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ENN Energy Holdings Limited

(Stock code: 2688)

2022 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

About This Report

This is the Sixth Environmental, Social and Governance ("ESG") Report (hereinafter referred to as "ESG Report" or "this report") of ENN Energy Holdings Limited. This report discloses ENN Energy's contribution of its ESG responsibilities to sustainable development and its responses to stakeholders' concerns of material issues. The Board of Directors of the Company has reviewed this report and is responsible for the authenticity and validity of the disclosed information.

Reporting Period

The content of this report covers 1 January to 31 December, 2022. This time period may be extended appropriately for some of its contents.

Scope of This Report

This report focuses on ENN Energy and its subsidiaries.

Data Source

All information and data herein are collected based on the Company's official documents, statistics and financial reports, as well as ESG information complied, summarised and reviewed by the Company. This report is published in Chinese and English, for any discrepancies between two versions, the Chinese version shall prevail. Unless otherwise specified, the currency unit is RMB.

Reporting Framework

This report is prepared in accordance with the Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") under Appendix 27 of the Listing Rules of the Hong Kong Exchanges and Clearing Limited ("HKSE"), and has also referred to GRI Standards by Global Sustainability Standard Board (GSSB).

Reporting Principle

Materiality: The Board and ESG Committee have reviewed and evaluated material ESG issues, including ESG-related impacts of ENN Energy, the current ESG development trend, and the ESG demands of stakeholders of the Company, which is the basis for ESG reporting.

Quantitative: ENN Energy's ESG performance in 2022 has been disclosed in detail in this report. This is going to support report users to evaluate the Company's ESG performance with quantitative information. Meanwhile, it has also formulated environmental, social and governance targets based on materiality assessments, and maintained follow-up on the progress of these targets.

Consistency: The quantitative information reported in this report remain the same as in previous years. The Company has listed the quantitative ESG data of the past three years for historical data comparison.

Note on Company Name

For ease of presentation and reading, ENN Energy Holdings Limited is hereinafter referred to as "ENN Energy", "the Company" or "We" in this report.

Availability

This report is available for browse and download at official website of the HKSE (www.hkexnews.hk) and the Company (https://www.ennenergy.com/) and (http://ir.ennenergy.com/)

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Message from the Chairman

Exposure to a volatile external environment in 2022, ENN Energy adhered to its mission of "Building a Modern Energy System, Co-building a Better Ecology". To align with the trend of low-carbon development, the Company will reposition itself as a "smart city service provider for quality family life, corporate energy, and carbon management". To establish a modern energy system that is safe, low-carbon, and efficient, ENN Energy actively responded to the new trend of energy transformation in the country last year by conducting in-depth research on its own digital intelligence transformation to drive the digital intelligence transformation of customers. We incorporated the concept of sustainable development into our daily operations and decision-making, aided customers in cutting energy costs while advancing our own low-carbon and green operation, made strides in areas like intrinsic safety, energy and carbon integration, talent development, and social welfare, as well as ecologically sustainable and green development.

As part of its development strategy, the Company remains committed to safety management and strives to establish a new paradigm of digital intelligence safety management to escort the safety development of cities. In 2022, when faced with a dynamic and uncertain external environment, ENN Energy adopted a multi-pronged strategy to safeguard the reliability of the energy supply. We improved the digital safety management system by building a closed-loop "IOT + Intelligence" platform to address actual and hidden safety risks. We improved the safety oversight of the operation process by requiring risks to be identified and effectively managed. We promoted digital intelligence in many places in China, developed novel safety application products, ensured safety work in all scenarios through multi-party linkage, and established a four-in-one safety management model comprising safety governance, safety operation, occupational health and safety, and contractor safety.

Based on our strategic positioning as a "smart city service provider for quality family life, corporate energy, and carbon management", we prioritise energy and carbon management and support low-carbon energy development. ENN Energy persisted in promoting energy safety development with digital intelligence empowerment, offering customers cleaner products and services, and assisting them in transitioning to low-carbon growth in 2022, aligned with the country's policy of continuously upgrading energy planning methods and promoting low-carbon transition of the energy structure across the industrial chain and in multiple dimensions. The Company actively applied carbon reduction mechanism and integrated energy models to promote carbon-neutral innovation, advanced the low-carbon energy transformation of the value chain by strengthening integrated energy business, optimising energy management, and constructing an integrated energy utilisation and supply system, and contributed to the achievement of the country's "dual carbon" goal.

We advocate the mutual development of both employees and businesses, and encourage employees to participate in the building of digitally smart cities. In 2022, ENN Energy implemented several measures to modernise the talent management system, defend the rights and interests of employees, and provide stronger support and care during the epidemic. We established a variety of training programmes for employees and provided certification of their professional skills; we mapped out dual-channel development paths for technical talent and made real progress with our partners. In the process of digital intelligence transformation, ENN Energy aims to empower employees with the digital platform, allow employees to progress alongside the Company, and contribute to the restructuring of our public relations.

With our strengths, we are committed to forging closer links with the society and realising our aim of constructing harmonious and attractive eco-cities. We actively cooperate with industrial organisations to promote low-carbon growth and emission reduction, deepen collaboration with industry and academia to achieve the nation's "dual-carbon" goal. With the sense of mission, we assured the supply for major events, during the epidemic, and other eventualities, and fulfilled our corporate social responsibility by focusing on fostering a harmonious society and enhancing people's standard of living. Additionally, we coordinated social welfare programmes and supported rural development, thereby boosting ENN Energy's societal influence.

The drums of battle are being heard on the new voyage. As the world around it evolves, ENN Energy will do the same, charting a new course for digital intelligence, innovation, and low-carbon growth while also opening up new frontiers in the advancement of energy transformation and paving the way for digital intelligence innovation.

Board Statement

The Board of Directors of ENN Energy places a high priority on sustainable development and is committed to certifying, assessing, and identifying the Company's material environmental, social, and governance (ESG) risks, as well as considering and deciding on ESG issues with a significant impact on the Company. The Board has established an ESG Committee to aid in the formulation of the Company's ESG strategy and supervise the execution of ESG initiatives. During the implementation stage, the ESG Committee has established a multi-functional ESG working group to implement specific ESG management initiatives and promote the integration of ESG into daily operations based on ESG materiality determinations.

In 2022, ENN Energy closely followed both domestic and international ESG regulatory standards and market requirements. The Board has been informed that the Exposure Drafts IFRS S1 General Sustainability-related Disclosures (draft S1) and IFRS S2 Climate-related Disclosures (draft S2) adopted by the International Sustainability Standards Board (ISSB) under the International Accounting Standards Board (IASB) will be implemented in 2024. This standard focuses on disclosure requirements, such as climate scenario analysis, Scope 3 Carbon Emission disclosure, and climate risk management, in accordance with HKSE's plan to require listed companies to adhere to the disclosure guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) by 2025. Both the Ministry of Finance of the People's Republic of China and the Hong Kong Monetary Authority have endorsed the development of this international sustainable disclosure standard. In addition, the Board has watched the capital market's demand for climate change disclosure details, including MSCI, CDP, Sustainalytics, and other rating agencies. In the future, we anticipate more comprehensive and stringent standards for the disclosure of climate and carbon-related information.

In 2022, ENN Energy actively pursued climate-related management activities, including continuing monitoring of the Green Action Plan 2030 and comprehensive emissions information management projects. These include:

Collaborating with universities to measure methane emission data from city gas, and conducing joint research on defining the activity coefficient of methane emission in all citygas scenarios

Laying out and promoting the application of zero-carbon energy sources, including photovoltaic, biomass, and waste heat, in integrated energy business scenarios, and improving energy efficiency through digital intelligence

Applying zero-carbon energy sources, such as photovoltaic and geothermal in offices, and consistently increasing the share of new energy vehicles

Collecting Scope 3 carbon emission data for all 15 categories according to the GHG Protocol, and studying the internal methodology for climate change scenario analysis and financial quantification

To date, the implementation of all Green Action 2030 targets has been consistent with initial expectations, and the Board will continue to monitor progress in accordance with carbon reduction measures and information dissemination channels.

This report details the progress and effectiveness of ENN Energy's ESG efforts in 2022. It was reviewed and approved by the ESG Committee and Board on 22 March and 24 March, 2023, respectively.

About ENN Energy

City gas projects
254

Covering a connectable population of more than
130 million people

Gas service for
27.9
million residential customers

224,462
industrial and commercial customers

Operating
210
integrated energy projects

54
projects are under construction

ENN Energy Holdings Limited (02688.HK) is the flagship business of ENN Group and one of the largest clean energy distributors in China. Leaded by customer demand, considering it as the foundation of our value creation, the Company will reposition itself as a "smart city service provider for quality family life, corporate energy, and carbon management". We committed to achieve the transformation of digital intelligence development based on consolidating the intrinsic safety management.

ENN Energy takes the opportunities of the dual-carbon policy and energy system reformation, starting from the demands of customers, taking the development of the full value chain of energy as the core, and thereby established an integrated energy system that adapts to local conditions, gives priority to clean energy, complements multiple energy sources, and integrates energy use and supply. While driving customers to reduce energy costs and realising low-carbon transition, we take the family as the core scenario to provide smart services to help families move on to a better stage of life by considering customers' demand for quality life, combining the internal and external ecology.

ENN Energy pursues the mission vision of "Building a Modern Energy System, Co-building a Better Ecology", actively grasps the opportunities of national low-carbon development, and optimises its own energy use structure, utilises clean energy technology and continuously upgrades its energy smart management. While realising the low-carbon transformation of its own business, ENN Energy also provides customers with more low-carbon products and services, contributing the country to achieve the "dual carbon" targets and a low-carbon future.

As of December 31, 2022, ENN Energy had 254 citygas projects in China, including Anhui, Beijing, Fujian, Guangdong, Guangxi, Hebei, Henan, Hunan, Inner Mongolia, Heilongjiang, Jiangsu, Jiangxi, Liaoning, Sichuan, Shandong, Yunnan, Zhejiang, Shaanxi, Shanghai, Tianjin and other provinces and municipalities. It provides gas services to 27.92 million residual customers and 224,462 industrial and commercial customers, covering a population of more than 130 million people, and has 77,677 kilometers of central and trunk pipelines. The Company also develops integrated energy projects in major regions of the country, and has 210 integrated energy projects in operation, and 54 projects under construction.

In addition to the Hang Seng Index, Hang Seng China Enterprises Index, Hang Seng Composite LargeCap Index, Hang Seng ESG 50 Index, Hang Seng Corporate Sustainability Benchmark Index and MSCI China Large Cap Index Constituents, the Group was included in the Hang Seng Stock Connect Hydrogen Energy Index on 20 February 2023.

ESG Strategy

Sustainable development has always been a priority at ENN Energy, and the Company commits to incorporating an ESG perspective into its daily operations. In 2022, ENN Energy proactively addressed the "dual carbon" policy of the country, kept up with emerging sustainable development trends, and maintained its commitment to ESG management. Within the Company, we practice advanced ESG management measures by referring to international leading experience. We also closely engaged with stakeholders, exploring sustainable development issues of critical importance to ENN Energy, making our own unique contribution to the United Nations' Sustainable Development Goals to achieve mutual benefits.

Stakeholder Engagement

As a part of our commitment to the sustainable development of ENN Energy, we pay attention to the feedbacks we receive from our stakeholders and work hard to improve our channels of communication so that we can better understand and meet their needs. In 2022, we made extensive use of several channels (including social media, the Company's public account, email, survey, and etc.) to engage with our stakeholders.

ENN Energy's 2022 Annual General Meeting

ENN Energy's annual general meeting ("AGM") was successfully held through online and onsite in May 2022. The Company has approved the important topics at the meeting, including the Company's financial report, proposed final dividend, the re-election of retiring board members, and the re-appointment of auditors. All the directors of ENN Energy attended the AGM and answered shareholder's questions.

Directors of ENN Energy Attended 2022 AGM

Stakeholders	Expectations	Communications	Responses
Shareholder/ investor/stockbroker/ rating agency	• Excellent performance • Continuous and stable growth • Clear strategy • Efficient corporate governance • Timely and reasonable information disclosure	• AGM • Daily communication (including emails, phone calls and meetings) • Announcements and circulars • Interim and annual reports • Company website • Roadshow • Social media	• Regular business information disclosure • Maintainance of stable profitability • Corporate governance improvement
Government/ regulatory agency	• Operation safety • Operation compliance • Industrial and regional economic development • Contribution to people livelihood • Contribution to air pollution control • Efficient use of energy	• Daily communication • Information reporting • Routine check • Special reports • Cooperation with Government and enterprises • Participation in policy-making process	• Improvement in safety management • Improvement in risk management • Compliance with relevant laws and regulations • Business operation in line with the needs of industrial and regional development • Active promotion of clean, low-carbon, safe and efficient energy supply models • Active promotion of "coal-to-gas" and "oil-to-gas"
Employee	• Equal employment opportunities • Unimpeded professional career development • Safe and healthy working environment • Thorough education and training opportunities	• Software - iCome • Staff meeting • The "Employee Home" platform • ENN University • Various internal and external training • Employee complaints and feedback	• Diversified recruitment • Team-building activities • Care for employee health • "Self-driven and Sharing" culture • Online and offline learning platform

Stakeholders	Expectations	Communications	Responses
Customer	• Safe and stable energy supply • Effective and efficient service	• National customer service hotline: 95158 • Service quality supervision hotline: 400-86-95158 • Community service stations and business centres • Online business centre • Mobile application	• Safety checks • Timely and effective response to customer enquires • Commitment to providing premium customer services • Customer satisfaction surveys
Supplier and contractor	• Transparent procurement • Localised procurement	• Suppliers' conference • Strategic cooperation • Regular interviews • Bidding	• Public contract bidding • Establishment of the supply management system • Continuous improvement of policies • Improvement in management efficiency
Business partner	• Industry regulatory policies and circumstances • Patent and intellectual property protection • Mutual benefits and long-term cooperation	• Industry associations • Industry forums and conferences	• Respect intellectual property rights of others • Protection of the Company's intellectual properties • Participate in industry exchange conferences • Join industry associations
Environment	• Clean energy supply • Reduction of greenhouse gas emissions • Resource recycling • Natural resources and ecological conservation	• Participation in environmental initiatives and actions • Environment data disclosure • Regular release of ESG reports • Cooperation with the government for air pollution control	• Participation in international environmental initiatives • Development of operational and environmental protection plans • Enhancement of energy conservation and emission reduction management • Improvement in energy efficiency • Promotion of green and clean energy • Promotion of green office • Continue environmental monitoring • Active participation in environment protection
Community	• Safety Operation • Contributions to community development • Charity activities	• Popular science activities • Community outreach activities • Volunteer activities • Charity activities	• Organising charitable donations • Commitment to charity activities • Contribution to the construction of a harmonious community • Poverty alleviation and care for people in need • Participation in community volunteer services • Care for the next generation
Media	• Information transparency • Open communication • Maintenance of good media relations	• Press conferences • Media site visits • Interviews with the management team	• Regular press conferences • Press releases • Update of business news on the Company website • Response to media inquiries • Communication with the media
Public welfare organisation/ non-governmental organisation	• Build a harmonious society • Support for public welfare	• Public welfare activities • Charity activities	• Participation in public welfare and environmental activities • Commitment to charity activities • Charitable donations

Materiality Assessment

ENN Energy regular invites internal and external stakeholders to assesses material ESG issues. Our 2022 material ESG issues were determined after extensive study was undertaken using the 2021 questionnaire as a starting point. This research included internal and external interviews and communication, peer benchmarking, and analysis of rating indexes.

Materiality Issues Identification Process

Issues Identification

- The Company identified issues highly related to ENN Energy in accordance with the ESG Reporting Guide, regional and international reporting standards, peer benchmarking, media monitoring, mainstream ESG rating, industry sustainability trends, etc.

Stakeholder Engagement

- Daily communication: we communicated with employee, as well as with internal and external stakeholders through email, WeChat account, and other measures to collect feedback on the ESG management of the Company.
- Key groups: we formed key groups to communicate with specific stakeholder groups on ESG issues. In 2022, we conducted more than 30 special ESG meetings with stakeholders of the capital market, covering "Low-Carbon", "Supply Chain Management", "Contractor Safety", "Clean Energy Application", and other ESG issues.

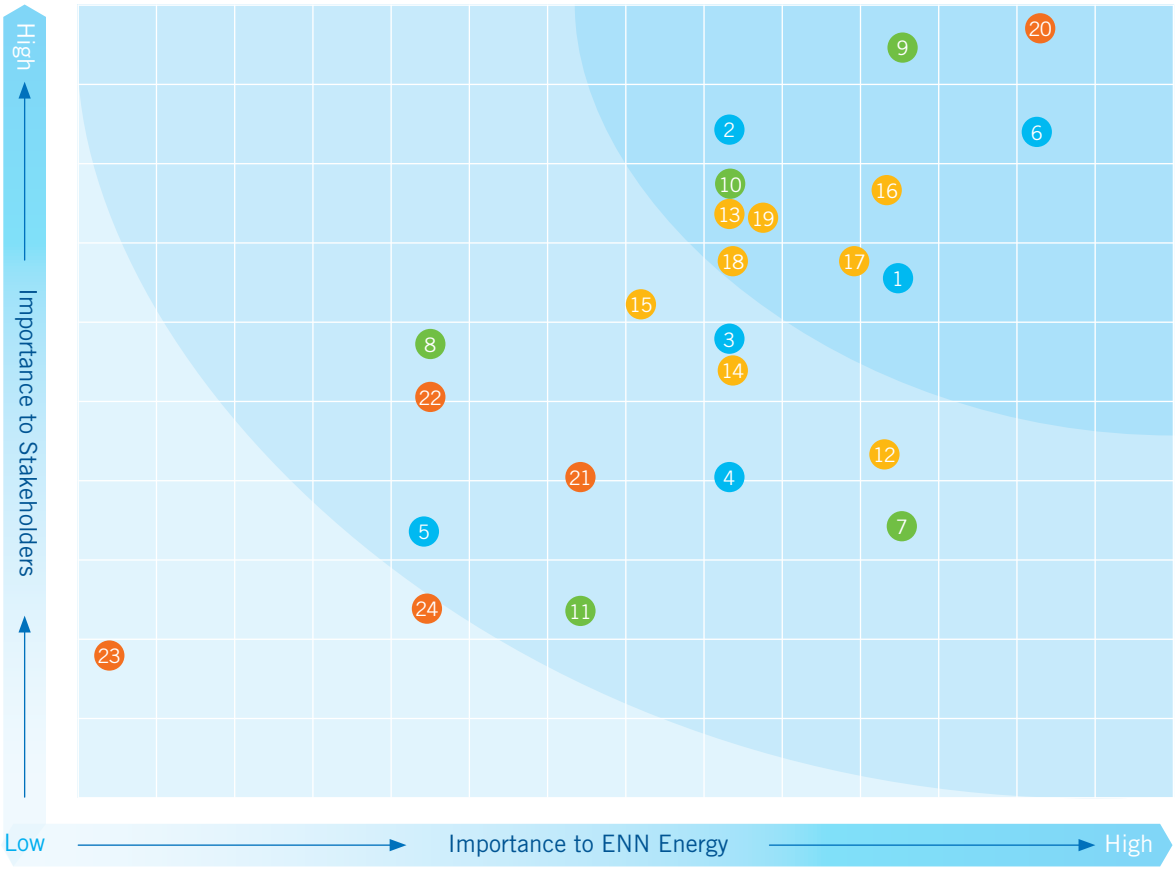
Matrix Development

- The 2022 materiality matrix was developed based on the results of materiality identification and stakeholder engagement, and with reference to the 2021 materiality matrix.
- Based on the comprehensive analysis of industry trends, peer benchmarking and issues of interest to the capital market, the Company's leadership, ESG Committee and ESG Working Group adjusted and confirmed the materiality matrix.

Matrix Confirmation

- The materiality matrix was submitted to the ESG Committee for review and confirmation, resulting in a final materiality matrix.

Materiality Assessment Results



Economic	Corresponding Report Page Number
1 Earnings and Performance	P06
2 Product Technology and Innovation	P35-37, P69-73
3 Anti-Corruption	P22-23
4 Supply Chain Management	P24-28
5 Anti-unfair Competition Practices	P22-23
6 Corporate Governance and Compliance	P17-21

Environmental	Corresponding Report Page Number
7 Emissions of Pollutants	P75-78
8 Waste Recycling	P76-78
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Employee/ Customer related	Corresponding Report Page Number
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14 Training and Development	P88-90
15 Avoidance of Forced and Child Labour	P86
16 Occupational Health and Safety	P50-54
17 Customer Service	P95-97
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Social	Corresponding Report Page Number
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21 Intellectual Property Protection	P98-99
22 Protection of the Rights and Interests of Indigenous Residents at Operation Sites	P102-103
23 Charity activities for Communities	P102-103
24 Community Relations	P102-103

ENN Energy identified Three Major ESG Material Issues

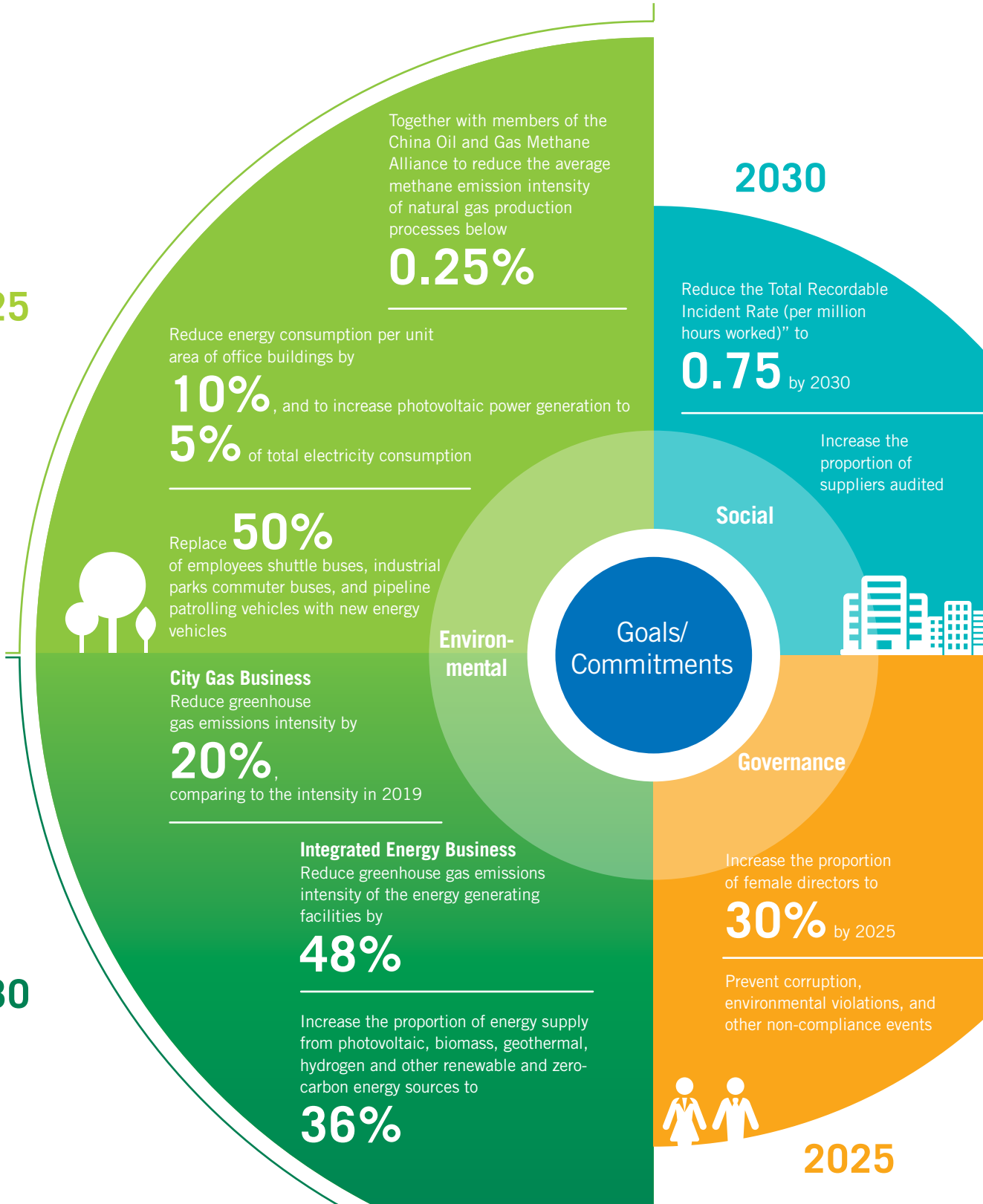
- Safe and Stable Gas Supply
- Corporate governance and compliance
- Preservation of Resources and Energy

Practices on 2030 Sustainable Development Goals (SDGs)

ENN Energy takes the United Nations' Sustainable Development Goals (SDG) as an essential framework to promote sustainable development through energy transformation. To this end, the Company is committed to optimising its energy structure, innovating clean energy technologies, and improving management capabilities in accordance with the 11 SDGs relevant to our operational requirements, and continuously providing safer and healthier products and services.

ESG Targets and Performance

ENN Energy's Sustainability Goals



Annual Performance

Health and Safety

Total recordable incident rate (per million hours worked)

0.41

More member companies obtained ISO 45001 certification

22

Safety operation investment (RMB billion)

1.54

Products and Customer Service

Customer satisfaction

95/100

The penetration rate of IoT meters for residual customers (%)

50

The penetration rate of IoT meters for industrial and commercial customers (%)

54

Employment

Proportion of female employees (%)

26

Employee satisfaction

4.25/5

Social Welfare

Donation for charity and public welfare events (RMB million)

8.27

Participation (Person-time)

10,090

Time Spent (hours)

363,240

Supply Chain Management

Key tier 1 supplier review coverage rate (%)

100

Over **90%**

of approved suppliers have passed environmental management system qualification

Over **80%**

of approved suppliers have passed occupational health certification qualification

Ratings Performance

Environment

Greenhouse gas emissions intensity reduced by (baseline year: 2019)

27.8%

Helping clients and the society reduce emissions by (million tons)

52.69

More member companies have obtained ISO 14001 environmental management system certification

22

Significant environmental pollution incidents and violation

0

Governance

Anti-corruption training (Persons)

5,495

Proportion of Independent directors (%)

36

Proportion of Female directors (%)

18

Performance in the capital market in 2022

ESG Rating

MSCI

AA

CDP

B-

DJSI

56 points

Sustainalytics

Medium risk

26.3 points

Hang Seng Corporate Sustainability Index

A+

Included in the Hang Seng ESG 50 Index and the Hang Seng Corporate Sustainability Benchmark Index

1 Stable Operation, Developing Sustainable Enterprise

ENN Energy is dedicated to enhancing corporate management and maintaining financially stable operations through strict adherence to best practises in corporate governance. To ensure the long-term success of the Company, we have made ESG governance a central part of the Company daily operations.

Material ESG issues responded to in this chapter

- Corporate governance and compliance
- Board of Directors and senior management
- Ownership and control
- Remuneration
- ESG governance
- Risk management
- Business ethics
- Mechanism against unfair competition
- Anti-corruption
- Reporting policy and mechanism
- Supply chain management
- Network and data security
- Customer privacy protection

SDGs responded to in this chapter

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

HKSE ESG indicators involved in this chapter

- Governance Structure
- B5 Supply Chain Management
- B6 Product Liability
- B7 Anti-corruption

Company Governance

To better practise sustainable development, ENN Energy is committed to optimising its corporate governance, standardising its corporate governance structure, enhancing its internal systems, and promoting standardised and compliant management.

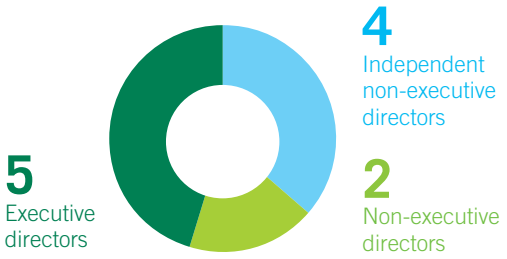
Corporate Governance

The Board of ENN Energy has set up four Board Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, and the Risk Management Committee, and four responsibility committees, namely the ESG Committee, the Management Committee, the Share Award Committee, and the Independent Directors Committee.

The Company's Board is consisted of 11 directors, including 5 executive directors, 2 non-executive directors, and 4 independent non-executive directors. In 2022, the overall attendance rate of all the directors in the meetings was 98% and an average years of serve is 10 for members of the Board of Directors and they need to retire and be re-elected at least once every three years.

4 Board Committees

4 Responsibility Committees



Board Members[1]	Wang Yusuo	Zheng Hongtao	Wu Xiaojing	Liu Jianfeng	Wang Dongzhi	Wang Zizheng
Role	Chairman Executive Director	Executive Chairman Executive Director	Chief Executive Officer Executive Director	President Executive Director	Executive Director	Non-Executive Director
	Jin Yongsheng	Ma Zhixiang	Yuen Po Kwong	Law Yee Kwan, Quinn	Yien Yu Yu, Catherine	
	Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	Independent Non-Executive Director	

ENN Energy's Board of Directors is composed of a diverse group of individuals with a wide range of backgrounds and professional expertise in order to increase the effectiveness of the Company's decision-making from a broader perspective.

