industrial cooperation projects, and provide recommendations for industrial development.



Joint development of a meter-alarm integrated device by the Group and Chuangyuan Company

For the replacement of the expired gas meters for 100,000 households in accordance with national fuel gas management regulations, in order to save the replacement costs, the Group developed a meter-alarm integrated device together with the supplier Chuangyuan Company to timely replace the expired meters in old communities. From September 2019 to March 2020, the Group installed 1,184 such devices for trial operation in Puyang Company. It's possible to produce, sell and use such devices on a large scale in the future.



A meter-alarm integrated device developed jointly by the Group and Chuangyuan Company.



An ultrasonic flowmeter technology exchange conference organized by the Group for suppliers

In August 2020, Tian Lun Gas invited six domestic famous ultrasonic flowmeter suppliers to hold an ultrasonic flowmeter technology exchange conference. The suppliers explained their respective machine working principles, product features, installation and maintenance cautions, feedback from users in the market, and other aspects by means of courseware and practical operation demonstration at the conference. After the end of the conference, the participating staff and suppliers of the Group had a further understanding of ultrasonic technology and a knowledge base for subsequent fuel gas project bidding evaluation.



Suppliers and employees of the Group actively participated in the ultrasonic flowmeter technology exchange conference.

Stable Supply of Gas



Major issues addressed in this section	SDGs issues addressed in this section	HKEX ESG indicators involved in this section
<ul style="list-style-type: none"> • Safe and stable supply of gas • Customer privacy protection • Customer service • Product and technology innovation • Occupational health and safety 	  	<p>B2 Health and safety B6 Product responsibility</p>

A stable supply of gas is the foundation underpinning the Group. Adhering to the mission of “developing clean energy and improving the living environment” and the management philosophy of “safety first, focus on prevention, involvement of all staffs and continuous improvement”, the Group works to develop an industrial benchmark and build a solid security line of defense to ensure long-term, stable and efficient gas source supply.

IMPLEMENTATION OF GAS SOURCE GUARANTEE

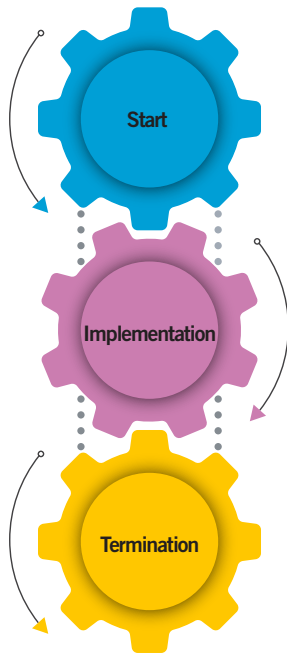
The Group has always been pursuing a stable, continuous and safe gas source supply. The Group has continuously improved the gas source guaranteed capacity through strengthening regional coordination, business innovation, etc. It has also enhanced the internal control ability in multiple dimensions, from gas source planning and acquisition to gas source construction and coordination, ensuring the implementation of livelihood projects.

The Group has formulated policies such as the *Gas Source Management Policy*, the *Natural Gas Resource Coordination and Management Policy*, and the *Natural Gas Statistics Management Rules* to scientifically and systematically ensure gas supply under a unified, standard and hierarchical management model. In 2020, the Group updated and issued the *Gas Source Management Policy* and the *Gas Source and Pipeline Network Construction Plan (2020-2024)* to strengthen the management of increment and storage of natural gas resources and optimize resource coordination and cooperation.

The Group makes continuous efforts to analyze the gas demands in seasonal peaks and regions with high demand. Meanwhile, it constantly improves its response and resolution abilities, to ensure that gas demands of different kinds of customers can be met and reduce the influence on the lives of all gas users during peaks. Given the subsidiaries’ own and local conditions, they developed the *Emergency Plan for Stop or Limit of Gas Supply* and the *Plan for Guaranteed Gas Supply in Peak Season* respectively, to evaluate the local situation and reduce the influence. The Group schedules gas sources and tracks gas storage volume on a daily basis. It implements advance notification and publicity with level-by-level reporting under special circumstances, to maximize the protection of people’s livelihood.

The Group adheres to the working principle of “collaboration and quick response”. Based on actual conditions, the Group developed a three-level response mechanism and a “headquarters – region – subsidiaries” three-level management framework to ensure the “steady, efficient, controlled, and coordinated” gas source supply. Meanwhile, the Group sets quantitative assessment targets, assigns resource coordination tasks to various regions and subsidiaries, and implements an annual performance appraisal to improve the business management ability.

Stable Supply of Gas



- If total natural gas reserve is inadequate and reaches early warning level, the client service department will submit application to the Company.
- Upon approval by the emergency response commanding group of the Company, report will be submitted to government competent authority and relevant emergency plan will be implemented upon approval.
- Three early warning levels are set according to total natural gas reserve.
- Client service department implements emergency plan at corresponding level.
- In line with emergency plan level, 24 hours prior written notice will be sent to relevant users and switch off regulation outlet valve or general valve.
- If daily supply of gas can meet user demand, the safe operation department will submit application to the Company and terminate the execution of emergency plan.
- The Company submits application to the gas competent authority for recovery of gas supply. Upon approval, the market client service department will inform users of recovery of normal gas supply in written.

In 2020, the Group established a role of designated personnel in the gas source coordination department to be responsible for resource allocation, forecast review, demand forecast, and other works. Through controls at levels of subsidiaries, regions, and the gas source coordination department, the Group has improved data accuracy and achieved the goal of “high-efficiency, safe and reliable” resource allocation. Additionally, the Group has actively established an internal exchange platform and selected talents in light of their professional qualifications and working experience. So far, a total of 75 safe gas transmission and distribution experts have been selected to fully guarantee a stable supply of gas.



Case

Jintang Company's efforts to participate in rescue and guarantee safe gas supply

During the severe flood occurred in August 2020, Sichuan Jintang County Tian Lun Gas Company Limited (“Jintang Company”) actively assisted in rescue and relief work locally and ensured normal gas supply, zero-safety responsibility accident, and priority of resumption. In the fight against the flood, the repair and maintenance team coped with over 80 gas leakage and water seepage incidents and worked for nearly 20 hours every day. They effectively guaranteed safe gas supply and repeatedly received compliments from local government and residents.



Jintang Company participated in rescue and relief work on the site.

ENHANCEMENT OF SAFETY MANAGEMENT

Tian Lun Gas is committed to developing a normalized, standardized and scientific safety management system in accordance with the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Emergency Response*, the *Regulation on the Administration of Urban Gas*, the *Measures for the Administration of Contingency Plans for Work Safety Accidents*, the *Identification of Major Hazard Installations of Hazardous Chemicals*, and other relevant rules and regulations. The Group has formulated and strictly performed a series of safety management policies, including the *Safe Production Management Policy*, the *Management Policy of Safety Goals and Assessments*, the *Hidden Safety hazards Management Policy*, the *Emergency Management Policy*, and the *Safe Production Supervision and Management Policy*. In 2020, the Group invested RMB 13.90 million in safety production to continuously improve the safety management system, enhance the management level and ensure safety in construction and business operation.



During the year, the Group had invested **RMB 13.90 million** in safety production.

• Development of a safety system

The Group deeply recognized the importance of safety management in production and operation, it persists in promoting the safety management system with risk control as the core and doing safety work in detail, in accordance with the safety work management structure set up by the Group. The Group has a clear safety production responsibility system. The Group also established a safety work management structure, consisting of the leading organization, supervising organization and supporting organization in the headquarter and the members, to coordinate personnel at all levels to do a series of work including full-process safe production risk identification, evaluation and control, management of hidden hazards, operation safety, emergency disposal, and accident management. In 2020, the Group appointed a total of 101 full-time safety managers, accounting for 20% of the number of general employees in the Safety Committee.

