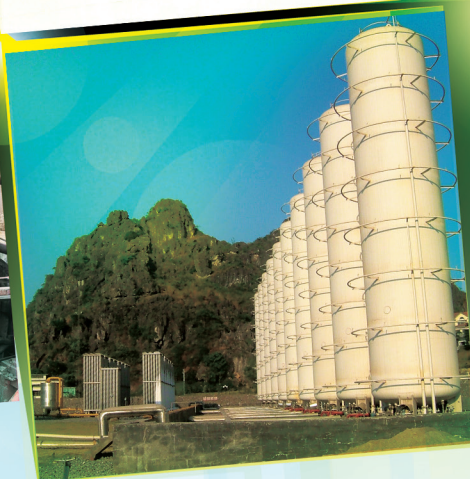


中國煤層氣集團有限公司 China CBM Group Company Limited

(於開曼群島註冊成立並在百慕達繼續營業之有限公司)

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

股份代號 Stock Code: 8270



Environmental, Social and
Governance Report

2016

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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China CBM Group Company Limited (the “Company”) and its subsidiaries (collectively the “Group”) publish its first Environment, Social and Governance Report (the “Report”). The Group persistently strives to enhance its corporate environmental, social and governance performance as part of its daily business operations and to support the communities in which it operates. The Report was prepared with reference to the Environmental, Social and Governance Reporting Guide (the “ESG Guide”) set out in Appendix 20 to the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”). The Group communicates regularly with key stakeholders through various channels in order to understand their different expectations and identifies the most material aspects to be placed comparatively higher emphasis for reporting in the Report. While higher priority is given to the most material aspects, the Group will continue to monitor and report the other aspects in the Report in order to enhance the corporate transparency.

中國煤層氣集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)發表其首份環境、社會及管治報告(「本報告」)。作為日常業務營運的一環以及為支持其營運所在社區，本集團一直努力提升其企業環境、社會及管治表現。本報告根據香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)附錄二十所載之環境、社會及管治報告指引(「環境、社會及管治指引」)編製。本集團透過各種途徑定期與主要持份者溝通以瞭解其不同期望，並尋找最重視的層面以於本報告中作較重點的匯報。當重點放於最重視的層面之同時，本集團將繼續監察及匯報本報告中的其他層面以加強企業透明度。

1. ENVIRONMENT

1.1 Emissions

During the manufacturing process and daily operation, certain emission and wastes are generated. The Group abides by all the applicable environmental laws and regulations of the local government. The Group has established the environmental protection policies that include both emission reduction and energy-saving policies in order to minimize the impacts on the environment.

1.2 Use of Resources

Electricity and water are the main natural resources used by the Group. The Group acknowledges that it is responsible in promoting the effective use of resources and is therefore committed to the development and implementation of policies on environmental protection, energy conservation and emission reduction. With the policies implemented in practice, the Group has engaged a third party manufacturer in 2016 to develop a frequency conversion program to reduce electricity consumption.

1. 環境

1.1 排放

生產過程和日常營運中會產生若干排放物和廢料。本集團遵守當地政府適用的環境保護法律及法規，本集團已建立多項環境保護政策，包括減少排放及節約能源的政策，以減低對環境的影響。

1.2 資源使用

水電是本集團主要用的天然資源，本集團明白須致力促使有效運用資源，因此已致力制定及實施關於環保、節約能源及減少排放的政策。為貫徹執行政策，本集團於2016年已聘請第三方編制變頻改造方案，減少用電。

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1.3 The Environment and Natural Resources

The Group has been implementing various environmental protection policies. The Group believes that the policies on energy conservation and environmental protection represents an integral part of the Group's corporate social responsibility and would contribute to cost savings. In general, energy and water saving, and fewer resources consumption are encouraged through a number of ways with guidelines established. For example, a third party manufacturer is engaged to develop a frequency conversion program to reduce electricity consumption. The Group has obtained the Pollutant Discharge Permit upon approval by the relevant environmental protection authorities in the PRC.

2. SOCIAL

EMPLOYMENT AND LABOUR STANDARDS

2.1 Employment

A respectful and fair working environment for maintaining a sound system of human resources management is considered to be vital to the operation of the Group. The Group strictly complies with the laws and regulations of the places where the Group has business operations. For protecting the interests of employees, the Group is committed to the compliance with the relevant requirements under applicable local laws and regulations, entering into labour contracts with the employees and making contributions to social security fund under relevant laws and regulations. Talents are recruited by the Group through open recruitment process and internal staff deployment will be implemented according to actual needs. Factors taken into account of by the Group in the recruitment, salary review and determination and promotion review process mainly include work experience, knowledge and expertise and capability of candidates and employees to ensure that no discrimination based on attributes such as race, nationality, sex, religion, age and marital status would exist. The Group terminates the labour contracts with the employees in strict compliance with the labour laws and regulations of the places where the Group has business operations or through negotiation.

