



JIAXING GAS
GROUP CO., LTD.*

嘉興市燃氣集團股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 9908

2022

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT**

** For identification purposes only*



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ABOUT THE REPORT

OVERVIEW

This report is the third Environmental, Social and Governance (hereinafter referred to as “**ESG**”) annual report issued by JiaXing Gas Group Co., Ltd. (hereinafter referred to as the “**Company**”) and its subsidiaries (hereinafter referred to as the “**Group**”, “**Jiaxing Gas**” or “**we**”).

This report covers the ESG performance of the Group for the financial year from 1 January 2022 to 31 December 2022 (hereinafter referred to as the “**Reporting Period**”).

BASIS OF PREPARATION

This report has been prepared in accordance with the requirements of the **Environmental, Social and Governance Reporting Guide** (the “**Guide**”) as set out in Appendix 27 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and based on the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”. And this report refers to the proposal of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

Materiality: we identified key ESG issues through materiality assessment, the process and results of which have been disclosed in this report.

Quantitative: In accordance with the “key performance indicators” of the Guide, the Group made quantitative disclosures of key performance indicators with historical data in the “environmental” and “social” categories.

Balance: This report strives to achieve objective, fair and truthful disclosure and reflection of the Group’s achievements and practices in the environment and social fields in 2022, and the problems encountered and improvement measures.

Consistency: We follow a consistent approach for disclosure statistics and maintain the same disclosure statistics for this report in respect of information previously disclosed in the report for last year. For information disclosed for the first time, we will adopt a consistent approach for ESG information disclosure in subsequent years to facilitate meaningful comparisons from year to year.

REPORTING SCOPE AND BOUNDARY

The policies, statements and data disclosed in this report cover the Company and its subsidiaries, and the scope of the report is the same as that of the annual report.

DATA SOURCE

Information and cases adopted in this report are mainly sourced from the statistics report and related documents of the Group. The Group undertakes that this report does not contain any false record or misleading statements, and is responsible for the truthfulness, accuracy and completeness of its contents.

RELEASING FORMAT

The Report has been published in both Chinese and English. Where the English content conflicts with the Chinese content, the Chinese one shall prevail. Readers and stakeholders may access this Report on the website of Jiaxing Gas (www.jxrqgs.com/Default.aspx.com) and the Hong Kong Stock Exchange (www.hkexnews.hk).

DIRECTORS' STATEMENT

Jiaxing Gas is committed to establishing a sound and effective governance mechanism and management mechanism for sustainable development, promoting harmony between the environment and society, creating long-term and stable environmental, social and corporate values, and contributing to the long-term sustainable development of the Group.

The board of directors of the Company (the **"Board"**) attaches great importance to the sustainable development performance of Jiaxing Gas and has established an ESG governance structure consisting of the Board, the ESG management and the ESG executive team. The Board is the highest decision-making body for ESG matters of the Group. It is responsible for supervising sustainable development management matters of the Group, assessing the Group's ESG-related risks, establishing an effective sustainability management system, reviewing and approving ESG reports. We have established an ESG cross-department working group comprising heads of departments and deputy general managers of subsidiaries covered by the report, which is under the leadership of the chairman of the Board and led by Board secretary. The ESG cross-department working group is responsible for regularly summarizing and collating the update of policies and systems in relation to sustainable development management every year, collecting and integrating ESG practices and performance, reviewing the Group's performance for the year and making recommendations to the Board. Meanwhile, members of each functional department and subsidiary are responsible for the implementation of relevant decisions and work plans of the ESG cross-department working group.

As a leading pipeline natural gas (**"PNG"**) operator and based on stable and practical operating strategy, the Group ensures the safe and stable use of gas and puts sustainability goals into practice in line with the industry trend and market dynamics. We adhere to the principle of low-carbon and green development as we accelerate our business upgrade and transformation, explore energy conservation and emission reduction scenarios related to new energy and perform our corporate social responsibilities to make more contribution to other stakeholders and the society. During the Reporting Period, the Group conducted survey on internal and external stakeholders, and based on the survey findings, we assessed the materiality of topics to identify material ESG topics as the focus of our work.

In 2022, the Group has prioritized the following ESG issues: corporate governance, economic performance, integrity and anti-corruption, sustainable development governance, gas safety & security, occupational health and safety, risk and crisis management, customer rights protection, information security and privacy protection, responsible supply chain and employee rights and benefits, focus on the above issues in daily work and pay attention to the improvement of relevant performance. Going forward, we will listen to the expectations and demands of various stakeholders, and in response we improve our operating and management capability and adjust sustainable development strategy in time to create a better future for the Group's sustainable development.

This report discloses in detail the progress and achievements of Jiaxing Gas in ESG work in 2022 and was submitted by the ESG working group, considered and approved by the Board on 28 March 2023. All directors of the Board guarantee that the contents of this report do not contain any false records, misleading statements or material omissions and assume individual and joint responsibility for the truthfulness, accuracy and completeness of its contents.

MANAGEMENT'S MESSAGE

In 2022, the world has gone through a series of challenges brought by changing developments of the geopolitics and the pandemic. Against this backdrop, Jiaxing Gas has been coordinating the needs for both preventing and controlling the pandemic and developing the business and taking effective measures such as the online business hall to minimize the impact brought by the pandemic. 2022 is a critical year in achieving the goals of carbon peaking and carbon neutrality and advancing the green and low-carbon transformation of the economy and the society. Jiaxing Gas has the social responsibility to reconcile energy usage with environmental protection through an innovative, clean and effective solution.

The Group is committed to performing its social responsibility while achieving the continuous growth of the core business of urban gas, as it integrates ESG commitments into the Group's business development and practices the corporate philosophy of "safe gas supply, civilized service, standardized management and user satisfaction" in every aspect of our daily operation.

Safe gas supply. Jiaxing Gas is committed to safeguarding national energy security; therefore, we establish a sound mechanism for production scheduling, use a digital platform to empower safety supervision, pay attention to employee safety and health, and conduct regular safety education and training to enhance employees' awareness of safety responsibility. The construction of urban gas pipelines is a project pivotal to people's livelihood and development. Jiaxing Gas arranges the sequence and areas of construction in an orderly manner and inspects gas equipment of residential and public building users to ensure safety on a regular basis. We continue to improve our gas supply capabilities during emergency, improve the safety and reliability of gas supply pipelines, regularly carry out and organize drills of comprehensive emergency plan and emergency rescue, provide safe and reliable services to customers and ensure stable gas supply.

Civilized service. In Jiaxing Gas, professional integration is critical to high-quality gas services and the implementation of the corporate philosophy of "create value, win respect and build brands with our services". We pay attention to detail in establishing an effective communication system and diversified service channels for customers. We stress the importance of innovative services, informatization and digital reform, as we optimize certain functions of the business system. We have basically completed the development of the online business hall and are continuously improving the quality of customer services through the "One Window" comprehensive platform of government services to save time and effort spent on travelling to and from offline outlets. Jiaxing Gas attaches great importance to information security and customer privacy and continues to strengthen information security by enhancing self-protection capability.

Standardized management. Jiaxing Gas listens carefully to stakeholders' expectation and demands and is keen on building a robust platform for internal and external communication. In accordance with the Company Law of the People's Republic of China, the Listing Rules of Hong Kong Stock Exchange (HKEX) and other relevant legal provisions in relation to the Group's governance, we have a well-established internal governance structure to ensure sound operation of the enterprise and protect the interests of our shareholders and investors. We integrate green development into corporate social responsibilities and take the initiative to shoulder the responsibilities by actively responding the national call for energy conservation and emission reduction, strictly implementing water management requirements, and ensuring the compliance of emissions management. We have an established ESG governance structure in place, under which the ESG working group is responsible for managing and implementing ESG-related tasks, incorporating measures to address climate change into corporate governance and focusing on identifying and assessing physical and transition risks to prepare for the management of climate change risk.

User satisfaction. Based on the service philosophy of “all for customer, satisfy all customers’ need, and act for all customers”, Jiaying Gas aims to provide truly effective solutions to customers’ satisfaction by improving service quality and optimizing customer experience. Our services emphasize that “smile is the most powerful language, the bridge of communication between people, and the most beautiful and brilliant flower on the faces” and attention to detail. We have a sound, effective, friendly and high-quality system of communication with customers and a “hotline service with warmth and responsibility”, and personnel training, quality of services, and listening to customers’ feedback have always been treated with importance.

Going forward, the Group will continue to adhere to the aggressive entrepreneurial spirit and high-quality sustainable development integrating the environmental, social and governance considerations based on our advanced safety technology, well-established service system and standardized management model to create practical value for our users and the society as well as the development of China’s natural gas industry.

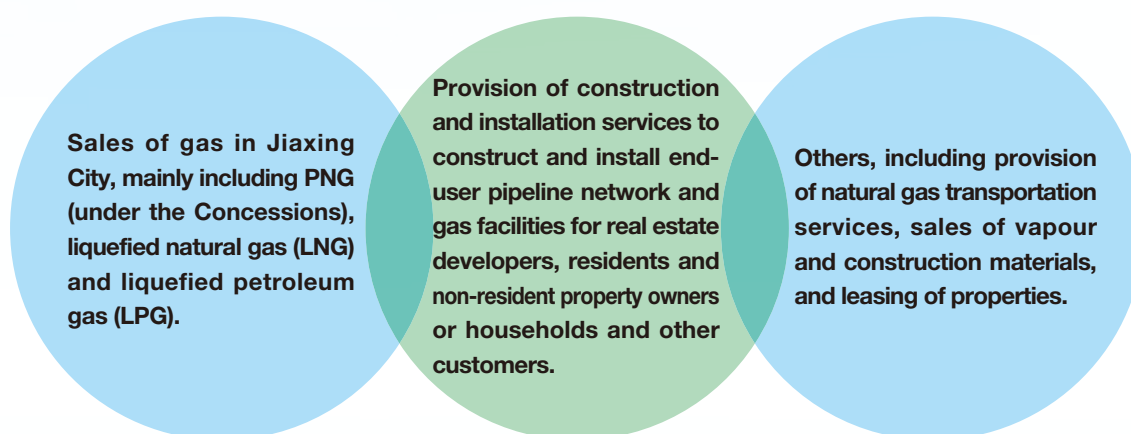


ABOUT US

The Company is a pipeline natural gas (“**PNG**”) operator in Jiaxing, a major prefecture-level city in Zhejiang Province, China. Its predecessor was Jiaxing City Gas Company, which was established in September 1985. In March 1998, The Company was incorporated as a limited liability company in China. In January 2017, it was restructured and renamed JiaXing Gas Group Co., Ltd., and was listed on the Hong Kong Stock Exchange on 16 July 2020 (stock code: 9908).

BUSINESS OVERVIEW

As a grantee of the concessions, the Group has been a pipeline natural gas distributor in the operating area in Jiaxing. Our operating area is located in Jiaxing Urban Area and Jiaxing Port Area. Our principal business operations include:



Jiaxing Gas always adheres to its mission of “developing pipeline gas supply and improving urban quality”, its development principle of “being pragmatic and truth-seeking, pioneering and enterprising”, and its quality policy of “safe gas supply, civilized service, standardized management, and customer satisfaction”, and forges ahead towards the goal of becoming bigger and stronger. The Group has been adhering to scientific and rigorous decision-making, efficient execution and control, stable financial policies and standardized internal management, which has enabled the Group to achieve rapid development and at the same time win the trust and satisfaction of the majority of customers. Meanwhile, we are committed to vigorously developing clean energy, striving to innovate and expand the application field of clean energy, and contributing to making Jiaxing City more liveable.

INDUSTRY PARTICIPATION

We actively expand social cooperation and develop together with the industry. During the Reporting Period, the major industry associations that Jiaxing Gas participated in were: China Gas Association, Gas Branch Society of China Civil Engineering Society, Zhejiang Gas Association, Zhejiang Architectural Accounting Society, Jiangxi Gas Association, Jiaxing Road Traffic Association, Jiaxing Work Safety Association, Jiaxing Gangqu Environmental Protection Association, Jiaxing Gangqu Special Equipment Safety Management Association, Jiaxing Gangqu Construction Association.



I. ESG MANAGEMENT

Jiaxing Gas has been integrating the concept of sustainable development with business operations and take the Group's economic development, the natural environment and the society into comprehensive consideration as we perform our social responsibilities. The Group adheres to the corporate philosophy of "safe gas supply, civilized service, standardized management and user satisfaction", improves the system and the quality of operation management, maintaining full-scale communication through various ways, listening and responding to the needs of stakeholders, creating values for the society to achieve harmonious and sustainable development of the Group, the environment and the society.

1.1 ESG GOVERNANCE

ESG government is the building block for an enterprise to achieve sustainable development. We established an ESG management structure with specific rights and responsibilities. The Board, as the highest body responsible for ESG, has an ESG cross-department working group and establishes an ESG executive team comprising members of functional departments and subsidiaries, to promote the sustainability of our operations and ensure the implementation of ESG work.







Table: ESG Management Structure

As the highest body responsible for ESG matters, the Board is responsible for assessing the Group's ESG-related risks that may affect the Group's business, shareholders and other stakeholders, building an effective sustainable development management system, reviewing and approving ESG reports. The ESG cross-department working group comprises heads of departments and deputy general managers of subsidiaries and is under the leadership of the chairman of the Board and led by the secretary of the Board. As the ESG management, it is responsible for regularly summarizing and collating the update of policies and systems in relation to sustainable development management every year, collecting and integrating ESG practices and performance, reviewing the Group's performance for the year and making recommendations to the Board. As members of the ESG executive team, the members of each functional department and subsidiary are responsible for the implementation of relevant decisions and work plans of the ESG cross-department working group to promote the daily management of sustainable development.

I. ESG MANAGEMENT





1.2 COMMUNICATION WITH STAKEHOLDERS

Jiaxing Gas listens carefully to stakeholders' expectation and demands and is keen on building a robust platform for internal and external communication. The Group has a wide range of stakeholders, including the government, investors/shareholders, suppliers and partners, customers, media, employees, communities and non-profit/non-governmental organizations. We regularly communicate with key stakeholders through various channels such as annual reports, regular meetings, and interviews to identify their key issues of concern, and to promptly and effectively convey our values to a wider audience.