As of the end of 2020, the Group had appointed a total of **101** full-time safety managers, accounting for **20%** of the number of general employees in the Safety Committee.



A trinity safety management mechanism of Tian Lun Gas



Safety work management structure

Leading organization	Safe Production Committee	<ul style="list-style-type: none"> • Appoint general manager as the director and the person responsible for safety management. • Lead safe production work in a unified manner, discuss and decide on major problems about safe production.
Supervising organization	General Management Department	<ul style="list-style-type: none"> • Appoint designated safe production supervisor with the qualification for safe production supervision. • Coordinate and supervise safe production management.
Supporting organization	Departments involved in production operation	<ul style="list-style-type: none"> • Include safety technology department, pipeline network department, scheduling center, customer service department, marketing department, finance department, general office, labor union. • Strengthen and implement grassroots safety management and achieve safe production targets.

In 2020, the Group specified safety management in details, revised the *Safety Standardization Review Guidebook of Tian Lun Gas*, the *Guideline for Safe Operation in Key Construction Procedures in Gas Projects*, and other safety standardization management guidelines, and improved the safety standard system, ensuring stable and continuous production and operation. Besides, the Group signed the *Annual Safety Production Target Responsibility Letter* with each subsidiaries, leveraged on the *General Manager Monthly Safety Checklist* to set objectives, conduct evaluations, set up awards and punishments mechanism, and strengthen the implementation of safety management and supervision responsibility of “top leaders” of subsidiaries.

• Identification of hidden safety hazards

According to the *Safe Production Management Policy*, the *Hidden Safety hazards Management Policy*, the *Safety Signs Management Policy*, and other policies, Tian Lun Gas has managed hidden hazards in an all-round way. In 2020, the Group revised and issued the *Safety Standardization Review Guidebook of Tian Lun Gas* and relevant review criteria and further detailed safety risk management requirements. In September 2020, all subsidiaries completed their respective safety self-inspections and went through the group-level review.

In order to ensure the full combination of safety risk identification, evaluation and control with safety management, the Group has established a risk identification work group to fully identify relevant risks and evaluate whether hidden hazards are fully identified, whether there is any risk change, and whether hidden hazards are effectively controlled. According to the identification and evaluation results, the Group updates the list of major risks, and implements safety training and publicity, grades safety management, reports hidden hazards level-by-level, and other mechanisms, ensuring the one-by-one remediation of hidden hazards and the restriction and regulation for relevant personnel's behaviors.

The Group carries out various safety inspections at regular intervals to ensure effective implementation of safe production activities and put an end to safety accidents. The Group organizes professionals to regularly conduct comprehensive, seasonal, and holiday inspections. Meanwhile, irregular spot inspections and special inspections can ensure the full coverage of inspections.

Safe supply is based on equipment management. According to the *Safety Technical Specification for Operation, Maintenance and Rush-repair of City Gas Facilities*, the *Code for Design of city Gas Engineering*, the *Regulation on the Administration of Urban Gas*, and other relevant laws and regulations, Tian Lun Gas has formulated the management rules and regulations such as the *Equipment Management Measures*, the *Management Policy on Inspection of Pipelines and Ancillary Facilities*, and the *Collection of Provisions on Management of LNG Stations* to make clear methods of management of gas pipelines and relevant equipment. The Group's designated inspectors in all regions regularly inspect and timely report the operation of gas equipment in their respective region to ensure the safety of personnel, gas and equipment.

Content of safety inspection

Conduct of operator	<ul style="list-style-type: none"> • Whether there is any breach of safety production policies and regulations. • Whether dangerous operations are approved.
Status of materials	<ul style="list-style-type: none"> • Whether production materials (including gas sources) are stored in line with specifications and requirements. • Whether production equipment and safety facilities are operated and used in line with safety requirements. • Whether any personal protective equipment is correctly worn and used.

Equipment	<ul style="list-style-type: none"> • Inspect the gas pipeline network, valve pits, pressure regulation facilities, and gas facilities in communities, and carefully complete the <i>Pipeline Network Inspection Records</i>. • Check whether there is any construction work around gas pipelines or any item placed on the pipelines; complete the <i>List of Contacts for Cross Construction</i> if any cross-construction unit undermines the safety of gas, and conduct on-site supervision if necessary. • Promptly report any gas leakage (if any) for timely repair. • Track and check the repaired area, ensure the elimination of hidden hazards, and report any other hidden safety hazards (if any) in time.
Working environment	<ul style="list-style-type: none"> • Whether there is any hazard source (including any major hazard source) in the production area and corresponding supervision measures are in place. • Whether there are occupational risk factors as well as relevant protection and emergency response measures. • Whether risk factors influencing work safety are fully identified and whether the measures taken can effectively eliminate or control them.
Management	<ul style="list-style-type: none"> • Whether the safety production responsibility system is implemented. • Whether safety goals, rules and regulations, and work plans are detailed and implemented. • Whether safety production inspections are institutional and standard. • Whether every accident hazard has been timely rectified. • Whether safety education and emergency rescue plans are complete.



Case

Joint safety inspection between Hebi Company and the safety department of Tian Lun Gas

In June 2020, Hebi Tian Lun New Energy Limited (“Hebi Company”) actively participated in the “Safety Production Month” event of the Company. This safety inspection covered the stop operation, engineering construction, customer services, station operation, pipeline operation,



A scene of the joint safety inspection of Hebi Company.

and other links, a rectification notice for hidden hazards was timely sent, and the relevant personnel were urged to complete the rectification, so that employees’ safety awareness and the company’s safety management ability were both effectively improved.

Tian Lun Gas ensures safety in construction in multiple aspects. According to safe construction management requirements in relevant laws and regulations, the Group has established the *Project Management Guidebook*, defined responsibilities between the Group and the construction company during the construction period, and set up a monthly evaluation and elimination mechanism. The Group comprehensively evaluates the construction process and result of each construction company. For any construction company having any safety accident at the major level or above, the one-vote veto mechanism is implemented to disqualify the construction company in a long run. Additionally, the Group implements a normative, unified and standard engineering and technical system to improve project quality and prevent hidden safety hazards. In 2020, the Group updated nine policies, including the *Work Guidelines for Approval of Key Projects* and the *Project Final Acceptance Work Guidelines*, to enhance the project approval, engineering standards and technical management requirements for key projects and fully ensure project quality.

In order to deal with potential emergencies, the Group has formulated the *Emergency Management Policy and the Emergency Response Management Process*, promoted the standardization and process of emergency management, and continuously improved the emergency management system in light of actual conditions. For different types of risk, the Group worked out emergency plans for stops/stations, pipeline networks, customers, natural disasters, public health and society, etc. Given different requirements for materials, human resources and tools under different scenarios, the Group improved the speed and capability of emergency response to control and reduce personnel and property losses caused by emergencies.

After the emergency, responsible personnel analyze the accident cause and prepare an analysis report immediately. Meanwhile, the Group adheres to the principle of “four do not allow” in accident management to prevent the re-occurrence of such accidents. In 2020, the Group identified a total of 13,828 accident hazards, achieved a rectification rate of 100%, and conducted a total of 225 safety emergency response drills. During the year, there was not any safety accident.

During the year, the Group identified a total of **13,828** accident hazards and achieved a rectification rate of **100%**.



