



CHINESE PEOPLE HOLDINGS COMPANY LIMITED 中民控股有限公司

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限責任公司)
(Stock Code 股份代號：681)

2017-18

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告



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I. About this Report

The purpose of this Environmental, Social and Governance (hereinafter called “**ESG**”) Report (“**ESG Report**”) is not only to communicate the sustainability strategies, management approaches and performances of Chinese People Holdings Company Limited (“**Company**”) and its subsidiaries (collectively the “**Group**” or “**We**”) with the stakeholders, but also strengthen the Group’s understanding towards their ongoing activities in sustainable development of the society and the environment as a whole. This ESG Report summarises the efforts and achievements made by the Group in corporate social responsibility and sustainable development.

The Group hopes to develop its business objectives and creates shareholder/investor value, while at the same time protects the ecological environment by fully utilising resources and minimising the emission of pollutants during operation. As a responsible and visionary corporate citizen, we have to balance the relationship between operations and environment by continuously optimising operations management, business strategies and policies on environmental protection, training and development, and community investment; and contribute towards the sustainable development of the globe, human being and our business.

Scope and Period of Reporting

The ESG Report covers the Group’s main business in the provision of piped gas, and sales and distribution of cylinder gas, and presents the Group’s strategic approach to sustainability and performance in the environmental and social aspects of the above business for the reporting period from 1 April 2017 to 31 March 2018 (“**Reporting Period**”). The ESG Report does not cover the business in production and sale of barreled drinking water as it only accounts for less than 1% of the Group’s revenue. A summary of the environmental indicators and the performance data are listed out at the “Environmental Performance Data Summary” on pages 10-11.

Reporting Guidelines

The ESG Report has been prepared in accordance with the updated Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”), as set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange.

II. Environmental Protection

Natural gas is a gaseous fossil fuel consisting primarily of methane. It is mainly found in oil fields, natural gas fields and coal seams. When methane spills into the atmosphere, it is a greenhouse gas that directly contributes to global warming. However, methane is not regarded as pollutant but a useful renewable energy source after effective treatment process. The liquefied gas is a colorless volatile liquid obtained from natural gas or petroleum under pressure and temperature liquefaction in a refinery. In recent years, China has vigorously promoted the energy revolution and transformation, and is establishing a green and diverse energy supply system. Natural gas and liquefied gas are two of the green and clean energy resources that play an indispensable role in the control of air pollution. The Chinese government has introduced a number of important policies concerning natural gas and liquefied gas, and emphasised that it continues to vigorously support the development of natural gas and liquefied gas industries, and gradually cultivate natural gas and liquefied gas to become the main energy of China's modern clean energy system. Our business has been promoting the use of clean energy which is in alignment with the country's policy in environmental protection.

1. Management of Emissions and Wastes

The Group is principally engaged in the provision of piped gas, and sale and distribution of cylinder gas businesses. The business nature does not involve the emission of exhaust air. Energy consumption in office and gas supply facilities accounted for a major part of its greenhouse gas emissions. Therefore, various energy saving measures (please refer to the section "*Management of Resources Utilisation*" below for details) have been undertaken to improve energy efficiency and reduce energy consumption in our operations. Waste management mainly involves collection of waste papers for recycling (please refer to the section "*Management of Resources Utilisation*" below for details). The Group's business did not cause any hazardous waste. Our impact of non-hazardous wastes generated (e.g. waste bricks, sandstone etc.) and water discharges to the environment is not significant.

2. Management of Resources Utilisation

To comply with the relevant laws, regulations and policies on resource conservation, and to establish conservation ideas and to promote corporate culture on saving resources; we have set up various resource saving measures to demand each of our employees to understand the importance of resource conservation. They are required to make full use of resources, to maximise its effectiveness and to avoid wastage.