1.3 環境及天然資源

本集團一直落實環境保護政策，本集團相信節約能源及環境保護的政策是本集團對社會應負的責任，而且對成本節約亦有幫助。一般而言，本集團通過不同方式並編制指引以鼓勵節能、節水及減少資源耗用。例如聘請第三方編制變頻改造方案，減少用電。經過中國相關環保部門的審批，本集團已取得排放污染物許可證。

2. 社會

僱傭及勞工準則

2.1 僱傭

建立受尊重及公平的工作環境以維繫完善的人力資源管理制度對本集團的業務營運至關重要。本集團嚴格遵守本集團各經營業務所在地的法律及法規，為保障員工權益，本集團致力遵守相關地方適用法律法規的規定，與員工簽定勞動合同，並依相關法律法規繳納社會保險。本集團通過公開招聘獲得人才，另會根據實際需要內部調配人員。本集團在招聘、評估薪酬及晉升的審核程序中主要是考慮其工作經驗、知識及工作能力，以確保如種族、國籍、性別、宗教信仰、年齡和婚姻狀況的歧視不存在。本集團嚴格遵守本集團各經營業務所在地的勞動法律及法規以解除與員工之勞動合同，或透過協商解除勞動關係。

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2.2 Health and safety

Providing a safe working environment for employees is of the utmost importance, the Group uses its best endeavor in providing a safe workplace for its staff and prevention of occupational hazard. To achieve the above objectives, a series of policies and procedure manuals comprising of occupational health management policy, warning sign and protective device management policy and a comprehensive set of operational procedures are established. Those policies are in compliance with the local laws and regulations in which the Group conducts its business. The Group has obtained Production Licence for Liquefied Natural Gas. The Group has filed with the National Registration Center for Hazardous Chemicals in the PRC and obtained Certificate of Registration of Hazardous Chemicals. The Company conducts identification and safety assessment on major hazard sources every three years and files with the Coal Coalbed Methane Industry Bureau for the record. The Group believes that employees are the cornerstone of a successful enterprise, and therefore health and safety of employees is a valuable asset of the enterprise. The Group is committed to achieving a high level of health and occupational safety standards and has maintained a remarkable track record in this area.

2.2 健康與安全

為僱員提供安全工作環境至關重要，本集團盡全力將提供一個安全的工作場所予員工及保障員工避免受職業性危害。為貫徹執行，本集團編制一系列政策及程序手冊，包括職業健康管理政策、警告標示和防護裝置管理政策，並訂有完善的操作程序。該等政策乃符合本集團於經營業務的地方之法律及法規。本集團已取得關於液化天然氣的安全生產許可證。本集團在中國國家危化品登記中心已進行備案，並取得危險化學品登記證。每三年本公司對重大危險源進行辨識及安全評估，並於煤炭煤層氣工業局備案。本集團相信員工是一家良好企業的基石，員工的健康與安全是企業的重要資產。本集團致力達至高水準的健康與職業安全標準，一直保持良好的記錄。

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2.3 Development and training

The Group arranges regular training to ensure that employees could keep abreast of the latest industry knowledge. The Group has developed safety training programs, including rehabilitation education and training, fire and explosion prevention training, occupational health training, flood prevention training, education and training of safety production incident warning signs, emergency refuge, self-rescue and mutual-rescue training, emergency response plan training, training of relevant safety production laws and regulations, fire safety training, traffic safety training, etc. The above training programs are organized and conducted as planned. The Group also provides external training courses for employees, such as safety qualification training, occupational health management officer training, special operations training and special plant and equipment operation training. The Group also encourages employees to participate in cultural and recreational activities organized by the Group and other community organizations in order to achieve work-life balance.

2.4 Labour Standards

The Group implements its labour standards in strict compliance with the labour laws and regulations of the places where the Group has business operations. The Group maintains strict recruitment process to prohibit the occurrence of child labour or forced labour.