The principle of
“four do not allow”
in accident management:

Do not allow that the cause of the accident was not found;

Do not allow that the responsible person was not seriously dealt with;

Do not allow that the responsible person of the accident and the employees were not deeply educated;

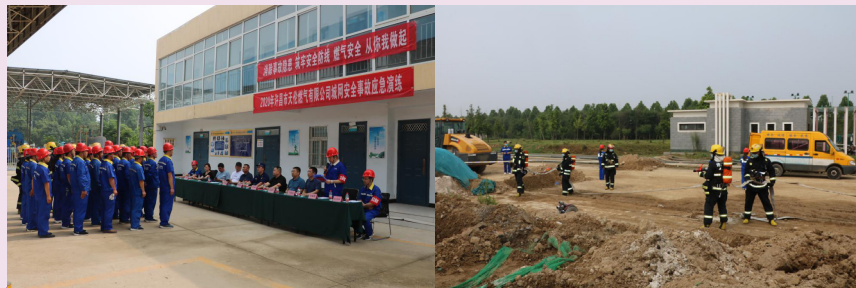
Do not allow that the preventive measures for accidents were not implemented.



Case

An urban network emergency drill organized by Xuchang Company

In June 2020, Xuchang Tian Lun Gas Limited (“Xuchang Company”) organized an urban emergency drill. This drill was actually carried out to simulate a scenario where the natural gas pipeline in the sub-district of the natural gas station was dug up by the third-party constructor so that a lot of natural gas was spilled. Upon receipt of an alarm from the operator, Xuchang Company immediately reported it to the safety committee. Then, the safety committee quickly initiated the *Emergency Plan for Gas Accident*, blockaded the scene, and meanwhile notified the relevant department to deal with the emergency. Upon receipt of the instruction, all team members arrived at the scene at once, guarded and controlled the scene, and implemented the standard emergency response procedures. During this drill, relevant personnel calmly responded to the emergency. This drill came to a successful end.






Urban network emergency drill by Xuchang Company.

• **Safeguard of occupational health**

According to the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the Group formulated rules and regulations including the *Management Policy on Safety Education and Training*, the *Safety Management Standardization Review Guidance*, and the *Management Policy for Occupational Health and Environmental Protection* to implement systematic occupational health management. The Group is concerned about employees' physical and mental health in terms of the prevention of occupational disease, distribution of appliances for labor protection, physical examination, etc. Through controlling occupational hazards, the Group conducts the classified management for different occupational hazard factors and provides the targeted protective equipment, personal protection and safety assurance training. According to annual physical examination rules and regulations, the Group prepares occupational health files for employees, monitors occupational health in the workplace, and further assures the health and safety of employees. In 2020, the Group achieved zero occupational disease, zero work-related fatality, 386 days lost due to work injury, and 100% of physical examination rate among employees.

Work-related fatalities in 2018-2020 (unit: person)

2018	2019	2020
2	0	0

Measures to safeguard occupational health	
	Take noise reduction measures at noisy locations to reduce physical injury among employees.
	Take cooling or heat preservation measures at high or low-temperature locations to protect employees from getting heatstroke, scald injury or cold injury.
	Provide corresponding canister respirators, masks, respirators, and other protective equipment and reduce the working hours at locations where there is any noxious gas, to protect employees from being poisoned.

• **Safety education and training**

Tian Lun Gas emphasizes employees' safety and health, and thus improves the safety level and culture by means of continuous training, safety culture publicity, etc. The Group offers semi-annual systematic training for all employees in terms of safety management, emergency disposal, typical accident case, etc. and defines employees' duties and responsibilities, to ensure that employees know the recent safe disposal plans and processes. In addition, the Group carries out at least two emergency drills per year to ensure that relevant personnel can develop satisfactory response and coping capabilities in practice after receiving relevant training and passing relevant examinations. In 2020, the Group

Stable Supply of Gas

organized a special campaign “Safety Production Month”, including identification of any hazard source, emergency drill, and other knowledge training, exercises and drills, so as to foster a good safety production atmosphere and effectively improve the safety production awareness among employees. In 2020, the Group provided 12,839 hours of safety training for 18,378 employees in total.

Management	Middle-level employees	General employees
		
Rate of safety training of Tian Lun Gas in 2020 (by employee type)		
72.91%	80.08%	87.37%
Hours of safety training of Tian Lun Gas in 2020 (by employee type) (unit: hour)		
2,649	4,379	14,121

Safety training target	Main training content
Person-in-charge of subsidiaries	<ul style="list-style-type: none"> • Basic national, local and industry-related laws and regulations • Safety production knowledge about production and operation activities of respective units
Safe production managers	<ul style="list-style-type: none"> • Basic national, local and industry-related laws and regulations and management standards • Advanced safe production management experience and typical accident cases from foreign and domestic markets
General operators	<ul style="list-style-type: none"> • Safety production policies and regulations concerning respective companies • Safe operation behaviors and operation procedures related to production processes • Confirmation of operators’ working abilities in line with job requirements during training
Special operators	<ul style="list-style-type: none"> • Safety production policies and regulations concerning respective companies • Safe operation behaviors and operation procedures related to production processes • Enhanced training for new knowledge and skills related to their positions
Other employees	<ul style="list-style-type: none"> • Safety culture concept and relevant safety regulations • Emergency disposal knowledge and skills related to their positions • Guidance for safety attitude and behaviors



Case

A fire safety training organized by Tongyu Company

In April 2020, Tongyu Tian Lun Gas Limited (“Tongyu Company”) invited Ju’an Fire Fighting Training Center in Jilin Province to provide fire safety training. The external fire-fighting drillmasters explained fire safety knowledge and self-rescue methods in fire accidents in terms of “fire prevention, firefighting, escape, and self-rescue” with cases. After the training on fire cause, methods of escape, and methods of use of fire extinguishing tools, Tongyu Company organized all employees to participate in a fire drill. This training improved all employees’ understanding of fire safety and the ability to respond to danger.



A scene of the fire safety training of Tongyu Company.

IMPROVEMENT OF SERVICE EXPERIENCE

Tian Lun Gas cares about stakeholders. Based on full consideration of all parties’ demands, the Group continues improving the service quality. The Group identifies any project’s influence over the surrounding community, residents and local ethnic minorities throughout the whole life cycle, and takes mitigation or prevention measures, so as to improve service quality and promotes sustainable development.

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- **Improvement of community relationship**

According to the *Stakeholders Management Measures*, the Group actively gathers local communities and other stakeholders directly influenced by projects to participate in the projects. The Group has established effective communication channels. According to the characteristics and interests of affected communities, the Group develops corresponding management plans for stakeholders. The Group sets up billboards for publishing project overview, planning report, environment impact assessment report, safety assessment report, and other contents, establishes effective communication channels with community-related parties, understands local communities' opinions about project risks and influence, and gives timely feedback.

- **Guarantee of gas safety**

The Group cares about each household. It has organized several household safety inspections to identify and rectify any hidden safety hazards and repair any gas leak equipment. From equipment model selection, use and maintenance to household safety inspection, the Group has established a safety management system for the full process of use of gas and developed a hazard source identification matrix covering construction, pipeline network installation, gas refueling and transportation, meter reading and safety check, and management of abnormal users, to evaluate risks and implement corresponding controls thereby.

The Group has formulated the *Safety Inspection Management Regulations* to check the gas usage environment, household pipelines, connection hoses, gas meters, leakage alarm systems, etc. Furthermore, the Group regularly summarizes relevant data and prepares safe inspection forms, maintains user profiles, checks whether gas meters are used in line with safety specifications, and repeatedly visits users found with common problems and hidden safety hazards as required, to ensure daily safe use of household gas. In 2020, the Group developed a combustible gas leakage alarm system jointly with the suppliers to make industrial and commercial combustible gas detectors and combustible gas alarm controllers more intelligent to meet the gas usage requirements under relevant scenarios and improve the safety of gas usage among residents.

- **Improvement of customer services**

Adhere to the corporate style of “quick response and speedy and strict enforcement”, Tian Lun Gas has formulated management policies such as the *Customer Service Management Policy*, the *Customer Service Specification Instruction Manual*, and the *Customer Complaint Management Policy* to achieve more efficient and standard business processing.