Percentage of independent directors

36%

Percentage of female directors

18%

1 The list of members of the Board of Directors is based on the time of publication

According to the Statement of Independence of the Board of Directors released by ENN Energy, the Company has in place a reliable framework to ensure the Board's independence and provides adequate resources to allow the Board to carry out its responsibilities:

- Ensure to comply with the requirements of the Listing Rules about the qualification and number of independent directors.
- Invite independent directors to serve as Chairman or members of the professional committees of the Board.
- Permit directors to ask other independent professionals to offer independent and professional advice where appropriate and attend meetings.
- Send monthly management reports to directors on a regular basis and set out clear provisions on directors' access to company information and directors' remuneration.

The Company has set up a remuneration and bonus clawback structure, as well as a long-term equity incentive mechanism. In addition, the Board and senior management are subject to annual performance reviews and evaluations, or whenever there is a material change in their responsibilities, and a maximum vesting period of four years is established for variable remuneration, which motivates management to carry out their responsibilities more efficiently.

At the end of 2022, ENN Energy conducted an internal evaluation of the effectiveness of the Board and its members through a questionnaire.

Board structure

- Board size and operating status
- Professional expertise and experience of the Board's professional committees
- Governance structure and operation results of the Board

Board efficiency

- Responsibilities and powers of the Board
- Internal surveillance environment, management team, and industry dynamics
- Business operation and finance

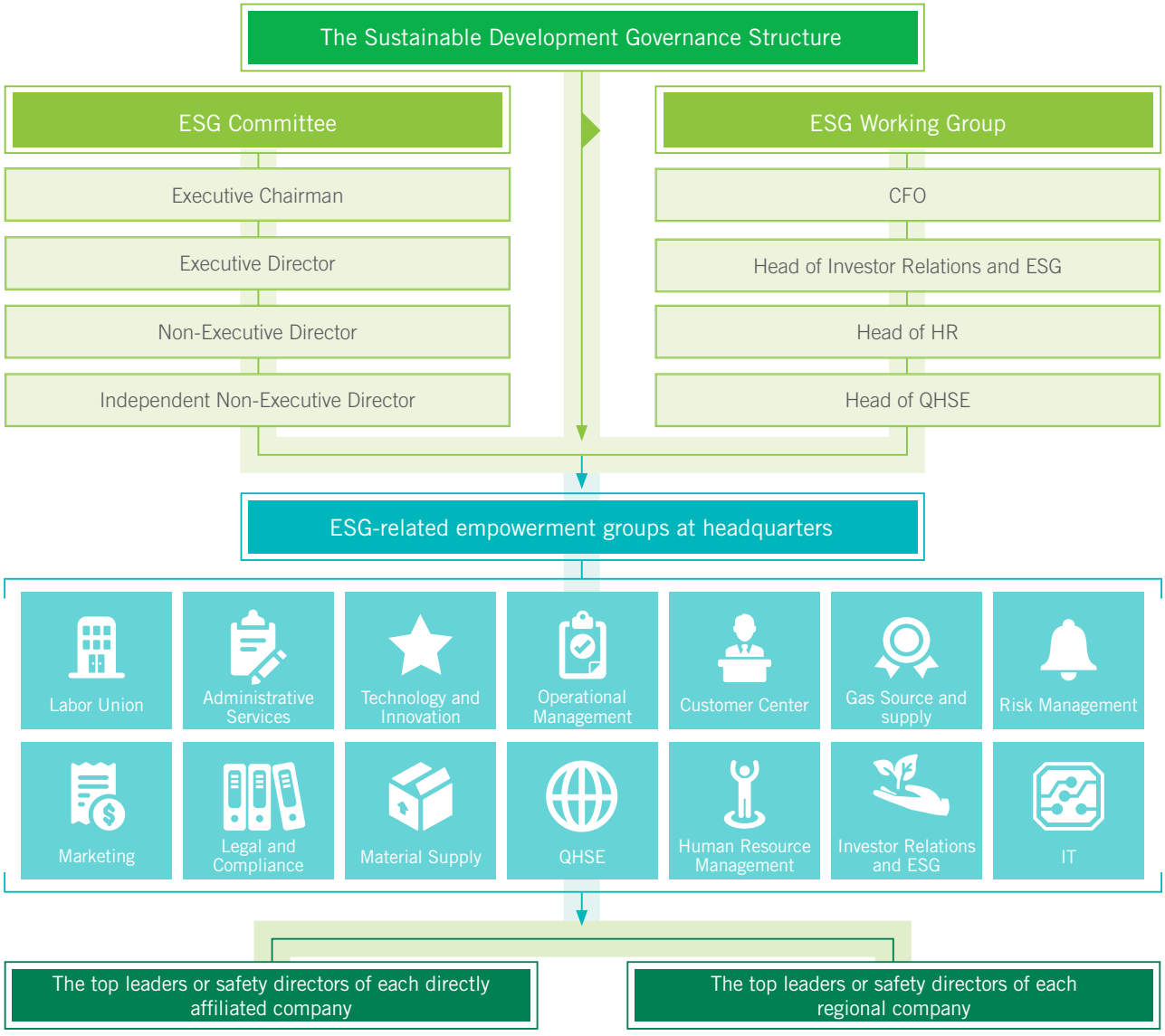
Board operation

- Board newsletter and timely communication
- Proposals of Board meeting
- Board attendance

ESG Governance

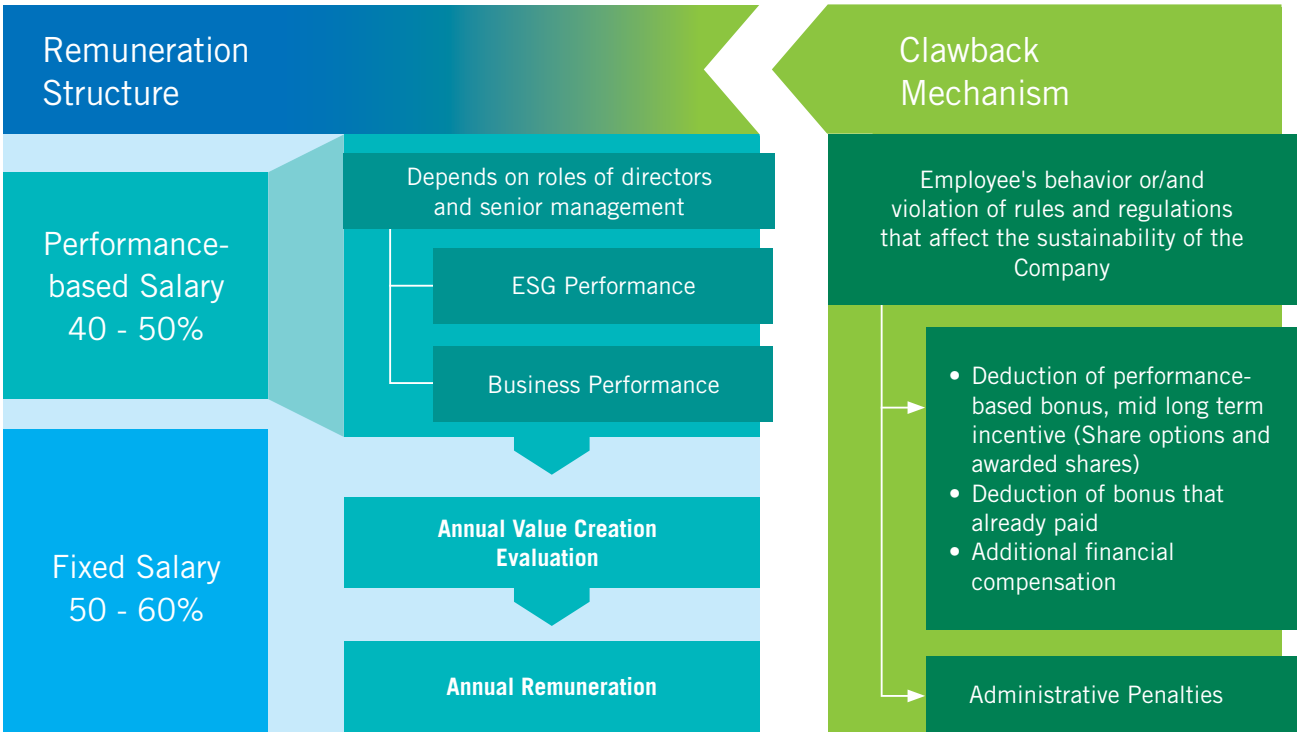
To better carry out sustainability-related work, ENN Energy has established an ESG Committee led by the Non-Executive Director, who is directly responsible for the supervision, management, and guidance of ESG-related matters of the Company.

- The ESG Committee supports the Board in developing the Company's ESG strategy and oversees the implementation of ESG initiatives, and reports regularly to the Board.
- The ESG Committee also set up ESG Working Group, who is responsible for the implementation and execution of the Company's ESG strategy, and reports regularly to the ESG Committee on the progress of the Company's ESG governance.



ENN Energy has linked the remuneration of its executive directors and senior management to the Company's sustainability performance indicators, including:

- Using ESG materiality metrics to evaluate senior management, conducting annual value-creating assessments, and basing compensation decisions on assessment outcomes.
- Using assessment and incentives to evaluate senior management, regional companies, and member enterprises on their annual work targets in areas including carbon neutrality, energy conservation, emission reduction, digital intelligence, and technological innovation.
- The assessment results have an immediate impact on the bonuses of top management, provincial companies, and member enterprises, creating a value-adding assessment and incentive system tied to sustainable business practises.



Risk management and control

ENN Energy is dedicated to enhancing its corporate risk management and refining its corporate risk governance system to guarantee the operation and sustainable development via efficient and comprehensive risk and internal management and control.

Risk governance framework

The Risk Management Committee of the Board of Directors is tasked with overseeing the Company's risk management and internal monitoring systems. This includes formulating appropriate policies and strategies to evaluate the effectiveness of these systems, to ensure that the nature and extent of risks are aligned with the Company's strategic goals and risk preferences, and to mitigate the risk of material misstatement or loss.

Risk identification, prevention, and control

The Company identifies and evaluates risks across six major categories, including macroeconomic risk, industry policy risk, compliance risk, safety risk, media risk, and ESG risk. It then assesses and responds to the risks accordingly, to manage and mitigate significant risks and bring them to an acceptable level.

Risk management culture

The Company provides regular training related to risk prevention and management to improve employees' participation and sensitivity in risk identification and response. The aim is to enhance the Company's overall awareness and focus on risk control.

Digital intelligence in risk identification

ENN Energy uses digital and intelligent devices to detect potential risks. The Company has introduced R Push and R Search specifically to enhance pre-control, early warning, and risk prevention. In addition, the Company provides an accurate and evolving risk indication via the "Risk Map" feature, which is continually optimised to identify risks across various domains such as companies, job functions, and geographical areas.

- R Push has included more than 20 major risk early warning models such as development projects, safety, operation, customer service, and finances. At ENN Energy, we have actively pushed and implemented all these approaches with great success. For instance, we have conducted door-to-door safety checks to confirm actual gas consumption and assess whether there is any unusual gas consumption behaviour by utilising the customer churn early warning model, which can identify customers who have not purchased gas in a long time.
- R Search has expanded this year with the inclusion of additional industry risk cases and business scenarios that include topics such as projects, operations, charging, and emerging business sectors. Features including risk assessments, risk identification methodologies, and preventative tactics have also been added to help with risk identification.

Risk awareness training at ENN Energy

- A training session on "Risk Case Sharing and Prevention" was conducted for the management, including the top leaders of the Company and the heads of each business group. The training session was attended by approximately 300 people.
- In addition, one-hour risk training session were conducted over 190 times for professionals, covering all financial personnel and key business employees within the enterprise. These sessions were attended by more than 5,000 individuals in total.
- Furthermore, a total of 7 one-hour risk awareness training sessions were conducted for directors, supervisors, and executives. The training covered 82 serving directors, supervisors, or executives, including the president, the top leader of different regions, and 70% of the top positions within the Company.

Business risk training held at ENN Energy

Business ethics

The Company is committed to complying with all laws and regulations related to anti-corruption and business ethics. In addition, it has instituted a set of internal regulations to serve as ethical benchmarks for all employees and to govern their conduct.

Laws and regulations

- Supervision Law of the People's Republic of China
- Company Law of the People's Republic of China
- Anti-Monopoly Law of the People's Republic of China
- Anti-unfair Competition Law of the People's Republic of China
- Interim Provisions on Banning Commercial Bribery

Internal policies and systems

- Guidelines of Anti-Corruption and Anti-Commercial Bribery
- Anti-Fraud, Corruption and Bribery Policy
- Measures for the Penalty of Employees' Violation of Rules and Discipline
- Code of Conduct for Employees
- Business Integrity and Compliance Code of Conduct
- Whistleblowing and Whistleblower Protection Policy

Political lobbying expenditure in the last five years:

0

Employees of ENN Energy are not allowed to receive or give any form of commission, donation, or sponsorship in connection with company business. In addition, employees are not allowed to give money to political campaigns or groups that participate in religious or gender discrimination, breach international treaties, or promote or fund illegal or terrorist actions. In addition, all of ENN Energy's employees have received training in integrity and compliance and are required to sign the Company's Business Integrity and Compliance Code of Conduct.

Percentage of completed rectification tasks in total:

100%

ENN Energy has fostered a culture of compliance by raising employee awareness and encouraging open dialogue within the Company. The Company also enhanced its methods of inspection and supervision by introducing preventative and control measures. With that goal in mind, the Company:

- Conducted internal audits every three years and annual audits for key operations.
- Placed impetus on identifying violations of business ethics by employees, suppliers, customers, and other key personnel related to capital, finance, expenses, procurement, bidding, and engineering projects.
- Established a management reporting mechanism for prompt reporting of completed audits, and implements rectification measures while clarifying the responsible person and time frame.

Incidents of significant administrative penalties due to operational compliance risks:

0

To maintain its commitment to ethical business practises, ENN Energy places a premium on anti-monopoly measures and pricing compliance. The Company has issued several price and charge guidelines for citygas business, requiring extensive self-correction and rectification on the part of all units. 71 member companies in Zhejiang, Guangdong, and Hunan have actively participated in enforcement inspections and made significant self-correction and rectification efforts over the past year.

The Company focuses on real-name reports and complaints, as well as anonymous reports and complaints that are not real-name but can be smoothly contacted. In the process of management, we strictly protect the security of whistleblower and combat retaliation against whistleblowers, and refer those who constitute crimes to the judicial authorities in accordance with the law.

In October of 2022, ENN Energy started the preparation to obtain the certification of ISO 37001 Anti-Bribery Management System and ISO 37301 Compliance Management System. The Company conducted an in-depth internal audit of its operations, made improvements to its system, and added new procedures to ensure that it complied with certification standards. The Company is expected to obtain the certification of ISO 37001 and ISO 37301 in 2023.

Obtained in 2023

ISO 37001
Anti-Bribery Management System

ISO 37301
Compliance Management System

The training session for internal auditor qualification for the Anti-Bribery Management System and Compliance Management System at ENN Energy

All through the past year, ENN Energy has held a number of training and education programmes that stress integrity and compliance to promote anti-corruption practises. To promote a culture of compliance throughout the Company, these workshops are adapted to match the needs of the Board, management, and professionals.

Indicator	Units	2022	2021	2020
Number of valid and significant complaints investigated	Case	**0**	0	0
Number of closed corruption proceedings	Case	**0**	0	0
Number of senior management received anti-corruption training	Persons	**718**	565	843
Number of employees in key positions received anti-corruption training	Persons	**1,407**	1,130	623
Number of employees received anti-corruption training	Persons	**3,370**	2,610	1,766

0
Number of closed significant complaint proceedings

Sustainable supply chain

ENN Energy is committed to building a sustainable supply chain from the aspects of digital intelligence and management capacity building, practising green and responsible procurement, emphasising the integrity of suppliers. What's more, ENN Energy actively promotes ESG management activities and requires supplier compliance.

Laws and regulations

- Law of the People's Republic of China on Tendering and Bidding
- Law of the People's Republic of China on the implementation of tendering and bidding

Internal policies and systems

- Measures on Performance Appraisal for Suppliers
- Notice on the Regulation of Bidding for Gas Project Construction
- Measures on the Access, Evaluation, and Withdrawal of Partners in Integrated Energy Business (Product and Service Providers)
- Supplier Code of Conduct
- ENN Energy Measures on Supplier Management
- ENN Energy Regulations on Material Procurement Management
- ENN Energy Regulations on Warehouse Management
- ENN Energy Regulations on Quality Management of Supplies and Procurement
- Rules for Contract Fulfilment on Supplier Platform

Building digital intelligence

ENN Energy introduced its digital intelligence procurement platform in 2022. This is a supply chain ecology platform with a strong emphasis on quality assurance at every stage of the supply chain. Every conceivable joint bidding and procurement scenario is accommodated by the platform. In November 2022, ENN Energy released special merchant certification and inspection rules to standardise the certification procedure for merchants who seek to join the platform and attain standardised procurement and operation.

Joint bidding and procurement	The Company collaborates with other gas companies in the industry to establish category standards, select high-quality suppliers, agree on bidding solutions, and make collective procurement decisions. The Company also engage in "volume-based bidding and individual procurement"
Intelligent verification and classification	The Company carries out merchant intelligence (quality) certification based on digital credit and has built a high-quality supplier pool
Intelligent merchant and material selection	Using digital intelligence technology, transaction data, category characteristics, and supplier numbers, the Company has developed merchant selection methods such as bidding, negotiation, price comparison, competitive negotiation, comparison, and bargaining
Intelligent performance and delivery	The Company recommends delivery plans based on customer procurement demands and dynamic supply data. It also monitors the delivery process in real-time, intelligently identifies performance risks, and issues early warnings. If any abnormal delivery situations arise, the Company immediately resolves them to ensure timely delivery.
Quality control across the entire supply chain	By applying intelligent IoT technology, the platform enables automatic collection of material quality data, real-time monitoring, early warning of exceptions, intelligent analysis, and online rights linkage control across all quality assurance scenarios in the entire supply chain, including production, installation, construction, and operation.

Capacity building in management

ENN Energy implemented several initiatives to enhance its internal material procurement and management in 2022. These initiatives include the following:

- Published three documents, including the ENN Energy Regulations on Material Procurement Management to standardise the management process of material procurement and ensure the quality of the Company's materials.
- Publish monthly reports on procurement, quarterly reports on technical quality, and warehousing works for summarising the problems encountered and suggesting measures and solutions to address these issues.
- Consistently review and revise the rules for material procurement, while also improving personnel training to minimise material procurement management risks.

Inspection and training on potential risks in material management

- Between 7 March, 2022 and 15 March, 2022, we organised training sessions for material managers on material procurement, quality control, and storage management. About 800 Attendees were invited to participate in the online training.
- Between July and October 2022, we conducted several material management inspections with strict requirements to rectify hidden hazards. We held talks with the responsible persons involved in material management at 15 enterprises on admonishment, personnel position changes, and performance pay deductions for accountability and punishment.

Supplier classification management

ENN Energy classifies suppliers based on material features and annual procurement amount. The suppliers are divided into three categories.

Type	Definition	Quantity
Class A suppliers (Critical)	The material suppliers that constitute the main or key part of the final product and directly affect the use or safety performance of the final product; or those whose annual purchases account for 60% of the total purchases	129
Class B suppliers (Important)	The material suppliers that constitute a minor or non-critical part of the final product and have a greater impact on the quality of the final product; or those whose annual purchases account for 10%-30% of the total purchases	872
Category C suppliers (General)	The auxiliary material suppliers that have little impact on the quality of the final product; or those whose annual purchases account for less than 10% of the total purchases	2,950

In 2022, ENN Energy has a total number of **3,951** material suppliers in mainland China

The top 10 material suppliers accounted for **45%** of the total purchases

All suppliers of the company in 2022 are from China-mainland.

Material supplier classification and data

Supplier ESG risk assessment

Prior to contracting suppliers, ENN Energy conducts an ESG risk assessment. Throughout the whole material supply process, the Company identifies possible risks including material procurement, supplier appraisal, supplier communication, and material storage. ENN Energy provides in-depth studies of potential impacts and control actions at each risk point, including:

- The suppliers with major violations, breaches of contract and faith, and higher ESG risk behaviour are included in the list of high-risk suppliers, the Company regularly centralise the list of ESG high-risk procurement projects, and report to the Board of Directors;
- Improving the ESG performance of these high-risk suppliers through multiple assessments and corrective inspections;
- Blacklisting the suppliers who still pose high risks after rectification to reduce the incidence of major violations in the supply chain.

Supplier access management

ENN Energy requires its suppliers to comply with laws and regulations during production, prioritise environmental protection, and safeguard the legal rights and well-being of their employees. The following steps are taken to ensure that suppliers meet the requirements for social responsibility.

- The Health, Safety and Environment (HSE) Agreement with Suppliers is included as part of the material procurement contract to ensure that the behaviour of suppliers aligns with the Company's social responsibility requirements. All suppliers are required to comply with the ENN Energy Code of Conduct on Corporate Social Responsibility for Suppliers and sign the Commitment to Integrity and Self-discipline;
- Supplier qualification system certifications (e.g., ISO 14001, ISO 45001, ISO 9001 etc.) are incorporated into the assessment criteria. Suppliers with certain certifications receive higher scores;
- During the verification process of the comprehensive capacities, each supplier is required to submit certification documents about its quality management system, occupational health and safety system, environmental management system, and other mandatory certificates required by the country. ENN Energy accesses suppliers' qualifications through third-party websites and conducts automatic verification.

Within the Company, the risk management department supervises the procurement process, and provides a special complaint channel to ensure compliance.

Proportion of eligible suppliers with environmental management system certification

>90%

Proportion of eligible suppliers with occupational health certification

>80%

Signing rate of the Commitment to Integrity and Self-discipline

100%

Supplier audit and evaluation

Using the digital intelligence procurement platform, ENN Energy has implemented multiple initiatives to effectively manage the entire supplier access, management, assessment, and withdrawal process.

- ENN Energy conducts at least one comprehensive evaluation and performance assessment for critical and important material suppliers each year;
- The Company undertakes ad hoc online, on-site, and unannounced inspections, as well as inspections by third parties, and promptly disclose assessment outcomes;
- Suppliers in the same category are evaluated and ranked based on their scores, with a last-place elimination system in place;
- ENN Energy has established a "supplier blacklisting" management mechanism. Any supplier suspected of falsification or engaging in malicious operations during the certification process or factory inspection is added to the blacklist, which is made public.

Number of suppliers that underwent factory inspection

80

Number of suppliers that underwent on-site visits inspection

54

Batches verified by third parties

200+

Supplier violation rectification and withdrawal mechanism

ENN Energy adopts a "zero tolerance" approach toward supplier violations and has standardised the management of supplier violations and the subsequent handling process. The following actions are implemented:

- The Company publishes documents outlining rules for managing supplier violations and rules for managing complaints to guide management;
- When a supplier is found to have committed serious violations during the audit, the supplier is required to rectify the issue, their account with the Company is frozen, they are fined and required to provide financial compensation or blacklisted based on the management rules;
- The Company conducts dynamic management of suppliers on the platform. For suppliers that do not meet the requirements after assessment and evaluation, a three-month improvement period is provided, and the suppliers are re-evaluated at the end of the improvement period;
- If the rectification still does not meet expectations, the supplier is removed.

Communication with suppliers

With its suppliers, ENN Energy fosters a culture of openness, cooperation, fairness, and mutual benefits, hence supporting growth and development. In 2022, ENN Energy launched a digital intelligence procurement platform and provided all suppliers with online training to support a rapid and seamless transition to digital intelligence-based procurement.

ENN Energy assists suppliers in enhancing product quality management

In July 2022, the ENN Energy team visited an equipment supplier at Chongqing. During the visit, both sides engaged in extensive dialogue and confirmed key aspects of gas equipment manufacturing processes, quality control, final product testing, laboratory management, and raw material quality control. The team gave recommendations for enhancing product traceability management and addressing batch-specific concerns during inspection of raw materials. The purpose of these recommendations was to aid the supplier in improving their product quality management.

Green procurement

In 2022, ENN Energy issued the "Notice on ENN Energy Sustainability Strategy" which includes supplier sustainability targets in the strategic objectives. The notice mandates that suppliers select recyclable packaging, energy-efficient and environmentally friendly products, and imposes carbon emission targets on suppliers.

Reduced use of installation accessories in new wireless gas alarms

By purchasing new wireless gas alarms, ENN Dongguan lowered its usage of installation accessories. The installation has been completed, and passed the test. After adopting the new wireless alarm, only the signal range configuration detector and controller are required. The Company no longer requires installation accessories. RMB 35 of installation costs can be saved for every meter of line materials.

FBE steel pipes reduce paint pollution to the environment

In 2022, 37 member companies, including ENN Changsha, Zhaoqing, and Zhanjiang, utilised FBE anti-corrosion steel pipes for overhead transmission and distribution pipelines spanning up to 2.34 million metres. Unlike conventional overhead steel pipes painted on-site with a topcoat, FBE steel pipe painting is conducted within closed, specialised equipment, thereby reducing environmental contamination caused by paint depletion. The usage rate of paint has increased from 50% to 95%, and the scattered powder can be recovered using the recycling system. This substantially decreases environmental pollution.

Information Security management

In accordance with the Cybersecurity Law, the Data Security Law, the Personal Information Protection Law, and other laws and regulations pertaining to digital security, ENN Energy is committed to enhancing its digital security capabilities and data security governance to prevent information security risks. As ENN Energy continues to intensify its digital transition, a greater emphasis is being placed on information security.

0
Complaints or incidents related to digital security and privacy protection

0
Major cybersecurity complaints or incidents

Management structure

In 2022, ENN Energy expanded the Work Safety Committee's responsibilities to encompass digital security, with the Chairman of the Company's Risk Management Committee, serving as Committee Chairman. The President is the Executive Chairman of the Committee, and two secretaries are appointed who are responsible for digital security and work safety, respectively.

ENN Energy requires its member companies to establish a digital security organisation, with the top leader as the person in charge of the organisation as a whole, and the divisional leader of digital security. In addition, the Company mandates that member companies establish roles for digital security specialists and project safety specialists, who are accountable for executing safety and security policies, management systems, and specific tasks.

Management system

ENN Energy has taken extensive steps to safeguard the security of its information by preparing and distributing 41 internal documents on information security management. These documents standardise the collection, utilisation, sharing, and storage of information across all employees, customers, and suppliers. Throughout the reporting period, the Company continued to strengthen its systems and deploy a variety of preventive measures, including desensitisation, encryption, firewall, level protection, and data backup that were adapted to specific business scenarios. These measures decrease the risk of unauthorised disclosure and loss of sensitive personal information and vital data.

In addition, ENN Energy has improved its data security management for new products by drafting and revising the Regulation on Data Classification. To maintain compliance with data security regulations, the Company has amended several agreements on user registration, both online and offline, and privacy agreements.

Third-Party audit and certification

During the reporting period, ENN Energy engaged third-party institutions to conduct special audits and testing of its information security management system. Twenty-four operationally critical systems were subjected to security tests, and eight applications were subjected to specialised security compliance evaluations. The rate of problem resolution reached 100%.

- ENN Energy obtained ISO 27001 Information Security Management System Certificate and ISO 27701 Privacy Information Management System Certificate
- Certificate of Information System Security Classification Protection issued by the Ministry of Public Security of the People's Republic of China is also obtained.
- 7 important systems passed the network security classification protection assessment.


DNV
MANAGEMENT SYSTEM CERTIFICATE
ENN (China) Gas Investment Co., Ltd.
ISO/IEC 27001:2013

ISO 27001 Information Security Management System Certificate


DNV
MANAGEMENT SYSTEM CERTIFICATE
ENN (China) Gas Investment Co., Ltd.
ISO/IEC 27701:2019

ISO 27701 Privacy Information Management System Certificate

Certification of Information System Security Classification Protection


信息系统安全等级保护备案证明

Risk assessment

ENN Energy implemented the following multi-dimensional measures in network and data security risk assessment and response management:

- ISO 27001 Information Security Management System Certificate
- ISO 27701 Privacy Information Management System Certificate

- Protection of 10 sets of systems such as the official website of the Company, GIS, sales platform, customer service, etc.
- Personal information protection and data security compliance projects, completed the user and account opening agreement, privacy agreement update and data processing agreement formulation
- Completed safety compliance and technical assessment of 8 apps related to the Company's business
- Complete 34 system PIA (Privacy Impact Analysis)

- Upgrading the work safety committee and bringing digital security into the responsibilities of the work safety committee
- Establish network for enterprise digital security
- Digital security training for all staff
- ENN Energy network security protection training 2.0
- ENN Energy ISO 27701 internal auditor training

- Management of office network, production network, and video network, respectively
- 3,723 terminal computer upgrade
- Complete the security test and enhancement of 4,000+ servers at the headquarter of ENN Energy
- Complete safety check of 745 industrial control hosts and servers for citygas enterprises

- Safety enhancement for 15 sets of systems including project visualisation, safety helmet, GIS platform, and smart operation center
- Digital safety detection: completed 21 sets of major systems such as video sharing, SERLINK, Official website of ENN Energy, integrated energy project digital penetration test
- Potential exposures inspection:116 public IP addresses and exposed points were tested

- Formulate response mechanism and safety emergency plans for major security incidents, and coordinate with regulatory agencies for drills, improve response and disposal capabilities, and receive recognition from government departments
- The "2022 Network Protection "cyber security actual attack and defense drill in Zhejiang has been approved by relevant government departments
- Implementation of security monitoring and early warning events
- Successfully completed the digital security work for ENN Energy and member companies during the 20th National Congress of the Communist Party of China

Emergency management

ENN Energy has formulated the response mechanism and security emergency plan for major cyberattacks, and collaborated extensively with regulatory bodies to undertake security drills, focusing on improving the response for cybersecurity emergencies.