Stakeholders	Issues of Concern	Communication and Response
 Government	<ul style="list-style-type: none"> Wastewater and waste gas exhaust emissions Solid waste management Gas usage safety and supply guarantee Integrity and anti-corruption 	<ul style="list-style-type: none"> Regular information distribution and communication Attending conferences and major events Accepting supervision and assessment Strengthening compliance and operation management
 Investors/shareholders	<ul style="list-style-type: none"> Economic performance Industry cooperation and development Gas usage safety and supply guarantee 	<ul style="list-style-type: none"> General meeting Company website and announcements Investor research and reception
 Suppliers and partners	<ul style="list-style-type: none"> Responsible supply chain Research and development (R&D) innovation and intellectual property (IP) protection Industry cooperation and development 	<ul style="list-style-type: none"> Daily informal communication Signing cooperation agreements Special research, lectures Suppliers' official website
 Customers	<ul style="list-style-type: none"> Gas usage safety and supply guarantee Information security and privacy protection Customer rights protection 	<ul style="list-style-type: none"> Customer satisfaction survey Multi-channel complaints and suggestions



I. ESG MANAGEMENT

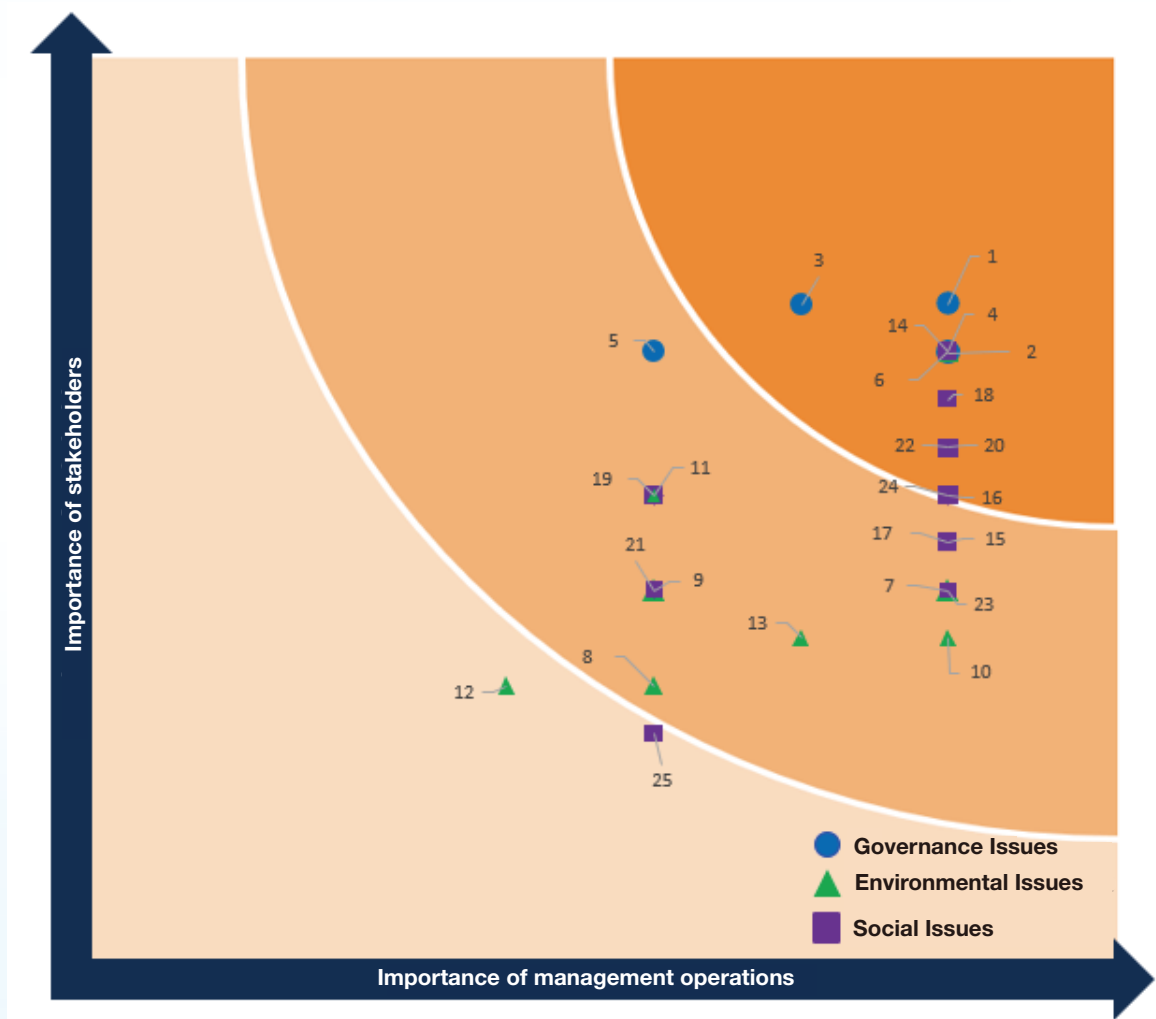
Stakeholders	Issues of Concern	Communication and Response
 Media	<ul style="list-style-type: none"> • Economic performance • Industry cooperation and development • Wastewater and waste gas exhaust emissions • Solid waste management • Developing clean energy 	<ul style="list-style-type: none"> • Media site visits • Company website and social media
 Employees	<ul style="list-style-type: none"> • Employee rights and benefits • Fairness and diversity • Occupational health and safety • Employee training and development 	<ul style="list-style-type: none"> • General meetings of employee representatives • Internal and external training for employees • Employee activities • Employee satisfaction survey
 Communities	<ul style="list-style-type: none"> • Gas usage safety and supply guarantee • Social charity and community involvement 	<ul style="list-style-type: none"> • Visits and exchanges • Community involvement • Charitable donations
 Non-profit/non-governmental organizations	<ul style="list-style-type: none"> • Social charity and community involvement • Addressing climate change • Developing clean energy • Protecting biodiversity 	<ul style="list-style-type: none"> • Social communication and survey • Charitable and volunteer activities

I. ESG MANAGEMENT

1.3 MATERIALITY ASSESSMENT

This year, we further improved the ESG topic library based on 2021's work, comprehensively considering national macroeconomic policy guidance, capital market focus, related standards of sustainable development report related standards, and excellent peer benchmarking analysis, and selected 25 topics to form the topic library. In 2022, we continued to deepen communication with internal and external stakeholders, collecting their views on ESG issues through questionnaires, conducting importance analysis and ranking from the two dimensions of importance to stakeholders and importance to business management, identifying important ESG issues for the Group, and disclosing them in the report.

2022 Materiality Metrics of ESG Issues of Jiaxing Gas



I. ESG MANAGEMENT

Response to the Results of the Materiality Assessment in This Report

Category	Issues	2022		Ranking Changes	2021 Ranking
		Issue Ranking	Importance		
Governance	Corporate Governance	1	Highly important	–	Highly important
Governance	Economic Performance	2		–	Highly important
Governance	Integrity and Anti-corruption	2		↑	Important
Governance	Sustainable Development Governance	2		New issue	/
Social	Gas Safety & Security	5		Combined topics	Highly important
Social	Occupational Health and Safety	6		–	Highly important
Governance	Risk and Crisis Management	7		New issue	/
Social	Customer Rights Protection	8		–	Highly important
Social	Information Security and Privacy Protection	9		–	Highly important
Social	Responsible Supply Chain	10		↑	Important
Social	Employee Rights and Benefits	10		↑	Important
Social	Employee Training and Development	12	Important	–	Important
Social	Fairness and Diversity	12		↓	Highly important
Social	Industry Cooperation and Development	14		–	Important
Environment	Efficient Use of Energy	14		–	Important
Governance	Anti-unfair Competition	16		↑	Related
Environment	Solid Waste Management	17		–	Important
Environment	Clean Energy Development	18		New issue	/
Social	Preventing Forced Labour and Child Labour	18		–	Important
Environment	Addressing Climate Change	20		–	Important
Environment	Wastewater and Air Emissions	21		–	Important
Social	R&D Innovation and Intellectual Property Protection	21		–	Important
Environment	Water Resource Management	23		–	Important
Social	Social Welfare and Community Involvement	24	Related	–	Related
Environment	Biodiversity Conservation	25		↓	Important

Based on the results of the materiality issue analysis, this report provides detailed disclosures on highly important issues to respond to internal and external concerns. Going forward, we will continue to focus on eleven highly important topics: corporate governance, economic performance, integrity and anti-corruption, sustainable development governance, gas safety and security, occupational health and safety, risk and crisis management, customer rights protection, information security and privacy protection, responsible supply chain, and employee rights and benefits.

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

President Xi Jinping of the People's Republic of China has regarded the law-abiding spirit and integrity as the lifeline of all enterprises. A man is only as good as his word, and so is an enterprise and even a country. As a major cornerstone of the market economy, credit is indispensable for an enterprise to operate with quality and efficiency. Jiaxing Gas insists on doing our business with integrity, raising awareness of corporate responsibility and rule-abiding awareness and acting as a role model in promoting integrity and corporate values. We are also committed to establishing mutually beneficial and amicable cooperation relationship with our suppliers, so as to create a sustainable supply chain and ensure the steady development of the Group in the right direction.

2.1 CORPORATE GOVERNANCE

Jiaxing Gas adheres to the corporate philosophy of “safe gas supply, civilized service, standardized management and user satisfaction” while integrating our corporate social responsibilities with the strategy of corporate development to pursue common prosperity of the enterprise and the society. In accordance with the Company Law of the People's Republic of China, the Listing Rules and other relevant legal provisions in relation to the governance of groups, we have established and improved our internal governance structure to ensure the good operation of enterprises and protect the interests of our shareholders and investors from damage.

As the core of the governance structure, the Board is responsible for coordinating the Group's internal governance and plays a leading role in the strategic decisions on corporate development. On this basis, we have established an audit committee, a remuneration committee and a nomination committee as supervising and executive bodies in the governance structure. They are responsible for supervising the Group's daily operation and following up the implementation of the Board's relevant decisions.

With respect to Board diversity, the Group complies with the relevant requirements in the Corporate Governance Code under Appendix 14 of the Listing Rules. We have been implementing ESG diversity policies, including the Board Diversity Policy in alignment with the Group's business model and specific needs. We have been continuously diversifying a professional Board from the perspective of its members' gender, age, region, cultural and educational background, professional qualification and industry experience, so as to improve the Group's decision-making level and lay a foundation for its stable development. The directors of the Group have extensive experience in management and strategy development, finance and accounting, in addition to being well versed in the pipeline gas business area.

As at the end of the Reporting Period, the Board of the Group comprised nine members, including two executive directors, four non-executive directors and three independent non-executive directors.

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

2.2 RISK MANAGEMENT AND CONTROL

We have been cementing the foundation of comprehensive risk management and optimizing our capability to identify and control risks. The Group has established and continuously improved its risk management system and mechanism. It has established a risk identification management team to assess, rectify and supervise risks of the Group. Meanwhile, we have formulated a supervision and inspection mechanism and a risk management assessment mechanism. We regularly assess the risk management of each department and link risk management with the performance indicators in the Group's monthly and annual assessment to improve the Group's risk prevention and management and ensure the stability and safety of the operation of the Group.

Risk identification management team

- Regularly monitor and identify possible risk issues in the daily operations of the Company.
- Quarterly report to the audit department of the Group on risks or fraud in departments or companies.



Audit department of the Group

- Evaluate the risk list submitted and fraud reported by the risk identification management team, and continuously control the implementation of relevant rectification measures.

Figure: Risk Monitoring and Inspection Mechanism

We divide the possible risks in daily operation into operational risk, supply chain risk, price risk, compliance risk, health and safety and environmental risk, financial risk and other risks, and conduct major hazard assessment and preparation and review of relevant emergency plans for the risks, so as to minimize the possibility of risks and protect the healthy development of the Group. During the Reporting Period, the Group identified the following risks and took measures in response:

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

Risk type	Risk Point	Response
Operational risk	Hydrostatic test risk	<ul style="list-style-type: none"> Take safe and effective measures to fix and protect pressure test pipes and components before the test Conduct hydrostatic test on each pipeline circuit by unit of water tanks and water collectors In the case of possible freezing in winter, take reliable anti-freezing measures, and blow off the water remaining in the pipe promptly after the hydrostatic test has been completed
	Risk of declining CNG business	<ul style="list-style-type: none"> Actively participate in the deployment and development of new energy businesses, such as refuelling hydrogen buses, installing charging piles, etc.
	Construction quality risk	<ul style="list-style-type: none"> Improve and implement the project supervision system, vigorously supervise and manage the construction process, and strictly follow the relevant quality and industry standards for construction
Supply chain risk	Gas supply shortage risk	<ul style="list-style-type: none"> Seek multiple sources of gas supply, formulate the Group's emergency plan for supply, strike a better balance between supply and demand, and fully guarantee the natural gas supply
Price risk	Rising upstream gas price	<ul style="list-style-type: none"> Actively communicate with the government to bargain for gas price at source, forming a model for positive interaction Expand the market to attract users, increase the scale of gas consumption and reduce sales losses
Compliance risk	Hazardous cargo risk (LNG/LPG/CNG)	<ul style="list-style-type: none"> Formulate special plans and strengthen safety education and emergency training for staff members to get familiar with emergency response
	Risk to people's livelihood	<ul style="list-style-type: none"> Strengthen the construction of gas pipelines and emergency gas storage facilities, supplement gas sources and inspect and maintain gas equipment
Environmental risk	Transport risk in times of adverse weather	<ul style="list-style-type: none"> Pay attention to weather conditions, collect relevant information and issue timely reports and reminders Inspect before starting a journey, and pay attention to various situations during the journey Formulate special plans and strengthen emergency training



II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

Risk type	Risk Point	Response
Health and safety risk	Risk in working at height	<ul style="list-style-type: none"> Strengthen safety education and strictly implement safety operating procedures for working at height Wear high-altitude ropes, safety belts, and safety helmets as required, and regularly check and replace safety protection tools Implement an approval mechanism for works at height, guard and isolate the area below works at height, and assign special personnel to guard against falling objects from height
	Hoisting and lifting risk	<ul style="list-style-type: none"> Delineate the construction site, set up warning tapes, and direct the work by designated personnel
	Risk in using electricity on the construction site	<ul style="list-style-type: none"> Conduct electrical safety training for construction workers Only certified electricians are allowed to work on the construction site, unauthorized electricity connection and usage in violation of regulations are strictly prohibited Inspect electricity usage at the construction site
	Traffic accident risk	<ul style="list-style-type: none"> Strictly comply with the Law on Road Traffic Safety, no traffic offences such as driving in excess of speed limit, failure to comply with traffic lights are allowed, annual examination of vehicles and drivers' licenses on time
Financial risk	Foreign currency risk	<ul style="list-style-type: none"> Establish a robust system and mechanism to manage the Group's exchange rate risk, and prudently arrange the currency structure of assets and liabilities

In 2022, the Group was not subject to significant risk events.

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

2.3 ANTI-CORRUPTION AND UPHOLDING INTEGRITY

We are vigilant to corruption and constantly ring the alarm to uphold integrity. Jiaxing Gas is embedding the value of “upholding integrity to guard against corruption” in the corporate operation and management and committed to building an environment of fairness, honesty and integrity within the Group. We abide by the Criminal Law of the People’s Republic of China, the Anti-Unfair Competition Law of the People’s Republic of China and other laws and regulations against money laundering, monopoly and unfair competition, and based on the Anti-Corruption Management Regulations, internal rules, we have established and improved an anti-fraud management system, established an anti-fraud working group of Jiaxing Gas Group, and a bottom-up supervision, reporting and control system. We start from creating an anti-fraud cultural environment and establishing an anti-fraud internal control procedure. We resolutely prevent any form of fraud, extortion, bribery and anti-money laundering. In 2022, the Group updated contact information and address for complaints and reports in the Anti-Corruption Management Regulations. During the Reporting Period, the Group was not involved in any cases regarding corrupt practices.

The Group has incorporated fraud risk assessment into risk identification and assessment of enterprises, continuously strengthened internal audit supervision and publicized anti-fraud systems, procedures and related measures in various forms. Internally, we actively carry out education in laws, regulations and integrity, and require the management to take the lead in complying with various systems of the enterprise, educate employees to resist the temptation of improper interests, we have standardized the procedural system, and have been focusing on supervising key links, key segments, key posts and risk monitoring points during the production and operation management. In addition, we persist in signing anti-money laundering agreements with every partner and are committed to communicating anti-fraud principles of enterprises and relevant information to stakeholders, so that the thought of honesty and morality is kept in mind.