The Group continues to enhance the professional skills and service awareness of customer service personnel and regularly conducts targeted training. In 2020, the Group organized special training for service staff several times, including cloud-based customer service, market research, marketing strategy formulation, large industrial user development, quick quotes for small commercial users, contract management, and other courses. Thus, the Group has been optimizing the customer service training system, improving the professional quality of customer service staff, increasing full-process service efficiency, standardizing the workflow, protecting the privacy of users, and punishing breaches of discipline severely.

By virtue of the established 24-hour customer service hotline, the Group deals with customer complaints promptly and actively responds to customer requirements. The customer service center conveys customer complaints back to relevant departments, contacts professional teams to provide door-to-door services, and attributes the responsibility. After the proper handling of each complaint, the Group will further investigate and verify the root cause for the incident, so as to reduce the possibility of occurrence of similar problems.

Having known customers' difficulties in payment, the Group has developed innovative service solutions. For instance, the Group has developed the Eslink cloud-based customer service platform to provide one-stop cloud-based services such as cloud-based self-service, cloud-based call, cloud-based field service², and cloud-based value-added service and statistically connect several parties to greatly improve the work efficiency and quickly respond to customer demands.

In 2020, the Group continued to improve the appointment service functions of Eslink cloud-based customer service background and online IOT gas meter. Meanwhile, in order to further improve service convenience degree, all subsidiaries have established two or more recharging spots in their respective cities and launched a variety of payment terms (including through WeChat, Alipay, swiping cards or using cash) so that users could make payments personally or by using self-service payment machine or Alipay recharge, etc.

Safe Gas Usage Instruction from Tian Lun Gas



The Group focuses on customer privacy protection, strictly implements the *Violation Punishment Management Rules* in daily operations, regards customer information as confidential document, and authorizes a designated person to manage customer information. Unauthorized personnel are not allowed to inquire, replicate, extract, or leak the data. In order to protect customer data, the Group requires all subsidiaries to actively optimize customer information management in the marketing service system to eliminate the risk of customer information leakage. The Group clearly stipulates that personnel who violate the regulations on the confidential management of customer data will be punished in ways such as notification of criticism and demerit recording, or will be demoted or deposed in the event of serious circumstances, or will be dismissed in case of material or serious impact on the Group.

² Cloud-based field work includes meter reading, safety inspection, routing inspection, work order.

Environmental Protection



Major issues addressed in this section	SDGs issues addressed in this section	HKEX ESG indicators involved in this section
<ul style="list-style-type: none"> Resource and energy conservation Noise control Tackling climate change Biodiversity protection and land use 	 	A1 Emissions A2 Use of resources A3 The environment and natural resources

Tian Lun Gas always adheres to the green development concept, actively responds to national clean energy development strategy and carbon neutral strategy, and practically takes actions to cope with climate change. We attach great importance to our impacts on the ecological environment in our production and operation. Therefore, the Group continuously improves the environmental management system, strictly control the discharge or emission of various pollutants, and improve the efficiency of resource utilization, so as to develop an eco-friendly enterprise.

ADDRESSING CLIMATE CHANGE

The Group takes the initiative to respond to the national call. While strictly controlling greenhouse gas emissions in project construction and operation, we fully utilize our competitive resources in the clean energy industry to make overall deployments for the “gasification village” project in Henan Province, continuously provide energy optimization and alternative solutions for companies with high energy consumption and high pollution, and practically take actions to promote the green transformation of regional energy structure, so as to facilitate the implementation of China’s 2060 Carbon Neutral Strategy.

- Methane emission reduction**

Apart from carbon dioxide, methane is a greenhouse gas with the largest emission volume. Within 100 years, its global warming potential is around 21 times of that of carbon dioxide. Therefore, it has a significant influence on global climate change. The Group pays high attention to the greenhouse gas emission issue caused by methane leakage, displacement and release, monitors methane emission and leakage in an all-round way, and strengthens management in this aspect, to reduce methane emission.

Methane emissions of the Group are mainly from third-party damages to gas pipelines, the leakage and venting of pipeline network, and displacement and release of gas. In this regard, the Group has taken special measures to strictly control unnecessary methane emissions in station construction, daily operation, inspection and maintenance, and displacement and release. In 2020, Changling Company of the Group recovered 3.09 million m³ of boil-off gas (“BOG”) in total.³

³ Currently only Changling Company can conduct precise statistics of BOG recovery.

Daily construction and operation

To enhance inspection of gas pipeline network and supervision of construction site, comprehensively coordinate communication between subsidiaries and third party construction units and timely track construction progress with informatisation, so as to reduce the occurrence of third party damages to the maximum extent.

Replacement and diffusion of gas at plants

Plant facilities are comprehensively equipped with BOG recovery devices, and gas clamps are placed at PE pipes for sealing operation, thereby enabling recovery of BOG and reducing diffusion.



Pipeline inspection

Regularly carry out maintenance and repair of gas facilities, timely replace old pipelines to avoid leakage of methane in gas supply process.

- **Promotion of clean energy**

Natural gas is a high-quality, efficient, green, clean, safe, and stable low-carbon energy solution. Actively in response to the demand of national energy development strategy and on the basis of rich gas-specific construction and operation experience and robust gas source assurance capacity, the Group comprehensively deployed construction of gas pipeline network and actively expanded high-quality and large-scale industrial direct supply projects, distributed energy construction and industrial park and power plant transmission and supply business, thereby continuously offering clean energy optimization and replacement solutions for high energy consumption and high polluting enterprises.

In order to facilitate the clean transformation of regional energy structure and promote the application of natural gas in rural areas as a replacement for powder coal, the Group implements the strategy of exempting gas connection fee, intending to effectively promote the construction of “coal to gas” project, reducing carbon emission and air pollution and facilitating green development of rural areas.

In 2020, the Group recorded sales of natural gas of **2.28 billion m³** through the urban gas operation and transmission business, equivalent to replacement **3.0327 million tonnes** of standard coal.





Tian Lun Gas secured steady progress in the construction of the “rural gas penetration” program

The Group officially launched a rural gas penetration business in the second half of 2018. The Group established Henan Yuzi Tian Lun New Energy Investment Fund Center with total investment capital of RMB 10 billion, a joint venture with Zhongyuan Yuzi Investment Holding Group Co., Ltd., offered long-term supporting finance in cooperation with domestic and foreign financial institutions such as China Development Bank and Asian Development Bank specially for the development of Henan rural gas penetration program, and established Henan Yutian New Energy Co., Ltd. (“Yutian New Energy”) via investment of the Fund.

Yutian New Energy adopted the model of exempting gas connection fees to benefit the rural residents and reduce their living costs to the maximum extent, thereby allowing more rural residents to use clean energy. In addition, the program effectively promoted local employment. In the midst of COVID-19 in 2020, it offered job opportunities for about 5,000 people, significantly facilitating work and production resumption in Henan Province. As of the end of 2020, Yutian New Energy deployed the “rural gas penetration” program in 24 counties/districts in 12 cities in Henan Province including Lankao, Taiqian, Minquan and Jia County, and accumulatively completed project construction for 1.53 million households.

MITIGATING ENVIRONMENTAL IMPACT

Adhering to the environmental protection strategy of “giving priority to prevention while laying emphasis on prevention and control”, the Group strictly abides by various environmental protection laws and regulations such as the *Environmental Protection Law of the People’s Republic of China*, *Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution*, *Law of the People’s Republic of China on the Prevention and Control of Water Pollution*, *Law of the People’s Republic of China on the Prevention and Control of Solid Waste Pollution*, and *Law of the People’s Republic of China on the Prevention and Control of Environmental Noise Pollution*, formulates and implements the *Management Measures for Occupational Health and Environmental Protection*, enhances environmental management system, and comprehensively implements “pollution source liable for control” environmental protection subject liability in combination with assessment mechanism and reward & punishment system, with a view to strictly controlling the production and emission of wastes and pollutants. No environmental pollution or violation event of the Group was identified in the reporting period.