Digital security assurance team conducts joint network security emergency exercise

Fostering culture

ENN Energy places significant emphasis on fostering and promoting a culture of digital security

- In April 2022, which was designated as ENN Energy's digital intelligence security month, the Company launched a comprehensive campaign to increase digital intelligence security awareness. The campaign consisted of displaying posters regarding digital intelligence security, disseminating the Digital Intelligence Security Reference Manual (Simplified Version), and organising activities such as a digital intelligence security knowledge quiz competition.

Member companies put up posters to strengthen digital intelligence security awareness

- The Company provided ISO 27701 Privacy Information Management System internal auditor training to 36 key personnel, including the IT team.

Privacy Information Management System internal auditor training at ENN Energy

Furthermore, the Company conducted data security compliance training, with

100%

training coverage rate and examination pass rate of key personnel. This training significantly enhanced the data security awareness and capabilities of key personnel.

2 Responsible Management, Guardian of Safe Cities

As part of its commitment to a safety panorama strategy based on "Risks must be visible, Major risks identified, Major risks well managed", ENN Energy is making significant efforts in applying digital intelligence technologies to enhance its safety management, on the basis of consolidating the ability of safety management. The Company has developed a safety panorama system based on the Industrial Internet of Things (IoT), powered by operational technology.

Material ESG issues responded to in this chapter

Product technology and innovation
Occupational health and safety
Customer health and safety
Safe and stable gas supply

SDGs responded to in this chapter

HKSE ESG indicators involved in this chapter

B2 Health and safety
B6 Product liability

Lost time incident rate (LTIR)	Safety operation investment (Billion RMB)	Fatalities due to safety incidents	Number of customers seriously injured
0.41	1.54	0	0

Systematic Improvements in Safety Management

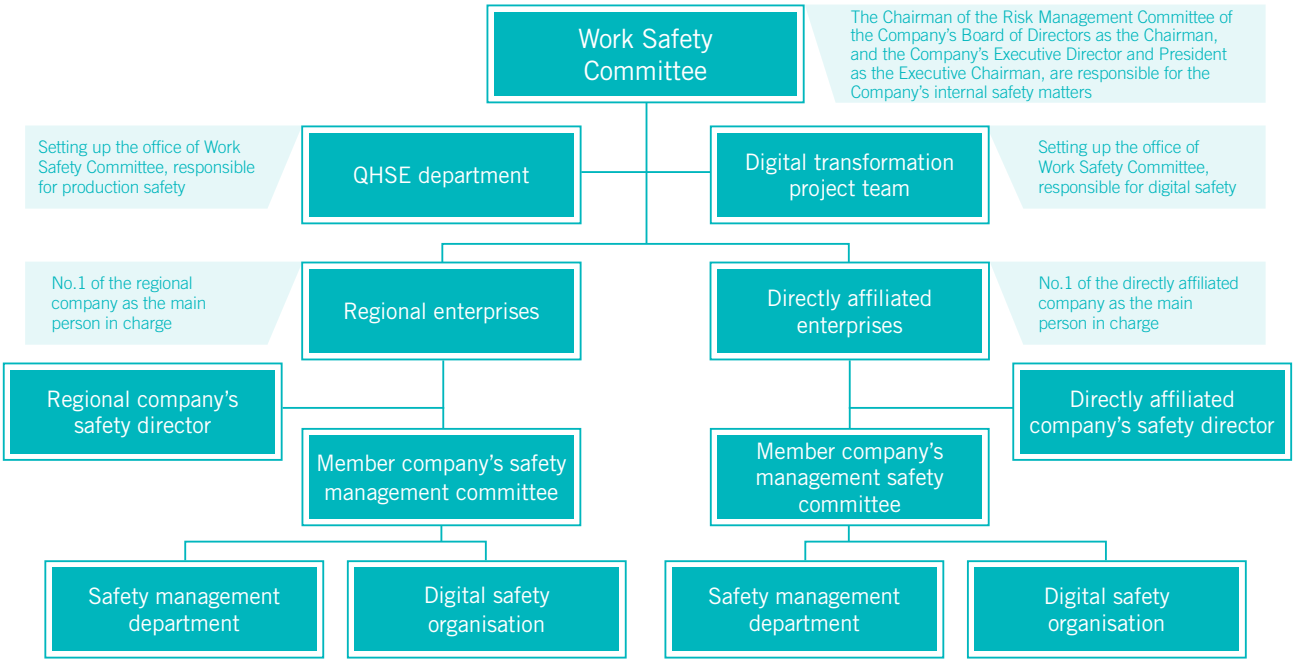
ENN Energy has appointed the Work Safety Committee as the Company's top safety management body to make decisions on all internal and external matters pertaining to safety, taking into account the Company's own business operations and value chain safety responsibility. In 2022, we adjusted the structure of the Work Safety Committee, adding a digital transformation project team, which, in collaboration with the Quality, Health, Safety and Environment (QHSE) department, supervises the Company's work safety and digital safety, and formulates the safety panorama management measures and standards including the safety responsibility system, safety digital intelligence standard, pipeline integrity system, and emergency management standard.

Laws and regulations

- Work safety Law of the People's Republic of China
- Occupational Diseases Prevention and Control Law
- Regulation on the Supervision and Administration of Occupational Health at Work Sites
- Code of Practice for Selection of Personal Protective Equipment
- Management Regulations on Safety Technical Training and Assessment of Special Operations Personnel
- Measures for the Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases

Internal policies and systems

- HSE Policy of ENN Energy Holdings Co., Ltd.
- Regulations on Safety Management of ENN Energy
- Regulations on Multi-Level Safety Risk Control and Potential Safety Hazard Investigation and Management
- Regulations on the Administration of Work Safety
- Management Regulations on Dangerous Operations
- Regulations for the Red and Yellow Lines of Safety Management
- Regulations on Accident Reporting, Investigation and Handling
- Management Measures for Emergency Plans of Work Safety Accidents
- Management Regulations on Safety Education and Training

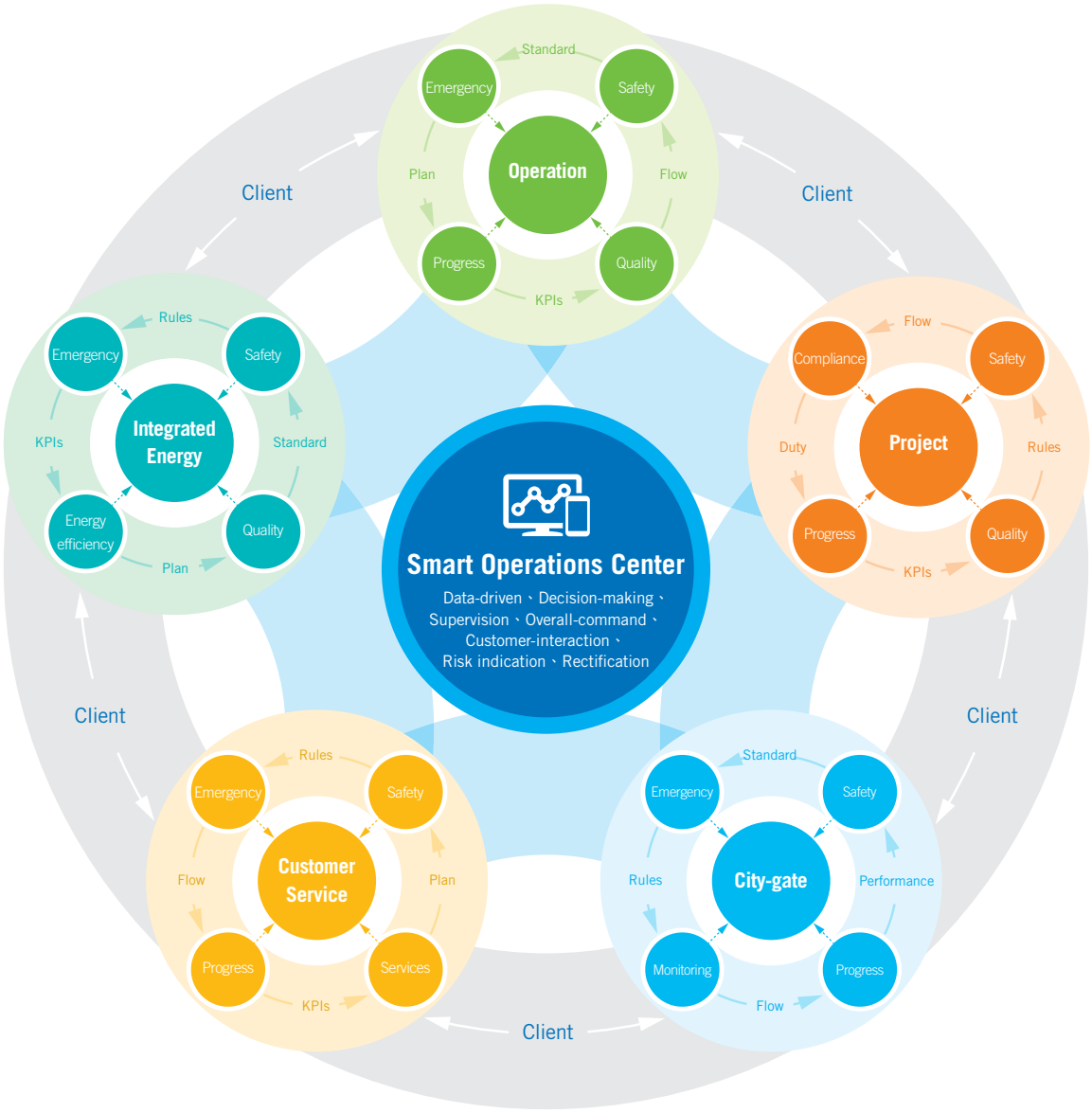


Organisational Structure of Safety Management

We made sure that the safety intelligence standard, safety responsibility system, pipeline integrity system, and emergency management standard were all standardised for the safety panorama management measures. More importantly, we used assessment and performance monitoring to stress the need of everyone's full compliance with the safety management standards. Headquarters, regions, member enterprises, departments, and employees all signed safety responsibility statements to ensure that everyone understood their role in achieving safety goals and ensuring fundamental safety.

A New and Improved Intelligent Safety System

ENN Energy applies digital intelligence technology to enhance safety management. We established an intelligent safety management system taking operation scenarios as the basis, IoT as the key, data as the resource, platform as the instrument, and intelligence as the purpose. We have launched the intelligent safety platform, established five major business scenarios including pipeline network, city-gate station and customer sites, project, and integrated energy, as well as 108 sub-scenarios, and appointed corresponding risk indicating operators.



Intelligent safety management system with smart operation center as the hub and multi-business scenarios as the service terminal

Number of member enterprises with safety operation centre
44

Number of intelligent safety standards and guidelines
182
items

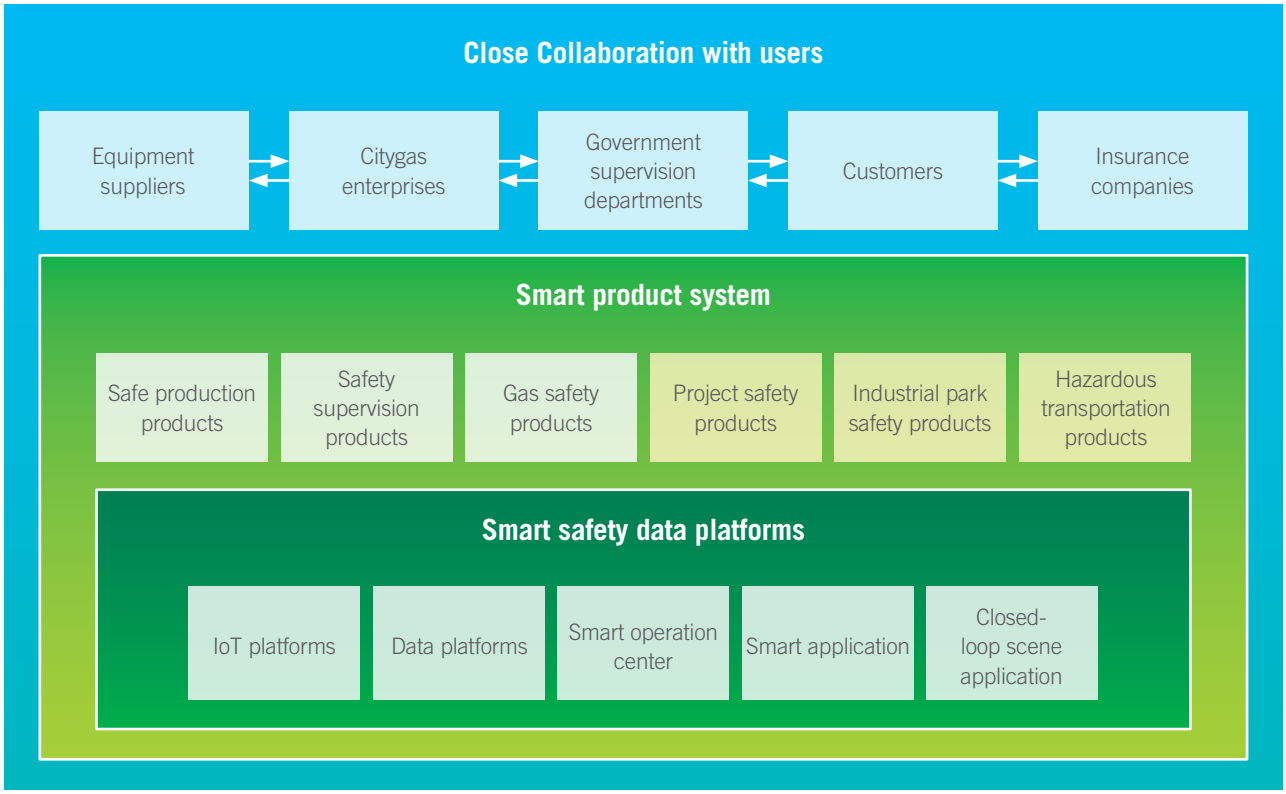
IoT devices over
50,000

Connected cameras over
1,400

Number of member enterprises with digital safety system certification
5

Through the use of IoT-enabled devices, the Company's safety risk management capabilities can be continuously enhanced by transmitting data on business operations and related users' operational behaviour to the smart operation center in real time, screening the major safety risks through data collection and AI analysis, performing risk assessment, safety rectification and troubleshooting, and recording report sheets".

Smart Operation Center



Intelligent safety product system

Upgrading the safety risk assessment system

In 2022, ENN Energy upgraded their safety risk indicating platform by integrating emergency drills and specialised task management and statistics. The platform released the safety performance list and result summary modules for 23 roles, refining the reporting processes of safety accident and the management of safety risk assessment.

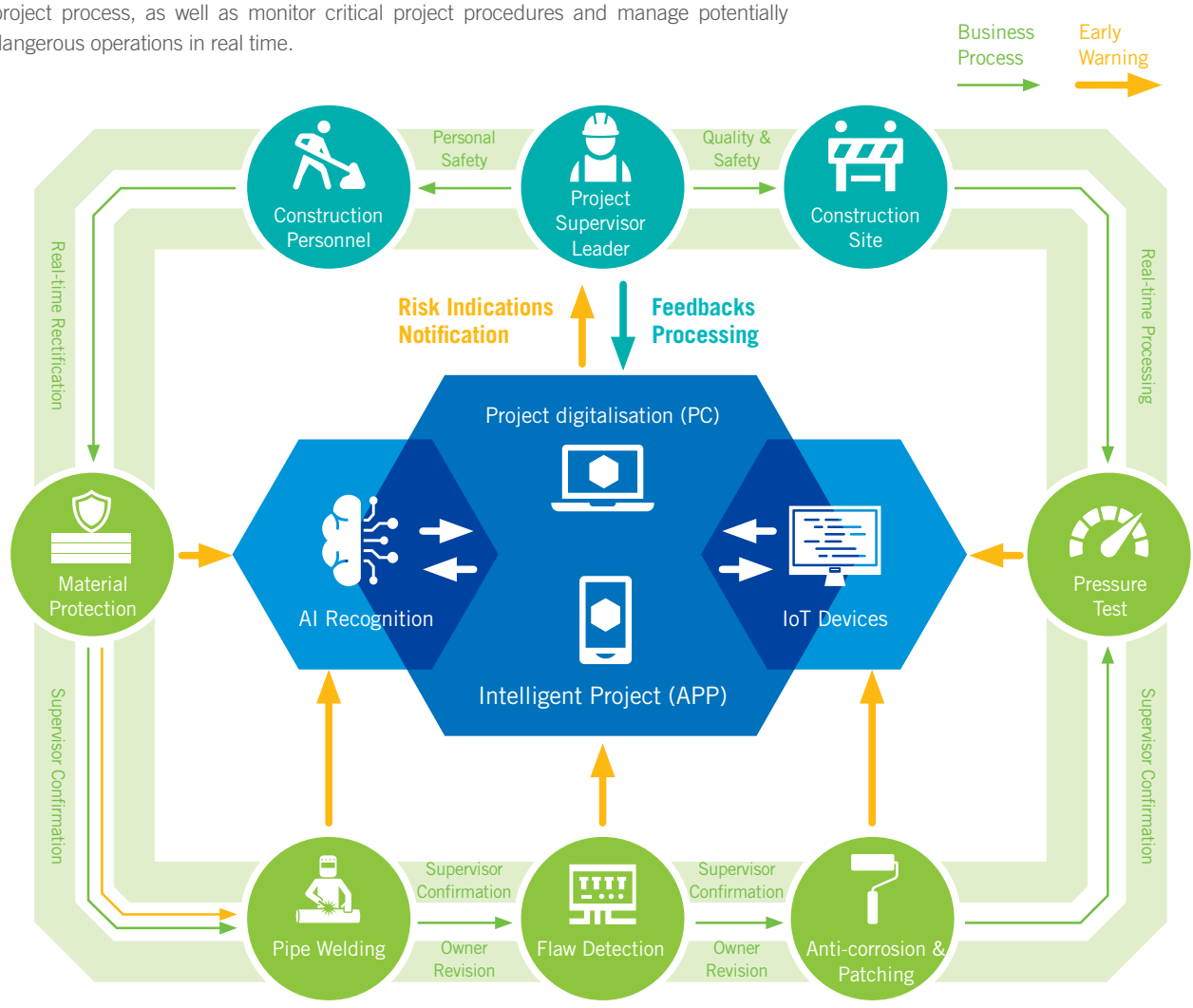
Safety risk assessment system

Operation Safety Guarantee

When it comes to work safety, ENN Energy takes a proactive stance by employing smart technologies to identify potential risks in production and operation, conducting investigations into potential safety hazards and special treatment activities, and putting into place emergency response for work safety.

Project safety management

To better manage personnel safety in project scenario and guarantee quality and safety of the site work, ENN Energy has introduced a digital system for complete control, active risk warning, and indication. Through the use of pan-tilt-zoom (PTZ) cameras, smart helmets, smart goggles, and other IoT devices, as well as technologies like live broadcast the site works and AI identification, we are able to visually control and store data from the entire project process, as well as monitor critical project procedures and manage potentially dangerous operations in real time.



The digital system for project scenario

Smart helmet helps with safety inspection

PTZ cameras and smart helmets help realise real-time supervision

Strengthening the Project Code of Conduct through Digital Intelligence Technology

Applying digital intelligence technology, ENN Qingdao developed intelligent safety scenarios, which improved project project management and standardised project practises. To guarantee the fundamental security of the factory scenario from its foundation, they combed through the entire project scenario and extensively studied the critical control points. ENN Qingdao identified and prioritised 108 risk indication locations by the end of 2022, including pipe ditch excavation and 319 specific activities.

City-gate station and pipeline network safety management

ENN Energy is set on implementing full-scenario surveillance with the IoT ecosystem and meeting safety requirements through intelligent interaction, promoting the safety operation of city-gate station and pipeline network across their whole life cycles.

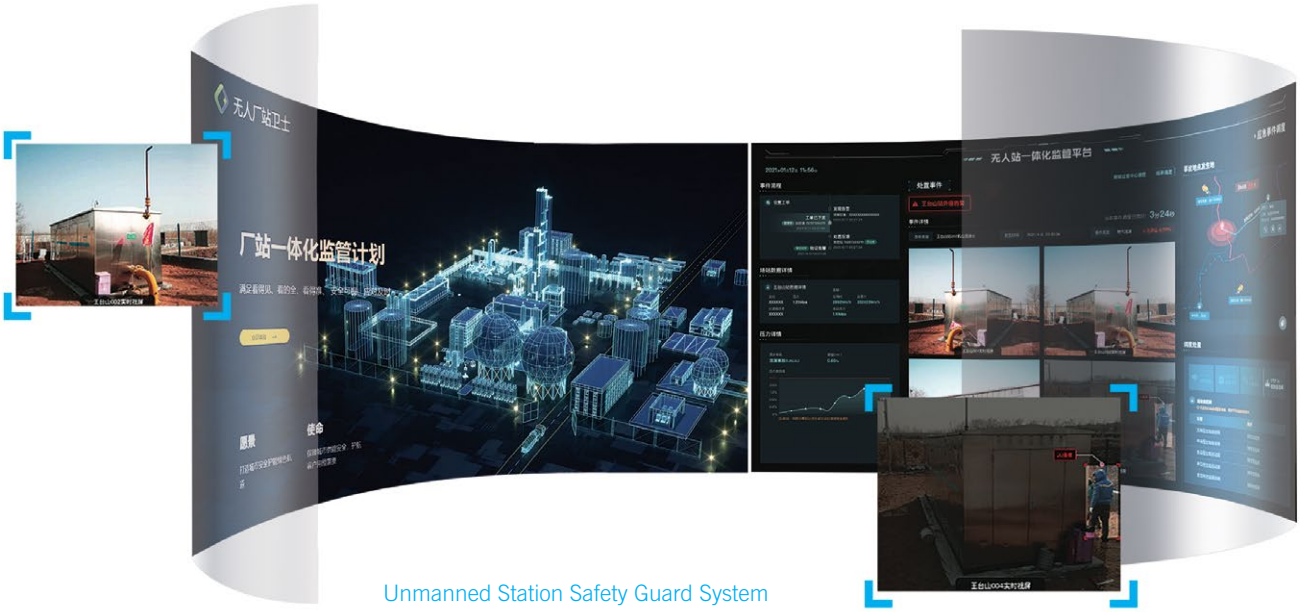
Number of PTZ scanning laser combustible gas detectors	Number of pressure measuring devices	Number of combustible gas detection devices for valve wells
147	25,543	15,476

ENN Energy places a premium on the safety and reliability of its gas infrastructure, making sure that all city-gate stations, and pipelines network are in good working order. To standardise the entire process of asset management from design, project, operations to maintenance, we have developed and released 35 asset integrity systems and standards, including the ENN Energy Pipeline Network Integrity Standard System document. These systems and standards address issues like data collection and integration, key control area identification, periodic inspection guidelines, risk reduction, maintenance management, and evaluation of efficiency.

PTZ laser monitoring equipment

City-gate stations safety management

Taking into account the challenges and pain points involved in LNG transportation, storage, and transformation, ENN Energy implements the "Unmanned Station Safety Guard" system, which utilises intelligent products like PTZ laser, infrared thermal imaging PTZ, and electronic fence to achieve all-weather and 360-degree monitoring without dead zones, allowing for the early detection and rectification.



Unmanned Station Safety Guard System

The safety supervision solution for LNG unloading vehicles selected as a national IoT demonstration project

The safety supervision project for LNG unloading vehicles was developed and implemented by ENN Energy with ENN Qingdao serving as the pilot site. This has resulted in a smart transformation of the unloading vehicles scenario throughout the whole city-gate station. Specifically, it addresses the challenges and dangers associated with LNG unloading vehicles management, including those related to staff supervision, operation, and gas-liquid leakage. To achieve unmanned control, intelligent supervision, data tracing, risk prediction, and safety assessment, we relied on AI technology that we developed in-house as well as expertise in the industry and extensive hands-on experience with urban safety. This allowed us to develop an intelligent platform for monitoring the full state of the process in real time, transmitting data remotely, conducting intelligent analysis in the middle platform, and signalling abnormal emergencies.

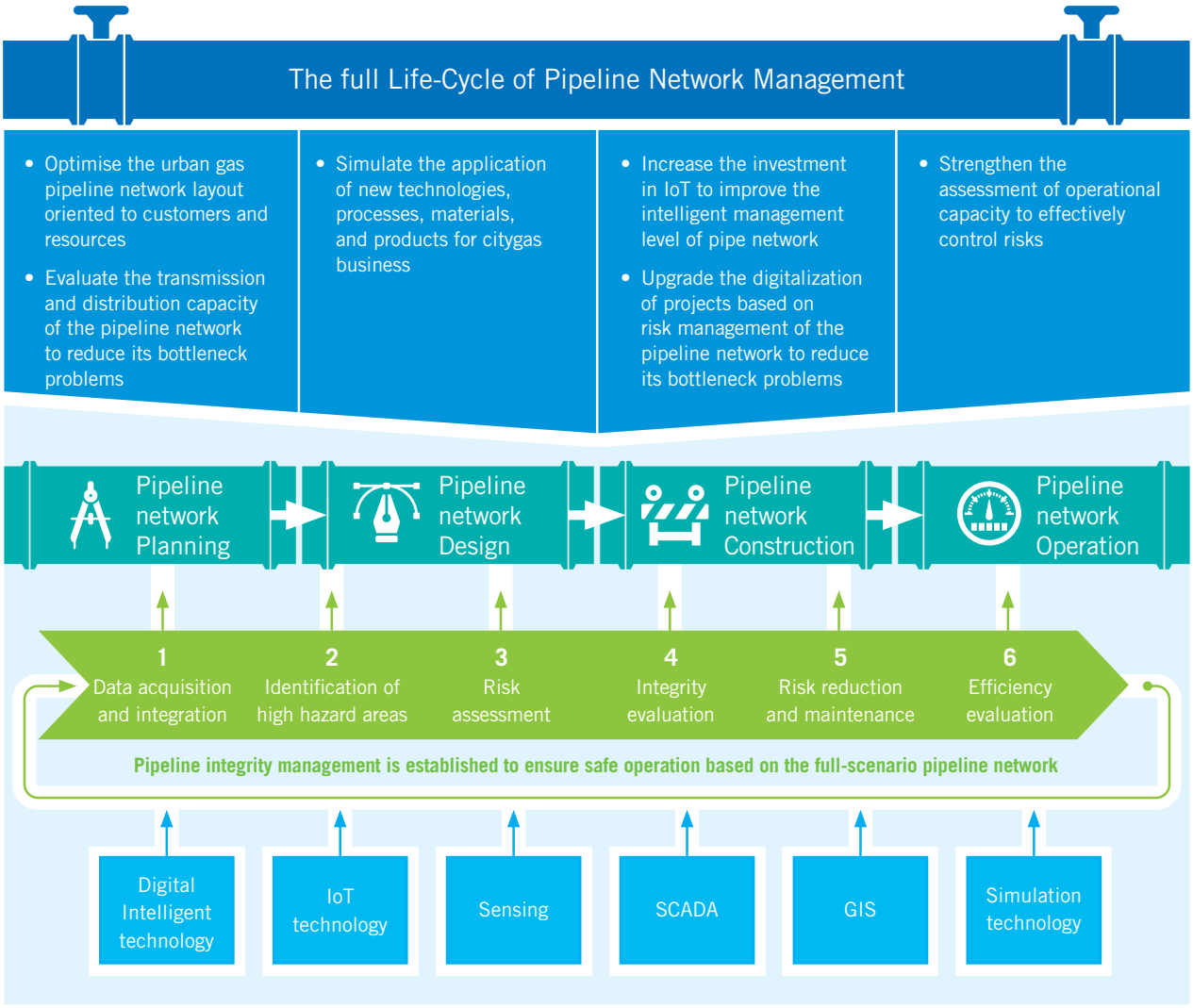
The Ministry of Industry and Information Technology included ENN Qingdao's Innovative Application of LNG Unloading Vehicle Supervision Based on AI Algorithm and Intelligent IoT in its 2021 List of IoT Demonstration Projects on June 23, 2022.