To guard against corruption, Jiaxing Gas integrates integrity and self-discipline with corporate law education, for example, we held special online sessions on anti-corruption propagation, integrity and self-discipline and integrated them with cultural and quality education of Communist Party of China (“**CPC**” or the “**Party**”) members and cadres. CPC members hold special meetings on integrity and anti-corruption from time to time and put forward criticism and self-criticism based on cases from their personal and work experience. They organize lectures on Party discipline related to integrity every six months, watch films as a warning against corruption, and put forward self-criticism to raise the employees’ anti-corruption awareness. During the Reporting Period, the Group provided a total of 300 hours of anti-corruption training.

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

Guarding the Line of Defence – Jiaxing Gas Party Branch held Lectures on Party Discipline related to Integrity

In May 2022, to promote the Party conduct and moral integrity education, and constantly ring the alarm against corruption, Jiaxing Gas Party Branch organized all CPC members to attend the lecture on Party discipline related to integrity. Videos on integrity education rang the alarm and warned the audience of the disciplinary action against corruption.



Photo: Jiaxing Gas Party Branch organized All CPC Members to attend the Lecture on Party Discipline related to Integrity

Jiaxing Gas encourages employees or external third parties to report unethical and dishonest behaviours in the operation of the Group through channels including tip-offline, e-mail and letter. After receiving a report, we will review and establish a project for the report within three to five working days and will give feedback based on factors including whether or not the report was made with the name of the reporter and the seriousness of the issue reported, within the specified period, after investigations by multiple parties. If the report is confirmed to be substantiated and submitted to stem the damage to the Group, we will reward the reporter.

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

2.4 SUPPLY CHAIN MANAGEMENT

Jiaxing Gas relies on stable and sustainable supply chain to create values for its customers. Jiaxing Gas attaches great importance to cooperation with suppliers, strictly complies with the Bidding and Tendering Law of the People's Republic of China. Jiaxing Gas has formulated supply chain-related management systems including the Procurement Management Regulations, the Service Project Management Regulations and the Engineering Construction Management Regulations and has required all the suppliers to comply with them. The Group selects qualified suppliers in accordance with entry and review process set out in the Review Measures for Qualified Suppliers, In order to provide corresponding training and guidance to suppliers and create a sunny and transparent procurement environment with high quality and good price.

To systematically standardize the Group's materials procurement and strengthen management and control of the supplier risk, we have identified supply chain risks in financial, operational and ESG aspects, including qualification certificates, product quality and litigation to minimize the incidence of ESG material non-compliance and have comprehensively reviewed and evaluated the supply chain risks ranging from qualification certificates, reputation, product quality, supply capacity to litigation, and standardized our partnership with suppliers in finance, operation and ESG-related respects.

Jiaxing Gas carries out an annual inspection of suppliers every year, inspects, accepts, records and keeps the purchased materials, and reviews the basic situation, enterprise qualification certification (including HSE system certification), major production equipment and inspection equipment, professional and technical level, research and development capabilities, production and operation conditions and major results of suppliers, etc.:

- Verification of supporting materials: the Procurement Department collects suppliers' business licenses, qualification certificates, product certificates, quality assurance certificates, corporate scale and after-sales service descriptions and other materials for verification.
- On-site inspection: Inspect suppliers' production scale, production process, and quality control system, especially the incoming inspection of raw materials and finished product inspection, identify the cause of quality problems, and inspect the implementation of improvement measures. On-site inspection is applicable to suppliers reviewed for the first time, suppliers identified with serious quality problems during installation and operation, suppliers frequently identified with quality problems, and regular inspections of suppliers of bulk or key materials.

II. STABLE AND LONG-TERM DEVELOPMENT BUILT ON INTEGRITY

In terms of on-site inspection frequency, equipment shall be measured once every two years at least, and other key equipment and materials shall be measured once every three years at least in principle. Specific frequency of each inspection shall be determined by the review team of qualified suppliers. The inspection team normally comprises three to five members including representatives from the review team of qualified suppliers, the department using the materials, and CPC members.

We conduct comprehensive acceptance inspection, documentation and maintenance to supplies and materials we procure. According to the material acceptance and use of unqualified materials will be returned and exchanged, and unqualified suppliers will be disqualified during the inspection process to strictly control the quality of materials to ensure the stability and sustainable development of the supply chain. The Group opts for more environment-friendly materials when procuring materials after comprehensive comparison.

During the Reporting Period, Jiaying Gas partnered with 16 new suppliers, and had 105 suppliers in Chinese mainland, among which 58 were suppliers from Zhejiang province, 47 were from other provinces. The Group have conducted periodic performance evaluations covering ESG factors to 100% suppliers. The product and service suppliers of Jiaying Gas were located in China to control supply chain risks, improve the stability and efficiency of supply, and drive the growth of local suppliers and the development of the industry and the region.



III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Jiaxing Gas always takes national energy security as its responsibility, firmly establishes the corporate philosophy of “safe gas supply, civilized service, standardized management and customer satisfaction”, and strictly implements the responsibility of safe production, strictly carries out the work safety management to ensure the safety and stability of community gas supply, and pays attention to technological innovation and research and development, so as to provide more professional and high-quality services for customers.

3.1 STRENGTHEN THE SECURITY FOUNDATION

Jiaxing Gas focuses on safety risk control, firmly establishes the concept of safe production and risk awareness, continuously improves the work safety management system, continuously optimizes labour organization, reasonably adjusts staffing, pays attention to the health and safety of employees, and comprehensively strengthens the foundation of safe production. Jiaxing Gas has established a sound production scheduling mechanism to ensure effective connection and efficient operation of all links, and timely detection and resolution of various problems in safe production.

3.1.1 Promote Safe Operation

Jiaxing Gas strictly complies with the Work Safety Law of the People’s Republic of China. On this basis, Jiaxing Gas has formulated a series of systems, including the Work Safety Responsibility System and Target Assessment Management System, the Work Safety Supervision and Inspection Regulations, the Dangerous Operation Site Management Regulations, and the Regulations on Work Safety Education and Training, the Work Safety Cost Guarantee System, the Regular Meeting System for Production and Work Safety, and the Regulations on Standardization of Safe and Civilized Construction. The Group has further improved its production safety responsibility system. The Group has established a work safety committee, with an office under it, and requires each subordinate investment company to establish or adjust a work safety leading group to regularly report safety work to the Office of the Safety Committee of the Group. In addition, we regularly hold quarterly and annual production safety meetings to review the completion of production safety indicators, rectification of major hidden hazards and work safety supervision and assessment of each department and subsidiary, to effectively improve the Group’s safety management and guarantee the effective implementation of work safety-related measures.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

The Group has built a security management system that digitally empowers its efficient internal management. We incorporate the entire process of safety management into the OA platform and use the digital platform to achieve comprehensive real-time monitoring of personnel, equipment, environment, and work processes. The system helps management to supervise and monitor the safety management and related information of each project department in a timely manner to make correct decisions through the integrated management of various safety matters, such as safety inspection, collection of personal protective equipment, special equipment management, equipment maintenance, hazard rectification, and accident investigation.

The Group highly values business safety, regularly standardizes its safe production, consolidates the basic work for work safety, and effectively improves emergency management capability. Through safety assessment and evaluation, we constantly urge our employees to raise their awareness of safety and ensure their ability to perform safety-related work. The Group sets monthly, quarterly and annual assessments, and indicators include the number of safety incidents, leak detection rate, rectification rate and the number of company-level drills for emergency plans. We assess the Group's headquarters and departments through monthly self-assessment and random inspections. We grant the honorary titles of advanced middle-level employee of the year, the advanced worker of the year, the advanced worker in work safety, the advanced department in work safety, etc., and offer additional salaries as rewards, and establish advanced safety models, so that the concept of work safety is deeply rooted in people's hearts and guides all departments and employees to practice it actively. During the Reporting Period, the Group carried out inspections on key sites, pipeline gas quality, hazards and facility safety in accordance with the 2022 safety inspection plan, and promptly rectified problems and hidden hazards after they were identified to ensure the safety of production and operation.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Jiaying Gas attaches importance to safety education and trainings to enhance the awareness of safety responsibilities of all employees. We formulated the Work Safety Training System and carried out various safety training and education activities for all in-service employees. We provided different trainings for different departments, including “strengthening red line awareness” for decision-makers, “strengthening control ability” for the executive level, and “observing safety discipline” for the first-line employees, such as safety warning education and training in gas use safety, covering accident warning education, safety law and regulation learning, operation risk identification, fire safety, etc. We strictly implemented the 2022 annual training plan and conducted real-time tracking of the training effect in the form of written tests or operational assessments to comprehensively enhance the safety awareness of our employees. During the Reporting Period, we actively carried out a series of activities related to the work safety month, including a safety speech contest, a safety knowledge contest, a photography contest for employees, and hidden hazard investigation and management to strengthen employees’ safety awareness of risk, responsibility and safety and reduce the occurrence of safety accidents.

2022 Annual Employee Safety Theme Photo Contest

In order to promote the production safety culture, Jiaying Gas organized a photography contest on the theme of work safety. A total of 68 photos were collected. The number of participants and the number of entries in 2022 were significantly higher than those of previous years, and the content was richer, fully demonstrating the observation power of the employees. Through many rounds of careful screening and comparison, 16 winning works were finally selected. The event enabled the staff to notice the safety issues and people around them, to show the work safety work of the Group more vividly to all the staff through the form of photography, to enhance the staff’s understanding and experience of safety responsibility, to mobilize their enthusiasm to participate in the work safety work, and to promote the construction of production safety of the Group.



Photo: Award-Winning Photos on the Theme of Production Safety

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Safety Knowledge Contest

In June 2022, the Group's subsidiaries organized a safety knowledge quiz competition for construction team leaders on site, and 32 team leaders from each project attended this competition. The quiz was based on the management requirements of New Production Safety Law and Standardization Requirements for Construction Sites of Jiaxing Gas Group, and the routine problems found in daily inspections. Through systematic theoretical knowledge learning, the operational skill of front-line personnel was improved in the form of quiz, and the awareness of safety responsibility was enhanced, and safety management improved. The competition was held to commend the top six winners, to establish a benchmark of excellence, create an atmosphere of common learning, and further enhance the business level of front-line staff.



Photo: Safety Knowledge Contest

During the Reporting Period, Jiaxing Gas passed the ISO9001 quality management system certification and held the level 2 work safety standardization certificate; invested RMB18.001 million in work safety; organized 97 internal and external safety training sessions, with 3,718 training hours and a total of 1,859 participants. The rectification rate of hazards reached 100%, and 22 company-level drills for comprehensive emergency plans were implemented in 2022.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

We formulated and strictly implemented the Operation Guide to Inspection of Gas Facilities in Use, the Operation Guide to Inspection for Simultaneous Construction and the Rules on Pipe Network Inspection. During the Reporting Period, we carried out comprehensive inspection, scientific assessment focusing on identification of hidden hazards of key projects. We adopted a smart gas integrated management platform to achieve refined and dynamic management of production operations and service processes, thereby improving the management level of the gas pipeline network, reducing operational risks, and ensuring the safety and stability of gas consumption.

We carried out intelligent transformation of pipeline networks and construction, safety risk assessment and safety inspection measures to strictly control safety risks and ensure gas safety.

- **Intelligent transformation of pipeline network and construction**
 - We comprehensively investigated the safety condition of the old pipeline network, renewed and novated buried steel pipes with poor safety conditions, and completed a total of about 15km of old gas pipeline renovation in 2022 to improve the living environment and gas safety.
 - We established HopeMap pipeline network GIS system to integrate different types of business data, optimize the original inspection, dispatching and business systems, provide multi-dimensional intelligent analysis for the Group's daily operation, comprehensive management and emergency disposal, etc., and improve work efficiency.
- **Security risk assessment**
 - We carried out special rectification actions for residential gas water heater safety hazards, distributed the notice of rectification of hidden hazards and promptly informed residents to rectify.
 - We detected possible corroded gas pipes in households and renovated a total of 1,162 indoor risers and horizontal roof pipes in 2022 to effectively eliminate safety hazards for residents.



III. SAFE GAS SUPPLY, CUSTOMER AT HEART

- **Safety inspection**

- We carried out regular inspections of municipal gas pressure pipelines, promoted the building of basic data database on gas facilities and the mapping of low-pressure pipeline networks to ensure that gas pipelines were in a safe condition.
- We have set up a special group to carry out inspection and rectification of leak hazards in pipelines in use and have adopted digital leak detectors to replace the original gas leak detectors in order to detect problems more accurately and quickly.
- We have set up a company-level major hidden hazard account, for major hidden hazard found during daily operation that is difficult to rectify, we raised its rank to company-level major hidden hazard and focused our efforts to rectify them.
- Actively sum up the previous experience and the third-party construction, and strictly prevent damage by third parties, by increasing on-site monitoring personnel, on-site image recording equipment, on-site inspection frequency, on-site temporary warning signs, on-site construction confirmation records and publicity materials for key posts, etc.



III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Smart Gas Integrated Management Platform

The Group's intelligent gas management platform, based on network operation data, brings together all-round data of the city's gas transmission and distribution network, provides visualization of the results of emergencies and aids in decision-making, realizes the goals of "informatization of basic data, management, services and decision-making", and integrates existing information systems to build an all-round intelligent gas supply management system with "one network, one database and one platform".

"One network" refers to the use of NB-IoT, GPS and other technologies to grasp business-related information such as location, real-time monitoring data, and traffic in the process of emergency rescue and repair at any time to provide strong support for emergency rescue; "one database" refers to the extraction of production and operation data scattered in various information systems and the establishment of an integrated, open and unified data warehouse; "one platform" refers to the establishment of a platform on the basis of one map of GIS, integrating SCADA monitoring of pipeline network, inspection of pipeline network, customer service and other systems, covering emergency repair, door-to-door service order management, remote video monitoring and other functions. The platform is based on map integrated data + model + personnel + business multi-data and provides the whole process assistance of problem – analysis – solution – plan for indicators that should be monitored in real time, guiding timely response, intelligent analysis and dispatching decision command, and improving the comprehensive management level of enterprises.



Photo: Smart Gas Integrated Management Platform

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

2022 Q1 Work Safety Meeting

In the afternoon of 25 April 2022, the Group held the work safety meeting in the first quarter of 2022. All departments and subsidiaries of the Group summarized and analysed the safety production work in the first quarter, and further clarified the key tasks for the next quarter including promoting the rectification work of hidden hazards and the renovation of old pipelines, introducing new technologies of pipeline network informatization to enhance the intrinsic safety level, organizing safety culture activities, and doing a good job in flood and typhoon prevention and hidden hazard investigation and emergency preparedness. After the meeting, the Group's safety quality supervision department organized an accident warning education session for the participants to study typical cases of production safety violations and pipeline gas leakage and explosion accidents, to seriously learn from the lessons and further improve management capabilities.



Photo: 2022 Q1 Work Safety Meeting

3.1.2 Protecting Occupational Health

Jiaxing Gas complies with the Occupational Disease Prevention and Control Act of the People's Republic of China, the Regulations on the Administration of Occupational Health at Workplaces, and the Code of Practice for Selection of Personal Protective Equipment. It has formulated the Occupational Health Management System, the Regulations on the Management of Labour Protection Products, and the Management Methods for Work-related Injuries, the Emergency Rescue Plan for Occupational Hazardous Accidents, etc., Jiaxing Gas actively promotes the construction of occupational health and safety system to create a healthy and safe working environment to fully protect the physical and mental health of employees.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

In terms of occupational health management, we establish occupational health files and guardianship files, provide annual health check-ups for employees and carry out special medical check-ups for female employees. The Group attaches importance to employee safety and health education and conducts occupational health education and training for all new employees, aiming to let employees know the occupational hazards first-hand through interactive forms, so as to improve their occupational health awareness. In addition, we have developed occupational health promotion contents based on our production characteristics, including summer heat protection and road dust protection, etc., to reduce the probability of occupational diseases.