- **Environmental management**

The Group has established the safety and environmental protection technology department, which takes overall responsibility for the management of environmental protection efforts in the production activities of the Group and subsidiaries, supervises and inspects the control of “waste water, waste gas, and solid waste”, participates in the research and review of construction, expansion and renovation project plans, and offers environmental protection comments and requirements for projects.

Environmental Protection

The Group requires each subsidiary to establish a safety committee as the highest administration and execution authority for environmental protection, which comprehensively implemented environmental regulations and policies and the Group's environmental protection work arrangements, executed employee environmental protection education plan in view of the operations, supervised and inspected various environmental protection efforts, and strictly standardized the production and emission management of wastewater, waste gas and solid waste in construction and operation, thereby resulting in the continued improvement of environmental performance.

• Management of wastewater, waste gas & solid waste

The Group insists on reducing waste at source, it actively identifies various sources of pollutant emission in project construction and operation, implements specific response measures, effectively controls pollutant emission, thereby resulting in the reduction of pollutant emission.

The emission sources of waste gas of the Group are nitric oxide, sulfur dioxide and particulate matter ("PM") emissions resulting from the use of executive vehicles and freight carriers. By virtue of strictly implementing the vehicle use approval system, the Group hold individuals accountable for daily management of vehicles and consistently adopted mileage real-time registration measures with an aim to reduce fuel consumption and decrease waste gas emission.

With regard to project construction and construction sites, the Group required third-party construction teams to implement strict control of flying dust, timely clear various types of construction wastes, pave fine stones, coke residues, pitch, mortar, concrete, etc. on temporary roads and frequent activity areas at the construction site when necessary; as for powder bulk materials such as cement, we consistently required such materials to be stored in indoor space or closely covered. Besides, watering dust prevention measures were taken as appropriate in daily construction to comprehensively control flying dust pollution at the construction site.

Waste gas emission (2018-2020)

Name of indicator ⁴	Unit	2020 ⁵	2019	2018
Nitrogen oxide	Tonnes	2.10	5.23	5.12
Sulfur dioxide	Tonnes	0.002	0.01	0.01
PM	Tonnes	0.20	0.44	0.44

The major emission sources of wastewater are of the Group production waste water from LNG factory and domestic wastewater from the daily production and work of employees. Production wastewater is discharged to local sewage treatment plants for special treatment while domestic wastewater is discharged into municipal sewage pipes for consistent treatment at municipal sewage treatment plants.

⁴ The accounting methods and conversion factors for nitrogen oxides, sulfur dioxide and PM are derived from *How to Prepare an ESG Report Appendix II: Guidance on Reporting of Environmental Key Performance Indicators* issued by the Hong Kong Stock Exchange.

⁵ Waste gas emission is calculated according to the consumption of gasoline and diesel. Due to stricter control of the use of company vehicles in 2020, a significant decrease is identified in the use of gasoline and diesel is no longer used, so a great decrease is observed in the emission of waste gases and pollutants in 2020 over previous years.

Total discharge and intensity of wastewater in (2018-2020)

Name of indicator	Unit	2020	2019	2018
Total discharge of wastewater	Tonnes	51,676.74 ⁶	1,589	4,340
Intensity of wastewater discharge	Tonnes/RMB million revenue	8.02	0.24 ⁷	0.85

General waste of the Group mainly results from kitchen waste and office & household waste from daily production and work. In line with the reduction, resource and hazard-free treatment prevention and control principle, the Group recycles and utilizes recyclable waste while remainings are subject to collection, transportation and disposal by municipal environmental protection and health departments on a regular and consistent basis. Earthwork resulting from third-party construction is subject to onsite backfill to reduce the impact of project construction on the ecological environment.

The hazardous waste of the Group mainly results from the discharge of gas stations, mainly including waste gas lubricating oil, filtering waste and oil-water mixture. Strictly in line with *the National List of Hazardous Wastes*, the Group stores and transports different hazardous wastes in line with relevant requirements and delegates qualified third-party entities to dispose of the waste to ensure compliant treatment.

Total discharge and intensity of solid waste (2018-2020)

Name of indicator	Unit	2020	2019	2018
Total discharge of hazardous wastes	Tonnes	12.73	9.44	2.12
Discharge intensity of hazardous wastes	Tonnes/RMB million revenue	0.00198	0.00144	0.00041
Total discharge of non-hazardous wastes	Tonnes	569.58	381.38	1,409.63
Discharge intensity of non-hazardous wastes	Tonnes/RMB million revenue	0.09	0.06	0.28

- Ecological protection**

Strictly in line with the *Law of the People's Republic of China on Environment Impact Assessment*, Tian Lun Gas actively has implemented evaluation and analysis of environmental impact, strictly prohibited construction in areas such as natural reserves, ecological functional zones and ecological environment sensitive areas; with regard to newly built plant projects and long-distance pipeline projects, it analyzes the impact of project construction on environment and biodiversity in a systematic manner and establishes specific protection measures with a view to protecting ecological environment.

⁶ The statistical standard for discharge of wastewater is expanded to full coverage in 2020, including all member companies of Tian Lun Gas, so the figures are significantly higher than those of previous years.

⁷ This report provides additional disclosure of wastewater discharge intensity in 2018-2019, which is calculated by wastewater treatment divided by total operating income of Tian Lun Gas in that year. As wastewater discharge in 2018-2019 doesn't represent full coverage, a significant numerical deviation is observed from 2020.

Environmental Protection

During the construction process, the Group combined excavation construction and directed drilling in pipeline pavement process by selecting low-noise equipment as possible and reducing sound level, thereby alleviating the impact of construction noise on the ecological environment.

With regard to the selection of pavement pipes, the Group comprehensively applied polyethylene (“PE”) pipes. PE pipes have outstanding corrosion resistance, elasticity, shock resistance, among others, which can significantly improve service life and quality and reduce the secondary impact on the ecological environment in the operation and maintenance process.

As of the end of 2020, the Group realized the goal of imposing zero impact on basic farmland work after the completion of the long-distance pipeline project.

IMPROVING USE OF RESOURCES

Strictly in line with laws and regulations such as the *Law on Energy Conservation of the People’s Republic of China*, the Group has formulated and implemented group-level energy conservation and emission reduction policies including the *Management Measures for Equipment Operation*, *Manual of Tian Lun Gas for Operation and Management of Gas Stations*, *Management Measures for Office Energy Conservation* and *Vehicle Management Measures of Tian Lun Gas Group*, promoted green office measures and improved continuously the efficiency of utilization of resources, with an aim to integrate energy conservation and emission reduction concept into every process of the daily operation of the Company.

• Use of resources

The Group has made active efforts in the research of management measures and technology applications related to energy conservation and emission reduction with an aim to improve the efficiency of energy use at the Group level. With regard to major resources including electricity, gasoline, diesel, and fresh water, the Group has established water, electricity, gasoline and diesel consumption indicators with consideration of practical circumstances of each subsidiary, and determined energy consumption goals such as one-party gasoline and diesel consumption and one-party electricity consumption for each plant. Besides, the Group regularly tracks the achievement of goals and included them into performance assessments.

Electricity	Gasoline and diesel	Water
According to the requirements of the Group, each subsidiary should establish a special equipment operation ledger, specify the first person-in-charge of equipment, regularly inspect the operation performance of equipment and reduce the energy consumption of equipment.	In line with requirements of the <i>Vehicle Management Measures of Tian Lun Gas Group</i> , the Group strictly implemented a vehicle use approval system and specifies person-in-charge for daily management. In addition, the Group promoted the use of new energy vehicles and natural gas vehicles, thereby further reducing fuel consumption in the vehicle use process.	In order to enhance employees’ awareness of water conservation, the Group required employees to timely turn off the tap. Meanwhile, the Group regularly maintains and inspects the water supply system, actively explores the application of water-saving appliances such as induction tap with a view to improving the efficiency of utilization of water resources.