Conservation of Energy

The Group controls the use of energy and improves resource usage efficiency through daily management and monitoring of energy consumption, and hopes that energy conservation starts from everyone. We encourage staff to change their daily habits in using appliance that operates on electricity. These measures include using energy-saving lights bulbs/tubes, using natural light whenever possible, switching off electrical appliances like lights, computers, printers, photocopiers, scanners, air-conditioners, etc. when not in use. The use of air-conditioners is restricted and adjusted in connection with seasonal and temperature change. Air-conditioners are turned off when windows are opened and cleaned up regularly in order to raise its efficiency.

II. Environmental Protection (continued)

2. Management of Resources Utilisation (continued)

Conservation of Energy (continued)

During the Reporting Period, the Group's business consumed 2,615.31 megawatt hours of electricity, 70,369.30 cubic metres of natural gas, 141.83 tons of diesel, 158.26 tons of gasoline and 0.67 tons of liquefied natural gas. With reference to the guidelines of the Greenhouse Gas Protocol and the regional emission factors, greenhouse gas emissions are calculated from the above-mentioned data. For total carbon dioxide emission during the Reporting Period, Scope 1 and Scope 2 emissions were 1,170.83 tons and 2,419.67 tons respectively.

Conservation of Water

The Group wants every employees can make the best use of water resources and to reduce wastage. Drinking water cannot be used in other way. Water flow from tap is controlled at low level. Water tap should be turned off when not in use. We always remind our employees to pay attention to water conservation; and notify the maintenance department promptly for repair once damaged pipes or valves or water leakage is found. During the Reporting Period, the Group's business consumed 10,781.41 tons of water.

Conservation of Paper

The Group promotes saving papers and avoid wastage through unified purchasing; distribute files in electronic format to minimise photocopying and printing; fully utilise paper by reusing single-sided papers, and collecting double-sided printed papers to qualified recyclers for handling. During the Reporting Period, the Group's business consumed approximately 5.13 tons of paper.

Compliance

During the Reporting Period, we did not have non-compliance incidents in relation to environmental protection that have a significant impact on the Group.

3. The Environment and Natural Resources

The Group has strived to care for and to protect the nature, everyone should take part in it and hope to create a beautiful world together. In order to let employees know the importance of our environmental impact, we continue to adopt various policies, measures, and actions in reducing carbon footprint, and to minimise the impact to the environment from daily lives and business activities (please refer to "*Management of Emissions and Wastes*" and "*Management of Resources Utilisation*" above for details). We hope that every employees can start from themselves, convey the message of protecting the environment to their families, friends and business partners; to build more powerful cohesion in alleviating climate change together.

III. Employment and Labour Practices

Employees are our valuable assets and the key driver for the Group's sustainable and long-term business development. We devote to create a non-discrimination, equal, harmonious and safe workplace; build up a mutual-respect and good relationship with our people; encourage our employees to be innovative, flexible and committed when dealing with our users and producing high quality products and services. To accomplish this target, we offer opportunities of advancement to attract, develop, retain and reward our talented staff; providing commensurate remuneration, various fringe benefits, personal growth and career development training. We encourage employees to maintain harmonious interpersonal relationships, promote team spirit of cooperation and unity, accept difficulties and overcome challenges.

1. Talent Selection

We follow the principles of fairness, equality, competitive and non-discrimination to hire outstanding talents, and devote to protect human right and privacy of employees. During recruitment, knowledge, ability, morality, physical fitness and job requirements are used as the selection standards, and they are not discriminated against because of their age, gender, race, marital status and nationality, so as to maintain employment equality. We provide equal opportunities to employees in providing benefits, promotion, performance appraisal, training and career development, we only consider their morality, knowledge, physical fitness, ability and technical skills, etc. We hope to achieve win-win situation through joint development of employees and corporate.

2. Labour Standards

The Group respects human rights and strictly prohibit any unethical hiring practices, including child labour and forced labour in the workplace. We have established policies and procedures in compliance with the labour laws and regulations. During the recruitment process, we review the identity documents of the applicants and never hires any applicant below the legal working age. The work hours of employees are in line with the relevant local labour laws and regulations. Consent from employees for working overtime is needed so as to prevent forced overtime work; and they are compensated in accordance with the requirement of the relevant laws and regulations.