The Group has created a working environment and conditions that meet national occupational health standards and hygiene requirements. We regularly test for possible harmful factors in the workplace every year and take effective control measures in a timely manner. In daily operations, such as during LNG filling operations, we provide our employees with uniform labour protection clothing, helmets, goggles, gloves and other protective gears to ensure their health and safety. In road and underground operations, we take necessary protective measures such as dust control, noise prevention, poison prevention and ventilation to reduce the incidence of occupational diseases. For road-related operations, we monitor the noise of typical road sections and pay attention to employees' hearing health. In terms of extreme weather protection, we pay attention to the temperature monitoring on the construction site to avoid the health risks arising out of high or low temperature environments.

During the Reporting Period, Jiaxing Gas organized physical examinations for a total of 367 employees, with a coverage rate of 100%; Jiaxing Gas lost 0 day due to work injury; Jiaxing Gas was not subject to fatal work-related accidents; the number of work-related deaths for three consecutive years was 0, and the work-related death rate was 0%.



III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Mental Health Seminar for Employees on “Paying Attention to Mental Health and Promoting Work Safety”

In the afternoon of 13 June 2022, Jiaxing Gas Trade Union organized a seminar on stress management for employees. 50 employees from various departments and subsidiaries of the Group attended the seminar. With the theme of “Accepting Stress, Happy Working”, the lecturer leveraged her years of work experience, started from the basic concepts of psychology, and systematically described the stressful situations that may appear in working life, the causes of stress, the correct cognitive perspective of stress, and the means to relieve stress and achieve effective communication, to guide employees to maintain an optimistic and healthy psychology, to achieve “happy work and healthy life”.



Photo: Employee Mental Health Seminar

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

3.2 SAFE COMMUNITIES

City gas pipeline construction is an important livelihood project and development project, and gas safety concerns thousands of households. Jiaying Gas has always put the safety of users first. Jiaying Gas has formulated the Rules on Indoor Safety Inspection for Resident Users, the Rules on Management of Residential Meter Reading and Charge, the Rules on Management of Indoor Installation of Gas Facilities for Residents, the Operation Guide for Safety Inspection of Public Building Owner Users, the Operation Guide for Meter Reading for Public Building Owner Users, Rules on Management of Public Building Owner Users and the Operation Guide for Cross-construction of Public Building Owner Users, to prevent the occurrence of various potential safety hazards. We put people first, arrange construction timings and areas in an orderly manner from the perspective of the safety of people's lives and property, and conduct regular safety checks on gas equipment for residential and public users. We organized special inspections before New Year's Day, Spring Festival, May Day, National Day and other festivals. We Adapt to local conditions, based on a comprehensive solution to safety hazards, and scientifically determines the renewal and renovation standards. We value the cultivation of safety awareness among the residents in communities and conduct targeted safety training and publicity for different users, while designing and producing round stickers on the safety of gas use in households and posting them when residents move to their new homes to ensure the safety and stability of gas use for community users.

In 2022, we proactively cooperated with the towns and villages to install natural gas pipelines in old communities to realize the change from bottled liquefied gas to natural gas, reducing the output of energy consumption of residents while reducing the safety risk. We actively rectified safety hazards by improving the cleanliness inside new pipelines through quality management during the construction. During the Reporting Period, we completed the renovation and renewal of 6.3 km of steel pipes, effectively reducing the generation of steel pipe powder and eliminating the risk point of potential corrosion of the pipe wall.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

In 2022, Jiaying Gas organized 8 training lectures for industrial and commercial users (6 offline and 2 online) and 28 community gas safety promotion activities; conducted 59 safety inspections, found 183 hidden hazards and completed 183 rectifications; the completion rate of safety inspection by Jiaying Gas for resident users reached 100%, of which the indoor safety inspection rate was 80.5%, while the remaining inspection work was carried out by infrared scanning, thus achieving full coverage of safety inspection; Jiaying Gas conducted 7,296 safety inspections for industrial and commercial users, thus achieving a coverage rate of 100%.

Training Lecture for Industrial and Commercial Users

In the afternoon of 28 October 2022, the Group's customer service department conducted safety training for non-resident users of town gas in Xiuzhou District, Jiaying City by means of offline training sessions, explaining the basic knowledge of gas and the safety aspects of the daily use of gas appliances, safe gas operation procedures for canteens (self-inspection of gas use) and emergency measures to improve the safety awareness and the ability of self-inspection of hidden hazards of non-resident users of gas in the district and effectively prevent gas safety accidents among users.



Photo: Gas Safety Knowledge Training organized by Xiuzhou District

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Gas Safety Publicity Activities

In order to strengthen residents' awareness of safe use of gas and prevent gas safety accidents, the Group organized a comprehensive gas safety campaign on 18 June 2022, with "Gas Safety Awareness Zone", "Fun and Games Zone", "Safety Display Zone" and "Firefighting Safety Demonstration Zone". Through the arrangement of publicity panels and posters, various "gas safety fun games", the display of various gas safety products and hidden hazards of bottled gas, we popularized gas safety knowledge to the public in an interactive manner, and our staff answered the residents' questions, to increase the awareness of gas safety of every citizen.



Photo: Safety Publicity Activities in Nanhu Wanda Plaza

3.3 STABLE GAS SUPPLY

Jiaxing Gas has been pursuing to provide customers with safe and reliable services and ensure a stable gas supply. We strictly comply with the Regulations on the Administration of Urban Gas and the Technical Regulations on Safety of Operation, Maintenance and Emergency Repair of Urban Gas Facilities. We have established the LNG business department, integrated and enabled the complementation between piped gas and LNG trade, and strengthened the competitiveness of gas resources, so as to ensure a stable and diversified gas supply. In addition, despite the relatively significant increase in the price of upstream gas in winter during the Reporting Period, we adhered to the principle of benefiting the people, and sold the gas strictly at a price specified by the provincial and municipal development and reform departments. We also actively communicate with upstream and downstream enterprises and coordinate with them to ensure adequate supply of gas.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

We continuously improve our gas emergency response capability to ensure the safety and reliability of gas supply pipelines. The Group has formulated the Emergency Response and Rescue Management System, Gas Emergency Repair Management System, issued one comprehensive emergency plan, six special emergency plans and 21 on-site disposal plans, including Comprehensive Emergency Plan for Sudden Accidents (Incidents), Special Emergency Plan for T3 Station Supply Outage and Emergency Plan for T4, T5 Regulator Abnormalities Leading to Supply Outage. The comprehensive plan is the programmatic document of the Group's emergency response system, which specifies the emergency response policy, emergency organization, responsibilities, risk level classification criteria and corresponding response procedures, and provides the guiding principles and overall framework for each special plan. Specialized emergency plans are emergency response plans for specific emergencies, including work safety accidents, natural disasters, public health incidents, social security incidents and other aspects. Based on the business reality, we have further summarized the on-site disposal plan to effectively control the safety risks of the field station operation. During the Reporting Period, we strictly implemented relevant management systems and operating procedures, regularly conducted and organized comprehensive emergency drills, and carried out emergency rescue drills including road hazardous cargo transportation accidents, gas cylinder transportation accidents, field station refuelling fires and leaks, and road medium pressure pipeline damage and leaks, etc. After each drill, we optimized and upgraded emergency drill plans based on the actual possible situation, so as to ensure the safety and stability of gas supply and improve the user satisfaction rate.

We have carried out the following gas supply guarantee measures during the Reporting Period:

❖ Gas supply guarantee

- Regarding the sharp increase of gas consumption in the heating season in winter, we calculate the peak and trough of gas consumption in advance, communicate with the upstream part in respect of the gas demand, supplement the natural gas (LNG) in a timely manner, to ensure the gas supply in the heating season and the safe and stable use of gas by users.

❖ Gas emergency repair

- Closely track changes in gas supply and consumption, prepare in advance for emergencies such as personnel, materials and vehicles, and strictly implement the 24-hour duty system to ensure that we can provide repair and maintenance at the first time after an emergency occur.

❖ Gas leakage treatment

- For street-side restaurants, commercial complexes and other dense places, increase the frequency of inspection and focus on checking the interface leakage, alarm devices and ventilation.
- Install IoT gas meters that can be remotely monitored and controlled in new users, improve the risk monitoring and early warning capability of pipeline networks, update and renovate old pipeline networks, and reduce gas leaks.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART



Photo: Staff providing Repair and Maintenance



Photo: Gas Emergency Rescue



Photo: Outdoor Riser Maintenance



Photo: On-site Pipe Acceptance



Photo: Gas Safety Inspection for Restaurant Customers



Photo: Gas Facility Safety Inspection

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

Fighting Typhoon Muifa and Ensuring Gas Supply in Advance

In order to fight Typhoon Muifa and ensure the stability of gas supply in Jiaxing, Jiaxing Gas launched the emergency plan for natural disasters on 12 September 2022, in accordance with the deployment of the provincial and municipal flood and drought relief headquarters and implemented the emergency measures, the inspection and rectification of hidden hazards for flood and typhoon control.

Since 13 September, the engineering technology department stopped all outdoor construction operations and took temporary filling of road pits to eliminate water safety hazards; for the part that could not be filled, reinforced the fully enclosed metal mesh fence and removed the green cloth to reduce the wind bearing area. At the same time, the Group's leaders led the 24-hour anti-typhoon duty, supervising and checking the implementation of emergency measures, including the provision of emergency materials such as sandbags and pumps, drainage ditch cleaning, outdoor construction work pit backfill and fence reinforcement, coordinating the deployment of emergency materials and personnel, to ensure that the emergency measures in place.



Photo: Typhoon Relief Measures and Inspection

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

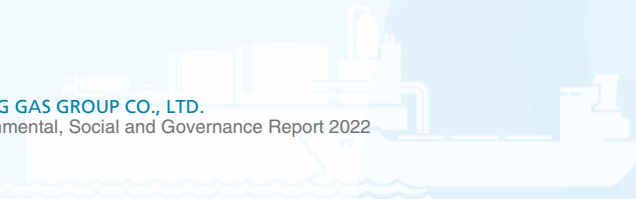
“Work Safety Month” Fire Emergency Evacuation Drill

In order to implement the spirit of the national “Work Safety Month” activities, to prevent and resolve major risks, eliminate safety hazards in a timely manner, improve staff firefighting “Four Knows Four Capabilities”, the Group carried out a fire emergency evacuation drill at Hualong Plaza in the afternoon of 9 June 2022.

After the fire control center issued the evacuation instruction, the employees evacuated from the evacuation stairs in a fast and orderly manner under the leadership of the guide of each floor and arrived at the outdoor safety zone on the first floor, and the general director conducted the personnel count at the evacuation assembly area. The whole evacuation drill process was orderly. After the evacuation drill, we also carried out a practical operation exercise of firefighting with oil barrel to ensure that each employee has a solid grasp of the operation of dry powder fire extinguishers, with the ability to extinguish the initial fire, to further strengthen the foundation of the Group’s four firefighting.



Photo: Fire Emergency Evacuation Drill



III. SAFE GAS SUPPLY, CUSTOMER AT HEART

3.4 INNOVATION-DRIVEN DEVELOPMENT

Technology is the first productive force. Jiaxing Gas attaches importance to independent innovation and research and development, follows the development trend of the industry and market orientation, promotes the implementation of innovation-driven development strategy, and continuously improves its competitiveness. It strictly complies with the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China. The Group encourages its employees to actively participate in innovation activities in management systems and technology research and development and is committed to providing efficient and high-quality services to customers. At the same time, the Group highly values patent industrialization and actively files patent products to promote the high-quality transformation of technical achievements with the guidance of patent application.

3.4.1 Technology Research and Development and Innovation

Jiaxing Gas encourages and supports research in gas-related science and technology, actively promotes the use of new technologies and products that are safe, energy-efficient, and reasonably increases investment in safety measures. We have established a complete innovation project cultivation and incubation system, set up a leadership selection group for management, technology and safety innovation projects to promote the research on the implementation plan of management, technology and safety innovation projects and constantly standardize, review innovation project creation. We incubate and provide technical support throughout the process, actively promote the breadth and depth of innovation within the Group, and set up innovation incentives, give financial subsidies to support the development and implementation of innovation projects, stimulate the enthusiasm of all employees in innovation work, and strive to build the whole chain of the creation, application, protection and management of intellectual property.

In 2022, the Group continued to improve its pipeline network safety information management capability, and basically completed the upgrade of GIS system with full business capability from pipeline network field mapping to back-end map editing. At the same time, we participated in the development of Jiaxing's local standard – intelligent technical standard for pressure regulator boxes – and independently issued a unified IoT smart meter communication technical standard and procurement technical standard, enabling the Companies to freely select meter manufacturers that meet the standard. Subsidiaries of the Group carried out the design and development of Jiaxing Gangqiu "Smart Gas" platform, and promoted the research and development of technologies, including enterprise-level SCADA system, GIS system, pipeline network simulation system and intelligent meters. During the Reporting Period, Jiaxing Gas invested a total of RMB1.256 million in technology research and development.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

3.4.2 Protection of Intellectual Property Rights

Jiaxing Gas adheres to the principle of respecting and protecting intellectual property rights, continuously enriching the accumulation of intellectual property rights while investing in research and development, protecting its own intellectual property rights and respecting the achievements of others. We strictly comply with the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, Measures on Utilizing Intellectual Property Rights to Assist the Innovative Development of Specialized and New SMEs and other laws and regulations on intellectual property rights, revise and improve our intellectual property management system, enhance our ability to create, apply intellectual property rights and prevent and control related risks, and strive to achieve a precise and efficient match between the supply of intellectual property services and the Group's needs, so as to better strengthen our ability, power, quality and efficiency for the Group's innovative development.

3.5 HIGH-QUALITY CUSTOMER SERVICE

Jiaxing Gas focuses on professional integration and strives to create quality gas services, implement the philosophy of "service creates value, service wins respect, service builds brand", continuously improve customer service processes and systems with the Group's technical advantages, actively carry out user satisfaction rate surveys, optimize complaint handling mechanisms, organize complaint return visits, promote the innovation, transformation and upgrading of service models, ensure information security and customer privacy, and strive to provide customers with more professional services.



Diagram: Service Philosophy

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

The Group implements unified, lean business processing, provides a high-quality communication system that cares for details and diversified service channels for its customers. The Group has completed system connection with government platforms at all levels, including the energy monitoring platform of the provincial energy monitoring centre, the unconsciously uninterrupted monitoring platform for business environment of the provincial development and reform commission, and the online safety platform of the provincial construction department, to build effective information channels for data sharing and effectively facilitate the Group's business. We attach importance to the digitization and informatization of business, offer and optimize diversified and convenient online services to help users do business at home. Among them, online services include the online business hall of the "Jiaxing Gas" public account, the Zhejiang Li Office, the government affairs network and the customer service consultation and repair hotline. In terms of offline services, we set up multiple outlets to provide convenience to users in different regions, with a total of 28 main service outlets including the Group's business halls and comprehensive service windows in government service centres. The Group focuses on high-quality development of the entire team and the selection and training of business personnel. We select our customer service personnel in accordance with the requirements of our service management system and focus on the training of our customer service personnel. We require our customer service staff to actively understand the needs and adopt opinions of our customers. Timely put forward a complete and effective plan, effectively solve problems, ensure the service quality and service level of the team, and continuously improve customer satisfaction.