As of the end of 2020, the Group had refitted over **50** gasoline cars into green vehicles.

In 2020, the Group made active efforts in the “cost reduction and efficiency improvement” project by adding electricity conservation facilities and measures at gas stations, resulting in significant energy conservation and emission reduction outcomes. Regarding to compressed natural gas wholesale business, the Group decided to implement concentrated filling of tank cars in order to avoid an increase in the electric bill due to frequent restart of machines.

In 2020, the Group recorded power and energy conservation expense of about **RMB 1.314 million**.



Energy and water resource utilization in 2018-2020

Name of indicator	Unit	2020	2019	2018
Gasoline	Tonnes	94.32	248.09	193.43
Diesel	Tonnes	0 ⁸	90.20	102.11
Natural gas	10,000 m ³	67.56	58.65	92.09
Total direct energy consumption	MWh	13,983.01	9,430.49	12,366.99
Electricity	MWh	26,595.28	39,811.11	45,466.21
Purchased heat	GJ	10,696.97	56,290.87	57,766.57
Total indirect energy consumption	MWh	29,565.02	55,447.46	61,512.48
Total energy consumption	MWh	43,548.03	64,877.95	73,879.47
Energy consumption intensity	MWh/RMB million revenue	6.76	9.91	14.45
Total water consumption	Tonnes	56,349.20	81,442.77	43,373.37
Water consumption intensity	Tonnes/RMB million revenue	8.75	12.44	8.48

⁸ The Group stopped the use of diesel vehicles in 2020, so the consumption of diesel decreased to zero.

Emission and intensity of greenhouse gases in 2018-2020⁹

Name of indicator	Unit	2020	2019	2018
Scope I ¹⁰ : Direct emission of greenhouse gases	Mt of CO ₂ e	3,254.40	2,307	2,901
Scope II ¹¹ : Indirect emission of greenhouse gases	Mt of CO ₂ e	19,280.08	35,306	38,059
Total emission of greenhouse gases	Mt of CO ₂ e	22,534.48	37,613	40,960
Scope I emission intensity	Mt of CO ₂ e/RMB million revenue	0.51	0.35	0.57
Scope II emission intensity	Mt of CO ₂ e/RMB million revenue	2.99	5.39	7.44
Total emission intensity of greenhouse gases	Mt of CO ₂ e/RMB million revenue	3.50	5.74	8.01

• Green office

By virtue of establishing the *Management Measures for Administrative Office Assets*, the Group aims to continuously implement a range of green office measures, enhance employees' awareness of saving resources, encourage employees to save various resources in life and work, reducing costs while implementing green operation philosophy.

To be specific, the Group actively adopts low-energy consumption office equipment and energy-saving lighting devices in living areas, arranges utilization of lighting devices in a reasonable manner on the basis of ensuring lighting effect to reduce the power consumption of lighting devices and arranges special personnel to inspect switch-off of power sources on an irregular basis.

In 2020, the Group managed to control the cost of office supplies from the source, continuously promote office digitisation, constantly enrich functions of online office system, promote paperless office strategy and implement concentrated management of document printing and office consumable items, thereby effectively reducing paper-printing at work. In addition, the Group required each department to fill in the *Low-value Consumables Form* by the end of each month according to respective utilization demand, so as to report the demand for supplies in next month in advance, thereby effectively improve the utilization of office supplies.

⁹ The emission of greenhouse gases is calculated according to the *Guidelines on Accounting Methods and Reporting of Greenhouse Gas Emissions of Other Industrial Enterprises* by converting the consumption of gasoline, diesel, LPG, and natural gas; Power consumption is calculated by reference to the *2012 Average Carbon Dioxide Factor of China Regional Power Grid*.

¹⁰ Direct emission of greenhouse gases (Scope I): mainly including emission resulting from the combustion of gasoline and diesel by administration vehicles and transportation vehicles, and emission resulting from the utilization of natural gas.

¹¹ Indirect emission of greenhouse gases (Scope II): mainly including emission resulting from purchased power and purchased heat.

People-oriented Management



Major issues addressed in this section	SDGs issue addressed in this section	HKEX ESG indicators involved in this section
<ul style="list-style-type: none"> Employee responsibility Protection of employees' rights and interests Equal employment Preventing forced and child labour Occupational health and safety Employee training and development Social responsibility Social welfare Epidemic prevention and control Targeted poverty alleviation Protection of rights and interests of locations of operation/local residents Community relationship 		<p>B1 Employment B3 Development and training B4 Labor standards B8 Community investment</p>

“People-oriented” comes as the management philosophy of Tian Lun Gas and the value of development and operation. With a focus on the construction of talent management systems, the Group actively protects the rights and interests of employees, with a view to realizing the mutual growth of employees and the Group via reasonable talent development channel and benefits & wages. Oriented to value creation for society, the Group aims to rely on people’s livelihood undertaking and builds livable environment so as to realize significant growth together with the community.

STANDARDIZING EMPLOYMENT MANAGEMENT

On the basis of strictly comply with relevant laws and regulations such as the *Labor Law of the People’s Republic of China*, *Labor Contract Law of the People’s Republic of China* and formulating system documents such as the *Recruitment Management Measures* and *Labor Contract Management Measures*, the Group insists on the legal and compliant recruitment process, standardizes recruitment process and respects and protects the legal rights and interests of all employees.

The Group strictly prohibits and resists any form of child labor or forced labor, and conducts a background investigation of all candidates according to the *Management Measures for Background Investigation of Employees* to prevent child labor. Meanwhile, the Group has formulated the *Attendance and Leave Management Measures* and established strict statutory working hours by implementing three working hour systems, thereby offering compensatory time-off or paying overtime wage for employees by law and preventing forced labor.

The Group is committed to creating an equal, diversified and non-discriminatory workplace where no discriminatory actions will be taken for the reason of individual characteristics such as race, sex, color, age, family background, ethnic tradition, religion, physical conditions and original nationality in terms of protection of rights, remuneration and dismissal, recruitment and promotion, working hours and leaves, other treatments and benefits, among other matters. By actively implementing laws and regulations such as the *Special Rules for Labor Protection of Female Workers* and *Law on the Protection of Rights and Interests of Women*, the Group aims to effectively protect the rights and interests of female workers on the basis of protecting the rights and interests of all employees.

The number of employees recruited in 2020

Category		Number of employees (nos.)
Total number of employees		2,932
Employment type	Management	162
	Middle-level employees	357
	General employees	2,413
Gender	Male	1,817
	Female	1,115
Age	Under 25 years old	101
	25-30 years old	556
	30-40 years old	1,283
	40 years old and above	992
Region	Employees from the Chinese Mainland	2,926
	Employees from foreign countries and Hong Kong, Macao & Taiwan	6

Employee turnover in 2020

Category		Number of employees (nos.)	Turnover rate (%)
Total number of employees left the company		515	14.94
Gender	Male	345	15.96
	Female	170	13.23
Age	Under 25 years old	81	44.51
	25-30 years old	127	18.59
	30-40 years old	197	13.31
	40 years old and above	110	9.98
Region	Employees from the Chinese Mainland	514	14.94
	Employees from foreign countries and Hong Kong, Macao & Taiwan	1	14.29

FACILITATING TALENT DEVELOPMENT

With a focus on the construction of talent development system, the Group established a complete system ranging from talent development, motivation and accomplishment, and selected outstanding talents in conformity with corporate culture from internal and external channels according to the *Talent Recommendation Management Measures*, with a view to improving talent team and providing organizational assurance for the high-quality development of the Group.