III. **Employment and Labour Practices (continued)**

3. **Compensation and Welfare**

The Group attracts and retains outstanding talents with competitive remuneration packages and regularly examines their salary levels to ensure it is up to standard. The Group collects up-to-date remuneration data within their industry and strives to establish a fair, reasonable and competitive remuneration scheme. Salaries level are decided based on one's knowledge, skills, experiences and education background relevant to their work requirements. Employees compensation varies among offices situating in different locations. Basic remuneration includes salary, overtime subsidies, year-end bonuses; share option and award shares, etc. In accordance with the local labour laws and social security laws and regulations, we provide social security benefits for all employees, and protect their rights of rest days and holidays. We terminate or compensate employees in accordance with local laws and regulations.

4. **Development and Training**

Human Resources Department is responsible for preparing training plan to align with the corporate development strategies and the departmental human resources needs, and helping employees to understand the internal policies and procedures, job duties, corporate culture and values, and development strategies; enhancing their knowledge and management skills; improving their ability and performance; caring about their career development; and raising their enthusiasm and building team spirit. New hires must participate in pre-employment training and pass the assessment. The training topics include corporate culture, business, work-related rules and regulations, organisational structure, welfare and work safety, etc. During the Reporting Period, on top of providing our new hires with pre-employment training, we also organised various training programs like job training, gas fuel business related laws and regulations, etc in order to enhance employees' knowledge and skills.

5. **Health and Safety**

According to local laws and regulations, we formulate the safety production responsibility system, and establish safety management organisational structure. Supervisors and employees at all levels must clearly understand their own safety responsibilities, sign the safety responsibility statements, and follow strictly the requirement as stated thereon. New hires must join various safety training to understand the work processes and guidelines relating to safety department. We also provide routine education about safety awareness, knowledge and techniques; and to arrange safety assessment. This is to ensure that our employees have the necessary awareness, knowledge and skill to discharge of their duties up to standard.

III. **Employment and Labour Practices (continued)**

5. **Health and Safety (continued)**

Gas leakage can cause safety incidents, and impose serious impact on our employees and the public. Hence, we have formulated emergency plans and regular pipeline inspections to protect the public and our employees' safety (please refer to the section "*Product and Service Responsibility*" below for details).

Compliance

During the Reporting Period, the Group did not have significant issues relating to violations nor received any complaints concerning labour practices.

IV. **Operating Practices**

1. **Supply Chain Management**

The Group believes that building sustainable supply chain can create value for our employees, suppliers and service providers, our users and communities. It is important to maintain close interaction and communication with our suppliers and service providers in ensuring that stable and good quality service and products are provided. In order to establish an efficient supply chain system, we select suppliers and service providers who have good credit history, reputable, high product or service quality, proven track records of environmental compliance and sound commitment to social responsibility. We conduct irregular performance review of our suppliers and service providers with an aim to effectively control our products and service quality.

2. **Product and Service Responsibility**

The Group has been dedicated in providing high quality services with the highest degree of integrity to our users. In terms of sustainability, users' satisfaction is vital to our growth in the future. In order to build up an image of excellent service, we have established policy and procedures for customer services and strictly require our employees to pay attention not only to their job descriptions and requirement, but also to their appearance, service greetings, conduct and behavior. We have formulated policy and procedures to deal with users' complaints proactively and promptly. Complaints that involve technical difficulties or have significant impact should be reported to the management in a timely manner, and responsible staff should get prompt instruction from management to tackle the complaints in order to avoid it from becoming severe. We have also established policy and procedures for re-visit the users, and to record the details of complaints, results and customers re-visit feedback.