Business Training for Gas Customer Service Personnel

On 17 April 2022, Jiaxing Gas organized a gas-related business training for the staff of the customer service department, including product introduction of gas comprehensive insurance, customer response skills, gas pricing policy, gas business Q&A, etc., to enhance their business ability and the business processing efficiency.



Photo: Business Training for Gas Customer Service Personnel

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

3.5.1 Improve Service Quality

We take customer satisfaction as our pursuit direction. Jiaxing Gas has formulated systems including the Service Standard for Employees from Customer Service Department, the Management Rules on Gas Supply Service for Residents, the Rule on Handling Complaints from “Three Channels”, so as to truly solve problems for customers, constantly improve our services and optimize customer experience.

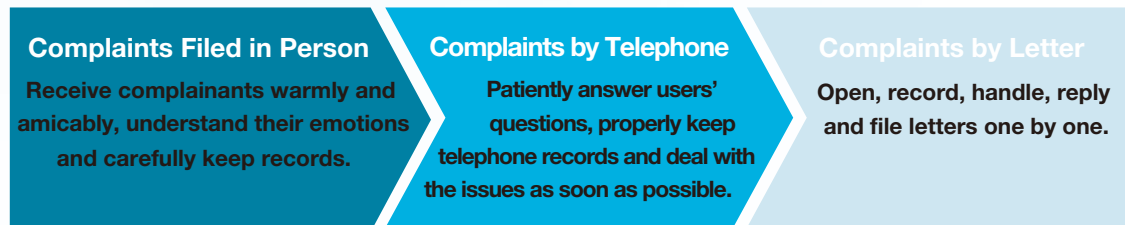


Diagram: Handling Standard for Complaints from the “Three Channels”

We value feedback or complaints from customers. When we receive complaints, we respond promptly, register the complainant's name, telephone number, main content of the complaint, proposed opinions, processing results, and return visit results, and provide timely feedback and implementation in accordance with the requirements such as time limits for complaint processing and ways to resolve disputes as stipulated in the Regulations on Handling Complaints from the “Three Channels”. Jiaxing Gas actively conducts customer satisfaction surveys and complaint return visits. We conduct satisfaction surveys of different types of customers including residential users, industrial and commercial users and customers with projects under construction. We also conduct surveys of the satisfaction of complaining customers as to the treatment of their complaints, and develop subsequent improvement measures, so as to effectively solve the problems of customers. In 2022, we received a total of 4 complaints and our effective handling rate of customer complaints was 100%, and the user satisfaction rate reached 100%.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

3.5.2 Innovative Service Model

Innovation is the most important quality of business operation, Jiaxing Gas values innovative service concepts, strengthens information construction, promotes digital reform, to make a new “smart gas” image. In 2022, Jiaxing Gas’s civil gas security inspection has been fully information technology-enabled and managed. The upgraded handheld gas meter reading device features stable signal, smooth running and easy traceability, which effectively improves the efficiency of meter reading and inspection and speeds up work standardization and upgrading. We provide online self-services in respect of all businesses, while optimizing the business process of meter installation and ignition by appointment, we have broadened the scope of online business hall business, adding new functions of inquiry, bill payment, pre-deposit and change of contact information for non-residents to optimize the business environment and service capability. At the same time, the self-service machine adds new services such as account opening, transfer, gas bill payment, invoicing, meter installation application, ignition application, gas meter suspension, printing of gas consumption list, change of contact information and withholding information, etc. The work order system adds new work orders for meter change, valve shutdown and meter removal for industrial and commercial users, further enhancing the service efficiency of residential and industrial users. In addition, we continue to optimize some functions of our business system and have basically completed the development of the online shopping mall to continuously improve the quality of customer service.

Through the government’s “One Window” platform, the Group has built a total of 26 government service outlets throughout the city, enabling smartphone users to get more than 20 services such as “gas account opening”, “gas volume inquiry” and “gas bill payment” without having to travel around. We realized the connection between the management system for installation application for the use of gas and the OA system, and we comprehensively promoted the WeChat official account of Jiaxing Gas for providing online services. In 2022, 29,138 new residential customers were linked to their online business hall accounts, 23,875 gas volume self-reporting were completed; and 8,252 orders were received by the online service.

During the Reporting Period, the Group continued to carry out “bottled gas to pipe gas” work and was the first in Jiaxing City to provide “one-stop” door-to-door services. At the same time, we further simplified the piped natural gas installation procedures for restaurants by collaborating with communities and streets to further simplify the installation procedures for restaurants through visits, active promotions, door-to-door surveys, centralized contracting and unified processing.

III. SAFE GAS SUPPLY, CUSTOMER AT HEART

3.5.3 Protect Information Security

Jiaxing Gas attaches great importance to information security and customer privacy. It has formulated the Information Security Management Policy for Industrial Control System and the Rules on the Use and Management of Office Computers. Jiaxing Gas has strengthened the protection of customer information and privacy by means of hardware encryption, upgrading and updating. At the same time, we have clarified the confidentiality requirements of user information in the Employee Confidentiality Agreement and Confidentiality Management System. It has also signed relevant agreements with front-line service personnel, including copycats and customer service personnel, to effectively protect the privacy and security of company information and customers. We provide training related to information security and privacy protection for new employees, and during the Reporting Period, we held quarterly training related to information security for employees from all departments.

In the collection and preservation of customer information, we have reduced the amount of paper files and realized electronic preservation of customer information, and the electronic data of user files are obtained via data sharing through the provincial big data center.

In addition, in response to possible data leakage, damage and loss, we have established Information System Emergency Management System, and the information security leadership team is composed of personnel from the manager's office, office, customer service department, information centre and other departments. After an emergency occurs, a business group will immediately arrive at the site according to the instruction and organizes the responding actions according to the emergency plan, and a technical group will fix technical faults and restore the system.

During the Reporting Period, we continued to strengthen the construction of information security and enhance the self-protection capability of information security:

1. we participated in network security drills at provincial and municipal levels and achieved remarkable results.
2. we completed the expansion and renovation of the server room to further enhance information security infrastructure.
3. we performed basic network information security level protection assessment within the Group.



IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

The trend toward green and low-carbon development has become a reality, and a big issue concerning ecological conservation, as well as people's livelihood and welfare. Jiaxing Gas incorporates the philosophy of green development into its social responsibility system by proactively assuming its corporate responsibilities, actively responding to the national calls, and taking the initiative to identify and address risks and opportunities arising from climate change. The Group keeps a close eye on the impact of the Group's operation on the surroundings and manage it with appropriate measures. On its way to the market, the Group consciously carries out the philosophy of "Ecology First, Green Growth" in its business operations, as part of an effort to fulfil the green and low carbon philosophy and contribute to the national call for ecological conservation and a better world.

4.1 ADDRESSING CLIMATE CHANGE

Today, climate change poses a global challenge to all humankind, and it requires global efforts to curb the potential threats by greenhouse gas ("GHG") emission reduction. As the biggest developing country, China has actively performed the climate change agreements in the United Nations Framework Convention on Climate Change and the Paris Agreement, and has established a policy system containing elements of carbon peaking, carbon neutrality and "1+N", a move to play its part in the global climate governance with Chinese wisdom, strength and practice. As a local leader in the gas industry, Jiaxing Gas sticks to a green and low carbon road towards high quality growth. It has actively responded to the national call of "carbon peaking and carbon neutrality" by vigorously reducing carbon emissions based on the comprehensive implementation of green operation, and stepping up investments in the comprehensive energy, charging piles and hydrogen refueling station and other business lines facilitating clean energy development, to cope with climate change while pursuing high quality green development.

4.1.1 Climate Risk Management

In strict compliance with relevant guidelines or policies including the National 14th Five-Year Plan" and "China's National Climate Change Programme, Jiaxing Gas systematically comb through the impacts of policy and market changes resulting from advancing the achievement of the national goals of carbon peaking and carbon neutrality. Jiaxing Gas has taken practical measures to promote the implementation of comprehensive energy services and accelerate the regional energy transformation. It strives to adapt to the low carbon growth trend in the gas industry by quickening up its pace towards green development. The Group's efforts in responding to climate change and its plans for the future will be described below around topics of governance, strategy and risk management, as well as indicators and targets.

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Governance

The Group has established an ESG governance structure. An ESG working group is established to manage and implement ESG-related work in order to fully integrate climate change responses into corporate governance. The Board of Directors is responsible for assessing climate-related risks and opportunities, entrusting the ESG cross-departmental working group with ESG management. The goal is to identify and study the impact of climate change on the Company's business activities and to support the Board of Directors in monitoring this issue (see the "Sustainability Management" section of this report). We have considered the framework and recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") and are considering the interactions between climate change and the city gas industry. We proactively identify and address climate change risks and opportunities, thereby improving the Group's ability to adapt to climate change.

Strategy

The Group has been deeply engaged in the clean energy field for over two-decades and has incorporated the climate change considerations into its business development strategies. It is committed to the promotion of green natural gas via active deployment of LNG projects and projects regarding transformation to comprehensive energy, aiming to enhance its energy and resource supply capability. To better meet the requirements for new energy development and regional peak shaving, the Group adapts to local conditions by preferring development of distributed energy and other comprehensive energy supply projects and service stations, which facilitates the implementation of energy integration strategy in the Yangtze River Delta and clean energy strategy for urban clusters in the Yangtze River Delta put forward by Jiaxing City for green and low carbon social development.

The TCFD has defined climate-related risks and opportunities by classified them into two major categories, i.e., risks related to the transition to a lower-carbon economy (hereinafter referred to as "**transition risk**") and risks related to physical impacts of climate change (hereinafter referred to as "**physical risk**"). Transition risk may entail policy, legal, technology, market and reputation risks, while physical risks can be driven by acute risks (extreme weather events such as typhoons and floods) or chronic risks (shifts in climate patterns such as heatwaves and droughts). Based on our own business conditions, we have taken measures to review and prevent climate-related risks, and actively identified opportunities in terms of energy transformation, energy efficiency, technology and services, as well as market and adaptability, aiming to enhance our business resilience and competitiveness.

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Risk Category		Description	Measure
Physical risk	Acute risk	<ul style="list-style-type: none"> Rising occurrence frequency of extreme weather events such as heavy precipitation and typhoon will cause damage to the operating pipeline networks and gas supply facilities of the Group, which may result in unstable gas supply and incur risks of declining business continuity and rising costs for equipment replacement/repairing. Severe extreme weather events (such as extreme heat and extreme cold) are also likely to intensify employees' health and safety risks by causing safety accidents and therefore holding back the Group's production capacity. 	<ul style="list-style-type: none"> Jiaxing Gas gradually improves its emergency response plans against various extreme weather events, such as typhoon, flood, extreme heat, and extreme cold. It also establishes dedicated emergency teams to perform detection in advance and take measures to lower the relevant risks, so as to improve the Group's gas supply capability at emergency occasions. Jiaxing Gas makes continuous efforts to promote the smart pipeline construction, perform regular risk assessment covering pipeline monitoring, pipeline operation maintenance and safety risk analysis, as a move to ensure the stable operation of gas supply equipment in extreme weather conditions; Jiaxing Gas takes effective disaster prevention and mitigation measures to ensure the continuity of its gas supply operations, such as implementing disaster prevention measures for gas storage facilities and pipelines and other key assets, getting cables, piles and other stabilizing materials ready in advance and heightening flood barriers; Jiaxing Gas takes measures to ensure work safety of its employees by preparing heatstroke prevention and cooling supplies for front-line workers, conducting training sessions on how to prevent heatstroke and stay safe, and arranging outdoor operations properly on scientific basis.

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Risk Category	Description	Measure
<p>Chronic risk</p>	<ul style="list-style-type: none"> Long-term shifts in climate patterns (such as sea level rise and sustained higher temperatures) may incur disasters such floods and droughts, and increase the demand for cooling in summer, all of which could result in surging operating costs and equipment maintenance expenses of gas stations. 	<ul style="list-style-type: none"> Jiaxing Gas plans to introduce and use gas facilities with better fire-proofing performance, and to build a system which can release all-round and multi-level early warnings during various time periods by making full use of digital technology and based on the combination of geographical information, meteorological conditions and equipment features, with a view to guarantee people's daily gas demand.
<p>Transition risk Policy and legal risks</p>	<ul style="list-style-type: none"> As the relevant policies on carbon emission are being issued and revised, the regulators will tighten requirements on GHG emission disclosure, which may increase the Group's disclosure cost and compliance cost; The natural gas distributed energy system projects of the Group are subject to the impact of changes in government or industry policies on support and subsidies. The Group will incur additional costs if the government reduces or cancels the support and subsidies for natural gas promotion for the urban gas business. 	<ul style="list-style-type: none"> Jiaxing Gas plans to vigorously promote the establishment of a carbon emission accounting and statistics process under an independent operation by the Group, as a move to build a smart gas pipeline network and reduce traditional workload, which can help further reduce the Group's carbon emission with higher accuracy of information disclosure. Jiaxing Gas seizes opportunities from the national low-carbon transformation of energy to accelerate the layout of its comprehensive energy business, and continues to deepen and expand the application scenarios for distributed and renewable energy in promoting the Group's green and low-carbon transformation.



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Risk Category	Description	Measure
Technical risk	<ul style="list-style-type: none"> On the transformation path to a lower carbon economy, extra investments are required for the renovation and iteration of green technologies and innovative R&D activities, which may increase the Company's technical costs. Continuous technological improvement promises higher possibility for the replacement of existing natural gas with other green energy lower in carbon emission, which may cut the Group's revenue by diminishing the demand for its existing products and services. 	<ul style="list-style-type: none"> Jiaxing Gas continues to promote technological innovation and upgrading, optimize existing processes and equipment, and improve its operation strategy around key technologies regarding smart gas and gas safety to cope with technical risks. To adapt to the trend of low carbon energy development, the Group actively promotes the comprehensive operation of clean energy, and contributes to the industry's promotion of low carbon and energy conservation initiative through intelligent transformation and empowerment.
Market risk	<ul style="list-style-type: none"> As affected by policies and market trends, there may be shifts in customers' needs and behaviours, which may damp their enthusiasm for natural gas and therefore expose the Group to relevant market risks. 	<ul style="list-style-type: none"> Jiaxing Gas communicates with stakeholders via multiple channels and actively responds to their requirements and expectations. It also pays attention to terminal demands, service quality enhancement and provision of value-added services, so as to make energy-saving and low-carbon energy supply solutions available for customers while improving the social and environmental benefits.

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Risk Category	Description	Measure
<p>Reputational risk</p>	<ul style="list-style-type: none"> Stakeholders' concerns over the relevant topics of climate change are on a continuous rise. And if the Group fails to meet their expectations by implementing effective measures for low carbon transformation or fails to meet compliance requirements, the Group's reputation may be exposed to adverse impact. 	<ul style="list-style-type: none"> Jiaxing Gas adheres to the green growth philosophy by implementing the relevant specifications for energy conservation and environmental protection formulated by the Group, conducting annual self-inspection and performance review, and tuning the Group's goals and plans in light of the industry trends and policy requirements to promote the Group's high-quality development and low carbon transformation.

Risk Management

To manage its climate-related risks, the Group focuses on the identification and evaluation of physical risks and transition risks and actively seizes the potential opportunities for growth to enhance the Group's resilience and competitiveness. We incorporate climate-related risk considerations into our ESG and risk management framework and take measures to enhance the management of energy continuity, pollutant emission reduction and GHG emission reduction based on the business conditions and market dynamics. We also continue to improve the relevant risk management and target setting system and promote the synergy and complementarity of natural gas with other green energy, so as to facilitate the Group's transformation to sustainable development and management optimization.



IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Indicators and targets

The Group identifies and monitors indicators related to climate-related risks, including greenhouse gas emissions (Scope I); greenhouse gas emissions (Scope II), etc., and conducts annual statistics and disclosures of relevant data to provide data support for efforts to address climate change. We will continue to pay attention to the impact of climate change on our business, fully respond to national strategies and policy requirements, and further improve strategy formulation, risk management, indicator and target identification and management. We will work together with all sectors to address climate change and achieve sustainable development.

Table: Greenhouse Gas Emission Performance^{1,2}

Indicator	Unit	2022	2021
Scope 1: Direct greenhouse gas emissions ³	tonnes of carbon dioxide	642	1,163
Scope 2: Indirect greenhouse gas emissions	tonnes of carbon dioxide	1,127	623
Total greenhouse gas emissions	tonnes of carbon dioxide	1,769	1,786
Greenhouse gas emission intensity	tonnes of carbon dioxide/ 100 million m ³ of gas sold	252.35	311.15

¹ Direct GHG emissions are based on Appendix 4 of the China Energy Statistics Yearbook 2020, GHG Protocol, IPCC, 2014: Climate Change 2014: Synthesis Report, Intergovernmental Panel on Climate Change Fifth Assessment Report Working Group I, Working Group II and Working Group III Reports, Guidelines for Provincial Greenhouse Gas Inventories (Trial, May 2011) and the Energy Statistics Workbook (Department of Energy, National Bureau of Statistics, 2010.) and the Energy Statistics Workbook (Energy Department, National Bureau of Statistics, 2010). Indirect GHG emissions are calculated based on the national grid emission factors in the Guidelines for Verification of Enterprise Greenhouse Gas Emission Reports (Trial) issued by the Ministry of Ecology and Environment of the People's Republic of China.

² GHG emissions data do not include GHG emissions from the steam sales business (natural gas integrated energy business), which amounted to 15,617 tonnes of GHG in 2022, with a GHG emissions intensity of 0.27 tonnes of CO₂ equivalent/MWh of steam production. 2021 GHG emissions from this business was 18,216 tonnes, with a GHG emissions intensity of 0.32 tonnes of CO₂ equivalent/MWh of steam production. CO₂-equivalent/MWh of steam production.

³ The data have discounted and accounted for methane emissions due to third-party damage in 2022 (1,880 standard cubic meters) based on the global warming potential of methane.

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

4.1.2 Fulfilment of Green Operation

Green operation is a key element for the implementation of green growth philosophy. Jiaxing Gas continues to improve its energy conservation and environmental protection system, innovates the way we work, and promotes energy and resource conservation and recycling. We encourage employees to enhance their environmental protection awareness and cultivate frugality habits, for their effective coordination with the Group's green development goals in accelerating our pace to environment-friendly development.

Jiaxing Gas continues to promote the green office initiative, and actively carries out measures to enhance emission reduction management during its operations:

- Promote electricity saving: Ensure that office appliances are only turned on when they are in use and turned off when people leave. We controls the opening and closing time and temperature of air conditioner reasonably. The temperature shall not be higher than 20°C in winter or lower than 26°C in summer, so as to further reduce office energy consumption.
- Go easy with paper: The Group fully exploits the digital office system for file transmission and storage to replace paper documents. When it comes to printing, paper documents shall be carefully proofread in advance to reduce waste. If no special requirements, double-sided printing is recommended.
- Promote green travel: The Group requires that except for urgent repair vehicles, gas operation vehicles, engineering construction vehicles and office work vehicles, other departments are not equipped with vehicles. In 2022, we newly introduced in repairing and servicing vehicles for new energy emergency, a move to further promote energy consumption reduction and efficiency enhancement and carbon emission reduction.
- Cultivate frugality awareness: Based on its types of business, we carries out targeted operation training for employees and improve their awareness on environmental protection and energy conservation to avoid energy waste caused by improper operation.

To improve the efficiency of natural gas in use, we have deeply explored for advanced technologies, developed and applied the natural gas distributed energy system, and improved the overall utilization efficiency through multi-level use of energy, long-distance transmission loss reduction, effective environmental emission reduction, and mutual backup with the traditional power grid to further improve the reliability of our power supply.

To alleviate the adverse impact of production activities on nature, enterprises shall actively apply advanced technology in their productions.

During the Reporting Period, Jiaxing Gas actively carried out technical transformation for energy conservation, emission reduction and environmental protection. The rooftop photovoltaic power station established under the Qingchi Hotel Energy Station Project can generate 42,100 kWh of renewable electricity, an effective replacement of traditional energy.



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4.1.3 Methane Emission Management

Gas safety is of great significance to social public safety and smooth urban construction and development. Jiaxing Gas attaches great importance to the issue of methane leakage and escape. In strict compliance with the laws and regulations including the Stationary Source Emission – Determination of Total Hydrocarbons, Methane and Non-methane Hydrocarbons and the Ambient Air – Determination of Total Hydrocarbons, Methane and Non-methane Hydrocarbons, Jiaxing Gas carries out standardized measurement of the methane concentration for relevant operation parts, enhances management on the process flow of liquid unloading and gas storage, improves the measures on transportation and storage management, and prevents and reduces the methane leakage frequency. It also formulates various emergency plans to enhance its emergency management and response capabilities, strengthens the overall monitoring on methane emissions and leakage in all processes, so as to reduce the gas loss and escape rate, ensure the compliance management of methane emissions, and mitigate the impact of greenhouse gases on our environment and ecology.

Methane Emission Management Process:

- Separately store liquefied natural gas (LNG) from different gas sources, carry out operations for liquid inflow and outflow according to the standard, control the liquid level, and prevent excessive liquid inflow.
- Empty the storage tank, and regularly check the vacuum degree of the storage tank to maintain the temperature and the space above the liquid surface at a safe level.
- All storage tanks of the LNG station are equipped with field instruments and SCADA (Supervisory Control and Data Acquisition) systems, i.e., data acquisition and monitoring control systems, which inspect and check field and system data every two hours. Meanwhile, they are equipped with automatic pressure regulators for BOG (Boil-off Gas, referred to as BOG), safety valves and last manual discharge valve.
- Design according to the vehicle structure, and slightly elevate the front end of the vehicle storage tank to facilitate the unloading of liquid and reduce the methane loss.
- Regularly test the pressure of methane emission pipes to ensure the stability of the pressure in the pipes.
- In the construction operation involving switch to natural gas and natural gas emission, select the optimal discharge point in advance for discharge according to the actual situation and pipe layout, and test the gas concentration at the discharge outlet in strict accordance with the operation standard.

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Table: Energy Use Performance⁴

Indicator	Unit	2022	2021
Gasoline consumption	Liter	182,100	189,127
Diesel oil consumption	Liter	67,869	110,781
Natural gas consumption	Standard m ³	21,732	31,570
Purchased electricity ⁵	kWh '000	1,940	1,072
Total comprehensive energy consumption	kWh '000	4,459	4,910
Comprehensive energy consumption density	kWh/100 million m ³ of gas sold	636,047	855,381

4.1.4 Low Carbon Energy Transformation

Jiaxing Gas actively carries out comprehensive energy transformation while deepening its engagement in urban gas operation. It also grasps the opportunity of kinetic energy iteration and the window period for the development of hydrogen energy industry to promote its hydrogen energy business growth. The Group actively gets in touch with relevant government departments and hydrogen energy enterprises, to seek cooperation in the local and neighbouring counties and cities. It also participates in the planning and construction of Jiaxing Hydrogen Fueling Station, expands channels for multiple gas sources to enhance its energy supply capability, and stepping up investments in hydrogen energy industry to promote industrial development.

⁴ The data excludes the steam sales business (natural gas integrated energy business), which in 2022 used 7,129,396 standard cubic meters of natural gas, 189,913 kWh of purchased electricity, and consumed 9,505 tonnes of standard coal with an energy consumption intensity of 0.19 tonnes of standard coal/MWh of steam production. The energy consumption of the business in 2021 was 11,083 tonnes of standard coal, with an energy consumption intensity of 0.19 tonnes of standard coal/MWh of steam production.

⁵ In 2022, the Group included Jiaxing Gas Filling Station Co., Ltd. in the environmental data collection resulting in an increase in the value of purchased electricity.

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We also take active measures to bite a share from the charging pile market. In July 2022, we jointly established Jiaying Jiaran Ganghua Transportation Technology Co., Ltd. (“**Jiaran Ganghua**”) with Jiangsu Ganghua and Tongxiang Ganghua. Jiaran Ganghua is mainly engaged in provision of public urban charging service, customized service of special charging piles, safe charging service for residential areas and personal charging pile services for households. In 2022, Jiaran Ganghua built five quick-charging piles and two slow-charging piles in Jiaying area.

Completion of Gangshan Road Comprehensive Energy Station

In December 2022, Jiaying Gas completed the construction of Gangshan Road Hydrogen Fuelling Station and obtained the charging pile license. The station will be officially put into use in 2023 according to the use of hydrogen vehicles by the municipal bus company. The project is designed to use 35MPa for hydrogen fuelling with a scale of 1,000kg/d, which can meet the daily hydrogen demand of 100 buses or 60 trucks. The upcoming operation of the Gangshan Road Comprehensive Energy Station, as the first comprehensive energy station in Jiaying that integrates hydrogen fuelling, gas filling and electric charging, will mark a solid step into the promotion and application of hydrogen energy in Jiaying, and lay a solid resource foundation for the application of hydrogen public transport, hydrogen logistics and other fields.



Photo: Gangshan Road Comprehensive Energy Station

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

The Debut Unloading of the Third LNG Terminal in Zhejiang proving to be a Success

Jiaxing LNG Terminal (the “**Terminal**”), located at Dushangang District, Pinghu, Jiaxing in Zhejiang, is an integral part of the three-tier natural gas reserve system in Zhejiang province. On 21 July 2022, the smooth departure of “LNG JIAXING”, an LNG carrier, from the Terminal marked the successful completion of the debut unloading and the official operation of the Terminal. The project is designed for an annual LNG unloading capacity of 1 million tonnes, which can replace about 1.7572 million tonnes of coals and help reduce about 1.2692 million tonnes of carbon emissions. As a key milestone along the path of the gas industrial development in Jiaxing, the project will become a significant booster for the peak shaving capability of Jiaxing to meet pipeline natural gas demands at emergency occasions by deploying the storage tank facilities in Dushangang District and the Terminal’s transportation pipeline network. It also helps ensure the safe and stable supply of gas and energy for people’s livelihood and achieve win-win outcomes in terms of social, economic and ecological benefits.



Photo: Jiaxing LNG Terminal

IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

4.2 ECOLOGICAL PROTECTION

Taking forward ecological conservation is the Chinese nation's basic tactics for sustainable development as the harmonious co-existence between humanity and nature is one of the key features of the modernization with Chinese characteristics. The Group is committed to carrying out ecological conservation throughout the whole process of its production and operation, and actively introducing green and low-carbon new technologies to reduce pollutant emissions during its operations. Green development featured with ecological conservation is the "underlying colour" of the new era. The Group firmly adheres to the concept of socialist ecological civilization, stresses the importance of protecting ecological and cultural environment, and actively explores and summarizes leading practices, as part of the Group's efforts to promote the low-carbon development of the industry.

4.2.1 Emission Management

Jiaying Gas actively practices the concept of green, low-carbon and circular development.

In strict compliance with relevant environmental protection laws and regulations including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, the Emergency Preparedness and Response Control Procedure and the National Catalogue of Hazardous Wastes, The Group has established an environmental protection responsibility system, an environmental monitoring system (including daily environmental monitoring system, emergency monitoring system and monitoring management system) and a solid waste management system. The Group aims to become a leading gas enterprise in emission control by upgrading and transforming pollution treatment facilities, improving pollutant treatment efficiency, and making efforts to reduce waste and pollutant emissions based on its operation circumstances.

In 2022, The Group was not subject to any material environmental protection accidents and was not subject to any claim arising out of material breach of relevant permits and environmental protection requirements; was not subject to any material claim by customers or residents in the operating area as a result of the violation of relevant environmental protection requirements.

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In consideration of its current situation, Jiaxing Gas has formulated the Management Rules on Three Simultaneities for Safety Facilities and required that all construction projects should comply with the rules. The rules specify that environmental protection facilities and the main part of a project shall be designed, constructed and put into simultaneously, so as to minimize or avoid the impact caused by environmental pollution. In addition, we have formulated relevant emergency prevention measures and treatment procedures for environmental pollutants mainly involved in the operation, such as wastewater, waste gas, solid waste and noise. The Group also takes measures to enhance its environmental supervision process and improve its problem detection and reporting mechanism, so as to ensure the compliance of hazardous waste management.

Waste Water	Waste Gas	Solid Waste	Noise
<ul style="list-style-type: none"> By recycling condensate water in factories, the Group reduces the energy consumption of boilers, improves the quality of boiler feed water, decreases the amount of boiler blowdown and the discharge of waste water. With the low nitrogen transformation technology, the Group reduces nitrogen oxide emissions. 	<ul style="list-style-type: none"> With regard to the nitrogen oxides from combustion in boilers, we control the combustion temperature in boilers to meet the emission requirements by using low nitrogen burners. In the process of operation, the amount of residual waste gas discharged from gas dispensers and into the atmosphere is minimized. 	<ul style="list-style-type: none"> We engages qualified hazardous waste collectors for professional collection, transportation and treatment, and keeps records. Non-hazardous wastes are removed and transported regularly by third parties. 	<ul style="list-style-type: none"> Noise reduction facilities are installed to prevent noise pollution during construction.



IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

In terms of emission target management, we will gradually establish and improve a management system to supervise and control our emission reduction targets.

Table: Waste Discharge Performance

Indicator		Unit	2022	2021
Wastewater	Total sewage discharge	Tonnes	12,335.64	13,744.18
Waste gas	Total nitrogen oxide emissions	Tonnes	12.65	14.79
	Total sulphur dioxide emissions	Tonnes	1.29	1.50
	Total emissions of smoke and dust	Tonnes	1.70	1.98
Solid waste	Total hazardous waste discharge ⁶	Tonnes	–	0.40
	Hazardous waste discharge intensity	Tonnes/RMB1 million of revenue	–	0.00020
	Total non-hazardous waste discharge	Tonnes	46.38	86.10
	Office and household waste	Tonnes	34.28	26.10
	Food waste	Tonnes	12.00	60.00
	PE waste pipes	Tonnes	0.10	0.00

4.2.2 Environmental Mitigation

Jiaxing Gas pursues a green production mode and attaches great importance to biodiversity conservation and biological habitat restoration. In strict accordance with laws and regulations including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Regulation on the Administration of Environmental Protection in Construction Projects and the Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects, we strictly monitor the whole project cycle process. The Group takes the biodiversity conservation factor as the basic consideration in selecting sites for project construction, and actively carries out the environmental impact assessment. It continuously reduces the interference and damage caused by the project construction and subsequent operation to the land or wildlife habitat and explores for a win-win path towards ecological conservation and enterprise development.

⁶ The main hazardous solid waste generated in 2021 was waste engine oil from engine oil replacement for the maintenance of gas-fired generating units; there is no oil replacement in 2022, so there is no hazardous waste emission.

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Jiaxing Gas adheres to the path of green and low-carbon development, and always incorporates the green and low carbon considerations into each part of the whole project construction process covering site selection, design, construction and operation. It also clarifies the environmental management requirements based on the all-process environmental management framework consisting of regional environmental assessment, environmental impact assessments for plans and projects, and supervision and enforcement, etc. We fully respect the indigenous people, local culture and folk customs, and formulated special protection measures to minimize the impact of production and operation in the project on the local community residents and the habitat environment.