Training

The Group provides diversified training programs in a targeted manner, with a training system covering different positions, ranks and development stages, so as to realize the mutual growth of employees and the Company. In 2020, the Group carried out backup cadre training and middle-level young cadre allocation, implemented comprehensive talent review and enhanced the professional capacity improvement of the human resource system, thereby comprehensively facilitating the talent development of the Group. In 2020, the Group recorded a total training duration of all employees of 11,016.50 hours, with average internal training (online and offline) duration per employee of 3.76 hours.



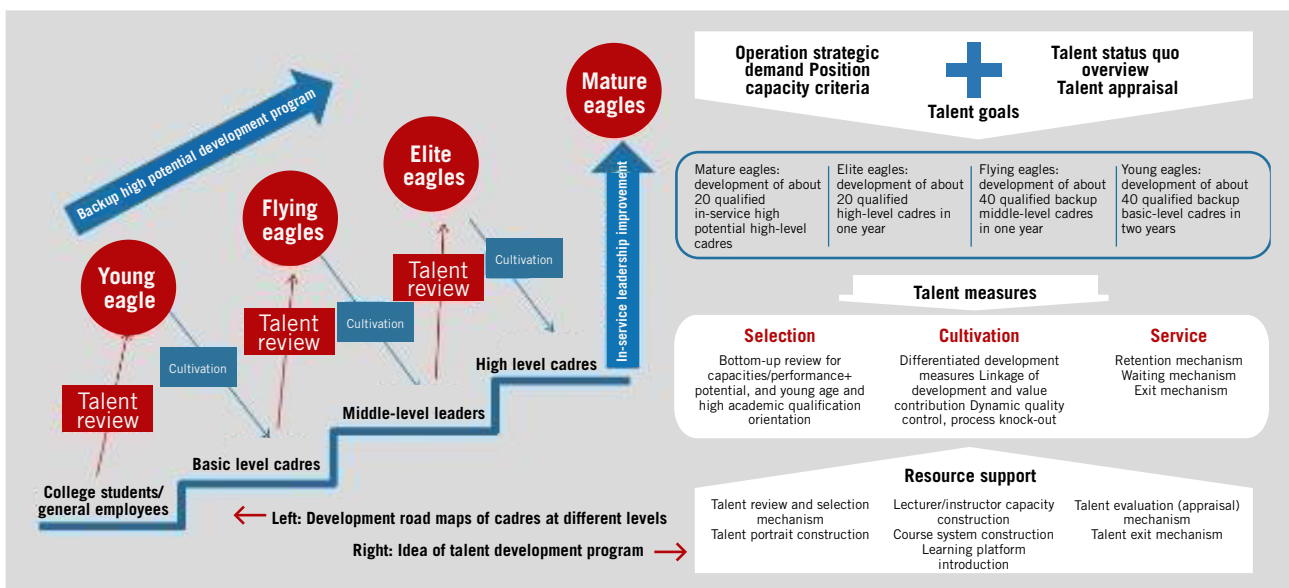
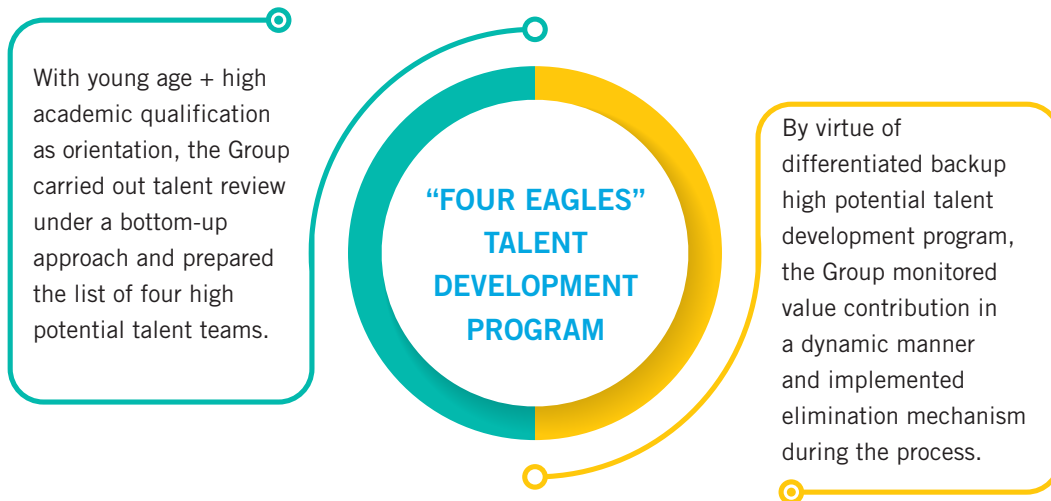
In 2020, the Group recorded total training duration of all employees of **11,016.50** hours, with average internal training (online and offline) duration per employee of **3.76** hours.

Incentives

The Group establishes robust employee remunerations and benefits mechanism and implemented reasonable performance assessment mechanisms and competitive incentive mechanisms. To be specific, the Group formulated the *Remuneration Management Measures* to launch two remuneration systems, an annual salary system and a performance-based system, thereby providing a scientific and reasonable remuneration system for employees. In addition, the Group formulated rural coal to gas and value-added business motivation plan, established partner project contracting mechanism and medium- and long-term business partnership mechanism in subsidiaries, thus comprehensively enhancing employees' sense of participation and sense of belonging and promoting employees' initiative at work. In 2020, the Group held the "Outstanding Tian Lun Employees" recognition event where one "responsible team" and five "responsible individuals" were selected to serve as a role model to employees.

Promotion

In order to enhance the promotion channel and expand employees' occupational development path, the Group made all open positions available to all employees in the Group according to the *Internal Recruitment Management Measures* so that all eligible employees can participate in the recruitment process. Meanwhile, it regularly carried out performance assessments in line with the *Employee Performance Assessment Management Measures*, and took annual performance assessment results as a significant basis of employee promotion.





“PURSUIT” ONLINE LEARNING PLATFORM

It recorded **3,023** registered users, registration ratio of **83.42%** and official account users of **2,306**.

UNDERGRADUATE INDUCTION TRAINING CAMP

Undergraduate induction training camp was implemented, specifically including gas due diligence personnel training, gas industry legal risk training, gas administrative budget preparation training and coal to gas finance personnel training, among others.



Trainee proportion and duration of employees of Tian Lun Gas in 2020

Category		Proportion of trained employees (%)	Total training hours (hr)
Employment type	Management	45.06	1,241
	Middle-level employees	89.64	1,971
	General employees	10.48	7,805
Gender	Male	25.70	8,147
	Female	16.05	2,870



Case

Tian Lun Gas provided practical training on common legal risks in the gas industry and response measures

In September 2020, the Group engaged external lawyers to explain common legal risks in the industry and response measures for employees via online and offline methods. Nearly 60 participants from all business divisions including outsourcing business divisions received practical training on the gas industry and response measures.



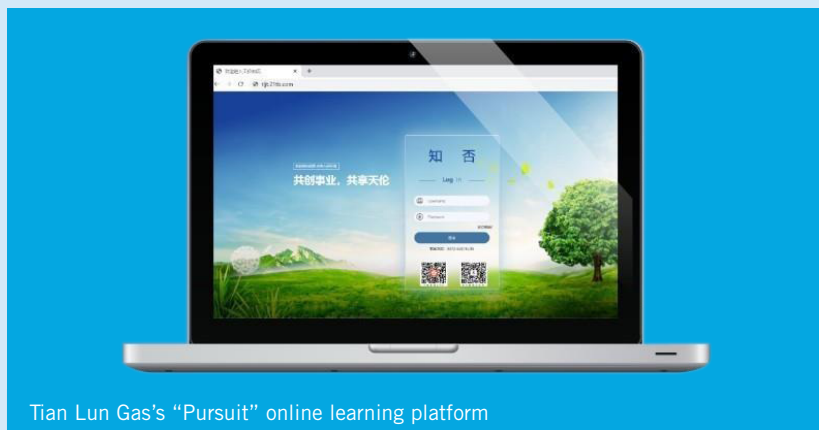
Tian Lun Gas provided practical training on common legal risks in the gas industry and response measures.