ENN Qingdao Tuanjie Road Plant applies LNG Unloading Safety Vehicle Supervision Solution

Pipeline network safety management

In 2022, ENN Energy's smart operation center served as the hub for visualising the operation process of the company's core business scenarios, correspondingly identifying critical activities, and continuously enhancing the safety management of the pipeline network's operation sites.

- Sealing and efficiently fixing the pipe network's leakage points by patrol inspection, zoning measurement, and other measures
- Through the application of high-precision laser monitoring devices, such as unmanned aerial vehicles (UAVs) for laser inspection, PTZ scanning laser detectors, and online monitoring devices for valve wells, thereby leaks can be detected more frequently, hidden leakage points can be pinpointed, and repairs can be made before they cause too much damage.



The full life-cycle of pipeline network management

Digital Intelligence products empower the safety management of citygas pipeline network

Pipeline network safety is a top priority for ENN Energy, which is why the company is so passionate about promoting the use of digital intelligence products and techniques to monitor and mitigate any threats to the pipeline network.

With a detection speed of 30 km/h and a maximum measuring distance of 100 metres, the intelligent gas inspection vehicle unveiled by ENN Energy in 2022 allows for highly accurate monitoring of potential leaks. This de can record detection data automatically, produce a visual inspection report, and upload it to the smart operation center in real time, all while alerting to the potential for gas leaks in the pipeline network. Additionally, we utilise an intelligent cathodic protection data acquisition device to continuously acquire and communicate pipeline cathodic protection data to the intelligent operating centre. If any abnormality is found, the system can send a warning and we can initiate maintenance, thereby preventing corrosion or damage to the pipeline network.

Intelligent gas inspection vehicle ensures the safety of the urban pipeline network

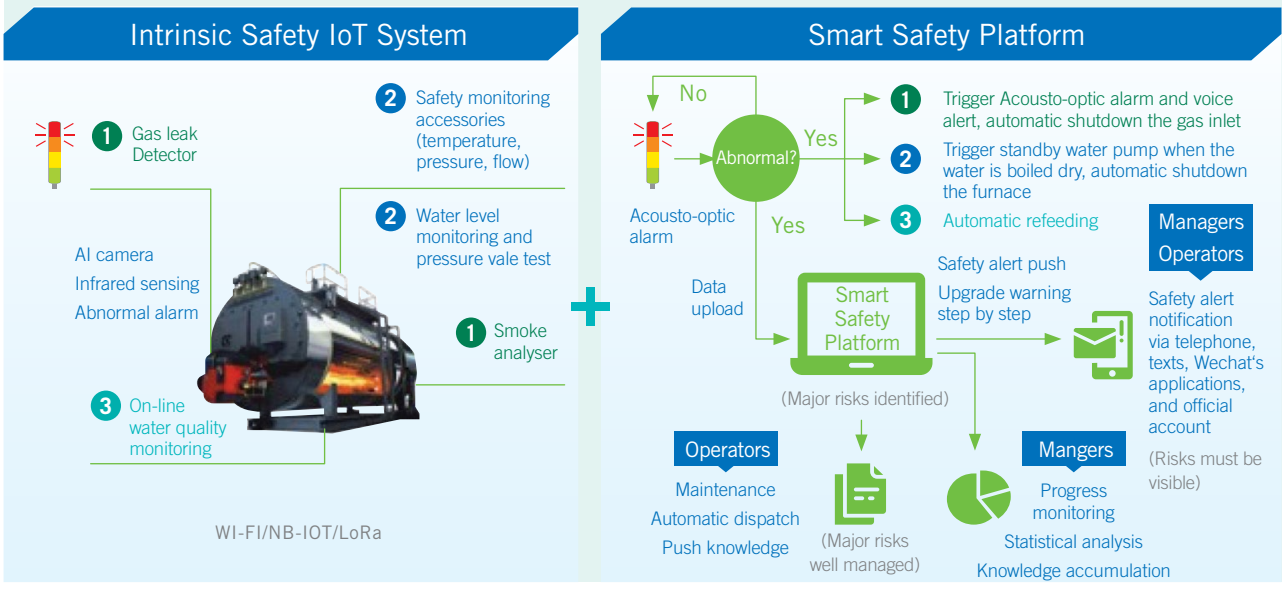
Integrated energy business safety management

ENN Energy focuses on using digital intelligence measures like IoT, AI identification, environmental detection, and remote risk indication to identify risks in key facilities, environmental safety, and personnel operation in order to realise the intrinsic safety of intelligent integrated energy in the face of diversified energy supply scenarios and complex potential risks.

In 2022, the integrated energy business scenario realised risk indication in six aspects: gas leakage, abnormal high temperature, flame, flooding, excessive smoke and personnel violation.

An digital intelligence solution for gas boilers

ENN Energy has developed an digital intelligence safety solution for gas boilers, which combines vital safety IoT acquisition with the deployment of intelligent platform technology. By combining IoT devices with the Company's integrated energy risk indication platform, the Company has been able to bring the functions of risk diagnosis, real-time analysis of operation status, timely control, and remote risk indication for the boiler body and its accessories.



The digital Intelligence solution for gas boilers

The digitalisation of integrated energy stations at ENN Zhuzhou

ENN Zhuzhou is actively digitalising its integrated energy stations. With the help of analysers, remote transmission meters, gas leakage probes and other IoT devices, it has established a supervision and risk indication mechanism, realising 10 intelligent applications such as smoke composition analysis, power monitoring, gas leakage detection and etc al., to ensure the safe operation of equipment and facilities.

Smoke composition detector


Hardness detector

Hidden Hazard Investigation and Management

ENN Energy proactively conducts multi-level risk control and hidden hazard investigation and management to ensure full-scenario operation safety. In 2022, we revised the Regulations on Accident Reporting, Investigation and Management, Administrative Measures for On-site Supervision of "Three Violations" and Administrative Regulations on Multi-Level Control of Safety Risks and Investigation and Management of Hidden Hazards, thereby consistently improving the risk management for multi-level risks, and establishing a dual prevention mechanism for hidden hazard investigation and management.

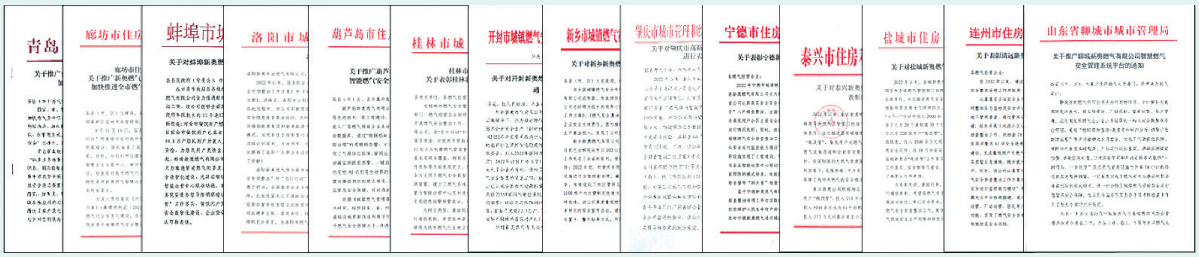
3,925 routine inspections conducted involving 1,194 hidden hazard investigations.

1,390 hidden hazards found and resolved during special inspections.

100%
rectification rate

"100-day Campaign" on citygas safety management

In July, 2022, the Office of Work Safety Committee of the State Council, Ministry of Emergency Management, Ministry of Housing and Urban-Rural Development, and State Administration for Market Regulation launched a "100-day Campaign" on gas safety, to enhance public safety. During this period, ENN Energy's member enterprises actively responded to the local provincial governments' inspections of individual catering businesses, the operation of plants and stations, and digitisation. In addition, the local governments commended 58 member enterprises in Qingdao, Langfang, Bengbu, Luoyang, and Huludao for their outstanding achievements in digitisation and safty operation.



Comprehensive safety management of member enterprises

Through on-site support, monthly governance reports, quarterly evaluations, etc., the Company was able to determine the safety management status of member enterprises, and develop customised plans for improvement. Moreover, the Company assisted these member enterprises to improve their safety management.

Completed comprehensive safety management of **120** member enterprises

100% rectification rate for hidden hazards

In 2022, ENN Energy conducted re-examinations to 41 member enterprises and organised 65 senior executives to investigate and have discussions with 63 member enterprises to make sure all of the previous hidden hazards were fixed.

Comprehensive management of pipeline network

- Organise regional enterprises to check PE pipelines in operation, under construction, and welding joints.
- Organise pipeline network testing.
- Conduct comprehensive measurement of old pipeline network to eliminate hidden safety hazards.

Projects checked **15,419**

Pipeline network leakage tested **191,997** km

Corrosion of buried steel pipes tested **6,448** km

Pipelines Replaced **561** km

Special management of city-gate stations

- Organise regional enterprises and member enterprises to comprehensively check city-gate stations with weak foundations and other problems.
- In conjunction with the upgrade and reconstruction of city-gate stations, resolve serious hidden hazards such as failure of safety leakage protection and foundation settlement of city-gate stations.

City-gate stations checked **438**

Rectification rate **100%**

Special management of integrated energy

- Develop the operation and maintenance system and delivery quality inspection standards covering the full-scenario of integrated energy business.
- Conduct hidden hazard investigation to comprehensively prevent and control integrated energy safety risks.

Regulations and policies released **21**

Rectification rate of hidden hazards **100%**

2022 Comprehensive special managements and performance

Emergency Response

ENN Energy has a robust emergency management mechanism in place, and as such, the Company has implemented all necessary emergency preparations, including but not limited to, emergency planning, emergency recording, emergency team building, emergency equipments and materials, and continuous improvement in emergency preparedness. We conduct monthly emergency drills and specific training to assess the adequacy and viability of our emergency response plans, which we have developed for a variety of potential emergencies, including gas leakage, fire, explosion, natural disasters, and others.

2022 Emergency drills were conducted

4,365 times

Conducting emergency drills for pipeline gas leakage to improve emergency response capability

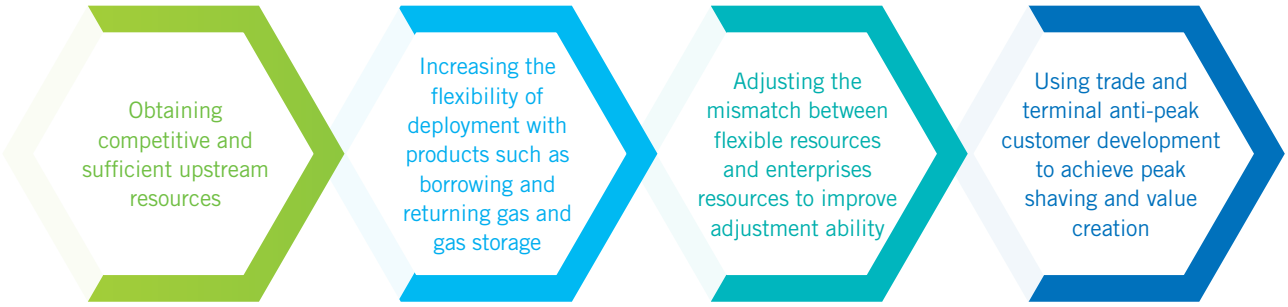
In 2022, ENN Zhaoqing cooperated with local departments conducted emergency drills for pipeline gas leakage. The new equipment, a remote detecting robot, was deployed for the first time in the rescue simulation, demonstrating the Company's capacities in digital intelligent safety management. The drill encompassed emergency response, emergency rescue, emergency support, accident site rescue and repair, etc.

Emergency drill for pipeline gas leakage

Safe and Stable Gas Supply

ENN Energy places a premium on maintaining a reliable supply of natural gas to fulfil its social responsibility. To ensure the stable energy supply for socio-economic development, we are always working to improve our gas supply sources, integrating digital intelligence measures, strengthening our ability to predict customer demand, and making overall plans for gas resource allocation.

ENN Energy has implemented a robust system for operational forecasting, matching, monitoring, and full-scenario operation. We implement demand-supply matching management by dynamically tracking the gap between supply and demand for contract execution, and this is all based on the foundation of constructing a natural gas resource pool, and optimising the flow direction of gas resources through different enterprises.

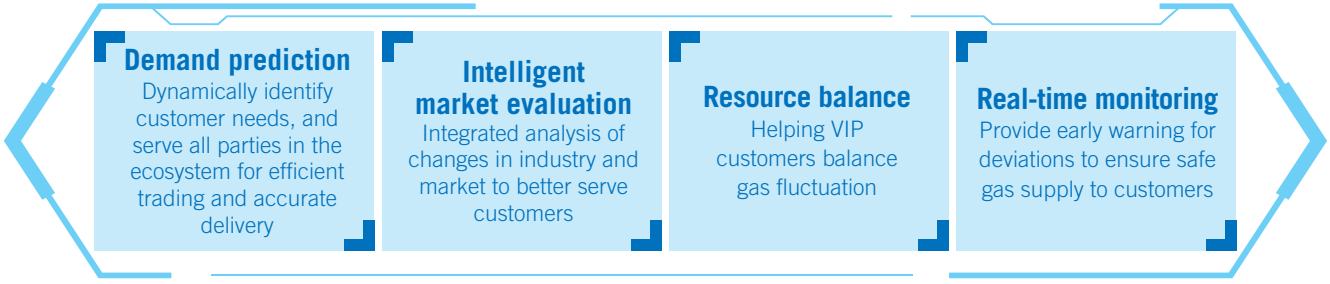


Overall management measures of gas resources

ENN Energy also performs energy demand assessments for external industrial and commercial customers, in addition to the citygas business.

- Developing customer profiles based on the customer characteristics, industry attributes, and other features, comprehensively exploring customer demand for gas supply, and implementing multi-level customer management.
- Improving the demand forecasting model, consistently upgrading the gas source management platform in combination with upstream policy changes, and reasonably matching the demand-supply relationship.

Reference factors in demand forecasting model (non-exhaustive)



Digital intelligence measures to improve the supply ability

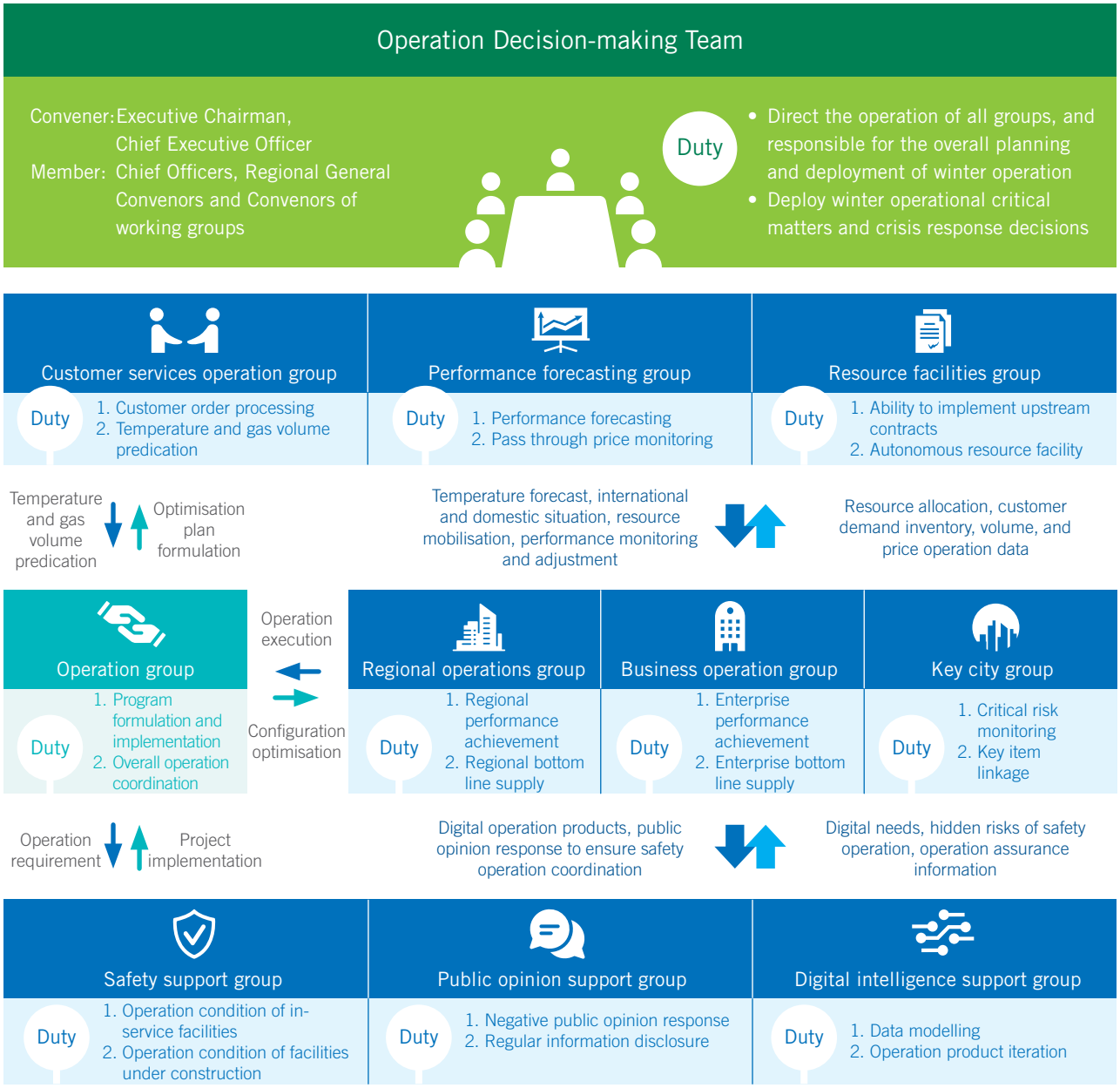
Demand forecasting model for acute climate risk response optimisation

In 2022, ENN Energy developed a mathematical forecasting model for the impact of temperature change on heating gas volume. Typical cities like Changsha and Shijiazhuang were chosen as pilot projects to simulate residential heating and central heating in south China. Through training and optimisation of the model, such as temperature prediction of historical meteorological network data and verification of IoT data, the accurancy of the model is impoved, so as to cope with the demand fluctuation caused by acute climate risks and provide scientific and effective forecasting support for assuring winter operation.

Customer cognition + IoT	Impact factors	Algorithm model	Forecasting Presentation
Central heating Commercial welfare heating	**Holiday** weekends, national statutory holidays, corporate holidays, etc **Weather** Temperature, humidity, precipitation, wind speed, etc **IoT meters** Real-time and historical data	Central heating Commercial welfare heating Forecasting model	Citygas business application
Residual costumers		Residual heating Forecasting model	

Collecting basic data for machine learning, model can quickly response in **60 minutes** and demonstrate the forecast results for member enterprises

Faced with the pressure and challenge of winter gas supply, ENN Energy continues to improve the standard winter gas supply system and organisational administration. In 2022, ENN Energy restructured its winter operations working group, delegating gas supply operations from ENN Energy Headquarters to regional enterprises, which provided all-around resource support, digitalisation, safety, and public opinion management. This gave a strong organisational assurance for winter operations and consistent gas supply. We established emergency plans at the headquarters and regional levels to ensure gas supply in winter, issued the Notice on Strengthening the Safe and Stable Operation of Gas Infrastructure in Winter, developed emergency plans, and conducted emergency drills, continuously improving our emergency handling capabilities for city-gate stations and third-party pipeline losses.



Organisational structure of winter operation assurance working group

Occupational Health and Safety Management

ENN Energy seeks to ensure the occupational health and safety of all employees by adhering to the "people-oriented, safety-first" approach. We have established the goal of strengthening safety management and constantly monitor employee occupational health and safety (OHS). The Company, departments, and teams comprise the three-level occupational health and safety organisation structure, which is responsible for coordinating the implementation of occupational health and safety work and establishing a healthy and safe working environment for each employee. Furthermore, we strive to instil a safety culture among all personnel and provide safety education and training. In headquarters (HQ), regional enterprises, and member enterprises, we have established a multi-level echelon of safety talents, as well as a direct management system for safety staff. We successfully enhanced our safety supervision capabilities while also promoting the execution of health and safety work.

Safety Management Non-zero Goal

Reducing the Total Recordable Incident Rate (per million hours worked) to

0.75

by 2030

OHS management system

Multi-level echelon of safety talents in headquarters, regional , and member enterprises

The statistics of work-related safety accident 2022

Number of employees killed in work-related accidents
0

Number of work-related injury
29

Work-related injury rate (excluding deaths)
0.08%

Lost hours due to work-related injuries
21,064 hours

Lost Time Incident Rate (LTIR)[2]
0.41

Total Recordable Incident Rate ((per thousand employees)[3]
0.83

OHS measures

ENN Energy values each employee's occupational health and safety, closely analyses occupational health and safety hazards, and performs specific protection work for post safety in order to successfully protect employees' health and lives:

- Revised the Regulations on the Administration of Work Safety, and require all memberenterprises to monitor occupational safety hazards in accordance with relevant laws and standards.
- Conducted routine physical examination for all employee, and provide employees with special protective articles and appliances that meet national and industrial standards based on the types and intensity of occupational hazards they face.
- Carry out education and supervision to ensure that employees correctly wear and use personal special protective equipment, and supervise the configuration of special protective equipment for different positions and individuals in accordance with the Operation Guidance Manual and the Configuration Standards for Operation and Repair Equipment every quarter.

Employees' regular physical examination rate:
100%

Number of occupational disease:
0

Full-time safety managers:
771

A total of 62 member enterprises acquired the occupational health and safety (ISO 45001) certification, with 22 of new member enterprises receivied the certification in 2022. The revenue of member enterprises that have obtained ISO 45001 certification accounts for **70%** of the Company's total revenue

2 LTIR = number of work-related incidents / actual total working hours * 1,000,000
3 Rate of work-related incidents per thousand people = 1000 * number of work-related incidents / total number of employees

Implementing multiple measures to ensure the OHS of employees during door-to-door inspections

In 2022, ENN Energy comprehensively revised the door-to-door inspection standards based on the latest national gas-related standards and the actual operation situation, and reviewed and formulated 18 operation standards such as the Operation Standard for Replacement of Indoor Gas Pipelines.

We adopt intelligent tools and systems in door-to-door inspections. We use the four-in-one detector on site, intelligent IoT equipment, and intelligent dispatching system to improve the operation safety. We adjust the operation steps, detection methods, and workflow to ensure that front-line employees master the correct operation requirements.

Intelligent four-in-one indoor gas detector

Safety Capacity Building

Through all-around safety training programmes, ENN Energy attempts to promote the Company's safety team building and safety management level. We have launched the ENN Energy "Safety and Intelligence" training programme and risk-indentifying training for personnel who want to reach the future safety middle and high-level echelon. We also offer online safety training for all employees, such as "learn intelligent safety in seconds" and "knowledge and skills on safety," in order to create a positive cultural climate on safety for all employees' participation.

Safety training performance 2022

Total safety training
431,964
Person-times

Safety training for general manager level
680
Person-times

Safety training for safety management personnel
17,400
Person-times

Safety training for employees
413,884
Person-times

Proportion of people receiving safety training to the total number of employees
100%

Improving safety capacity development of integrated energy projects

In 2022, ENN Energy introduced an open course on the delivery and operation of integrated energy for operation personnel involved in the construction, commissioning, and operation of integrated energy, with an emphasis on enhancing the operation safety for personnel in integrated energy business scenarios.

In addition, we have developed the Implementation Plan for the Independent Growth of Integrated Energy Technicians to carry out internal before-duty certification in order to continually promote the safety capability building of integrated energy scenarios. In 2022, We finished the access evaluation for integrated energy technicians in seven business scenarios, coordinated before-duty certification as well as training and examinations on theories and practise, and encouraged employees to improve their operation ability through external certifications.

Participants
3,840
Person-times

Access evaluation
1,114
Person-times

Before-duty training and examination
2,412
Person-times

Rate of first-line personnel with certificates
100%

Conducting management publicity to improve the safety ability of operation personnel during door-to-door inspections

In 2022, ENN Energy carried out comprehensive safety training for door-to-door inspectors on Specifications for Gas Engineering Projects, GB55009-2021, the standard for "basic safety knowledge and skills" for customer service managers and door-to-door inspection procedures.

Safety training for door-to-door multifunctional inspectors

Training for door-to-door inspectors
32 sessions

Training person-times
8,961

Value Chain Safety Management

While pursuing its own digital intelligence transformation in safety, ENN Energy collaborates with customers, contractors, and other partners to actively promote upstream and downstream safety management of the value chain, as well as the construction of smart and safe cities, leveraging its industry experience and digital intelligence safety technology.

Comprehensive safety inspection rate
100%

Rectification rate of Level 1 hidden hazard of air leakage
100%

Customer Safety Management

ENN Energy is committed to addressing customers' needs for a safe and healthy lifestyle. To that end, we perform customer-specific hidden hazard measures, encourage the use of digital intelligence safety products, and cultivate the safety culture in order to protect the livelihood of citygas customers.

Customer-Specific Hidden Hazard Measures

In terms of special measure for residential customers, we rigorously researched and corrected main hidden hazards and indoor risks in compliance with safety management regulations. To strengthen our safety inspection strategy, we established an indoor risk calculation model in 2022 based on two elements of the potential and consequences of.

We conducted a special investigation and treatment of residential customers' pipelines in July 2022, and a total of 664.02 million pipelines that needed to be repaired were detected, encompassing 19,692 buildings in 3,949 communities.

A total of **664.02** million pipelines

Encompassing **19,692** buildings

3,949 communities

In terms of industrial and commercial clients, we thoroughly implemented the 100-day Campaign for citygas safety rectification and addressed hidden hazards for industrial and commercial customers to ensure their safety.

In 2022, the Company organised various regions to conduct hidden hazard investigations on all industrial and commercial businesses. We installed or rectified 30,652 leakage alarm cut-off devices and implemented 5,980 hidden hazard rectifications of flameout protection devices for stoves, as well as 10,619 other hidden hazard rectifications.

Installed or rectified **30,652** leakage alarm cut-off devices

implemented **5,980** hidden hazard rectifications

Digital Intelligence Products for Indoor Safety Management

ENN Energy has developed digital intelligence safety products, established the risk level algorithm model, and developed the indoor risk management map, which can accurately realise the functions of indoor risk prediction, early warning, pre-control, prevention, and intelligent emergency response. We utilise digital intelligence tools to evaluate customer risks, define the priority strategy of indoor safety inspection, and carry out four levels of risk identification for government, enterprises, districts, and communities using the indoor safety risk management map tools.

1 High-risk customers as the first priority plan	2 Medium-risk customers, special groups (widowed elderly, empty nesters, disabled people, five-guarantee households and low-guarantee households) and key customers as the second priority plan	3 Customers who have not been inspected for a long time and key customers (government personnel, military personnel, teachers and medical workers) as the third priority plan	4 Low-risk customers and others except the above as routine safety inspection plan

Priority strategy of indoor safety inspection

Indoor risk management map for real-time safety situation

ENN Energy is resolute in empowering its customers with digital intelligence, promoting IoT products such as self-closing valves, flexible metal tubings, gas-burning appliances with flameout protection, and digital intelligence safety application technologies. It has implemented a variety of emergency connectivity functions, including leakage alarm, intelligent window alarm linkage, exhaust fan linkage, SOS intelligent alarm linkage, and remote alarm. As soon as an accident occurs, it is notified on the intelligent IoT platform, which then provides alert services to customers via SMS, voice message, external calls, mini-program push, etc., and instantly dispatches emergency personnel.

Promoted the use of **77,000** sets of NB alarm and emergency cut-off valves

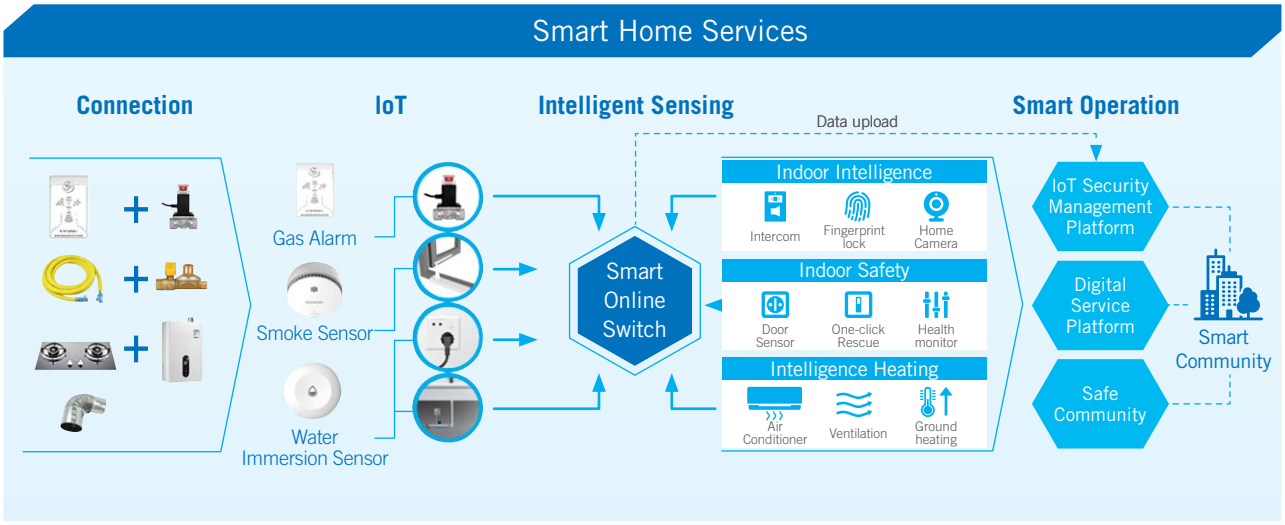
Installed **2.65** million self-closing valves

Installed **9.15** million flexible metal tubings

Replaced **15,011** inferior direct-discharge water heaters with high energy consumption and high safety risks

Replaced **178,447** stoves that didn't have flameout protection

The number of customers who replaced gas equipment such as self-closing valves reached **3,315,262**



Introducing intelligent applet to safeguard the safety of residential customers

As part of its indoor safety scenario, ENN Energy introduced the applet in 2022. Using the applet and IoT platform, we were able to realise the joint control of intelligent scenarios like window alarm linkage and meter alarm linkage through the remote transmission of data from indoor IoT devices.