In selecting project site, we will communicate with the government in a timely manner and conduct investigations with users in advance, to solicit for opinions and demands from the residents around the operation site in various forms. In the project design phase, we will plan for the construction in populous area by strictly following the urban planning requirements. For example, we will take measures to guarantee minimized pipe loss after the heating pipe network is put into operation while reducing the distance between the central area and the main large users.

Planning and site selection:

- Carry out environmental impact assessments to identify the main environmental impact factors and the generation and expected discharge of the relevant pollutants, for defining proposed measures.
- According to the requirements of Code for Urban Gas Design and other codes, in site selection for project construction, select construction sites which are far away from wetlands and wildlife habitats or take protective measures to avoid the environmental impact.
- In the project construction design, take into full consideration of the vegetation distribution and growth on the land, so as to protect the balance of the original land ecosystem to the maximum extent.

During project construction, in strict accordance with environmental impact assessment and safety measures, we specify noise control, dust prevention and avoidance of night work, etc., and engage qualified organizations to issue corresponding environmental assessment reports and safety assessment reports. Upon the completion of the construction project, we will perform purging, intensity test, tightness test and environmental impact assessment and acceptance in accordance with the relevant provisions of the Norms on Construction and Acceptance of Urban Gas Transmission and Distribution Project (CJJ 33), minimizing the impact of the project on the surrounding natural ecology and biodiversity.



IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Construction:

- Reasonably determine the season for construction according to the local climate conditions, and properly carry out water and soil conservation to reduce the impact on the local agricultural ecology, vegetation and the living environment of rare and endangered animals.
- Make a strict construction plan and strictly control the generation of environmental impact factors and relevant pollutants according to environmental impact assessment reports.
- Strictly control the width of the operation area according to operation standards and procedures, and carry out pipeline construction by actively adopting trenchless construction methods including directionally-drilled crossing and pipe jacking according to the difference in the surrounding environment of pipe locations, and reasonably determine the buried depth in consideration of the vegetation, terrain and underground level along the pipeline and Install clinker tracks to machines during excavation operations regarding green belts to avoid damage to animals, plants and land.
- All PE pipe welding machines and tools are uniformly replaced with fully automatic ones, so as to visualize the welding process and further improve the operation quality.
- Use no diesel generators during the construction process if unnecessary and try more with electric supply.
- Mix finish, curing agent and thinner in the paint at a reasonable proportion to reduce dripping.
- After construction, compact the backfill, and clear away construction wastes in a timely manner, so as to reduce the ecological impact.
- The Group solicits for suggestions and demands from surrounding residents by conducting regular questionnaire surveys targeting local community residents and the public, takes timely improvement measures to minimize the impact of project construction on the normal living order in local communities, and to allay the concerns of surrounding residents and citizens. In addition, we stress the importance of safety production by organizing training activities on natural gas safety, self-protection skills and emergency measures on a regular basis, and carrying out various interacting activities such as classes open to kids to improve our community relations.

Gas Pipeline Relocation to facilitate Urban Infrastructure Expansion

In 2022, to facilitate the construction of new urban infrastructure such as Jiaxing Expressway and Tramcar, the Group formulated various plans for effective reconstruction, relocation and new construction based on field survey and comprehensive evaluation.

Given that the embedded depth of our pipeline failed to meet the clearance distance requirement at the initial stage of the tramcar construction, we actively cooperated to relocate our gas pipeline, and followed up the reconstruction and new construction to ensure that the overall project did not affect the ecological surroundings and the normal life of residents, so as to actively facilitate the development of urban infrastructure.



IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

4.3 EFFICIENT RESOURCE UTILIZATION

Efficient resource utilization is a well proven way to promote the comprehensive transformation to a green economy and society. The Group actively responds to the national call for energy conservation and emission reduction in its daily operation, by making efforts to standardize, improve and actively carry out resource management measures. It strictly complies with the Law of the People's Republic of China on Energy Conservation and other relevant documents, promoting its transformation to a resource-saving and environment-friendly enterprise. We stress scientific use of energy, take multiple measures to promote green and low-carbon development by improving resource utilization efficiency, enhancing water resource management, implementing digital office initiative and reducing resource consumption.

4.3.1 Water Resources Management

Water resource is a restrictive factor as a supportive one for economic and social development and ecological conservation. Jiaxing Gas puts water resource conservation at the top of its agenda for further development. It strictly complies with the Water Law of the People's Republic of China and other relevant laws and regulations. It promotes the use of water-saving advanced technology. It is also committed to achieving water resource conservation, intensification and utilization to the maximum extent, aiming to become a model gas enterprise with leading water-saving practices.

Jiaxing Gas mainly consumes water resources in office work and boiler operation, and there is no issue in sourcing water. We have formulated a water-saving supervision mechanism and strengthened the water-saving patrol in daily operation for thorough site inspections to detect water running, emitting, leaking and dripping before rectification. We have also applied the condensate recovery and utilization technology to further improve the recycling rate of water resources.

The Group will gradually establish and improve its water management system to monitor its progress toward water efficiency objectives. We will strictly implement the planned indicators for water use and widely use water-saving appliances at all water use occasions. We will also continue to enhance the relevant publicity and education to deepen our staff's awareness of water conservation and conduct regular internal water inspection, assessment and evaluation while implementing the water patrol system.

Condensate Recovery and Utilization Technology

Jiaxing Gas applies the condensate water recycling technology. By recycling condensate water in factories, condensate water and waste heat from boilers, the technology effectively helps reduce the energy consumption of boilers, improve the quality of the boiler feed water, reduce the generation of boiler blowdown and the consumption of chemicals. Meanwhile, after the water quality is improved, the technology can also help reduce the consumption of industrial salt and anti-sludging agents, thus reducing pipeline corrosion hazards. By adopting the recovery and utilization technology, the Group recovers about 1,600 tonnes of condensate monthly, which helps save 13,600 m³ of natural gas each month if 8.5 m³ of natural gas can be saved for each tonne of condensate recovered.

In 2022, a total of 16,259 tonnes of condensate were recovered, and 130,072 m³ of natural gas saved, a huge booster to the Group's recovery and utilization rate of water resources.



IV. GREEN DEVELOPMENT FOR ENVIRONMENTAL PROTECTION

Table: Water Resources Utilization Performance

Indicator	Unit	2022	2021
Total water consumption	Tonnes	59,356	39,754
Water use intensity	Tonnes/RMB1 million of revenue	17.13	19.99

4.3.2 Digital Office

The frugality concept touches every corner of the Group's office. The Group exploits digital office to empower its internal cooperation and management with technology, gradually replace traditional paper printing with digital documents, and advance towards the goal of "paperless" office. In 2022, we continuously optimized our digital office system, formulated various management goals and measures to further reduce the consumption of one-off office supplies, comprehensively promoting the green and low-carbon development of the Group.

Digitalized office

- The Group uses electronic business documents, which are delivered, signed and approved via a system, and disuses paper agreements and uses electronic signatures, and allows online signature via a self-service terminal and mobile terminal, thus reducing the storage of paper documents.
- The Group gradually carries out system-based management of human resources, covering attendance, personnel files and training, and performance assessment is gradually conducted by a system, which enables the automated acquisition of data.
- All documents and materials in relation to a meeting are PowerPoint presentations, which helps basically achieve a paperless office.
- The paper process documents are replaced by electronic processes; process documents, documents received and sent, rules and policies, audio-visual materials, drawings, etc. in the business are uniformly stored in electronic files by the file management system, and some business reports can be filled, generated, circulated and submitted through a report system software.
- Online video conferences and training are encouraged, while face-to-face meetings are cancelled, so as to reduce energy consumption.

Smart service

- Online business halls or telephone application channels are available for users; in the case of online business halls, through WeChat platform, online functions including gas reconnaissance, account opening, meter testing, safety inspection and complaints are provided to replace traditional paper application forms in business halls.
- Meter readings are notified to customers by SMS or WeChat instead of paper documents.
- Handheld meter reading and inspection devices replace traditional paper record books.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Employees are the core force driving corporate development, and the pillar in enterprises' sustainable development. We know that the long-term stable development of the company is inseparable from the support and efforts of each employee. We have stipulated rules on employment to safeguard our employees' rights and interests. We attach importance to the construction and improvement of a talent management system as a platform for employees to realize their own values and promote development of the Group together with our employees.

5.1 RETAINING TALENTS WITH ATTRACTIVE REMUNERATION

5.1.1 Equal Employment Opportunity

Jiaxing Gas always adheres to the people-oriented principle and strictly comply with relevant laws and regulations applicable to the place where it operates, including the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, etc. Jiaxing Gas has formulated and improved internal rules, including the Rules on Management of Recruitment and Employment, the Rules on Recognition of Qualifications of Employees, the Handbook on Rights and Interests of Employees, the Rules on Management of Employees Attendance, and the Rules on Management of Employees Leaves, which stipulate clear rules on employment, dismissal, working hours and holidays of employees and provide institutional guarantee for safeguarding the basic rights and interests of employees, protecting employee rights and interests.

Recruitment management

We have had a comprehensive recruitment system to employ our staff members through campus recruitment, employee referral, online recruitment, and talent exchange meetings organized by relevant departments. We have no restrictions on gender, household registration of candidates to ensure fairness, justice and openness in recruitment, and demonstrate the principle of equal opportunity in employment.

We continuously improve our recruitment process. After interviewing and evaluating candidates, we will notify all qualified candidates for pre-employment medical examination, employment approval and signature of labour contracts. We respect differences and encourage diversity, and firmly oppose any forms of restriction and discrimination on the grounds of gender, age, educational background and religious belief, etc., so as to ensure that the Group is full of vitality.

Employment rules

The Group strictly prohibits the employment of child labour and abides by the Law of the People's Republic of China on the Protection of Minors, Provisions on Prohibition of Child Labour and other relevant laws and regulations to eliminate the practice of employing child labour. The Group strongly forbids the practice of forced labour.

During the course of recruitment, we specify the age requirements of each post, and candidates are required to show their valid ID documents and academic certificates. Documents and certificates will be verified through the identity recognition system (connected to the public security system) and CSSD China Credential Verification system. Candidates are considered for recruitment only if we have received their feedback on accepting our job offer after interview and will not be considered if no feedback is received.



V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

When new employees join the Group, we further confirm and check their ID information by sending information registration forms and employment approval forms. Any violation found will be treated seriously and in a timely manner in accordance with relevant laws and the Group's rules to prevent the use of child labour from the source. To prevent forced labour, the Group does not restrict employees' personal freedom or forces labour to work by collecting deposits, detaining documents, making threats, etc. When employees leave, we will not impose any restrictions on their choice of new jobs for any reason or through any means. In 2022, the Group was not involved in any illegal activities including child labour and forced labour.

Rights to holidays and leaves

We strictly implement the national statutory regulations on holidays and leaves, employees are entitled to national statutory holidays, annual leave, maternity leave, marriage leave, etc. We have stipulated the Rules on Management of Employees Leaves to regulate the management and procedures for employees to take leaves and protect employees' rights to have rest days.

Employee overview

We have achieved a balanced male-to-female ratio and provided equal employment opportunities for employees of different ages. As at the end of the Reporting Period, we had a total of 367 employees, including 32 new employees, in mainland China; the overall turnover rate was 9%, representing an increase of 3% as compared with 2021.

Summaries of the Company's employees by gender, age, region, and position level are as follows:

Category	Metric	Unit	2022
	Total headcount	Persons	367
By gender	Male	Persons	270
	Female	Persons	97
By age group	25 or below	Persons	4
	25 to 30 (including 25)	Persons	53
	30 to 40 (including 30)	Persons	150
	Above 40 (including 40)	Persons	160
By region	Jiaying, Zhejiang Province	Persons	297
	Outside Jiaying, Zhejiang Province	Persons	70
By position level	Senior management	Persons	8
	Middle management	Persons	60
	General staff	Persons	299

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Summaries of the Company's turnover rate by gender, age and region are as follows:

Category	Metric	Unit	2022
By gender	Male	%	8.00
	Female	%	1.00
By age group	25 or below	%	0.20
	25 to 30 (including 25)	%	1.20
	30 to 40 (including 30)	%	3.70
	Above 40 (including 40)	%	3.90
By region	Jiaying, Zhejiang Province	%	6.00
	Outside Jiaying, Zhejiang Province	%	3.00

5.1.2 Compensation and Benefits

We value our employees, and strictly comply with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Provisions on Minimum Salary Threshold of the People's Republic of China, and other laws and regulations related to the protection of employment compensation and benefits. In addition to legal compliance, we are attentive to employees' needs, and work continuously to improve working conditions, the quality of cultural, living and logistics support, and provide various benefits to make our employees happier and have a higher degree of satisfaction:

- Visits to employees working on sites at high temperature to send heatstroke prevention and cooling supplies to front-line employees.
- We care about our employees' health, and regularly provide them with benefits including labour insurance benefits. Each year, we organize physical examinations for all employees and female employees. In 2022, we carried out health examinations for all employees in May, special physical examinations for female employees in September, and occupational health lectures in June.
- We pay attention to employees' mental health and arranged stress relief lectures for employees.
- We care about female employees and organized the Commendation Meeting for Excellent Female Employees on the International Women's Day, as well as recreational and cultural activities such as flower arrangement activity.
- We also provide holiday-related benefits, such as festival allowance and in-kind benefits (including agricultural products, fruits, holiday gifts), as well as organize employee birthday parties each quarter.



V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Cooling Visits to Employees working at High Temperature to prevent Heatstroke and Safeguard Health

To ensure production safety in season of high temperature, leaders and labour union chairman of Jiaxing Gangqu Natural Gas visited front-line outdoor employees on 8 July 2022, providing them with heatstroke prevention drugs, cold drinks, towels and other supplies.



Photo: Front-line Visit to bring Cooling Supplies at High Temperature

Visit to Employees with Financial Difficulties at Year End to celebrate a Caring and Warm Chinese New Year

In January 2022 on the eve of the Spring Festival, labour union members of Jiaxing Gangqu Natural Gas visited employees with financial difficulties to celebrate a caring and warm Chinese New Year. Visitors brought best wishes and warm greetings, as well as holiday allowances and daily supplies such as food and oil.



Photo: Visit to Employees with Financial Difficulties on the Eve of the Spring Festival

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2 RETAINING TALENTS WITH CAREER PROSPECT

Employees are valuable assets and wealth to the Group's sustainable development. We continue to improve the employee career development system in terms of employee training, performance appraisal, employee promotion, evaluation and conferring of titles, etc. The Group carefully creates a development path that meets each employee's job requirements and actual situation to help realize employees' personal value and the Group's corporate value, so that people can "unleash their potential to the fullest extent".

5.2.1 Systematic Employee Training

The Group attaches great importance to building the professional capacity of our employees and is committed to building a talent team with core competitiveness. We have provided detailed regulations on the training and compliance management of professional and technical personnel through internal regulations such as the Regulations on the Management of Employee Training, encouraged employees to learn on their own, and gradually realized the transformation of professional and technical personnel from skill management to job value management.

The Group's Human Resources Department identifies, discusses and analyses training needs according to the Annual Training Requirement Form, and lays down the Annual Training Plan each year. The Plan specifies the departments responsible for the training, training modules, posts, content, attendance, time, form, standards and estimated funds to fully promote employees' professional development. We have developed nine documents to record training quality, including the Training Report and Training Evaluation Form to evaluate employee training and ensure training quality.