We have to install outdoor facilities and pipelines at user locations before provision of piped gas to users. The delivery of piped gas through pipelines, and cylinder gas through transportation fleet involves users' and the public's safety issues. In order to handle different types of emergencies effectively and to ensure safety of the public and our employees and at the scene of incident, the Group has formulated emergency plans. The basic principles are to put personal safety in first priority and then to minimise losses. After incident occurred, our employees arrive at the scene promptly and understand when it has happened, the casualties and pollution caused, and to make preliminary assessment as to its nature, estimated location of the leak, causes, and the impact on the surrounding environment, etc., so as to determine its severity level and to take appropriate measures to contain the damage.

IV. Operating Practices (continued)

2. Product and Service Responsibility (continued)

We require the responsible department to conduct regular inspections of all user locations and outdoor pipelines to ensure that the pipelines are in safe condition and to prevent accident from happening. Besides, we educate users on the safe use of piped gas and cylinder gas to build their safety awareness. They have to inform us immediately when abnormal situation is noted, and we promptly send our technicians for site inspection and handle it properly. The responsible department is required to record all safety inspections in detail and report to the management regularly.

We have established policies and procedures to protect users' privacy. We handle users' personal information with integrity and caution. Users' details are maintained by assigned staff and they have to fulfill the requirements of confidentiality. Access to such information is not allowed unless prior approval from department head is obtained, and all the access and purpose of use are properly tracked.

Compliance

During the Reporting Period, the Group did not have significant issues relating to violations nor received any complaints concerning breaches of user privacy and loss of data.

3. Anti-corruption

Although the Group have not formalised its policy and procedures on anti-corruption (fraud, extortion, bribery and money laundering), we advocate obedience to the law, uprightness, honesty and conducting business with high integrity. Disciplinary inspection monitoring function are already embedded into our daily operation. We adopt a fair management approach to protect the rights of our business partners and we continuously strengthen our internal management system. We hope to provide a fair channel for issues resolution and are determined in fighting corruption and strive to contribute to the building of a clean society. During the Reporting Period, the Group or its employees did not involve in any litigation cases relating to corruptions.

V. Community Investment

Air pollution problem is increasingly serious in Mainland China, the development of clean energy is very imminent. The Chinese government has introduced a number of important policies concerning clean energy with an aim to develop natural gas and other clean energy industry. The development of natural gas and other clean energy signifies the optimisation of energy structure and protects the ecological environment. As one of the gas services providers, the Group hopes that the proportion of traditional energy (e.g. coal) consumption can be reduced through the development of natural gas and other clean energy industry. Increased supply of clean energy can eventually reduce air pollution and contribute to environmental protection.

The Group is a responsible taxpayer and spare no effort in easing local employment pressure. We contribute the “five insurance and housing provident fund” and “Mandatory Provident Fund Scheme” for mainland and Hong Kong employees respectively. We always exercise best practices in business operation, actively promoting green concepts and good development order, and has contributed to maintaining a stable society and build a harmonious community.

VI. Vision Outlook

As a good corporate citizen, the Group hopes to balance between achieving the corporate economic goals and business objectives, and to fulfill their social responsibility. We will continue to pay attention to environmental protection, employee care, service quality, and community contribution so as to create niche for sustainable development.

As for environmental protection, the Group will endeavor to comply with the stringent environmental protection laws and regulations, allocate resources and undertake various environmental improvement projects, including improving emissions and waste treatment facilities. In terms of employee care, we will put employee satisfaction and operation safety as our top priority. Through ensuring occupational safety and a competitive system, we aim to attract more talents in the technical and management arenas. We also focus on customers experience and will continue to provide them with high quality service. We also committed to fulfill our social responsibility by contributing and promoting the community’s sustainable development.

Becoming a respectable enterprise is one of the aims of the Group. Through implementing sustainable business strategies and to improve our business performance, we hope to create more meaningful long-term value for the Company and our stakeholders.