Publicity of Safety Culture

ENN Energy has a good grasp on the customer gas safety education process and consistently engages in safety culture publicity efforts to raise consumer awareness. To raise users' awareness of safe gas usage, we promoted the knowledge of gas use in 2022 via the WeChat official account, WeChat channels, and enterprise WeChat by distributing publicity movies on gas safety and introducing information on how to save gas.

"Talking about Safety" publicity activity on WeChat official account

Publicity campaign on the theme of "Tightening gas safety valve and building safety firewall"

Promoting safety publicity activities via digital intelligence products

In 2022, ENN Energy began a campaign to raise awareness about gas safety (in businesses, school campuses, institutions, communities, rural areas, households, and public places). Through training, on-site publicity, drills, exhibition boards, and other means, ENN Energy branches moved onto the front lines and raised awareness of gas safety among local residents.

Safety publicity activity sites

Conducted **2,252** safety publicity activities

145 training sessions

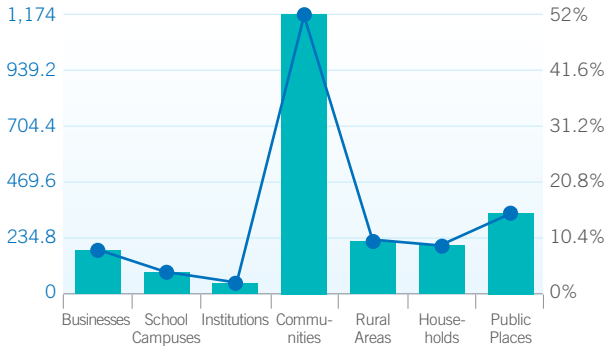
1,800 on-site publicity sessions

122 drills

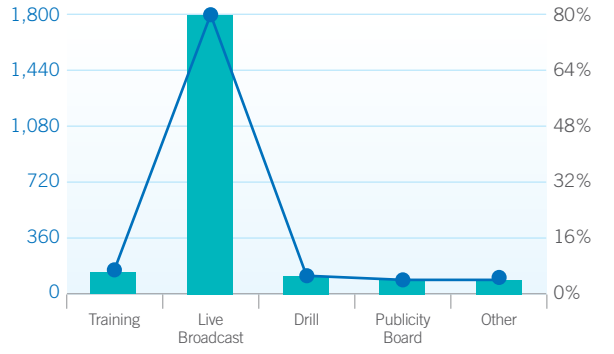
96 safety publicity boards

89 times other forms of publicity conducted

Publicity Activities



Publicity Means



Data display of safety publicity activities

Contractor Safety Management

Contractor safety management is essential to support the safety and reliability of the Company's value chain. ENN Energy attaches tremendous importance to the health and safety of its contractors and has established a robust contractor safety management system:

- Incorporate occupational and health safety standards into the procurement contract during the bidding process, and require contractors to sign the Health, Safety and Environment (HSE) Agreement.
- Regularly evaluate contractors' safety performance and safety risks, and implement dynamic management.
- Conduct safety training for contractors to continuously improve their safety management.

Fatalities of contractors due to work:

0

Contractor's major work-related accident rate:

0

Releasing regulations

- Issue management measures to standardise the management of contractors' construction project suspension and resumption, to ensure construction safety

Bidding access

- Prevent contractors that have safety and quality accidents during the year from bidding

Before-duty certification

- Organise supervisors to participate in competency certification, and conduct before-duty certification for key types of work of the construction unit

Personnel records

- Use the digital danger indication system for personnel information records and certificate validity management, to improve the management of personnel information for key types of work

System improvement

- Consistently improve the contractor management system to enhance the efficiency of safety management

Safety management measures for contractors

Transport safety assessment

- Conduct safety assessment of transporters from qualification compliance, safety system, safety of drivers, vehicle safety, and trip safety
- Conduct dynamic hierarchical management of transporters and safety re-evaluations during different periods

Management of man-made hidden hazards

- Formulate the Measures for the Supervision and Management of the High-risk "Three Violations" by Transporters in the National Transportation Coordination Group, and include "smoking, using electronic equipment, speeding, and blocking the camera" into the monthly safety KPI for transporters
- Collaboratively develop the National Intelligent Vehicle Monitoring Platform with Yuntuyun, an intelligent safety product, which triggers alarms in case of speeding and high-risk driving behavior of partner transporters quickly and efficiently, so as to promptly manage and penalise such transporters

Vehicle safety hazard

- Organise joint inspection of regional vehicles of transporters, and conduct spot checks on vehicle safety hazards

Transporter safety training

- Conduct special safety technical training
- Conduct special safety training for key positions in collaboration with external partners
- Promote workshop activities to improve the safety capability of transporters

Safety management measures for transporters

Conducting safety training to ensure the safety of transporters during travel

In 2022, ENN Energy organised large-scale special online and offline safety technology training for its transporters across China, covering more than 40 transporters in North China, East China, and South China. In addition, to lay a solid foundation for the safety management of personnel in key positions of tripartite transporters and improve their safety management capabilities, we invited external transportation safety experts to conduct special online safety training titled "Safety Guard" for key positions of tripartite transporters.

Zhuhai Jinwan Receiving Station holds a workshop on improving the safety capability of South China transporters

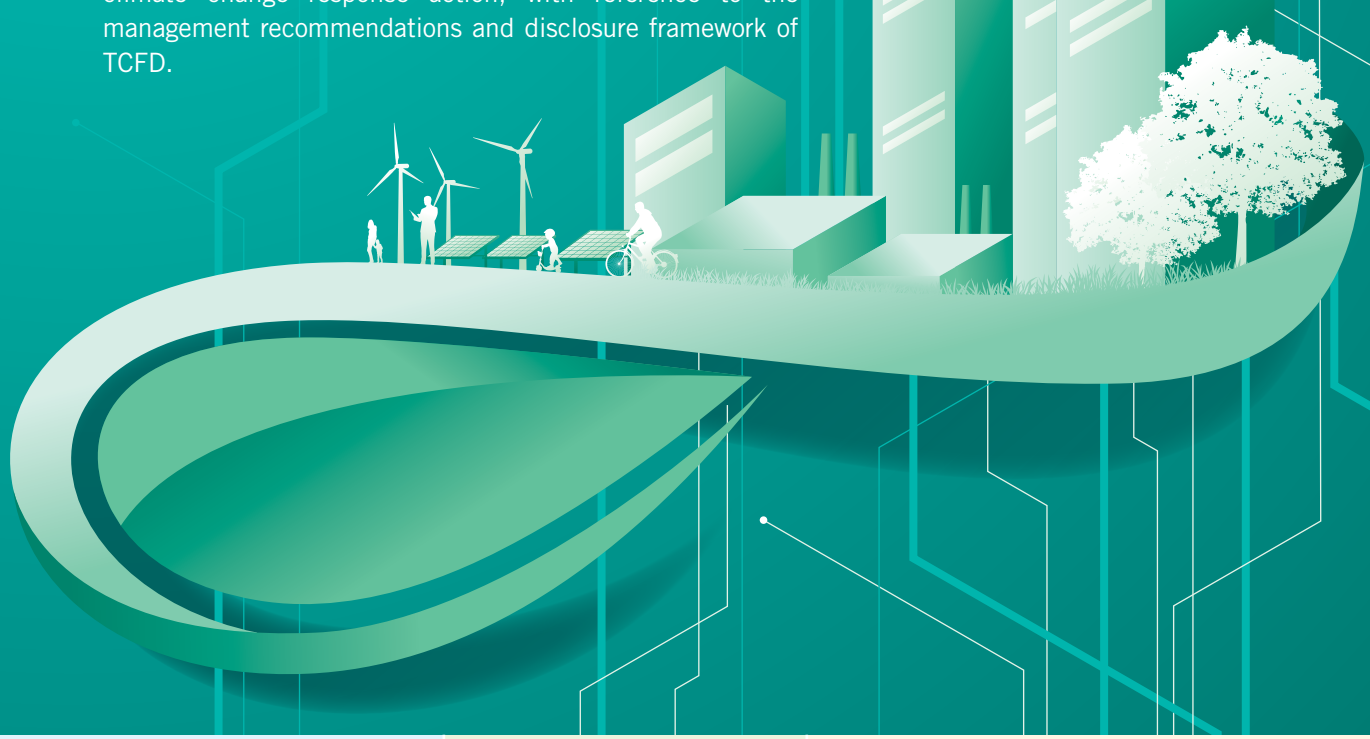
Zhoushan transporter safety management personnel ability improvement training and special technical discussion

Special training for drivers' and escorts' occupational health and LNG leakage

3 Green Prioritisation, Empowering Low-carbon Cities

The "dual-carbon goals" have made the transition to a greener, lower-carbon energy system virtually inevitable. ENN Energy has taken the initiative to meet its corporate responsibility as an industry leader. For its citygas and integrated energy service businesses, the Company has devised a low-carbon development path, with an emphasis on bolstering its own emission management and the continual development of low-carbon products and services.

ENN Energy has implemented climate risk management across four dimensions, including governance structure development, strategic design, risk and opportunity identification, and climate change response action, with reference to the management recommendations and disclosure framework of TCFD.



Major ESG issues responded to in this chapter

Pollutant Discharge
Waste Recycling
Resources and Energy Conservation
Climate Change
Product Technology and Innovation

SDGs responded to in this chapter

HKSE ESG indicators involved in this chapter

A1 Emissions
A2 Use of Resources
A3 The Environment and Natural Resources
A4 Climate Change
B6 Product Responsibility

Climate Change Response

Governance Structure

ENN Energy has incorporated actions for adapting to climate change into its business development and operation plans. To aid in the execution of its climate strategy and the management of climate risk, it has established a governance structure at all levels, from the Board of Directors to the operational and executive levels.

The Climate Change Governance System

Board of Directors

Responsible for matters related to the Company's response to climate change

Environmental, Social and Governance (ESG) Committee

- Identify physical and transformation risks and opportunities of climate change to the Company, assess the relevance of such risks, and set relevant goals.
- Discuss matters related to climate change, monitor climate risk changes, report them to the Board of Directors, and make recommendations.Supervise the implementation process and management performance of the Company's climate change-related work.
- Support the Board of Directors to supervise and make decisions on matters related to climate change.

Risk Management Committee

- Work with the ESG Committee to identify physical and transformation risks and assess their impacts.
- Supervise and support the management to perform its functions of designing, implementing, and overseeing risk management and internal monitoring systems.
- Maintain daily communication with the management and operational departments, follow the developments and changes in international and domestic political and economic situations, and dynamically update the impact assessment of potential climate risks.

Task Force on Climate Change Response

Task Force on Emission Reduction Indicator Identification and Formulation

Task Force on Biodiversity

Responsible for analysing climate change scenarios and quantifying relevant risks, and working with departments to formulate the Company's Decarbonisation Action and set climate goals

As part of its climate risk management strategy, ENN Energy has tied executive and staff compensation to key performance measures in this area. In addition, it has a Task Force on Climate Change within its management to ensure the efficient execution and oversight of the relevant work.

Strategic Design

ENN Energy is committed to a green and low-carbon future as part of its long-term strategy plan. To clarify the Company's short- and medium-term carbon reduction targets for 2030 and the long-term target for 2050, we have issued Decarbonisation Action 2030, which outlines our plans to implement six major emission reduction actions in the areas of citygas methane management, low-carbon trade and transportation, energy structure transformation of integrated energy service business, system energy efficiency improvement, green technology application, and green office.

We have also kept up with the real-time developments in the external environment and the Company's strategic plans. We conduct a thorough analysis of progress towards such objectives every three years, making any necessary adjustments to ensure that they remain grounded in sound science and fully reflective of the current state of science. Also, the Company has been paying close attention to the SBTi's disclosure standards and guidelines for the oil and gas industry, and has taken steps toward establishing more scientific and stringent carbon targets internally.

Short-, Medium-, and Long-term Goals[4]

Business Type	Short- & Medium-term Goals	Long-term Goal
Citygas business	• By 2030, reduce total Scope 1 & 2 greenhouse gas (GHG) emissions of the energy generating facilities by 20% compared to 2019.	By 2050, achieve net zero emission without relying on the purchase of green certificates and other offsets.
Integrated Energy business	• By 2030, reduce unit carbon emission intensity by 48% compared to 2019. • Continuously increase the proportion of renewable energy and zero-carbon energy such as solar, biomass, geothermal, and hydrogen energies to 36% by 2030.	

Risk and Opportunity Identification

Risk assessment of climate effect on ENN Energy's business operations has been given consistent attention by the Company's ESG Committee, Risk Management Committee, and ESG Working Group. We updated our climate change risk identification database and corresponding response measures in 2022, after analysing the impact of climate risks brought on by the most recent changes in global climate and environmental conditions, China's policies, and shifting patterns in domestic and international energy demand.

While we acknowledge climate change's risks, we also understand the potential it presents for ENN Energy's future expansion. In light of this, we have pushed forward with the clean and low-carbon transformation of our energy consumption structure and further stimulated the substantial demand for low-carbon products and services among municipal administrations, businesses, the transportation sector, and end consumers.

4 Taking emission in 2019 as the baseline

Climate Change Risk Identification and Response

Risk Classification			Risk Assessment	Response Measures
Physical risks	Acute risks	Typhoon	• Damages to pipe networks, equipment, and facilities. • Gas supply stability. • Personal and property safety of employees and customers. • Legal liabilities such as liquidated damages due to business interruptions and other issues.	• Formulate typhoon response contingency plans. • Improve the design of facilities and pipe networks. • Build loop pipe networks to prevent local damage from harming the whole pipe network. • Build protective facilities at the end-user side and heighten flood control embankments.
		Extreme rain and flood	• Damages to pipe networks, equipment, and facilities. • Gas supply stability and supply uncertainty. • Personal and property safety of employees and customers. • Risks of flooding to gas supply facilities in low-lying areas.	• Formulate flood and lightning contingency response plans. • Use secure digital intelligence platforms for more timely information acquisition. • Monitor third-party projects in real time, and issue timely early warnings of potential safety hazards. • Build protective facilities at the end-user side and heighten flood control embankments.
		Extreme hot weather	• Health and safety of employees. • Temperature control costs at factories and stations. • Maintenance costs of gas supply facilities.	• Formulate emergency response and early warning contingency plans for hot weather. • Raise employees' health and safety assurance levels.
		Extreme cold weather	• Health and safety of employees. • Temperature control costs at factories and stations. • Maintenance costs of gas supply facilities. • Supply guarantee pressure.	• Formulate emergency response and early warning plans for extreme cold weather. • Improve employees' health and safety assurance level. • Monitor and analyse air temperature. • Set up special teams to provide supply support.
	Chronic risks	Sea level rise	• Damage to pipe networks, equipment, and facilities. • Coastal cities to migrate to inland areas thus affecting existing markets.	• Monitor sea level rises. • Conduct risk prevention and emergency research.
		Climate warming	• Risks of heat waves, droughts, and fire. • Maintenance cost of gas supply facilities. • Gas supply demand reduction.	• Formulate emergency response plans for extreme environments and emergency rescue plans for heat strokes caused by high temperature. • Explore and develop new products and services, such as biomass technologies and solar energy storage technologies.

Risk Classification			Risk Assessment	Response Measures
Transformation risks	Policy and legal risks	Climate-related policies	• Demand for low-carbon services from industrial and commercial users. • Construction costs of natural gas projects. • Project costs due to the development of the carbon market.	• Intensify research on renewable energy technologies such as solar energy, geothermal energy and biomass energy, and step up the application of such technologies. • Promote integrated energy service projects while prioritizing clean energy.
	Technical risks	Low-carbon technology cost	• Technology investment costs. • Changes to technology application scenarios. • Technological development drives changes in market demand.	• Promote the technical transformation of urban gas and integrated energy service projects and optimize operation management strategies. • Apply digital intelligence technologies to reduce unit energy consumption in energy use scenarios.
	Market risks	Changes in market demand	• Demand for low-carbon energy saving solutions. • Market share and profitability.	• Promote energy supply modes that integrate multiple clean energies, including renewable energy. • Provide customers with clean energy-dominated low-carbon solutions with multiple energy sources.
	Reputational risks	Stakeholder concerns	• Low-carbon transformation progress increases the Company's operating pressure. • Increased public opinion pressure from investors and customers.	• Review the emission reduction process every year and release the review results. • Update green action plans every three years. • Accurately plan low-carbon development paths.

Climate Change Opportunities

Future Trends	Opportunities
Low-carbon transformation of the energy structure	• Natural gas will replace coal and other heavy carbon-emitting energies at a faster pace. • Low-carbon and green demand will drive the continuous growth of natural gas sales. • There is complementary development between renewable energy and natural gas and coordinated development between thermal power and gas.
Low-carbon digital intelligence technology innovation	• The Chinese government has issued policies to vigorously develop solar, biomass, hydrogen, CCUS, and other renewable energy sectors. • Digital intelligence technology will gain more importance in corporate energy and carbon management.
Carbon emissions trading market growth	• The development of the carbon emission trading market will increase the carbon emission costs and compliance risks of energy-consuming and heavy-emitting enterprises. • Customer demand for energy and carbon management is increasing significantly. • PV, energy-saving, and low-carbon transformation is expected to unleash carbon asset projects and generate incremental returns for integrated energy services.
Low-carbon development of industrial chains	• Green and low-carbon energy use industrial chains become the mainstream. • More service opportunities emerge in the energy and carbon business domains across the industrial chain. • Local governments are eager to build demonstrative green and low-carbon industrial chains.

Response Actions

ENN Energy has drawn up corresponding response measures for citygas, integrated energy, and office scenarios in response to the impact of climate change:

Use digital intelligence systems to improve operational efficiency management and reduce the carbon emissions.

Conduct methane emission control work in citygas business scenarios, including the actual measurement of methane emission data and the exchange of emission control means with peers.

Apply renewable energy and energy conservation and carbon reduction technologies in integrated energy business scenarios and provide customers with low-carbon energy solutions.

Encourage member enterprises to carry out green and energy-saving reconstruction of office buildings, reduce office energy consumption, and increase the use of renewable energy in office scenarios.

Digital Intelligence Low-carbon Services

In 2022, ENN Energy has made data forecast for energy consumption and equipment load by improving its operations management through the application of digital intelligence technologies, and consequently improved its performance in energy consumption overview, energy consumption benchmarking, energy consumption prognosis, energy efficiency improvement, operation and maintenance. In addition, ENN Energy has developed an integrated plan for energy conservation and efficiency optimization, also seen as intelligent energy efficiency engines for customers, contributing to the safe, low-carbon, and productive growth of the industrial value chain.

Digital Intelligence Heat Supply System

The Company uses digital and intelligent heating systems composed of two modules "Less Manned Operation" and "Energy-Saving Operation" for improving energy management capabilities and energy supply quality while reducing users' energy consumption costs.

Number of subsidiary applied digital intelligence system

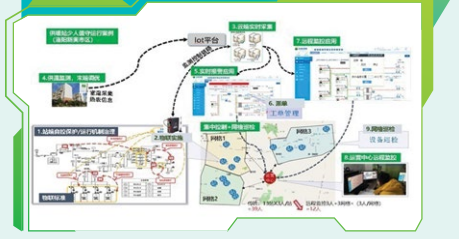
11

Reduction rate of energy consumption

15%

Less Manned Operation

IoT remote control | Online device management



Energy-Saving Operation

Energy forecast | Cloud command

Low-Carbon Digital Intelligence Management Solution

ENN Energy uses its digital energy and carbon management platform + recycled water utilisation + power service to provide customers with refined and digital energy management system control and provides tailored integrated energy solutions. The project has become the first local low-carbon intelligent management solution implementation and benchmarking demonstration project:

- Built a digital intelligence platform for energy and carbon management, helping users reduce energy costs by 5% through online monitoring, intelligent diagnosis, management optimisation, and effect evaluation.
- Optimised operational strategies at the supplier and user ends and used advanced energy-saving and carbon reduction technologies to improve the energy efficiency of equipment and facilities.

Digital Intelligence Energy Management System

Application of the full lifecycle Smart Energy Management

ENN Energy provides Huai'an Jiajia Glass Products Co., Ltd. with one-stop smart management services based on the digital intelligence platform in order to combat the issues of excessive energy usage and carbon emission that are typical of conventional manufacturing businesses.

The Company energy management platform is based on visual management, allowing the customer to run its equipment more reliably and economically while reducing risks to personnel and the environment.

In addition, we increased the rooftop hosting of PV panels capacities, power distribution facilities, and waste heat recovery systems, and are providing the customer with offline power facility maintenance, power troubleshooting, and other specialised services.

Operating cost reduced
RMB **1.6** million/year

Carbon emissions reduced
4,000 tons

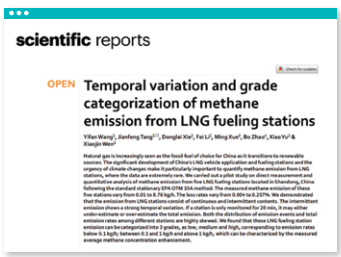
The Methane Emission Control Action

We started collaborating with China University of Petroleum in 2022, taking ENN Qingdao as a pilot to conduct field measurement for various scenarios in which methane emissions may exist in urban gas scenarios. The goal of our participation in the compilation and publication of the methane emission measurement study report in the gas station scenario was to encourage the dissemination of academic research findings and the pooling of industrial resources.

Methane Emission Control Research Achievements

- Completed the methane test of 6 LNG fuelling stations and 2 city-gate stations and prepared the test reports.
- Participated in the preparation and publication of academic papers on methane emissions from LNG fuelling stations.
- Supported the formulation of national and industry standards based on the methane test conclusions.

BOG Recover Volume
28.08 million cubic meters


scientific reports

OPEN Temporal variation and grade categorization of methane emission from LNG fueling stations

Low-carbon Energy Applications

With a well-thought-out plan in place, ENN Energy has been aggressively investigating a comprehensive solution that integrates "load, source, grid and storage" for its energy storage business. We have made it our mission to accommodate the needs of our varied customers by designing our integrated energy service projects to make use of low-carbon resources including biomass, PV, energy storage, clean fuel, geothermal, and other forms of energy.

PV Application

To help its customers make the most of their energy economic benefits while increasing their use of renewable energy, energy conservation, and emission reduction, ENN Energy offers solar energy supply solutions backed by digital intelligence.

Annual cumulative contractual amount
1,000+ MW

Evaluated investment capacity
850 MW

In construction & grid-connected capacity
436 MW

Outline of PV Technology Application

Project Name	Project Profile
Food Factory Photovoltaic Power Station Project	ENN Energy work with a food company in Guangdong Province on natural gas supply, central heating, and PV projects. We use a digital intelligence platform to realise digital intelligence-based operation and comprehensive energy management for the factory and built it into a benchmark low-carbon factory in the food industry. Gas and heat energy supply **116** mil kWh/year Standard coal equivalent saved **44,000** t Carbon emissions reduced **117,000** t Nitrogen oxide emissions reduced **283,000** t
A Hubei Dairy Company Distributed Photovoltaic Project	Leveraging its digital intelligence platform, ENN Energy provided boiler hosting and operation services to a dairy company in Hubei Province. Through a series of energy-saving transformation measures and operation and maintenance management, we achieved energy conservation and consumption reduction. Installed PV capacity **2.5** MW Annual power generation **2.4** mil kWh Carbon emissions reduced **2,000** t
Liaoning Battery Plant Photovoltaic Project	Energy-side services provided by this project include market-oriented power trading, bill management, a smart energy management platform, distributed photovoltaics (PV), and green factory certification in order to satisfy the client's demand for efficient and effective management of their energy resources. With ENN Energy's support, the client has been included in the sixth group of Liaoning's green manufacturers. Installed PV capacity **4** MW Carbon emissions reduced **5,000** t/year

PV Panels on Rooftop and Rooftop of Parking Lot

Biomass Application

ENN Energy has been in the business of supplying energy to the biomass industry for over ten years. With its extensive background in biomass fuel collection and storage management, technical design, equipment model selection, investment, and operation, the company is able to offer customers individualized technical solutions for direct combustion, semi-gasification, and full gasification of biomass.

Number of biomass projects
11

Installed capacity
431 MW

Yangpu Low-carbon Park

About 40% of Hainan Province's industrial production value is produced in the Yangpu Economic Development Zone Park. Massive amounts of power and steam energy are needed to keep up with the expansion of both operational and ongoing industrial projects.

ENN Energy has provided green steam services for customers in the park, and comprehensively implemented biomass, PV, and other energy solutions to realise the cascade utilisation of steam at different pressures and temperatures, thereby solving the problem of the park's low utilization rate of energy facilities and its inability to meet the energy needs of new customers.

Steam capacity
1.9 mil tons

Biomass consumption
800,000 tons

Standard coal equivalent
267,000 tons

Annual carbon emissions reduced
700,000 tons

Energy Storage Application

To supplement power distribution networks and flexibly adjust energy storage, ENN Energy expanded investment in energy storage facilities in 2022 and stepped up infrastructure building for its energy storage projects. The company has increased the ability of power grids to absorb renewable energy and has pushed for the spread of low-carbon energy transformation by adopting new regional power systems based on the "clean energy + energy storage" concept.

Energy Storage Project Cases

Project Name	Project Capacity	Project Profile
Anhui Xuancheng Incremental Distribution Network Energy Storage Project	2 MWh	China's first incremental distribution network for a low-carbon park that integrates load, source, grid, and storage was developed thanks to this project's emphasis on energy storage and multi-station integrated extension services. Meanwhile, by erecting energy-storage power stations, it has enhanced the reliability of the grid and lowered the costs of electricity for its customers. Project investment RMB 4 million + ; Cumulative power output 917,000 kWh ; Electricity fees saved RMB 555,000
Huanghua Airport Energy Storage Project	2 MWh	To fulfill local energy consumption and grid peak shaving requirements, this project utilises a lithium iron phosphate battery energy storage system. It can optimise the use of electricity resources and reduce the strain of peak shaving on the regional system. When operational, the project will successfully lower energy consumption and carbon emissions by using a collaborative energy supply system comprised of direct-fired engines, electric refrigeration units, and other equipment and an intelligent energy management platform. Energy saving rate 33% ; Use of coal reduced in terms of standard coal equivalent 2,900 tons ; Carbon emissions reduced 7,000 tons

Low-carbon Office Renovation

ENN Energy is committed to reducing carbon emissions and increasing energy efficiency in commercial buildings; therefore, the company has been actively researching low-carbon management paths for photovoltaic (PV) projects on its own buildings and the replacement of old vehicles with new ones that run on renewable energy sources. In 2022, we undertook PV power generating projects in our self-owned buildings in Henan, Shandong, Jiangsu, Fujian, Shanghai, Zhejiang, Hebei and other locations, and steadily expanded the application proportion of new energy vehicles.

By 2025

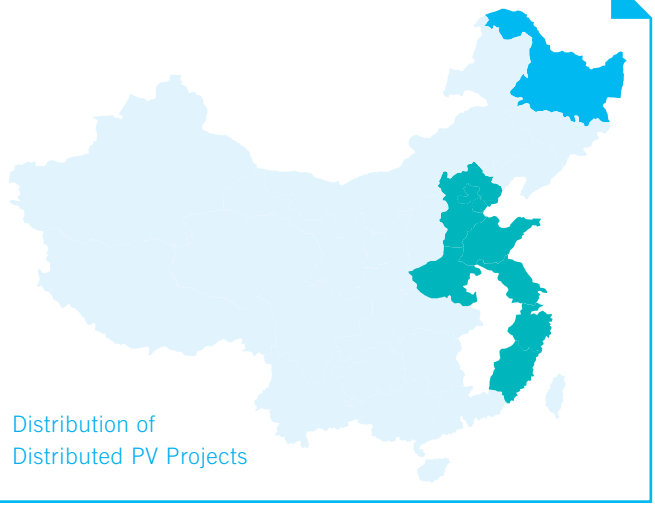
- Increase the percentage of PV power generation to **5%** of the total power consumption of ENN Energy's office buildings
- Reduce the energy consumption per unit area of ENN Energy's office buildings by **10%**
- Replace **50%** of ENN Energy's office vehicles with renewable vehicles
- Achieve **100%** use of gas-powered vehicles for ENN Energy's transport vehicles

5 Office vehicles include employee shuttles, park shuttles and patrol vehicles

PV Application in Office Venues

As of December 31, 2022, ENN Energy had carried out **27** photovoltaic power generation projects for our own office buildings in eight provincial administrative regions.