2.3 發展及培訓

本集團安排定期培訓，以確保員工能獲得最領先的行業知識。本集團制定了安全培訓計畫，包括復工教育培訓、防火防爆培訓、職業衛生培訓、防汛培訓、安全生產事故警示教育培訓、避險、自救及互救知識培訓、應急預案培訓、安全生產相關法律法規培訓、消防安全培訓、交通安全培訓等，目前按計劃正常組織進行。本集團亦進行外出培訓的有安全資格證培訓、職業衛生管理人員培訓、特種作業操作培訓及特種設備操作培訓。本集團亦鼓勵員工參與本集團內部以至外界社區組織舉辦的文娛康體活動，以達致工作與生活的平衡。

2.4 勞工準則

本集團嚴格遵守本集團各經營業務所在地的法律及法規以執行其勞工準則。在本集團招聘流程的監督下，嚴禁僱傭童工或強制勞工。

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OPERATING PRACTICES

2.5 Supply Chain Management

Supply chain management has played a key role in the development of the Group. The Group has established a comprehensive procurement system and regularly analyzes the consumption of inventories and tools and equipment. The supplier list in the system will be maintained and updated on a regular basis for performing evaluation on suppliers. In selecting suppliers, in addition to product quality, production capacity and past performance, the Group will convey information on governance, social and environmental responsibility to suppliers to ensure that the Group's suppliers are in the same direction as the Group in the areas of legal and regulatory compliance, business ethics, labour measures and environmental protection.

2.6 Product Responsibility

Providing quality products to its customers has always been one of the Group's objectives. The quality control and inspection departments of the Group will conduct inspections on the Group's products and collect feedbacks from the customers on a regular basis to ensure that quality products are always provided. Factual information of products is delivered in marketing materials while exaggeration and overstatement is not allowed. The Group is committed to protect customer information and safeguard their privacy. Guidelines have been set up to protect customer data and information.

營運慣例

2.5 供應鏈管理

供應鏈管理對本集團的發展起了關鍵性的作用，本集團已建立一套完善的採購制度，並定期分析存貨的及工具的消耗。在系統中，亦會定期備存及更新供應商名單，對供應商作出評估。在選擇供應商的過程中，除了產品品質、生產能力和過往表現等因素外，本集團會對供應商傳達管治、社會和環境責任的信息，確保本集團的供應商在法律及監管上的合規、商業道德、勞工措施及環境保護等方面之表現，與本集團的方向一致。

2.6 產品責任

本集團一向以提供優質產品予客戶為目標，本集團的質檢部門會對本集團生產的產品進行檢查，並會定期聯絡客戶，以確保產品維持高質量狀態。本集團的產品宣傳信息與實際產品一致，不容誇大其辭。本集團致力保護客戶信息及保障客戶私隱，並已編制保護客戶數據及資料的指引。

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2.7 Anti-corruption

The Group adopts a zero tolerance approach towards illegal behaviors such as corruption and fraudulent practice. The Group requires all employees to perform justifiably and behave with integrity, uprightness and honesty. It is clearly stipulated in the employee manual that the Group will treat the issues on bribery, corruption, fraud and other illegal behaviors very seriously. The Group has also established a whistleblower and complaint policy to protect whistleblowers and anti-corruption work will be carried out more effectively under the self-supervision among staff. Anti-corruption training is also an important subject of the Group's major staff training programs.

2.8 Community Investment

The Group is guided by its corporate culture of being a responsible corporation and develops its business while taking into account the needs of the communities in which the Group operates. The Group has established and carried out its business operations in the existing locations for more than five years. The businesses of the Group are closely intertwined with the social well-being of such communities. The Group considers the unemployment rates of the local communities of the places where the Group has business operations and places priority for recruiting candidates from the local communities in order to relieve the local employment pressure.

2.7 反貪污

本集團一直嚴格管治任何貪污舞弊等不法行為。本集團要求所有員工必須正當地行事，表現誠信、正直及誠實。員工手冊清楚訂明本集團會絕對嚴謹處理貪腐舞弊等不法行為。本集團亦設立了舉報和投訴政策，在舉報和投訴政策下，舉報人均會獲得保護，在各員工互相監管下，反貪污工作更能有效地實行。在員工培訓時，反貪污培訓也是本集團重點培訓的一個重要課題。

2.8 社區投資

本集團認為企業應盡其社會責任，在保持企業發展的同時，亦應顧及業務所在地的社區發展。本集團在業務所在地已經營5年以上，本集團的業務與社區息息相關。在考慮當地的失業率情況下，本集團在招聘員工時，會優先考慮當地社群人士，以紓緩當地的就業壓力。