VII. Environmental Performance Data Summary

	Unit	2017/18
Greenhouse gas:		
Scope 1 ¹:		
Total	Tons	1,170.83
Intensity	Tons (Per sale unit- tons)	- #
Scope 2 ²:		
Total	Tons	2,419.67
Intensity	Tons (Per sale unit-tons)	0.01
Air emissions:		
Nitrogen oxides	Tons	64.66
Sulfur oxides	Tons	7.02
Particles	Tons	14.16
Non-hazardous wastes:		
Solid wastes generated³:		
Total	Tons	575.61
Intensity	Tons (Per sale unit-tons)	- #
Sewage discharged⁴:		
Total	Tons	10,106.29
Intensity	Tons (Per sale unit-tons)	0.03
Packaging materials used:		
Total	Tons	654.53
Intensity	Tons (Per sale unit-tons)	0.01

VII. Environmental Performance Data Summary (continued)

	Unit	2017/18
Energy and water consumption:		
Electricity:		
Total	Megawatt hours (“MWh”)	2,615.31
Intensity	MWh (Per sale unit-tons)	0.01
Natural gas:		
Total	Cubic metres	70,369.30
Intensity	Cubic metres (Per sale unit-tons)	0.21
Diesel:		
Total	Tons	141.83
Intensity	Tons (Per sale unit-tons)	- #
Gasoline:		
Total	Tons	158.26
Intensity	Tons (Per sale unit-tons)	- #
Liquefied natural gas:		
Total	Tons	0.67
Intensity	Tons (Per sale unit-tons)	- #
Water ⁴:		
Total	Tons	10,781.41
Intensity	Tons (Per sale unit-tons)	0.03

Notes:

- 1 Scope 1 refers to the Group’s business direct GHG emissions, including combustion of gas fuel, diesel and gasoline.
- 2 Scope 2 refers to the Group’s business indirect GHG emissions, including consumption of purchased electricity.
- 3 Part of the non-hazardous solid wastes generated is estimated by the amount generated by each employee or based on those subsidiary companies that have collected such data.
- 4 Part of the water resources used and non-hazardous sewage discharged are estimated by the monthly usage/emissions of each employee.

Data less than 0.01

VIII. "Environmental, Social and Governance Reporting Guide" by the Stock Exchange

Key Performance Indicators ("KPIs")	Reporting Guideline	Page(s)
A. Environmental		
Aspect A1	Emissions	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	2
KPI A1.1	The types of emissions and respective emissions data.	2, 10
KPI A1.2	Greenhouse gas emissions in total (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10
KPI A1.3	Total hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	N/A ¹
KPI A1.4	Total non-hazardous waste produced (in tons) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	10
KPI A1.5	Description of measures to mitigate emissions and results achieved.	2
KPI A1.6	Description of how hazardous ¹ and non-hazardous wastes are handled, reduction initiatives and results achieved.	2
Aspect A2		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	2 – 3
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility).	11
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	11
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	2 – 3
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	3
KPI A2.5	Total packaging material used for finished products (in tons) and, if applicable, with reference to per unit produced.	11
Aspect A3	The Environment and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources	3
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	3

VIII. "Environmental, Social and Governance Reporting Guide" by the Stock Exchange (continued)

Key Performance Indicators	Reporting Guideline	Page(s)
B. Social ²		
Aspect B1	Employment and Labour Practices	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	4 – 5
Aspect B2	Health and Safety	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5 – 6
Aspect B3	Development and Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	5
Aspect B4	Labour Standards	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	4
Aspect B5	Supply Chain Management	
General Disclosure	Policies on managing environmental and social risks of the supply chain.	7
Aspect B6	Product Responsibility	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	7 – 8
Aspect B7	Anti-corruption	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	8
Aspect B8	Community Investment	
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	9

Notes:

¹ The Group's main businesses are provision of piped gas, and sales and distribution of cylinder gas. We did not generate any hazardous wastes.

² Pursuant to Appendix 27 of the "Main Board Listing Rules", the KPIs under Area B "Social" are recommended disclosures only. Therefore, the Group choose not to disclose those KPIs in this report.



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