The total installed capacity is **4.25** MW



Distribution of Distributed PV Projects

ENN Lianyungang Distributed Photovoltaic Power Generation Project

ENN Lianyungang Company consists of six factory buildings, each having a roof area of around 2,000 square meters. Daytime power use in office rooms and all-day power use in the city-gate station are the main energy use scenarios. This project utilises building rooftops to construct a distributed PV power generating system, and it employs a self-generation model for self-use to produce zero-carbon energy for its own offices.

Installed capacity **300** KW

Annual power generation **330,000** kWh

Distributed Photovoltaic Power Generation System of ENN Lianyungang

ENN Yuhang No.3 Energy Service Station Distributed Photovoltaic Power Generation Project

In 2022, the project involved the construction of a distributed PV power generation system in the station's production auxiliary building, vehicle shed, and boiler building, covering a total floor area of about 1,300 square meters. This allowed the facility to effectively realise multi-energy complementarity and low-carbon emission reduction. The initiative exemplifies ENN Energy's approach to fostering a low-carbon economy.

Installed capacity **200** KW

Annual power generation **190,000** kWh

Distributed Photovoltaic Power Generation System of the ENN Yuhang Project

Application of Renewable Energy Vehicles

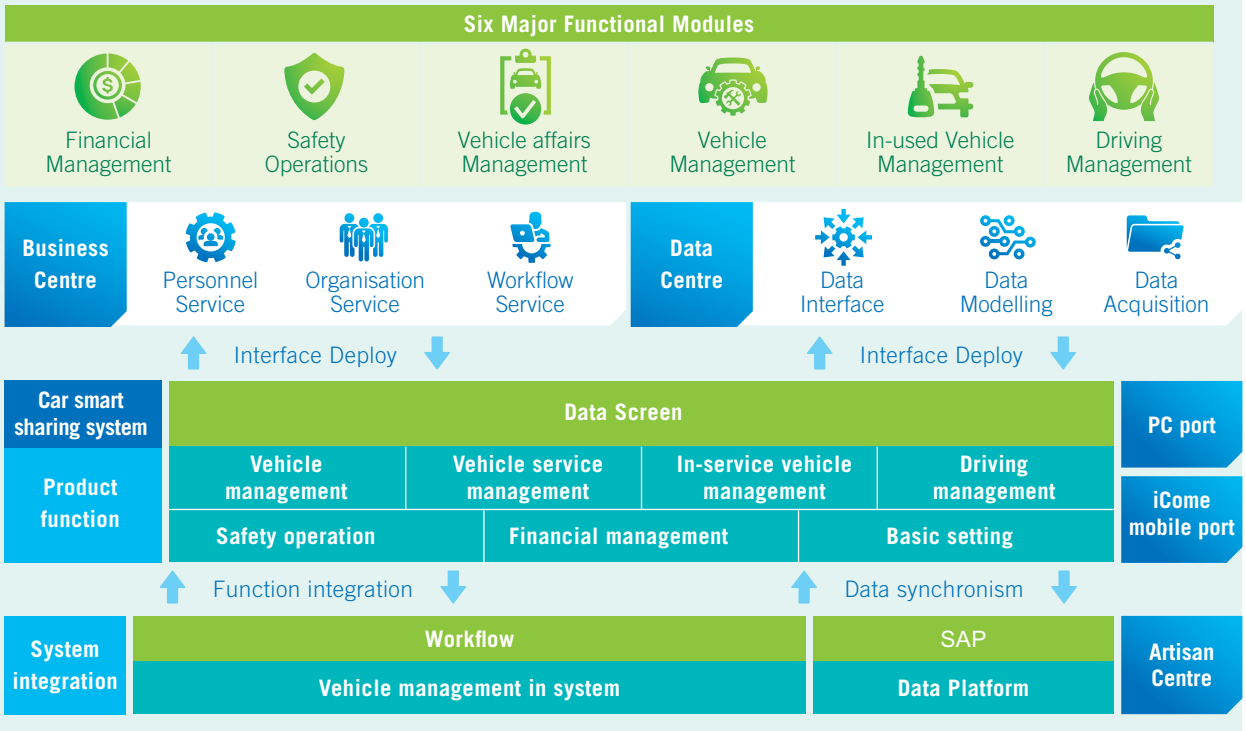
One of ENN Energy's key low-carbon transformation approaches is the development of intelligent and environmentally friendly modes of transportation. In an effort to cut costs and carbon emissions, the company has been progressively switching out its fleet of old internal combustion engine vehicles for new energy vehicles. Likewise, ENN Energy has improved vehicle efficiency by using digital intelligence technology and digital intelligence-based trade and transport management platforms. The Company conducted a carbon inventory of its own logistics in 2022, providing the foundation for better carbon management and emission reduction in transportation.

Number of self-owned transport vehicles
210

Proportion of LNG-powered vehicles
80%

Vehicle Lifecycle Management System

ENN Energy has developed a lifecycle management system for vehicle to provide a vehicle operation analysis board for enterprises. In addition, the Company has established a risk assessment model, focusing on solving the practical problems in vehicle management, such as a deficiency in solid data for making decisions, cumbersome paperwork, lengthy processes, and high operation cost.



ENN Energy Participates in the Transport Enterprise "Low-Carbon Leader" Project

In 2022, the Integrated Planning Division of the Ministry of Transport and China Classification Society collaborated on a project named "Low-Carbon Forerunner" which ENN Energy Logistics Co., Ltd. actively participated in. In the process, we collaborated with the China Classification Society to optimising the standards for low-carbon transportation by conducting in-depth research and exchanging ideas on the current carbon management level and related measures applied by the logistics enterprises.

Greenhouse Gas Emission of ENN Energy

Total GHG Emissions (Scopes I and II)

	Emission amount (Unit: tons of CO2e)	Emission density (Unit: tons of CO2e/ billion RMB of revenue)	Emission density (Unit: tons of CO2e/ billion cubic meters of natural gas sales)
2022	230,040.37	2090.31	7035.52
2021	266,753.10	2,864.83	8,059.74

Direct GHG Emissions (Scope I)

	Emission amount (Unit: tons of CO2e)	Emission density (Unit: tons of CO2e/ billion RMB of revenue)	Emission density (Unit: tons of CO2e/ billion cubic meters of natural gas sales)
2022	136,247.47	1,238.04	4,166.97
2021	176,481.93	1,895.35	5,332.26

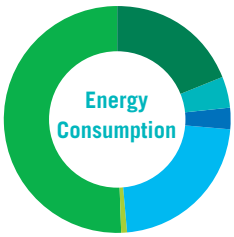
Indirect GHG Emissions (Scope II)

	Emission amount (Unit: tons of CO2e)	Emission density (Unit: tons of CO2e/ billion RMB of revenue)	Emission density (Unit: tons of CO2e/ billion cubic meters of natural gas sales)
2022	93,792.90	852.27	2,868.55
2021	90,271.17	969.48	2,727.47

Indirect GHG emissions(Scope III)

Unit: tons of CO2e

1a. Purchased Goods and Service	3. Fuel-and Energy-Related Activities Not Included in Scope 1 or Scope 2	4. Upstream Transportation Distribution	11. Use of Sold Products	Others
8,267,097	179,265	1,363,676	50,760,819	241,817



Unit: ton of standard coal equivalent

Natural gas	Gasoline	Diesel	Purchased Electricity	Renewable Energy	Coal
14,645	3,336	2,286	17,002	649	38,738

Fulfilling Green Operation Responsibility

ENN Energy has steadfastly stuck to "environmental protection" and "green" principles, bolstering management in the areas of environmental preservation and efficient use of resources and energy. ENN Energy has established a full-process environmental management system, and conducted environmental protection works systematically and comprehensively, in order to implement national and local environmental policies.

Projects Environmental Management

As part of its efforts to comply with the Environmental Protection Law of the People's Republic of China and other environmental management laws and regulations, ENN Energy has developed its Measures for Civilised Construction Management and other internal management rules, and is refining its efforts to establish a comprehensive environmental management system.

We consider the environmental impacts, implement effective preventative measures, and respond swiftly to any number of potential environmental risks during every stage of the design, construction, and operation processes to ensure a safe and healthy environment for all. We have also used the company's data and digital technologies to perform in-depth project monitoring and timely environmental control.

Cumulative number of ISO 14001-certified member enterprises
62

Number of new ISO 14001-certified member enterprises during the year
22

Project Preparation Stage

In the project planning phase, ENN Energy proactively conduct research on environmental protection plan for projects, analyses the current environmental quality of the project areas, identifies ecological and environmental elements, and conducts comprehensive environmental assessment on the atmospheric, water, acoustic, and soil environments in accordance with the national standards, and formulates the environmental protection plans to cope with possible environment impacts.

Project Construction Stage

We use digital intelligence technology to conduct comprehensive environmental monitoring, accurately identify air pollution, noise pollution, waste pollution, wildlife damage, and other environmental risks, and implement effective management measures, adhering to the principle of maximising resource savings and minimising negative environmental impact under the premise of quality and safety assurance.

Environmental Protection Measures During Construction	
Air pollution prevention and control	• Close or isolate construction areas. • Harden main roads and adopt dust-proof measures such as covering, curing, greening, watering, and vehicle washing. • Use construction machinery and vehicles in accordance with the air pollutant emission standards.
Noise control	• Set up noise monitoring points to dynamically monitor the acoustic environment. • Select and use low-noise mechanical equipment, and add soundproof screens, silencers, and other soundproof devices to high-noise equipment. • Rationally schedule the working hours of construction machinery, and ensure high-noise operation activities are conducted during time slots that do not affect social life.
Wastewater treatment	• Establish a drainage ditch and sewage test mechanism to ensure that domestic sewage discharge and production wastewater discharge meet the national standards. • Only discharge production sewage after sedimentation in the sedimentation tank and after it complies with the discharge standard. • Use part of the precipitated water for watering and dust reduction at construction sites or take measures to recycle it.
Waste disposal	• Comply with the principles of "reduction," "recycling," and "harmless treatment" for waste disposal. • Hazardous waste: Designate special storage areas for hazardous waste generated in the construction process, implement anti-seepage measures, and commission professional third-party agencies to conduct centralised harmless treatment. • Non-hazardous waste: Recycle or reuse recyclable construction and domestic waste. Sort unusable construction and domestic waste in the construction process, clear them to the designated site, and regularly transport them to the dump yard for treatment.
Wildlife protection	• Avoid damaging vegetation and trees, relocate vegetation that cannot be avoided during excavation operations, and do compensatory planting. • Before construction starts, check whether there are bird nests in the construction area and prevent damage to bird habitats during construction.

Green Construction Work in the Dongguan Ningzhou Gas and Power Project

The third stage of Dongguan Ningzhou Gas and Power Project is a critical node with the longest crossing distance and the most challenging construction. To ensure zero waste and sewage discharge, we adopted the methods of mud dehydration and drying, sewage purification treatment, and transportation of waste soil after solidification in strict accordance with the principle of green construction, while also taking construction quality and environmental protection into account. These efforts ensured that the project passed many rounds of environmental inspections by environmental protection, urban management, park administration, and other departments.

Environmental-Friendly Construction of Medium Pressure Pipelines

ENN Energy has taken proactive measures to protect the water environment and surrounding plantation during the construction process to reduce the impact of pipe ditch excavation and crossing work on the ecological and water environments around the project site, effectively fulfilling its environmental responsibilities:

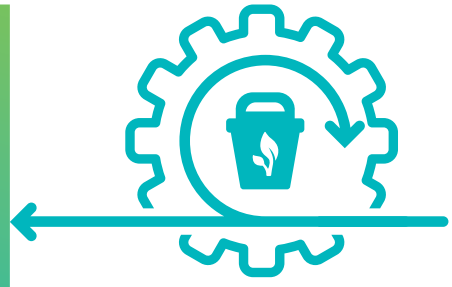
- Before beginning construction, a survey is conducted to determine what plants can safely be left in place, and what plants must be removed and replaced
- Construct specialised anti-seepage sludge tanks for the sludge produced during the crossing's construction, then transport the sludge to a centralised harmless treatment facility once the project is finished
- Establish designated driving routes and lanes for construction vehicles and machinery to protect the surrounding landscape

Project Operation Stage

To ensure that waste water, exhaust gas, and solid waste are discharged in accordance with national standards, ENN Energy has established a comprehensive environmental management system for the operational period and developed corresponding management measures for different types of sewage and waste.

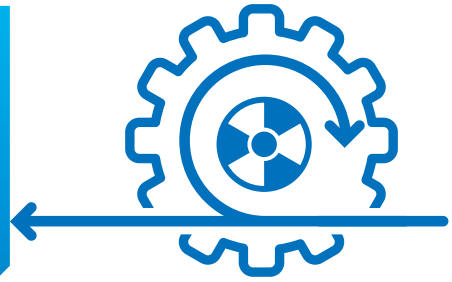
Non-hazardous waste

- Kitchen waste: The administrative service provider's catering staff collects the waste, arranges them according to the applicable criteria, and then transfers them to an authorized third-party organisation for disposal.
- Domestic and office waste: Daily, at predetermined times, the cleaning staff from the administrative service provider brings them to the waste transfer station in the office area, where they are sent to the local public utilities management department for disposal.



Hazardous waste

- Sort and centrally collect hazardous waste and transfer them to an environmentally qualified agency for unified recovery and disposal.



Office Environment Management

Paperless Office

During the reporting period, ENN Energy digitised and stored its archives online by scanning physical archives, providing the foundation for paperless office.

- Promote and improve electronic signature services.
- Use high-definition and low-energy digital equipment to replace high-energy consuming scanning equipment.
- Require all member enterprises to electrically archive their internal documents and meeting minutes.

Water Resources Management

ENN Energy has taken a number of proactive steps to establish water conservation practices, to improve the utilization of water resources, by conducting a variety of water-saving measures.

- Regular maintenance of water supply and water use equipment to reduce water waste due to leakage problems.
- Application of rainwater reuse systems and reclaimed water equipment to collect and treat rainwater, and produce water to supplement municipal water.

ENN Linping Water Recycling Project

Two 135t/h reverse osmosis systems are installed in the water treatment workshop at Hangzhou Linping ENN Energy Development Co., Ltd., allowing the company to produce 15 percent recycled water. Using an autonomous hydraulic level control system, we transport the recycled water to a storage tank before distributing it to local businesses who can use of it as a heat source.

Environmental Awareness Cultivation

ENN Energy is committed to establishing a low-carbon office atmosphere for all staff and promoting the concept of energy conservation and carbon reduction. To raise employees' attention to low carbon and environmental protection, we redesigned the low carbon and environmental protection logo and promoted it to all units of the company.

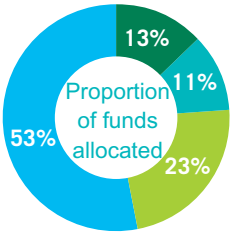
Coverage of environmental labels distributed in office venues

>90%

New Low-Carbon and Environmental Labels

Green Finance

The ENN Energy Green Finance framework is based on the 2018 Green Bond Principles of the International Capital Market Association, and the 2020 Green Lending Principles of the Asia Paci Loan Market Association and Loan Syndications & Trading Association. Both the Hong Kong Quality Assurance Agency (HKQAA) and Vigeo Elris provided impartial second party assessments on the financial framework to back up ENN Energy's plan for long-term sustainable development. On September 10, 2020, and May 17, 2022, the company successfully issued green bonds with face values of USD 750 million and USD 550 million, respectively.



Integrated energy solutions
53%

Residual heat & integrated energy utilisation
23%

Methane management
13%

Renewable energy utilisation
11%

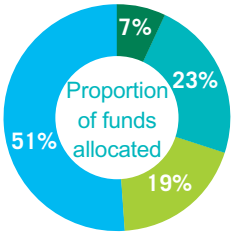
ENN Energy N3009

USD 750 Million Green Bond

This bond won the "Best Green Bond Award" in the renewable energy/transition energy category in Finance Magazine's 2020 AAA Sustainable Capital Markets Regional Awards. Bythe end of 2020, an equivalent amount of the funds raised through this green bond had been fully allocated to eligible green projects.

Green Project Category	Specific Project	Funding Method	Allocated Amount	Environmental impact
Methane management	Invested in pipeline network inspection, equipment maintenance, and other areas to reduce methane emissions	Refinancing	RMB 610 million (USD 94.05 million)	In 2020, the pipeline network was inspected, and equipment was maintained
Renewable energy utilisation	6 biomass projects; 1 PV project	Refinancing	RMB 526.48 million (USD 81.17 million)	294,628 tons carbon emission was reduced
Residual heat & integrated energy utilisation	22 integrated energy projects; 14 residual heat utilization projects	Financing & Refinancing	RMB 1,127.95 million (USD 173.91 million)	944.896 tons carbon emission was reduced
Integrated energy solutions	Acquired Integrated Energy to enhance the company's capabilities to acquire, operate, and maintain integrated energy service projects while prioritising clean energy	Refinancing	RMB 2,600 million (USD 408.07 million)	Acquired Integrated Energy Technology to support the operation of Integrated Energy Projects[6]

6 In 2022, Integrated Energy Projects reduced carbon emission by 7,704,629 tonnes.



PV investment budget
51%

PV projects
19%

Biomass project
7%

Residual heat utilisation project
23%

ENN Energy N2705

USD 550 Million Green Bond

This bond has won the "Outstanding Award for Green and Sustainable Bond Issuer (Clean Energy)—The Largest Single Green Bond" from the Hong Kong Quality Assurance Agency, and the "Best Bond Trading" Award from FinanceAsia. As of the end of 2022, an equivalent amount of the funds raised through this green bond had been partially allocated to eligible green projects.

Green Project Category	Specific Project	Funding Method	Allocated Amount	Environmental impact
PV investment budget	Investment budget for distributed PV projects in 2023	Financing	RMB 1,800 million (USD 283.52 million)	/
PV projects	217 distributed photovoltaic projects	Financing Refinancing	RMB 658.82 million (USD 103.77 million)	5,508 tons carbon emission was reduced
Biomass project	5 biomass projects	Refinancing	RMB 252.66 million (USD 39.80 million)	189,317 tons carbon emission was reduced
Residual heat utilisation project	12 residual heat utilisation projects	Refinancing	RMB 786.28 million (USD 123.84 million)	109,786 tons carbon emission was reduced

4 Talent Motivation, Shaping Digital Intelligence Cities

ENN Energy adheres to the core value of being "people-oriented." Through the integration of industrial digitalisation and intelligence, we have developed and improved three talent motivation systems, namely "the value creation identification – assessment – sharing," "the role and capability," and "the talent label," in order to cultivate the capabilities of employees and guide them to create value, share and empower themselves. We attract and maintain talent through a fair, open, and harmonious workplace, fully defend employees' legal rights and interests as well as their compensation and benefits, and place a premium on employee training and development. In this manner, we intend to help employees realise their full potential. We are also committed to ensuring that everyone can be supported, advance, and participate in such diverse and equitable work environment.

Major ESG issues responded to in this chapter

Employee equality
Employee rights protection
Training and development
Preventing forced labour and child labour

SDGs responded to in this chapter

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
10 REDUCED INEQUALITIES

HKSE ESG indicators involved in this chapter

B1 Employment
B2 Health and safety
B3 Development and training
B4 Labour standards

Equality and Diversity

We recruit more exceptional individuals in a fair and just manner. Being adhere to all applicable laws, regulations, and internal management policies, we intend to develop a diverse and inclusive work environment.

External laws and regulations

- Labour Law of the People's Republic of China
- Labour Contract Law of the People's Republic of China
- Social Insurance Law of the People's Republic of China
- Employment Promotion Law of the People's Republic of China
- Decision of the State Council on Amending "The Regulations of the State Council on the Hours of Work of Employees"

Internal policies and systems

- ENN Energy Employee Code of Conduct
- Recruitment Management System for ENN Energy Holdings Limited
- Talent Development and Employment Policy
- Employee Appointment Rules for ENN Energy Holdings Limited
- Leave Management Regulations for ENN Energy Holdings Limited

Recruitment and Talent Management

We hosted numerous corporate presentations and talent recruitment events for different targeted positions in 2022. Considering recruitment on campus as an example, we collaborated with universities to introduce corporate business, culture and job responsibilities, and offer internship opportunities. Social recruitment and internal transfer in addition, back up the talent team for different levels, depending on the Company's development needs.

There were a total of 4,053 new employees, 3,650 of whom were recruited through social recruitment. 403 new employees were introduced through campus recruitment.

New Employees
4,053

Onsite Campus Recruitment

The "Metaverse" Online Job Fair with Tsinghua University

2022 ENN Energy Participated in OPENDAY Activities

The OPENDAY 2022 was held in July, during which ENN Energy gave students a tour to the Company's business sites. Other activities such as corporate presentations, open discussions and camping were also held this period to deepen communication with students. The event successfully showcased the benefits of ENN's business platform, increased the Company's popularity and brand recognition, and attracted outstanding college students.

OPENDAY 2022 On-campus Recruitment Event

Online Career Talk of ENN Energy

In September 2022, the online broadcast campus recruitment event on multiple platforms were organised to introduce the Company's talent development strategy, training system, and campus recruitment requirements, as well as the career opportunities and employee benefits available in ENN Energy. The live broadcast had approximately 2,000 views, resulting in positive exposure.

Live broadcast had approximately **2,000** views

Launch the "New Energy Talent" program to reserve management talents

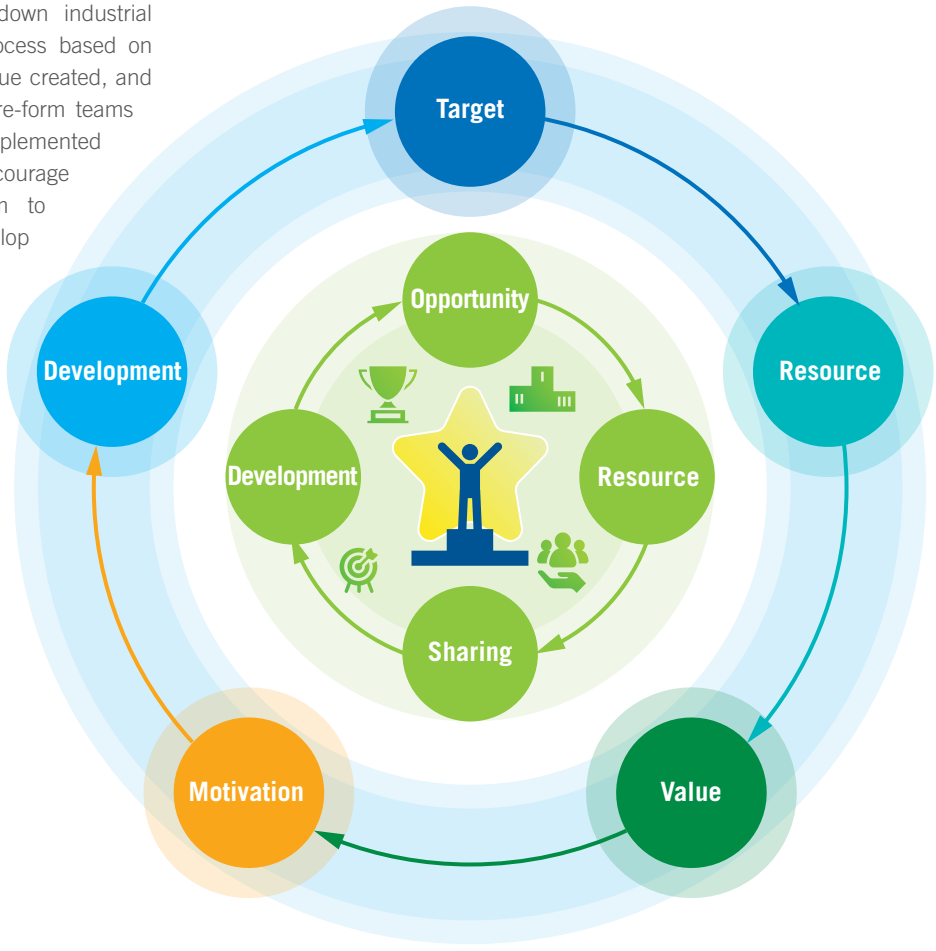
ENN Energy launched the "New Energy Talent" programme, choosing over 20 backup management talents and 58 employees with potential in the domains of citygas and integrated energy from regional companies. In addition, we organised the first training session for new energy talents, during which 26 employees took online courses and received role-specific coaching.

over **20** backup management talents

Talent Identification

We intend to assign the most qualified candidates for each position to maximise their potential and increases the adaptability of business. With the introduction of the capabilities labelling system, we can develop invaluable products with appropriate taskforce. In addition, to break down industrial barriers, we devised a sharing process based on value creation objectives, actual value created, and capability evaluation, to form and re-form teams as necessary. To reach this, we implemented a confidentiality mechanism to encourage employee mobility, allowing them to discover their dream jobs and develop their abilities.

Five dimensions of organisational operation



Upgrade the Talent Motivation Mechanism

Employment			
By Gender	Male **25,730**	Female **9,177**	
By Age	<30 Below 30 **7,904**	30-50 30-50 **23,346**	>50 Above 50 **3,657**
By Region	Mainland China Mainland China **34,896**	Hong Kong Hong Kong **11**	Overseas Overseas **0**

Employee Rights Protection

In accordance with national legislation and regulations, we have developed internal management policies to protect the fundamental rights of employees and to oppose any type of child labour or forced labour. We uphold legal rights of all employees and safeguard them on all fronts, including the establishment of an advanced due diligence mechanism for labour complaints. In conjunction with internal management regulations, we investigate, track, and handle infractions with evidence to guarantee supervised employee protection rights.

ENN Energy has zero tolerance for any sort of harassment, abuse, or coercion. We have clearly outlined anti-sexual harassment in policies and incorporated them into corporate management in order to safeguard employees, particularly female employees, from unfair treatment and retaliation. In 2022, there was no employment discrimination, harassment, child labour, or forced labour at ENN Energy, and all labour assignments were in accordance with national regulations.

Remuneration System

Based on the "equal pay for equal work" philosophy, ENN Energy applying a fair remuneration system that combines monetary and non-monetary incentives. In particular, the remuneration system consists of fixed pay, a two-month salary bonus, project bonuses, and an end-of-year incentive. In 2022, we did a market salary survey for key positions and altered our remuneration policy accordingly to offer competitive remuneration to employees.

Remuneration by Rank		
Director	Male: Base salary: RMB **761,111**; Base salary and other cash bonuses: RMB **2,210,333**	Female: Base salary: RMB **1,000,000**; Base salary and other cash bonuses: RMB **2,434,500**
Management	Male: Base salary: RMB **184,617**; Base salary and other cash bonuses: RMB **302,519**	Female: Base salary: RMB **157,520**; Base salary and other cash bonuses: RMB **257,821**
Non-management	Male: Base salary: RMB **87,504**	Female: Base salary: RMB **75,350**

Wage Difference by Gender	
Average base salary[7]	Average management bonus[8]
14.9%	**14.8%**

Diversity and Inclusion

We have built and maintained a diverse and inclusive work environment, and supported international labour rights initiatives. Adhering to the principle of equal employment, anti-discrimination based on gender, region, race, religion, age, pregnancy or marital status, physical disability, and political stance are compiled in both employment, promotion, and termination processes. The Company allows employees to associate freely, thus emphasising the diversity and inclusion of the Company's workforce. It also defends the rights of racial and ethnic minorities, for example, providing halal meals at the canteen.

We appreciate the role and contributions of female employees and intend to facilitate their growth and development through training and development programmes, and provide a competitive wage and benefits, and career prospects. We also conduct frequent audits of diversity concerns targeting the percentage of female executives, the number of female employees, etc.

Number of minority employees
1,215

Employee satisfaction
4.25 / 5

Percentage of employees included in the collective bargaining agreement
100%

7 Average base salary difference by gender = (Base salary of male employees – Base salary of female employees)/ Base salary of male employees
8 Average management bonus by gender = (Management bonus of male employees – Management bonus of female employees)/ Management bonus of male employees

Employee Development and Promotion

ENN Energy believes that developing talent is essential to building digitised and intelligent cities. By providing a clear and effective structure for career development, and a variety of paths for open communication, it helps employees reach their full potential while enhancing the practicality and efficiency of their work.

Talent Development

We place a premium on talent evaluation and potential analysis, and continually provide individualised talent development programmes, among which the "value creation identification – assessment – sharing" system plays an important role. The employees' self-development plan, which examines employees' progress routinely, will engage management-level to evaluate their performance. In addition, we have developed the taskforce development targets, capability map, character labels, capability development strategy in accordance with business scenarios.

ENN Energy has developed a talent pool for key positions and conducted a comprehensive human capital review and management mechanism. The internal transferring mechanism between employees from member companies and headquarters, has also been introduced to improve flexibility of employees and expedite talent development.