Case

Tian Lun Gas launched the “Pursuit” learning platform

In 2020, the Group launched the “Pursuit” online learning platform. The platform can enable a variety of functions such as online conference, playback of course live streaming contents, online examination and database. Ten universities on the platform offered over 3,000 courses, which allowed employees to carry out learning activities according to respective demands, and enabled online learning, thereby significantly enhancing employees’ learning initiative.



Tian Lun Gas’s “Pursuit” online learning platform



Case

Tian Lun Group held “Mature Eagles Program” training

In April 2020, Tian Lun Group held GM capacity improvement training camp-“Mature Eagles Program” Phase III training. The Mature Eagles Program aimed to empower participants, help participants get progress in strategy management, program management, comprehensive budget management, among other aspects, thereby enabling participants to rapidly become outstanding managers and operators. Over 70 participants, including deputy general manager of Tian Lun Group and general managers of subsidiaries, attended the training as trainees of the Mature Eagles Program.



Tian Lun Group carried out “Mature Eagles Program” Phase III training.

EMPLOYEE CARE

With a close focus on the demands of employees, the Group provides practical care and benefit for employees by actively carrying out a variety of recreational and sports activities and helping employees strike a balance between work and life.

In daily work, the Group provides a range of leaves for employees such as paid annual leave, marriage leave and maternity leave according to the *Benefits Management Measures* so as to help employees to strike a balance between work and life. Meanwhile, the Group provides a range of benefits such as festival cash gift, wedding/funeral cash gift, communication allowance and housing allowance, including night shift allowance for employees who work the night shift, and summer cooling allowance and winter heating allowance on extremely hot and cold days.

Besides, the Group strives to enrich employees’ life in spare time. To be specific, the Group carries out a range of activities on Father’s Day, Mid-Autumn Festival and Dongzhi Festival with a view to creating a favorable working atmosphere.

Since the outbreak of COVID-19 in 2020, in order to provide a healthy and safe workplace for employees, the Group has been carrying out full system epidemic monitoring, daily reporting and prevention & control data collection, established epidemic prevention & control information reporting group, timely updated and collected relevant information on employees, actively implemented latest policies and information on the epidemic, and provided prevention supplies for employees.



Fathers's Day event



Dongzhi Festival event



Annual meeting



Reunion Dumplings Festival



Celebrating Mid-Autumn Festival

CONTRIBUTING TO SOCIETY

In line with the corporate value of “devoting to people’s livelihood undertaking and improving the living environment”, the Group actively took part in social welfare activities and carefully fulfilled the social responsibilities.

During the early outbreak of COVID-19, Tian Lun Group immediately formed an epidemic special working group, contributed RMB 10 million for the donation of front-line medical supplies, and sent epidemic prevention and control supplies including 25,000 protection suits, 155,000 masks and 10,000 goggles to epidemic areas, which were purchased from various domestic and foreign channels.

Tian Lun Group donated
RMB 10 million
to fight against COVID-19.



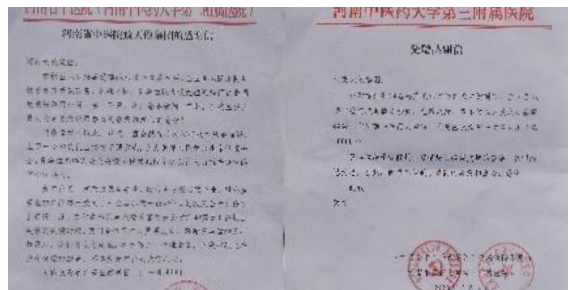
Tian Lun Group supported the fight against COVID-19 via fund contribution



Donation of supplies to Zhengzhou Municipal Epidemic Prevention and Control Headquarters



Transportation of donations of supplies



Thank-you letters from Henan Province Hospital of TCM and Henan University of Chinese Medicine No. 3 Affiliated Hospital

Given its business characteristics and with a focus on safety, the Group actively carried out safety publicity education in order to enhance safety awareness of the general public. By virtue of a variety of methods such as distribution of flyers, placement of large-scale display boards, community publicity, mass message and WeChat official account prompts, it aimed to expand coverage of publicity efforts and effectively implement safety publicity. In 2020, the Group carried out 42 onsite safety publicity events and 17 publicity events on media including WeChat and newspaper.

Daily publicity

At least one gas safety publicity activity will be carried out on a monthly basis by giving out flyers and gas safety cards to users, carrying out onsite question answering and leakage inspection, and informing users of 24-hour gas emergency number.

Winter publicity

In winter, more safety publicity activities will be carried out and safety publicity education will be provided for new, old communities and rural users on a weekly basis.

Concentrated safety publicity

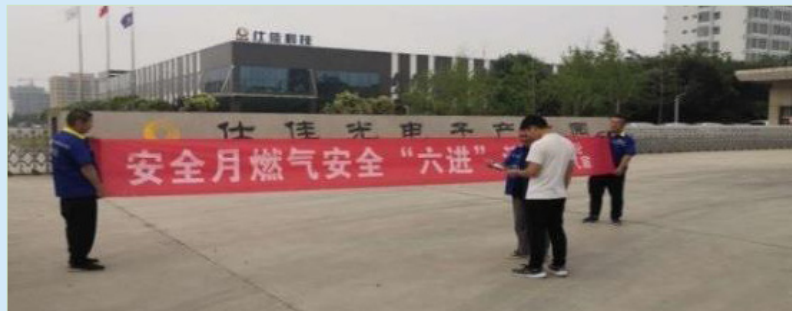
It will take part in concentrated safety publicity activities such as disaster prevention & alleviation and 119 fire safety day.



Case

Tian Lun Gas organized the “six applications” safety publicity activity

In June 2020, the Group organized “six applications” safety publicity activity, i.e., application in companies, schools, communities, rural areas, households and public areas, thereby enabling safety publicity activity to cover all client types. During the activity, the Group introduced regular safety measures with a focus on the publicity of gas accidents due to aged or long indoor rubber tubes and unauthorized renovation, disseminated knowledge on indoor gas protection and gas safety, and offered onsite explanations and question answering, which received positive feedback.



“Six applications” safety publicity site organized by Tian Lun Gas



Safety education exhibition



Community safety publicity



Safety publicity in key region



Group activity to promote safety publicity

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Feedback from Readers

Thank you for reading the China Tian Lun Gas Holdings Limited 2020 Environmental, Social and Governance Report. In order to provide stakeholders with valuable information and improve the Group's ability and performance in fulfillment of social responsibility, we are sincerely expecting your valuable opinions and suggestions.

Please fill in the feedback form and send it to us via the following methods:

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1. Your overall rating for the Group's Environmental, Social and Governance Report:

Very good Good Fair Poor Very poor

2. Your rating for the Group's fulfilment of social responsibility:

Social Responsibility	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor	<input type="checkbox"/> Very poor
Environmental Responsibility	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor	<input type="checkbox"/> Very poor

3. Your rating for the Group's fulfilment of social responsibility:

Very good Good Fair Poor Very poor


4. What do you think about the clarity, accuracy and integrity of the information, data and indicators disclosed in the Report?

Clarity	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor	<input type="checkbox"/> Very poor
Accuracy	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor	<input type="checkbox"/> Very poor
Integrity	<input type="checkbox"/> Very good	<input type="checkbox"/> Good	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor	<input type="checkbox"/> Very poor

5. The content structure and layout design are convenient for you to read?

Yes Fair No

6. Other opinions or suggestions about the Group's work and the Report:



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