Talent Cultivation

We are continuously revising and enhancing the management of capabilities and training product resources, as well as upgrading talent cultivation materials. In 2022, we developed a multifaceted training platform for employees' leadership, professionalism, and operational skills respectively. On the basis of digitised and intelligent analysis, the capability map can help to illustrate talent cultivation progress, in addition to a database of competency labels and a database of training labels for essential positions on human resource management platform. Moreover, we encourage seniors to share their experiences and promote advanced training materials to member companies, and launch joint training programmes which includes technical and business talent cultivation programme, the primary-level elite cultivation programme, the enterprise-university joint innovation workshop, the basic service skill workshop, and the service value creation boot camp, etc. The customised training programmes based on business requirements, such as the Lecture Room, the Sister Company Programme, the specialised training programme for front-line workers of citygas business, and the internship programme for whole-scenario gas operations were organised specifically in 2022.

In 2022, 100% employees received training, with a total of 810,322 hours of training.

100% employees

received training **100%**

810,322 hours of training

Employee Training			
Category	**Detail**		
Number of trainees by gender	Male **25,730**	Female **9,177**	
Training hours by gender	Male **24** Hours / person	Female **20** Hours / person	
Number of trainees by employee type	Senior-level **1,104**	Mid-level **3,301**	Primary **30,502**
Training hours by employee type	Senior-level **27** Hours / person	Mid-level **21** Hours / person	Primary **23** Hours / person

Leadership	• Elite Program • "Sailing" Program • "Pilot" Direction Backup Talent Program • "New Energy Talent" Program • Fu-Yu Grant Ownership Workshop for All Employees • New Leadership Program
Professionalism	• "New Financial Talent" Program • Anxin Boot Camp • "New Security Talent" Program • Carbon Management Training • Carbon Peak and Carbon Neutrality Training • Carbon Neutrality and LNG Business Training • Carbon-Neutral Natural Gas Online Training Course • Future Engineer of ENN (FEE) Program Phase IV, in which 13 employees rotated jobs and 12 employees were appointed as chief engineer or deputy chief engineer
Operational capabilities	• Resources at the training facility, including trainers and lessons, were standardised and utilised at a higher rate, to support all front-line employees to meet pre-work certification and personal development. • The growth system were developed in line with the skill level certification for front-line employees.

The Safety Management Taskforce – 2022 Capability Improvement Program for Safety Supervisors in Guangdong

We launched a capability improvement programme for safety supervisors in Guangdong in 2022, in order to enhance the professional capability of regional safety supervision taskforce, therefore, meeting the regulatory requirements for rectification and governance of the citygas industry, as well as the safety supervision goals.

Under the direction of the head of the Guangdong Regional Company, the programme was developed to fulfil safety obligations, clarify safety criteria, and strengthen the safety team. Through integrated resources and the training platform, trainees coupled learning with practise in settings. The curriculum addressed fundamental topics such as the identification of rules and regulations, professional technology, coordination and communication, and the enhancement of system-building capacity. The capabilities of the safety team were vastly enhanced through tasks, benchmarking, visits, and sharing.

The duration of the training programme was six months. In Dongguan, the first module of the training programme was initiated between 12-14 May 2022. A total of 31 employees participated in the programme, including safety supervisors and backup talents from member companies in Guangdong.

Training Site of the Capability Improvement Program for Safety Supervisors

Standardised Practical Training Base to Improve Front-line Workers' Skills

ENN Energy developed a front-line operation training system by incorporating training bases with matching facilities and equipment, which allow trainees to stimulate onsite operation with certain guidance and enhance their skills.

In 2022, we concluded the standards and expanded the training scenarios and resources to include indoor scenarios, indoor fields, outlets, and operations. This offered trainees with assessment of the Worker's Home Platform and an increasing base's utilisation rate.

We also developed cutting-edge training materials and the flipped-class system, which combined trainers and assessors as a whole. There were 24 phases of basic certification provided by trainers and assessors for 906 trainees in 2022. All front-line employees were certified prior to work, while all on-duty employees were also recertified for the first time. With 1,405 front-line employees developed professionally, the training products have become an industry standard.

Front-line Workers' Skills Certification Rate

100%

Supporting and Caring for Employees

ENN Energy cherishes the opinions and physical and mental wellbeing of employees. To motivate staff and encourage the Company's sound and sustainable growth, it advocates a variety of communication paths and host an abundance of leisure activities.

Communication with Employees

We continued to administer the employee satisfaction survey to all employees in 2022. According to the results of the survey, the improved employee management had enhanced employee's sense of belonging. A management platform and database was also introduced for providing staff with a digitised and sophisticated feedback channel, which collected 937 feedback in 2022, covering 897 opinions and ideas comprising 12 distinctive types, including logistics, wage and benefits, team atmosphere, operational excellence (OE), employee care, and digitised & intelligent upgrade.

Caring for Employees

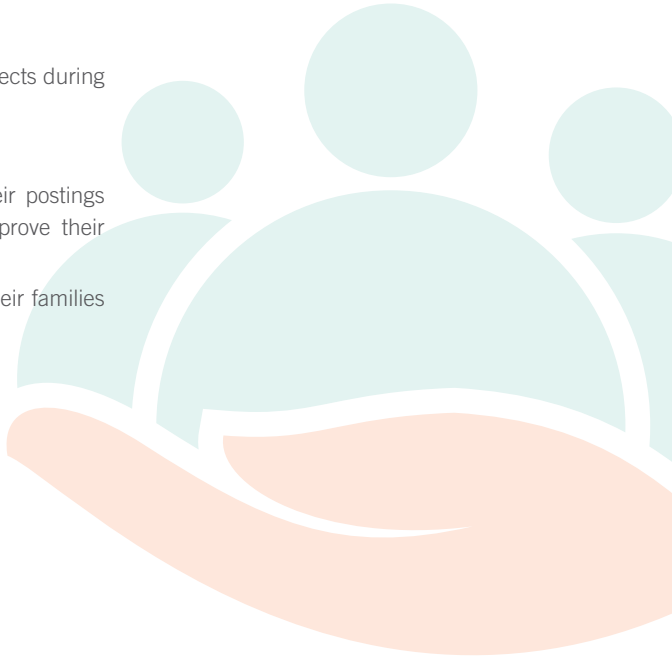
Benefits

Employees of ENN Energy now have humanistic support and benefits as a strong backup, including the social insurance package, the housing fund, and paid parental leave (maternity, paternity, or both) in compliance with laws, regulations, and internal policies. They can also access a variety of benefits for their professional and personal development, for example, the full package includes annual holiday and birthday gifts in addition to financial assistance for individuals in need. We prioritise employees' well-being by visiting them during key life events such as marriages, sicknesses, childbirths, and funerals, and have built health stations, reading rooms, and fitness centres to encourage a healthy work-life balance.

Supports during epidemic

ENN Energy has effectively ensured the well-being of its employees in all aspects during the epidemic.

- We provided anti-epidemic supplies to all employees;
- For individuals who were unable to meet their families because of their postings throughout the epidemic, we donated essential home supplies to improve their quality of life;
- In addition to contributing to the anti-epidemic activities, we provided their families with supplies.



Online Recreational Activities

We developed unique online activities for our employees, building stronger ties between the Party of the organisation and the greater community, raising employee morale, and producing favourable results for the Company. We organised 21 online activities with over 20,000 participants in 2022:

- Physical health: fitness walking, safety education for employees, etc.
- Holidays and festivals: guessing lantern riddles during the Lantern Festival, online workout competition on Youth Day, speech contest with the theme "Welcoming the 20th National Congress of the Communist Party of China and Embarking on a New Journey," etc
- Mental health: Bookhouse Mini Program and reading activities such as Reading During the Epidemic and Reading & Sharing

ICOME Online Activity Platform

we organised **21** online activities | over **20,000+** participants

Caring for Female Employees

Physical and mental health of female employees, as well as their rights are specifically emphasised. We prepared baby care rooms in the office area and developed a women's school in an effort to provide a welcome and comfortable working environment for them.

ENN Energy Holds a Series of Events for Female Employees to Demonstrate Care and Support

- Health education seminars and free consultations which educated female employees on how to maintain a healthy lifestyle and provided expert help to protect their physical and mental health.
- Scheduled special events to help female employees unwind and get some much-needed exercise outside of the office, including flower arrangement course, handicraft salons, and outdoor sports.

Health Knowledge Seminar

International Women's Day Activities Site

Health Plan

We are devoted to providing a friendly workplace for employees, and have designed and executed a comprehensive employee support system to safeguard the well-being of employees in both their professional and personal lives. By 2022, ENN Energy had already held the 8 years-long serious illness and mutual assistance program, which provides care to employees and their families with serious illnesses and issues medical assistance funds with financial support beyond general medical insurance.

In 2022, we allocated a total of RMB 301,875 as medical support funds for 113 employees and their families, bringing the total cumulative amount for 308 employees and their families to RMB 1,827,949.

Total cumulative amount for **308** employees and their families

Medical support funds RMB **1,827,949**

5 Harmony with Nature, Building Eco-friendly Cities

ENN Energy's business has continuously fortified the Company's relationships with consumers, industries, and the community. While ensuring economic development, the Company promotes biodiversity conservation and participate in community development to contribute to the construction of peaceful and aesthetically ecological cities.

Material ESG issues responded to in this chapter

- Customer Service
- Biodiversity Protection
- Intellectual Property Protection
- Charity Activities for Communities Community Relations
- Protection of the Rights and Interests of Indigenous Residents at Operation Sites

SDGs responded to in this chapter

HKSE ESG indicators involved in this chapter

- B6 Product Responsibility
- B8 Community Investment

Customer Orientation

Laws and regulations

- Law of the People's Republic of China on Protection of Consumer Rights and Interests

Internal policies and systems

- ENN Energy Service System Manual
- ENN Energy Management Measures for Customer Complaints
- ENN Energy Information Security Risk Management Measures
- ENN Energy Information Security Management Regulations
- ENN Energy Holdings Limited Data Privacy Policy

In accordance with the customer-oriented philosophy, we provided the IoT service platform for customers to offer remote control of gas equipment, smart heating adjustment, automatic gas leak disposal, and gas alarms in 2022. We also provided extensive safety training and evaluation for all household managers to enhance their service abilities and safety consciousness. Accordingly, a premium on customer feedback has been introduced to enhance the Company's connection with customers, seeking to increase customer satisfaction by delivering superior service.

Customer Base Portrait

Name, gender, telephone number, address, age, housing price, family members, type of notation

Customers Demand

- Convenient service path
- Good user experience
- Efficient service efficiency
- The best cost performance
- Convenient online interaction

Scene Portrait

The number of maintenance, complaints and service time, customary channels, high risk, the olderly, no central heating area, strong purchasing power, families with elderly and children

The ENN 95158 Online Service Platform

When it comes to customer demands, our response rate on the customer service mobile program increased from 93% to **95%** in 2022

IoT metres have been employed by **54%** of our industrial and commercial users in 2022, compared with 49% in 2021, as well as **50%** of residents in 2022

Skill Improvement of Customer Service Staff

Aligning with the revised ENN Energy Management Measures for Customer Complaints, which aims to strengthening the awareness and service quality of the customer service team, we conducted in-depth trainings and assessments of all customer service staff to make up for the service shortcomings of them. 35 new service operation standards and certification labels were launched in 2022, covering every possible service situation in retail outlets and call centres. The traning certification rate reached 100%.

Training certification
40,631
person-times

Customer Service Team Skill Improvement Training

With the goal of "enhancing basic service management capabilities and increasing value creation capabilities for value-added business for customers," the Regional Business Coordination Group and the Customer Service Centre collaborated on training sessions in 2022 to boost the skills of their respective teams. Safety management, teamwork, digital operations, complaint handling, customer value exchange, and future prospects for value added business were all addressed in the training sessions.

Experts from the National Call Centre of the Customer Service Centre shared their knowledge on ways to deal with customer complaints, to determine customers need, and to develop emotional intelligence. It allowed all trainees actively communicated their thoughts and opinions in the ensuing summary, practise, and scenario simulations sessions, thus to summarise the four-step complaint management process and acquire abilities necessary to deal with customers services.

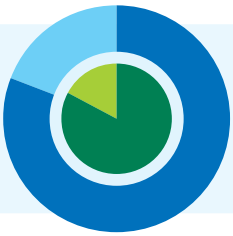
Customer Service Experience Upgrade

Differentiated routing and service mechanism were developed to cater to customers with unique labels, targeting problems such as low battery power and insufficient balance in IoT metres. As a result of these initiatives, the percentage of issues resolved on the first attempt at contact increased to 83%, and the percentage of issues resolved on the first call has increased to 49.8%. Furthermore, the Company called or sent out informing messages to 620,000 users whose gas equipment was nearing or past its end of service life.

After developing and fine-tuning our label platform, the Company was able to centralise control over 16 distinct user labels and 54 distinct property labels. It identified 168,819 commercial residential units and 53,172 centrally rented apartments with specific labels based on the needs of special gas consuming scenarios. To better assist those who call our hotline, it compiled and cleansed vital company data, facilitating a decrease on invalid call forwarding from 3.44% to 1.61%, and an increase on caller ID display rate from 50.3% to 79.5%.

Online gas purchase

2021 **81%**



2022 **83%**

Customer Complaints and Problem Resolution

ENN Energy has abided by the concept of customer satisfaction management and are always working to improve the system for dealing with customer complaints. Accordingly, complaints must be investigated in a fair and genuine manner within a closed loop monitoring mechanism which consists of processing times, procedures, and policies. All complaints received must be followed up individually to collect feedback thus to find out the appropriate way for addressing issues. In addition, we've made it easier than ever to keep tabs on the progress of resolved complaints with the Customer Voice system version 2.0, which can ensure rapid and accurate problem solving, and analyse the outcomes of complaint investigations using a hybrid of manual and automated processes.

We engaged an independent professional consulting agency to conduct a customer satisfaction survey for both residential and industrial/commercial customers in 2022. A total of 15,688 customers covering 71 ENN Energy's member companies involved in the survey over phone and online questionnaire.

Customer satisfaction **95/100**

Number of customer complaints **374**

Customer complaint rate **0.19‰**

Complaint handling rate **91%**

Closure rate **100%**

Satisfaction with complaint handling **95%**

Intellectual Property Protection and Industry Cooperation

Laws and regulations

- Trademark Law of the People's Republic of China
- Patent Law of the People's Republic of China
- Copyright Law of the People's Republic of China

Internal policies and systems

- ENN Energy Regulations on Intellectual Property Management
- ENN Guidelines on Rules for its Eco-brand Trademark
- ENN Energy Measures for Awarding Intellectual Property and Research Papers
- ENN Energy Standards for Data Classification and Graded Management

By taking strong efforts to curb infringement, the Company aims to foster a more stable growth trajectory for the industry as a whole. It also committed to conducting cutting-edge research and developing innovative new products, and seeking opportunities to work with other businesses partners, academic institutions, and government agencies to advance the development of the industry.

Intellectual Property and Patent Protection

We adhere to the management process of intellectual property assets and are constantly striving to enhance risk prevention and control mechanisms, since we place a premium on protecting intellectual property and securing patents. We also concentrate on quality control at every single stage from patent searching to data retrieval to commissioning to submission. External experts were engaged provide intellectual property protection services for reserach and development (R&D) and formulate patent infringement plans, while internal experts were assigned to organise regular R&D and innovation guide.

Number of new patent applications
50

Number of valid patents
946

Total number of valid trademarks
8

Number of valid copyrights
346

R&D investment (RMB million)
980

Collaborative Innovation

To help itself and the industry as a whole to meet government targets for carbon peak and carbon neutrality, the Company works closely with both internal and external institutions and industry organisations on low-carbon and energy-saving initiatives, continuously promoting industry-academia-research cooperation.

Collaboration with China University of Petroleum to Conduct Methane Emission Monitoring and Participates in Development of National Standards for Greenhouse Gas Accounting

In 2022, ENN Energy signed an agreement with China University of Petroleum to work together on methane emission control. As part of this agreement, we agreed to measure methane emissions from LNG refuelling stations, LNG supply stations, and City-gate stations. The data from the measurements will be used to determine the efficacy of City-gate stations in reducing fugitive methane emissions. Together with industrial partners and scientific research institutions, it could gave insights to support national standards for greenhouse gas accounting, leading to standardised energy-efficient, low-carbon, and high-quality development and "dual-carbon" achievement.

Engagement in exchanges on low-carbon and energy-saving technologies

June 2022	July 2022
ENN Liaoning participated in the Energy Conservation Promotion Week event in Shenyang, with sharing energy-saving knowledge to build the connection with the city in terms of low carbon and energy conservation, as to promote environmental protection and contribute to regional green development.	The Company was invited to the 7th China Energy Development and Innovation Forum to deliver a speech on Building a New Type of Power System Dominated by Renewable Energy.

Biodiversity Conservation

Laws and regulations

- 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 Soil Pollution
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste
- Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise

Internal policies and systems

- Management Measures for Civilised Construction
- HSE Policy of ENN Energy Holdings Limited
- Sustainable Development Policy of ENN Energy Holdings Limited
- Biodiversity Protection Policy of ENN Energy Holdings Limited

ENN Energy values its impacts on the surrounding biological environment and aim for "No Net Loss (NNL)" of biodiversity and "Net Positive Impact (NPI)" on the environment. In 2022, it continued to refine Biodiversity Protection Policy and devised measures to promote harmony and coexistence between humans and nature.

New project due diligence coverage
>90%

Prior to project operations, we undertake biodiversity and environmental impact assessments in accordance with the law and regulations, and established biodiversity protection preservation methods based on the results of the assessment and the "Avoidance, Reduction, Restoration, Offsetting, and Compensation" principles. In 2022, we rigorously managed the development of citygas projects and attempt to limit the impact of gas pipelines on habitats and natural reserves, therefore minimising adverse effects on negative ecological consequences.

We retained the services of a third-party professional organisation to assess the potential ecological risks and impacts of business and to compile a biodiversity risk analysis. Furthermore, we adhere completely to national policies and regulations to conduct environmental impact evaluations, biodiversity due diligence investigations, and other tasks to uncover all potential biodiversity concerns connected with every single project.

Potential impact	Description	Upstream development	Operation	Downstream transportation
Potential death of individual animals or plants	Ecological changes caused by construction and project development affecting biological survival	Low	Low	Low
Air pollution, radiation, noise, light pollution	Removal of local vegetation, air pollution, noise pollution, human interference affecting plant and animal populations	Low	Low	Low
Introduction of invasive species, pests, and pathogens	Possibility of species transfer or diffusion during construction and operation	No Impact	No Impact	No Impact
Species loss	Construction and operation of infrastructure, such as city-gate stations affecting individual birds or aquatic animals around the site	Medium	No Impact	No Impact
Habitat fragmentation	Changes in land use and permanent presence of facilities in natural areas causing damage to affected biological habitats	Medium	Low	Low
Habitat change	Changes in local environmental conditions of the organism	Low	Low	No Impact

In 2022, we issued the first Biodiversity Conservation Report in accordance with the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). The report focuses on the Company's biodiversity conservation measures and achievements across different business scenarios, including the distribution of natural gas and the sale of integrated energy.

Community Engagement and Development

Laws and regulations

- Law of the People's Republic of China on Donations for Public Welfare

Internal policies and systems

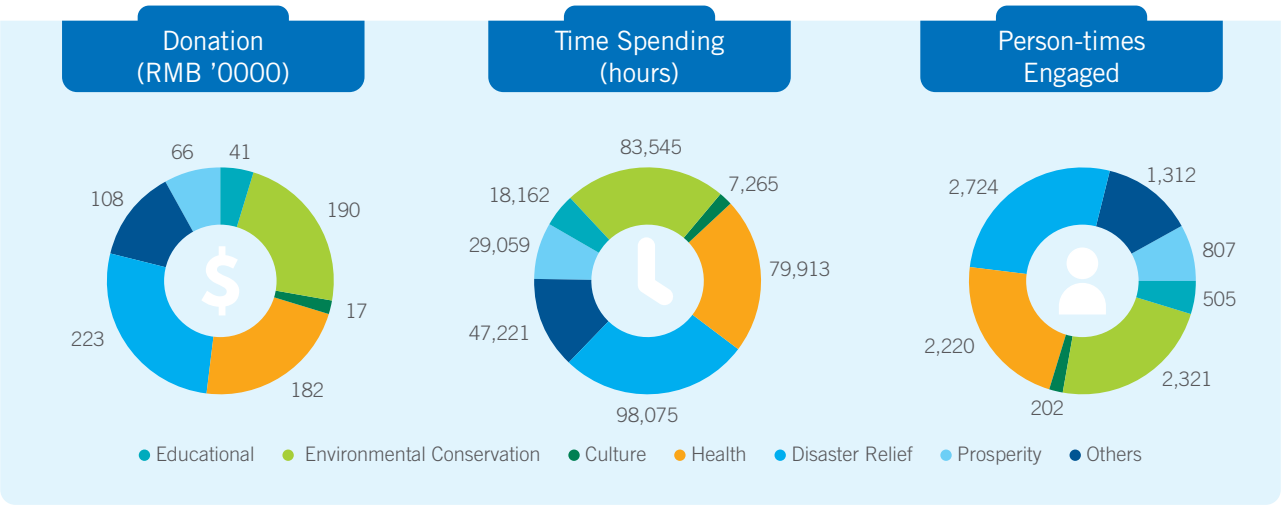
- Charity Activity Management Policy of ENN Energy Holdings Limited

ENN Energy is passionate about the common good and pay great attention to community and livelihood issues. Moreover, we are committed to public service and endeavour to satisfy demands of local community. During the epidemic, we aggressively carried out corporate mission and assumed corporate responsibility.

A total of RMB million
8.27
investment in public welfare

On average, each employee spent
36 hours
on charitable activities

In 2022, we invested a total of RMB 8.27 million in public welfare, with 10,090 employees participating in volunteer activities, contributing a total of 363,240 hours. On average, each employee spent 36 hours on charitable activities.



ENN Lu'an Provides Service in Communities on March 5

On March 5, ENN Lu'an, in collaboration with the local sub-district office, community property management staff, and China Merchants Bank, started a volunteer service initiative in numerous communities. Through visits, volunteers supplied consumers with business consulting services pertaining to convenient NFC gas cards, gas safety guidelines, etc., as well as safety inspection services. In total, they helped more than 160 customers and actively promoted gas safety knowledge, to inherit and develop the spirit of altruism, and to fulfil the Company's social responsibilities.

ENN Changsha Participates in Charity Hiking Event

On March 5, the Youth League Committee of ENN Changsha led a 100-member team in the Charity Hiking Event, which was co-sponsored by the Office for Guiding Cultural and Ethical Progress, Hunan Broadcasting System, and the Changsha Municipal Committee of Communist Youth League. During the event, the Blue Flame maintenance service team of the company provided services at the supply stations for volunteers, exemplifying the spirit of altruism. The Office of Guiding Cultural and Ethical Progress, Hunan, awarded ENN Changsha with the Outstanding Volunteer Team award.

ENN Lianyungang Ensures Stable Operation of Facilities and Gas Supply During the Epidemic

During the epidemic, Lianyungang deployed stringent control measures in an increasing number of regions. The Company swiftly initiated an emergency plan in anticipation of probable roadblocks leading to restricted access for gas supply vehicles. The approach entailed ensuring residential gas supply while moderately lowering non-residential gas supply via proactive data-driven dialogue with downstream consumers. ENN Lianyungang effectively coordinated gas source allocation and maximised gas supply to ensure that the production activities and daily life in the city were unaffected.

Notably, the Company organised three emergency rescue teams comprised of over 50 personnel who stood on standby 24/7 to provide gas supply to key institutions during the epidemic. These institutions included hospitals designated to treat patients with the coronavirus, food delivery centres, and quarantine hotels. Meanwhile, the Company organised for its employees to conduct twice-daily safety inspections at these vital institutions to ensure steady facility operation.

Future Outlook

The necessity to maintain economic growth and make the shift toward green development is shared by key industries in the context of an accelerated energy transition. In order to combat climate change, governments and businesses sectors must work together to provide solutions that align with the "dual carbon" development model. ENN Energy, as a clean energy-based company, will take the lead in this process to assume its social responsibility by assisting the government and industries in exploring the most effective energy and carbon management practises and lending support to the low-carbon transition taking place in the country.

As an industry leader in green transformation, ENN Energy is committed to advancing the Decarbonisation Action 2030 by providing government and business customers with low-carbon values through the integration of digital intelligence technologies with carbon- and energy-efficient products and services. We will work hard to expand our business in an environmentally responsible manner while also developing into a reputable, cutting-edge, and intelligent enterprise.

While expanding, ENN Energy will keep safety as a top priority by following all relevant regulations, adhering to the principles of "Risks must be visible, Major risks identified and Well managed", and "Ensured intrinsic safety and built a safety brand". The Company will enhance safety management with the aid of digital intelligence-powered safety measures, accurately identify and mitigate safety risks in all links of operation and guarantee a safe and stable energy supply.

In the future, ENN Energy plans to maintain its current strategic direction of "safety, energy, and carbon management," with the goals of bolstering its safety infrastructure, maximising the value of energy and carbon, and establishing itself as a digital intelligence company with an open ecosystem mentality and a will to explore diverse opportunities. We will take a collaborative approach to build an intelligent industry and creating sustainable value for society, while also actively promoting the development of integrated energy businesses, building of a safety brand, and the enhancement of the competitiveness of quality life service products and the delivery of services.

Deloitte.

Independent Assurance Report

DTT(23)BAR00011

To the Board of ENN Energy Holdings Limited：

We have been engaged by the Board of Directors of ENN Energy Holdings Limited ("ENN Energy") to perform a limited assurance engagement on its 2022 Environmental, Social and Government Report ("ESG Report") for the selected ESG KPIs in 2022.

Subject Matters for Limited Assurance

We performed a limited level of assurance engagement in below specific information of selected 2022 ESG KPIs included in 2022 ESG Report:

- Scope 1 Greenhouse Gas Emission
- Natural Gas Consumption
- Gasoline Consumption
- Diesel Consumption
- Coal Consumption
- Percentage of Female Senior Manager
- Number of Employee by Gender
- Key Tier 1 Supplier Review Coverage Rate
- Work-related Accident Rate Per Million Working Hours
- Number of total member companies obtained ISO45001 Certification
- Safety Training for Employees in Person-times
- Employee Satisfaction

The limited assurance targeted the key 2022 ESG indicators selected in the ESG Report and did not cover other ESG indicators or information disclosed in ESG Report in 2022 and pervious years.

The Subject Reporting Standards

The key ESG indicators selected in the ESG Report were prepared in accordance with the EKY Indicator Preparation Standards ("Preparation Standards") attached to this report.

Responsibilities of the Board of Directors

It is the Board's responsibility to determine appropriate reporting standard and collection of key ESG indicators selected in the ESG report for 2022 in accordance with the Preparation Standards. Its responsibility shall include identifying, establishing and maintaining internal control system related to key ESG indications, so as to prevent material misstatement due to fraud or error.

ENN Energy's management-level is responsible for overseeing ENN Energy's ESG reporting process.

Independence and Quality Control

We comply with the requirements for independence and other professional ethics set out in the International Code of Ethics for Professional Accountants (including the International Standards of Independence) issued by the International Ethics Standards Board for Accountants. The Code of Ethics is based on the principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

The assurance engagement complied with International Standard on Quality Control 1 issued by the International Auditing and Assurance Standards Board, which requires accounting firms to design, implement and operate a quality management system, including policies and procedures related to compliance with ethics, professional standards, and legal and regulatory requirements.

Responsibilities

Our responsibility is to perform assurance in accordance with the provisions of the International Standards on Assurance Engagements 3000 (Revised) – Assurance Engagements other than Audits or Reviews of Historical Financial Information. We prepared and published assurance conclusions with limited assurance on whether the key ESG indicators selected in the 2022 ESG Report have been disclosed in all material respects in accordance with the Preparation Standards.

ENN Energy's management is responsible for the preparation of the selected 2022 ESG KPIs included in 2022 ESG Report in accordance with the Basic of Preparation. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of ESG KPIs that is free from material misstatement, whether due to fraud or error

Assurance Approach

As the nature and timing of the procedures implemented by limited assurance are different from and less extensive than the reasonable assurance, limited assurance obtains a lower degree of assurance than the reasonable assurance. We do not provide reasonable assurance that the key ESG indicators selected in the 2022 ESG Report were disclosed in all material respects in accordance with the Preparation Standards. The assurance included identifying areas where key ESG indicators for 2022 may be materially misstated in the ESG Report, designing and implementing assurance procedures to address these identified areas, and obtaining evidence accordingly. The assurance procedures we carried out depend on our professional judgment and assessment of the risks of assurance.

Procedures of assurance：

- Interview ENN Energy's manager and staff responsible for information collection, consolidation and disclosure to understand the process of reporting;
- Sampling testing relevant supporting documents;
- Analysing selected key ESG indicators;
- Recalculating selected key ESG indicators.

Limitations of Assurance

We draw the attention of users to the fact that there is no universally accepted system of evaluation and measurement standards for non-financial information, which may affect the comparability of relevant data between companies.

Conclusions

Based on the above work performed, nothing has come to our attention that would lead us to believe that there is any material misstatement related to the key ESG indicators in ENN Energy's ESG Report prepared in accordance with reference to the standards.

Use of Independent Limited Assurance Report

This independent limited assurance report is solely for the purpose of preparing the ENN Energy's 2022 ESG Report, and is not suitable and cannot be used for other purposes. We do not assume responsibility or accept liability to any other person or third party other than ENN Energy's board of directors for this report.

This is the English translation of the Independent Assurance Report in Chinese version. If there is any conflict between the translated and Chinese version, the Chinese version shall prevail.

Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, China

Apr. 19, 2023

Appendix: Key ESG Indicator Reporting Standards

1. Scope 1 Greenhouse Gas Emission: Greenhouse gas emissions from direct combustion of fossil energy (coal, diesel, gasoline, natural gas) by ENN Energy Holdings Limited and its subsidiaries' retail and wholesale gas business during the production and operation from January 1 to December 31, 2022. Coefficients used in greenhouse gas emission accounting are mainly the default values of common fossil fuel parameters stated in Appendix II of the Guidelines for Accounting and Reporting of Greenhouse Gas Emissions of Chinese Oil and Gas Producers (Trial) issued by the National Development and Reform Commission.
2. Coal Consumption: Amount of coal that ENN Energy Holdings Limited and its subsidiaries' retail and wholesale gas business consumed during their production and operation, in tons of standard coal, from January 1 to December 31, 2022. The coefficient conversion is mainly determined with reference to the relevant provisions in the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020).
3. Gasoline Consumption: Amount of gasoline that ENN Energy Holdings Limited and its subsidiaries' retail and wholesale gas business consumed during their production and operation, in tons of standard coal, from January 1 to December 31, 2022. The coefficient conversion is mainly determined with reference to the relevant provisions in the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020).
4. Diesel Consumption: Amount of diesel that ENN Energy Holdings Limited and its subsidiaries' retail and wholesale gas business consumed during their production and operation, in tons of standard coal, from January 1 to December 31, 2022. The coefficient conversion is mainly determined with reference to the relevant provisions in the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020).
5. Natural Gas Consumption: Amount of natural gas that ENN Energy Holdings Limited and its subsidiaries' retail and wholesale gas business consumed during their production and operation, in tons of standard coal, from January 1 to December 31, 2022. The coefficient conversion is mainly determined with reference to the relevant provisions in the General Principles for Comprehensive Energy Consumption Calculation (GB/T 2589-2020).
6. Percentage of Female Senior Manager: Accounted proportion of female senior management among ENN Energy Holdings Limited and its subsidiaries' senior management as of December 31, 2022. Senior management includes the leaders of subsidiaries, as well as heads of functional departments at headquarters and above.
7. Number of Employee by Gender: The number of male and female employees who signed employment contracts with ENN Energy Holdings Limited and its subsidiaries as of December 31, 2022.
8. Key Tier-1 Supplier Review Coverage Rate: The proportion of evaluated and reviewed key tier-1 suppliers in 2022, among such key suppliers who directly provide products or services to ENN Energy Holdings Limited and its subsidiaries.
9. Work-related Accident Rate Per Million Working Hours: Rate of injuries over million hours of employees of ENN Energy Holdings Limited and its subsidiaries. The juries were occurred in different work scenarios from January 1, 2022 to December 31, 2022.
10. Number of total member companies obtained ISO45001 Certification: As of December 31, 2022, the number of ISO 45001 certified member companies within ENN Energy Holdings Limited.
11. Safety Training for Employees in Person-time: The total number of employees who participated in the training on safety production organized by ENN Energy Holdings Limited and its subsidiaries.
12. Employee Satisfaction: The average employee satisfaction rate calculated through the employee satisfaction questionnaire engagement held by ENN Energy Holdings Limited and its subsidiaries.

ESG Performance Indicators

Environmental Aspect

Indicator	Unit	2022	2021	2020
Waste Water	Tons	**1,588,776.50**	1,691,056.46	1,439,710.72
Sulphur Dioxide Emissions	Tons	**11.02**	13.57	34.10
Nitrogen Oxide Emissions	Tons	**50.07**	54.20	67.20
Soot Emissions	Tons	**4.30**	1.42	2.30
Hazardous Waste[9]	Tons	**21.09**	26.57	41.21
Intensity of Hazardous Waste Generation	Tons /billion RMB of revenue	**0.19**	0.29	0.58
Non-hazardous Waste[10]	Tons	**2,517.42**	2,825.10	2,602.97
Intensity of Non-Hazardous Waste Generation	Tons / billion RMB of revenue	**22.88**	30.34	36.35
Coal Consumption	Tons	**43,042.00**	56,519.52	43,631.11
Diesel Consumption	Litres	**1,867,358.15**	3,484,897.37	1,132,927.92
Gasoline Consumption	Litres	**3,105,344.12**	4,398,359.54	4,022,073.92
Natural Gas Consumption	Cubic meters	**12,053,725.19**	13,080,493.39	12,006,421.67
Electricity Purchased	MWh	**138,343.28**	134,686.65	128,244.82
Comprehensive Energy Consumption	Tons of standard coal	**76,006.56**	92,466.90	75,494.33
Intensity of Comprehensive Energy Consumption	Tons of standard coal/billion RMB of revenue	**690.65**	993.06	1,054.14
Water Consumption	Tons	**1,869,148.83**	1,989,478.19	1,693,777.31
Intensity of Water Consumption	Tons /billion RMB of revenue	**16,984.39**	21,366.28	23,650.49

9 Hazardous waste includes waste machinery oil, odorant waste barrels, waste chemical packaging, and scrapped circuit boards for manufacture and maintenance of gas meter, etc. generated by ENN Energy's headquarters and subsidiaries for gas retail and gas wholesale business in 2022.

10 Non-hazardous waste includes household garbage and other non-hazardous waste generated during the manufacture and maintenance of gas meter by ENN Energy's headquarters and subsidiaries for gas retail and gas wholesale business in 2022.

Indicator	Unit	2022	2021	2020
Scope I[11] Direct GHG Emissions	Tons of CO2e	**136,247.47**	176,481.93	123,351.16
Intensity of Direct GHG Emissions (by revenue)	Tons of CO2e/ billion RMB of revenue	**1,238.04**	1,895.35	1,722.37
Intensity of Direct GHG Emissions (by gas sales)	Tons of CO2e/ billion cubic meters of natural gas sales	**4,166.97**	5,332.26	4,171.70
Scope II[12] Indirect GHG Emissions	Tons of CO2e	**93,792.90**	90,271.17	86,340.85
Intensity of Indirect GHG Emissions (by revenue)	Tons of CO2e/ billion RMB of revenue	**852.27**	969.48	1,205.59
Intensity of Indirect GHG Emissions (by gas sales)	Tons of CO2e/ billion cubic meters of natural gas sales	**2,868.55**	2,727.47	2,920.02
Total GHG Emissions	Tons of CO2e	**230,040.37**	266,753.10	209,692.01
Total GHG Emissions (by revenue)	Tons of CO2e/ billion RMB of revenue	**2,090.31**	2,864.83	2,927.96
Total GHG Emissions (by gas sales)	Tons of CO2e/ billion cubic meters of natural gas sales	**7,035.52**	8,059.74	7,091.72

11 Scope I direct GHG emissions includes direct emissions from energy consumption (coal, diesel, gasoline, natural gas), which was consumed by gas retail and gas wholesale business of ENN Energy's headquarters and subsidiaries in 2022

12 Scope II indirect GHG emissions includes indirect emissions from electricity purchased, which was consumed by gas retail and gas wholesale business of ENN Energy's headquarters and subsidiaries in 2022.

Social Aspect

Indicators	Unit	2022	2021	2020
Number of employees	Persons	**34,907**	35,676	35,780
Male employees	Persons	**25,730**	26,982	26,923
Female employees	Persons	**9,177**	8,694	8,857
Full-time employees	Persons	**34,812**	35,562	35,653
Part-time employees	Persons	**95**	114	127
< 30 years old	Persons	**7,904**	7,936	10,931
30-50 years old	Persons	**23,346**	23,648	22,014
> 50 years old	Persons	**3,657**	4,092	2,835
Senior manager	Persons	**1,104**	1,147	1,152
General employees	Persons	**30,502**	30,980	31,359
Middle manager	Persons	**3,301**	3,549	3,269
Overseas employees	Persons	**0**	0	5
Hong Kong employees	Persons	**11**	11	12
Mainland China employees	Persons	**34,896**	35,665	35,763
Employees with bachelor degree	Persons	**10,846**	9,598	10,029
Employees with college degree	Persons	**11,924**	11,285	12,476
Employees with high school degree or lower	Persons	**11,362**	14,104	12,488
Employees with Master degree or above	Persons	**775**	689	787
Percentage of male senior manager	%	**84.15**	82.82	82.55
Number of male senior manager	Persons	**929**	950	951
Percentage of female senior manager	%	**15.85**	17.18	17.45
Number of female senior manager	Persons	**175**	197	201
Percentage of male middle manager	%	**72.28**	73.37	76.32
Number of male middle manager	Persons	**2,386**	2,604	2,495
Percentage of female middle manager	%	**27.72**	26.63	23.68
Number of female middle manager	Persons	**915**	945	774
Minority employees	Persons	**1,215**	1,044	1,190
Newcomers	Persons	**4,053**	4,264	4,159
Newcomers from experienced hire	Persons	**3,650**	3,857	3,864

Indicators	Unit	2022	2021	2020
Newcomers from school	Persons	**403**	407	295
Overseas newcomers	Persons	**2**	0	0
Turnover rate	%	**12.00**	9.68	9.46
Number of departed employees	Persons	**4,188**	3,454	3,385
Male employee turnover rate	%	**12.40**	9.40	9.60
Male employee departed	Persons	**3,190**	2,537	2,489
Female employee turnover rate	%	**10.88**	10.55	9.06
Female employee departed	Persons	**998**	917	896
Turnover rate of employees under 30 years old	%	**18.18**	16.51	12.00
Departed employees under age 30 years old	Persons	**1,437**	1,310	1,312
Turnover rate of employees age 30-50 years old	%	**9.38**	7.19	8.34
Departed employees age 30-50 years old	Persons	**2,191**	1,700	1,837
Turnover rate of employees over 50 years old	%	**15.31**	10.85	8.32
Departed employees over 50 years old	Persons	**560**	444	236
Total number of training sessions	Sessions	**68,624**	84,009	62,607
Total employees trained	Persons	**34,907**	35,676	35,780
Male employees trained	Persons	**25,730**	26,982	25,923
Female employees trained	Persons	**9,177**	8,694	9,857
Senior manager employees trained	Persons	**1,104**	1,147	1,152
Middle manager employees trained	Persons	**3,301**	3,549	3,269
General staff trained	Persons	**30,502**	30,980	31,359
Percentage of certified personnel by positions	%	**2.93**	3.35	3.09
Certified personnel by positions	Persons	**1,022**	1,195	1,107
Total training time	Hours	**810,321.82**	991,990.78	519,240.19
Average training hours of male employees	Hours/ person	**24.41**	28.14	15.26
Average training hours of female employees	Hours/ person	**19.87**	26.77	12.56
Average training hours of senior manager	Hours/ person	**27.36**	29.35	24.86
Average training hours of middle manager	Hours/ person	**21.16**	23.04	17.69
Average training hours of general employee	Hours/ person	**23.29**	28.29	13.80

Indicators	Unit	2022	2021	2020
Fatalities due to safety incidents	Persons	**0**	0	1
Total recordable incidents[13]	Incident(s)	**29**	78	91
Total recordable incident rate (excluding fatalities)	%	**0.08**	0.22	0.25
Lost time	Hours	**21,063.58**	25,570.00	29,233.00
Lost time incident rate (LTIR)	/	**0.41**	1.09	1.27
Total recordable incident rate (per thousand employees)	/	**0.83**	2.19	2.54
Total safety training	Person-times	**431,964**	393,762	412,183
Safety training for general manager level	Person-times	**680**	2,559	120
Safety training for safety management personnel	Person-times	**17,400**	10,998	3,200
Safety training for employees	Person-times	**413,884**	380,205	408,863
Full-time security management staff	Persons	**771**	723	669
Full-time security management staff	Times	**4,365**	10,096	11,002
Patents under application	Pieces	**50**	48	186
Effective patents	Pieces	**946**	896	848
Effective copyrights	Pieces	**346**	331	284
Effective trademarks	Pieces	**8**	8	8
R&D investment	RMB ten thousand	**98,040.60**	65,365.08	46,867.23
Effective and significant complaints investigated	Cases	**0**	0	0
Concluded legal cases regarding corruption practices	Cases	**0**	0	0
Senior management received anti-corruption training	Persons	**718**	565	843
Employees in key positions received anti-corruption training	Persons	**1,407**	1,130	623
Employees in key positions received anti-corruption training	Persons	**3,370**	2,610	1,766
Type A suppliers (key)	Suppliers	**129**	82	/
Type B suppliers (important)	Suppliers	**872**	1,224	/
Type C suppliers (general)	Suppliers	**2,950**	2,992	/
The review coverage rate of tier 1 key suppliers for the past three years	%	**100**	100	/

13 Include incidents caused employees injuries in different work situations

HKSE ESG Indicators Index

ESG Indicators			Location in the Report
Environmental	A1 Emission	General Disclosure: (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.	P75
		A1.1 The types of emissions and respective emissions data.	P110
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P110
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P109
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	P109
		A1.5 Description of emission target(s) set and steps taken to achieve them.	P13, P67-73
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P76
	A2 Use of Resources	General Disclosure: Policies on the efficient use of resources, including energy, water and other raw materials.	P78
		A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	P109
		A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	P109
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	P67
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	P78
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Non-industry material issues
	A3 The Environment and Natural Resources	General Disclosure: Policies on minimising the issuer's significant impacts on the environment and natural resources.	P75
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P75-77

ESG Indicators			Location in the Report
Environmental	A4 Climate Change	General Disclosure: Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P63
		A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	P65-73
Social	B1 Employment	General Disclosure: (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.	P83
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	P86
		B1.2 Employee turnover rate by gender, age group and geographical region.	P112
	B2 Health and Safety	General Disclosure: (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.	P33
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P50, P113
		B2.2 Lost days due to work injury.	P51
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P32-P61
	B3 Development and Training	General Disclosure: Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P89-P90
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	P89
		B3.2 The average training hours completed per employee by gender and employee category.	P89
	B4 Labour Standards	General Disclosure: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	P83
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	P86
		B4.2 Description of steps taken to eliminate such practices when discovered.	P86
	B5 Supply Chain Management	General Disclosure: Policies on managing environmental and social risks of the supply chain.	P24

ESG Indicators			Location in the Report
Social	B5 Supply Chain Management	B5.1 Number of suppliers by geographical region.	P26
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	P26-P27
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P26-P27
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P28
	B6 Product Responsibility	General Disclosure: (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.	P55-P57
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Non-industry material issues
		B6.2 Number of products and service related complaints received and how they are dealt with.	P95-P97
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	P98
		B6.4 Description of quality assurance process and recall procedures.	P38-P49
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	P29-P31
	B7 Anti-corruption	General Disclosure: (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.	P22, P124
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P23, P111
		B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	P22-P23
		B7.3 Description of anti-corruption training provided to directors and staff.	P23
	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.	P102
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	P103
		B8.2 Resources contributed (e.g. money or time) to the focus area.	P102

GRI Indicator Index

Statement of use	ENN Energy has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location	Page number
GRI 2: General Disclosures 2021		About the Report	P1
Organisation and its Reporting Practices			
2-1	Organizational details	About ENN Energy	P6
2-2	Entities included in the organization's sustainability reporting	About the Report	P1
2-3	Reporting period, frequency and contact point	About the Report	P1
2-4	Restatements of information	About the Report	P1
2-5	External assurance	About the Report	P1
Activities and Workers			
2-6	Activities, value chain and other business relationships	ESG Strategy	P7-P9
2-7	Employees	Boosting Digitised & Intelligent Cities through Talent Motivation	P82-93
2-8	Workers who are not employees	ESG Performance Indicators	P111
Governance			
2-9	Governance structure and composition	Company Governance	P17
2-10	Nomination and selection of the highest governance body	Company Governance	P17-18
2-11	Chair of the highest governance body	Company Governance	P17
2-12	Role of the highest governance body in overseeing the management of impacts	Company Governance	P17-18
2-13	Delegation of responsibility for managing impacts	Company Governance	P17-18
2-14	Role of the highest governance body in sustainability reporting	Company Governance	P19

GRI Standard	Disclosure	Location	Page number
2-16	Communication of critical concerns	ESG Strategy	P8-P11
2-17	Collective knowledge of the highest governance body	Company Governance	P19-P20
2-18	Evaluation of the performance of the highest governance body	Company Governance	P19-P20
2-19	Remuneration policies	Equality and Diversity	P86
2-20	Process to determine remuneration	Equality and Diversity	P86
2-21	Annual total compensation ratio	Equality and Diversity	P87
Strategy, Policy and Practice			
2-22	Statement on sustainable development strategy	ESG Strategy	P7, P13
2-23	Policy commitments	List of the Company's ESG Policies	P123-125
2-24	Embedding policy commitments	List of the Company's ESG Policies	P123-125
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagement	P8-P9
2-27	Compliance with laws and regulations	Company Governance	P17
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Stakeholder Engagement	P8-P9
2-30	Collective bargaining agreements	Equality and Diversity	P87
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	ESG Strategy	P10-P11
3-2	List of material topics	ESG Strategy	P11
3-3	Management of material topics	ESG Strategy	P10-P11

GRI Standard	Disclosure	Location	Page number
Economics			
GRI 201: Economic Performance 2016			
201-2	Financial implications and other risks and opportunities due to climate change	Climate Change Response	P65-66
201-3	Defined benefit plan obligations and other retirement plans	Equality and Diversity	P91
GRI 205: Anti-corruption 2016			
205-1	Operations assessed for risks related to corruption	Business Ethics	P22
205-2	Communication and training about anti-corruption policies and procedures	Business Ethics	P22-P23
205-3	Confirmed incidents of corruption and actions taken	Business Ethics	P22
GRI 206: Anti-competitive Behavior,2016			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Business Ethics	P22
Environment			
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	Climate Change Response	P109
302-3	Energy intensity	Climate Change Response	P74
302-4	Reduction of energy consumption	Climate Change Response	P67-73
302-5	Reductions in energy requirements of products and services	Climate Change Response	P69-73, P78-79
GRI 303: Water and Effluents 2018			
303-4	Water discharge	Fulfilling Green Operation Responsibility	P76
303-5	Water consumption	ESG Performance Indicator	P107

GRI Standard	Disclosure	Location	Page number
GRI 304: Biodiversity 2016			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity Conservation	P100-101
304-2	Significant impacts of activities, products and services on biodiversity	Biodiversity Conservation	P100-101
304-3	Habitats protected or restored	Biodiversity Conservation	P100
GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	Climate Change Response	P109
305-2	Energy indirect (Scope 2) GHG emissions	Climate Change Response	P109
305-3	Other indirect (Scope 3) GHG emissions	Climate Change Response	P74
305-4	GHG emissions intensity	Climate Change Response	P109
305-5	Reduction of GHG emissions	Climate Change Response	P109
305-7	Emissions of ozone-depleting substances (ODS)	Climate Change Response	P109
GRI 306: Waste 2020			
306-1	Waste generation and significant waste-related impacts	Fulfilling Green Operation Responsibility	P76-77
306-2	Management of significant waste-related impacts	Fulfilling Green Operation Responsibility	P109
306-3	Waste generated	Fulfilling Green Operation Responsibility	P109
GRI 308: Supplier Environmental Assessment 2016			
308-1	New suppliers that were screened using environmental criteria	Sustainable Supply Chain	P26
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain	P26-28
Society			
GRI 401: Employment 2016			
401-1	New employee hires and employee turnover	Equality and Diversity	P83, P112
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Equality and Diversity, Supporting and Caring for Employees	P91-93

GRI Standard	Disclosure	Location	Page number
GRI 403: Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	Occupational Health and Safety Management	P50-P52
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety Management	P35-36, P43-P46
403-3	Occupational health services	Occupational Health and Safety Management	P51-P52, P91
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety Management	P50-52
403-5	Worker training on occupational health and safety	Occupational Health and Safety Management	P53-54, P58-P59
403-6	Promotion of worker health	Occupational Health and Safety Management	P51-P52, P91
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Operation Safety Guarantee	P32-P46, P50-P61
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety Management	P50-P51
403-9	Work-related injuries	Occupational Health and Safety Management	P51
403-10	Work-related ill health	Occupational Health and Safety Management	P51-P52
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Employee Development and Promotion	P89
404-2	Programs for upgrading employee skills and transition assistance programs	Employee Development and Promotion	P89-90
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Development and Promotion	P89
GRI 405: Diversity and Equal Opportunity 2016			
405-1	Diversity of governance bodies and employees	Equality and Diversity	P87
405-2	Ratio of basic salary and remuneration of women to men	Equality and Diversity	P87
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	Equality and Diversity	P86

GRI Standard	Disclosure	Location	Page number
GRI 413: Local Communities 2016			
413-1	Operations with local community engagement, impact assessments, and development programs	Community Engagement and Development	P102-103
GRI 414: Supplier Social Assessment 2016			
414-1	New suppliers that were screened using social criteria	Sustainable Supply Chain	P26
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain	P26-28
GRI 415: Public Policy 2016			
415-1	Political contributions	Business Ethics	P22
GRI 416: Customer Health and Safety 2016			
416-1	Assessment of the health and safety impacts of product and service categories	Value Chain Safety Management	P55-P58
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Value Chain Safety Management	P60
GRI 417: Marketing and Labelling 2016			
417-1	Requirements for product and service information and labeling	Customer Orientation	P95-97
417-2	Incidents of non-compliance concerning product and service information and labeling	Customer Orientation	P97
GRI 418: Customer Privacy 2016			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security Management	P29

List of the Company's ESG Policies

Policies	Corresponding HKSE Aspects
Civilised Construction Management Measures	A1 Emissions
ENN Energy Holdings Limited Health, Safety and Environment (HSE) Policy	A1 Emissions, A2 Use of Resources, B2 Health and Safety
Specification of ENN Energy Holdings Limited for the Economic Operations of CNG Stations	A2 Use of Resources
ENN Energy Manual for Reception Resources	A2 Use of Resources
ENN Energy Management Rules for Administrative Office Assets	A2 Use of Resources
ENN Energy Rules for Vehicle Management	A2 Use of Resources
ENN Energy Holdings Limited Sustainable Development Policy	A2 Use of Resources
Notice on ENN Sustainable Development Strategy	A2 Use of Resources
ENN Energy Holdings Limited Biodiversity Protection Policy	A3 The Environment and Natural Resources
Climate Change Policy of ENN Energy Holdings Limited	A4 Climate Change
Regulations for Recruitment Management	B1 Employment, B4 Labour Standards
Rules for Employee Appointment	B1 Employment, B4 Labour Standards
ENN Energy Holdings Limited Talent Development and Employment Policy	B1 Employment, B4 Labour Standards
Code of Conduct of ENN Group	B4 Labour Standards
Measures for Attendance and Vacation Management	B1 Employment
HSE Policy of ENN Energy Holdings Co., Ltd.	B2 Health and Safety
Regulations on Safety Management of ENN Energy	B2 Health and Safety
Regulations on Multi-Level Safety Risk Control and Potential Safety Hazard Investigation and Management	B2 Health and Safety
Regulations on the Administration of Work Safety	B2 Health and Safety
Management Regulations on Dangerous Operations	B2 Health and Safety
Regulations for the Red and Yellow Lines of Safety Management	B2 Health and Safety

Policies	Corresponding HKSE Aspects
Regulations on Accident Reporting, Investigation and Handling	B2 Health and Safety
Management Measures for Emergency Plans of Work Safety Accidents	B2 Health and Safety
Management Regulations on Safety Education and Training	B2 Health and Safety
Safety Management Document No. 1	B2 Health and Safety
Measures for the On-site Supervision and Management of the "Three Violations" of Production Safety	B2 Health and Safety
ENN Energy Pipeline Network Integrity Standard System	B2 Health and Safety
Work Requirements on the COVID-19 Prevention and Control	B2 Health and Safety, B8 Social Investment
Important Notice on Employees' Return to Work after the Spring Festival Holiday	B2 Health and Safety
Notice on Daily Office Work During the Period for COVID-19 Prevention	B2 Health and Safety
Management Regulations for Suppliers' Construction Safety	B2 Health and Safety, B5 Supply Chain Management
ENN Energy Holdings Limited Supplier Health, Safety and Environment (HSE) Policy	B2 Health and Safety, B5 Supply Chain Management
Standards for Suppliers' Rating	B5 Supply Chain Management
Supplier Code of Conduct	B5 Supply Chain Management
Measures for Suppliers' Access and Management	B5 Supply Chain Management
Supplier Management Measures of ENN Energy Holdings Limited	B5 Supply Chain Management
Measures for Suppliers' Performance Evaluation	B5 Supply Chain Management
Notice on Regulating the Bidding Work of Gas Construction Units	B5 Supply Chain Management
Implementation Measures for the Access, Evaluation and Exit of Eco-Partners (Product and Service Suppliers) for Integrated Energy	B5 Supply Chain Management
ENN Energy Holdings Limited Supplier Corporate Social Responsibility Code of Conduct	B5 Supply Chain Management
ENN General Supplier and Procurement Management Rules (ENN Group)	B5 Supply Chain Management
ENN Energy Regulations on Material Procurement Management	B5 Supply Chain Management
ENN Energy Regulations on Quality Management of Supplies and Procurement	B5 Supply Chain Management

Policies	Corresponding HKSE Aspects
ENN Energy Regulations on Warehouse Management	B5 Supply Chain Management
Health, Safety and Environment (HSE) Agreement	B5 Supply Chain Management
Rules for Contract Fulfilment on Supplier Platform	B5 Supply Chain Management
Rules for Merchant Certification and Factory Inspection on Quality and Smart Procurement Platform	B5 Supply Chain Management
Rules for the Management of Violations of Merchants on Quality and Smart Procurement Platform (Supplier Version)	B5 Supply Chain Management
Complaints Management for Suppliers of Smart Procurement Platform	B5 Supply Chain Management
ENN Energy Management Measures for Client Complaints	B6 Product Responsibility
ENN Energy Service System Manual	B6 Product Responsibility
ENN Energy Measures for Awarding Intellectual Property and Research Papers	B6 Product Responsibility
Regulation on Data Classification	B6 Product Responsibility
ENN Group Intellectual Property Management Provisions	B6 Product Responsibility
Guidelines for ENN Eco-Brand Trademark Specifications	B6 Product Responsibility
ENN Energy Information Security Risk Management Measures	B6 Product Responsibility
ENN Energy Management Regulations for Information Security	B6 Product Responsibility
ENN Energy Holdings Limited Data Privacy Policy	B6 Product Responsibility
Guidelines of Anti-Corruption and Anti-Commercial Bribery	B7 Anti-corruption
Integrity and Compliance Code of Conduct	B7 Anti-corruption
Whistleblowing and Whistleblower Protection Policy	B7 Anti-corruption
Code of Conduct for Employees	B7 Anti-corruption
ENN Energy Measures for Penalty Regarding Violation of Regulations and Disciplines	B7 Anti-corruption
ENN Energy Management Regulations for Cadres' Accountability	B7 Anti-corruption
ENN Energy Holdings Limited Anti-Fraud, Corruption and Bribery Policy	B7 Anti-corruption
ENN Energy Holdings Limited Charity Activity Management Policy	B8 Community Investment

Reader's Feedback Form

Dear readers:

Thank you for reading our 2020 Environmental, Social and Governance Report. In order to enhance communication with you and other stakeholders and to continuously improve the environment, social and governance performance of our company and the preparation of future reports, we sincerely hope to listen to your valuable comments and suggestions, and we sincerely look forward to your feedback in the following ways:

Please provide us with specific feedback:

1. What is your overall comment on this report?

○ Good ○ Relatively good ○ Average ○ Below average

2. What do you think about the clarity, accuracy and completeness of the information disclosed in this report?

○ Good ○ Relatively good ○ Average ○ Below average

3. What do you think of the comprehensiveness of the economic responsibilities undertook by the Group that were disclosed in this report?

○ Good ○ Relatively good ○ Average ○ Below average

4. What do you think of the comprehensiveness of the environmental responsibilities undertook by the Group that were disclosed in this report?

○ Good ○ Relatively good ○ Average ○ Below average

5. What do you think of the comprehensiveness of the social responsibilities undertook by the Group that were disclosed in this report?

○ Good ○ Relatively good ○ Average ○ Below average

6. What do you think of the design and layout of this report?

○ Good ○ Relatively good ○ Average ○ Below average

7. Which part of this report do you think need improvement?

○ Governance ○ Safety ○ Service ○ Supply Chain ○ Employee ○ Environment ○ Society

8. Information that you wish to know about but is not disclosed in this report:

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9. Your opinions and suggestions in respect of our environmental, social and governance performance and reporting:

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