The Group diligently promotes various trainings covering file management, systems and standards, basic knowledge, professional skills, general knowledge, cybersecurity, corporate culture, business operation and other contents through a combination of online and offline channels. Our trainings aim to enable each employee to learn on demand, improve their comprehensive capabilities, and unleash their potential in their respective posts.

As at the end of the Reporting Period, all employees of Jiaying Gas received training provided by the Group, a total of 9,188 hours and an average of 25 hours per employee were spent on training respectively.

Category	Metric	Unit	2022
Average training duration by gender	Male	Hours	25.18
	Female	Hours	24.63
Average training duration by position level	Senior management	Hours	34.50
	Middle management	Hours	22.97
	General staff	Hours	25.20

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Training on Standard Safety Inspection for Resident Users

On 23 September 2022, Jiaxing Gas conducted a training on standard safety inspection for residential users. During the training, we explained the safety inspection sequence, standard content of safety inspection, and standard rectification of accident hazards. We further consolidated the knowledge learned by employees through real-life indoor safety inspection and testing to improve the service quality and work efficiency of the team responsible for residential meter reading and safety inspection.



Photo: Training on Standard Safety Inspection for Residential Users

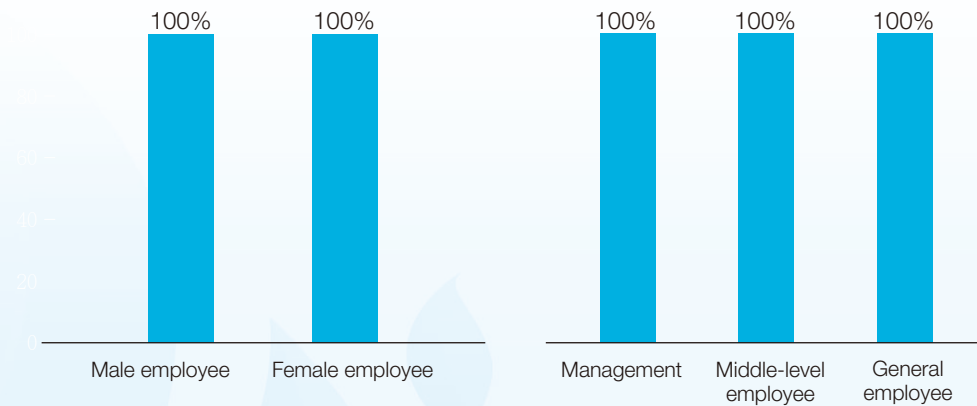


Chart: Percentage of Jiaxing Gas Employees Trained in 2022

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2.2 Fair Performance Appraisal

Jiaxing Gas pays attention to employees' lifelong development while cementing the foundation of talent management. To test how well employees have learnt during the course, the Group has established an assessment system for employees at different levels, and conducts regular assessments based on bi-annual and annual indicators. We comprehensively assess the professional quality of our employees, on the basis of which the assessment results are summarized and regularly submitted to the Group leadership for review, in order to determine the future development policy of each department and subsequent training plans.

Production safety and management responsibilities are two key components of Jiaxing Gas' operation. Therefore, we focused our 2022 training and carried out annual performance appraisal from the two perspectives. Based on job responsibilities and quality objectives of each department, we comprehensively evaluated employees' morality, ability, diligence and performance as a practical basis for job promotion, salary adjustment, rewards and penalties. During the Reporting Period, 100% of the Group's employees were covered under the performance appraisal system to create an environment that encourages fair competition.

5.2.3 Smooth Career Path

Jiaxing Gas persists in providing a clear path for employee promotion and a policy for performance incentives. During the Reporting Period, based on the guiding principle of "stabilizing the team, leading the development, starting the system and optimizing the allocation", we have been improving the career development and management system, and further deepening the reform of the Group's personnel system. We continuously built a career development management policy and system, improved the employee promotion system, further deepened the reform of the personnel system of the Group, transformed the single career promotion model only linked with administrative ranks, established a team comprising old, middle-aged and young employees, and ensured that employees can obtain clear career development paths and fair pay grade increase during their terms of office, and trained a team of high-quality professional and technical personnel.

To provide employees with more flexibility for career development and to ensure that competition is fair and open, the Group goes through a regular mechanism of job promotion and pay grade increase every year. When making decisions on job promotion, we arrange annual competitions for middle-level management posts, and professional and technical posts to open a path for career development. When making decisions on pay grade increase, we increase salaries of employees and middle-level management every year to improve compensation and benefits and enhance employees' sense of fulfilment and well-being. We organize our employees to participate in skills competition every year, and winners will be given priority over their peers when being reviewed for the qualifications to get awards, transfers and job promotions at the end of each year. We will continue to establish a clear path for career development and organize internal competitions every year to provide employees with channels to promote to administrative management posts, and professional and technical posts. In 2022, the Group promoted seven employees, among whom four were female employees and three were male employees.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Diagram: Position Evaluation and Employment Process of Jiaxing Gas

- Post announcement: Positions that need to be evaluated and filled are announced according to the needs of the Group.
- Self-recommendation: According to the positions, application conditions and qualifications, application for positions is submitted in the form of self-recommendation. Applicants who meet the requirements and intend to participate in the evaluation for employment need to fill in the Position Application Form.
- Qualification examination: After the expiry of the position application period, the evaluation and recruitment leading group will determine and publish the list of candidates for evaluation and recruitment after examining their qualifications, according to the conditions and qualifications of evaluation and recruitment.
- Speech evaluation: Employees are notified one day in advance to give a speech for the recruitment and undergo an evaluation. Each candidate will give a speech for 3-5 minutes at the evaluation and recruitment meeting and will be evaluated by members of the evaluation and recruitment leading group.
- Proposed candidate: With reference to the evaluation results, the evaluation and recruitment leading group collectively discuss to determine the candidates to be hired and the positions to be filled, which will be announced in the Group for at least 3 days before the appointment.
- Appointment approval: Through the pre-appointment announcement, the relevant employees are formally appointed, with the approval of administrative leaders of the Group.

5.2.4 Continued Professional Development

The Group relies on employees for its success and is generous in investing in employee training. We have organized various activities to motivate our employees maintain their work enthusiasm and learning motivation. Mechanisms are in place to recognize employees' vocational ranking, encourage them to obtain technical qualifications in the industry, and provide regular subsidies for employees who have obtained technical qualifications every year. We support employees to take active participation in major industry competitions, give additional rewards to award-winning employees through ways such as commendation meetings, guide employees to give full play to their strengths in suitable posts, and retain the Group's high-quality talents.

Jiaxing Gas will continue to improve the Group's management system and process for titles so that it will become more professional, standard and organized. We will provide channels and platforms for employees to obtain skill qualifications, and focus on improving employees' professional and leadership skills, so that the Group can cultivate professional and technical talents more effectively. These policies have acted as a major factor to motivate employees in their continued learning of professional skills. As at the end of the Reporting Period, the Group has conferred senior titles to nine employees, 47 employees have been conferred the middle-level titles. With respect to technician titles, the Group has nine technicians, 15 senior skilled workers and 53 middle-level skilled workers.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Gas Industry Labour Skills (Gas Appliance Installation and Maintenance) Competition

Between 9 and 11 November 2022, the Second Yangtze River Delta Region Gas Industry Staff Labour Skills (Gas Appliance Installation and Maintenance) Competition was held in Hangzhou. Lu Junzhong from the Group's pipeline division represented the Zhejiang team after several rounds of selection. He participated in this highly competitive race and competed with 24 gas industry technicians from Jiangsu, Zhejiang, Shanghai and Anhui. Lu was an outstanding showcase of Jiaxing Gas people's technical skills and won the silver medal.



Photo: Awards Ceremony of the Second Yangtze River Delta Region Gas Industry Staff Labour Skills (Gas Appliance Installation and Maintenance) Competition

5.3 RETAINING TALENTS WITH CARING RELATIONSHIP

A company's success and development are closely related to its employees' well-being. We care about our employees, value their sense of fulfilment, well-being and belonging and are committed to creating a warm, harmonious, equal and caring working and living atmosphere. To encourage free and frank communication, we have established a smooth and two-way mode of communication with employees for them to voice their views and offer suggestions. We have organized multifarious employee caring activities, paid attention to employees' physical and mental health from all aspects, to ensure a balance between employees' work and life and enhance their sense of identity and belonging with Jiaxing Gas.

5.3.1 Diverse and Liberal Communication

Front-line and backbone employees play a pivotal role in the Group's development, and the Group is open and eager to listen to employees' voice and address practical issues in a liberal way. It proactively builds communication bridges by establishing communication channels and feedback mechanisms for all employees, setting up suggestion boxes, so as to encourage new and old employees to provide suggestions, ensure timely collection and response to the opinions of employees, and encourage more employees to participate in the operation and development of the Group with tangible action.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Each year, we organize exchange meetings between new and existing employees led by the chairman of the Board and leaders of the Party Branch. We have set up the general manager's mailbox as a platform for listening to and discussing employees' ideas. The Group's subsidiaries are also maintaining communication with their employees in light of their own situation, for example, Jiaxing Gangqu Natural Gas has an employee chat room for team building and exchange meetings among young cadres. They collect employee opinions and suggestions and evaluate employee satisfaction every year; use labour union as a major platform for communication and protection of employee rights and interests. There is also an effective labour union system to ensure that the labour union function properly.

Youthful Blueprint for an Energetic Future – Jiaxing Gas organized a Seminar for Young Employees

In August 2022, Jiaxing Gas organized “An Appointment with the Youth” Seminar for Young Employees. Sun Lianqing, chairman of the Board of Jiaxing Gas together with members of the leadership discussed the development blueprint and future outlook with representatives of young employees in Qingyuan Ecology Farm.

At the seminar, young employees from different posts in the Group and its subsidiaries talked about their work experience and career development planning, recalled their life with Jiaxing Gas, and shared their achievements and experience of growing together with Jiaxing Gas. They also shared suggestions for corporate development from the perspective of their posts. Existing employees gave advice and shared experience with new employees to give encouragement to their pursuit of a better future.



Photo: Jiaxing Gas 2022 Seminar for Young Employees

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.3.2 Multifarious Recreational Activities

We carry out recreational activities including visit to employees, team building and employee birthday parties from time to time to promote communication, exchange, cohesiveness and team spirit.

During the Reporting Period, the Group organized two team building activities in June and between November and December.

Salute to Our Excellent Female Employees – Jiaxing Gas organized Activities for Female Employees to celebrate the International Women’s Day

On 4 March 2022, Jiaxing Gas held a Commendation Meeting for Excellent Female Employees and flower arrangement activity to celebrate the 112th International Women’s Day, showcase female employees’ outstanding performance, and enrich cultural life of our employees. Female employees gathered to celebrate the festival.



Photo: 2021 Commendation Meeting for Excellent Female Employees



Photo: Flower Arrangement Activity after the Commendation Meeting



Photo: Leaders from Jiaxing Women’s Federation, Jiaxing Daily Newspaper Group and Jiaxing Gas visited Service Counters and Hotline Center of Jiaxing Gas on 6 March to send Their Afternoon Tea Gift Bags and Festive Greetings to Jiaxing Gas’ Female Employees working on site



V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Passing on the “Red Boat Spirit” and taking “Two Leads in Development” to celebrate the 101 Anniversary of the Founding of CPC – Jiaxing Gangqu Natural Gas Party Branch organized 1 July Themed Party Day Activity

On 1 July 2022, Party Branch of Jiaxing Gangqu Natural Gas, one of Jiaxing Gas’ subsidiaries, organized 1 July themed Party Day activity, including watching the documentary film “Red Archive”. On 5 July, all Party members visited Jiaxing Gangqu City Exhibition Hall. On the 101 Anniversary of the founding of CPC, all Party members looked back on the history of the founding of the Party and the history of Jiaxing Gangqu’s development in the Red Boat Spirit by taking “Two Leads in Development”.



Photo: Party Members watched the Documentary Film “Red Archive”



Photo: Party Members visited Jiaxing Gangqu City Exhibition Hall

5.3.3 Joint Effort to Prevent and Control the Spread of the Pandemic

In the face of challenges from the COVID outbreak, Jiaxing Gas has thoroughly implemented the requirements of the state and government in preventing and controlling the pandemic, paid close attention to the development of the outbreak, developed Emergency Plan for Prevention and Control of Infectious Diseases and issued Notice on Good Prevention and Control of Current Pandemic, establish good early warning mechanism and pandemic response procedures, strictly implement protective measures, and develop emergency event response initiatives, actively organized staff members in pandemic prevention, and further improved its performance of the outbreak prevention and control responsibilities to help the government overcome the pandemic.

The Group strictly implemented the outbreak prevention and control work at Group and employee levels, according to the actual situation of each post, so as to comprehensively safeguard the health and safety of the Group’s employees.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

JIAXING GAS' Emergency Plan for the Pandemic

- | | |
|----------------|---|
| Group level | <ul style="list-style-type: none">• A leading emergency group for pandemic prevention and control was responsible for researching, formulating, releasing and implementing the Group's emergency plans for pandemic prevention and control• Equip each outlet with thermometers, alcohol and 84 disinfectant sprays, and strictly implement measures such as wearing masks, scanning health codes, temperature detection, cleaning and disinfection• Carry out fully enclosed management for project areas• Organize employees to conduct pandemic-related investigation according to the prevention and control requirements• Properly carry out emergency support and material preparation work |
| Employee level | <ul style="list-style-type: none">• Minimize unnecessary business travel, any business trip requires the completion of approval procedures and filing with the general office three days in advance• Actively accept health management, conduct regular COVID-19 nucleic acid testing and standardize mask wearing• Encourage full vaccination and receive booster doses |



V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

A “Firewall against COVID” built with the Power of Jiaying Gas

In March 2022, Nanhu District, Xiuzhou District, and the Economic and Technological Development Zone of Jiaying launched a second-level response to a major public health emergency due to repeated COVID outbreak. Local authorities and other stakeholders have lived up to their responsibilities. Jiaying Gas powered up to build “Firewall against COVID” as the line of defence to safeguard health and safety.

Jiaying Gas has made coordinated arrangements for key posts and personnel to ensure gas supply and safe production and carry out normal inspection at key premises and stations within the containment, prevention and control areas subject to various measures for pandemic prevention and control. To people and vehicles entering into and exiting from key areas, we implemented special disinfection and centralized isolation.

Jiaying Gas has been conscientiously performing its duties in emergency maintenance and helping users solve problems in using gas such as gas maintenance and pipeline inspection. The Group arranged personnel to be responsible for gas emergency repairs in containment, control and prevention areas. The designated personnel wore protective clothing and masks and were provided protective equipment when providing field services. We also applied special passes for vehicles during the pandemic outbreak.

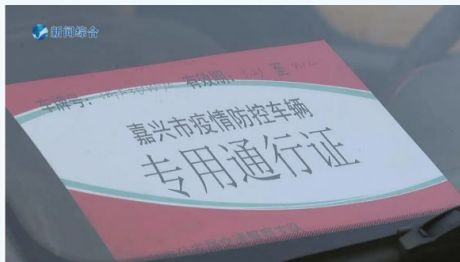


Photo: A “Firewall against COVID” built with the Power of Jiaying Gas

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

While gearing up for its further expansion, Jiaxing Gas also focuses on incorporating community prosperity into its own ambitions, via proactive assumption of its social responsibility and active devotion to public welfare, as a move to continuously contribute back to society in various fields such as community services, rural revitalization, environmental protection, educational assistance and battle against pandemic, etc.

The Group has formulated the Norms of JiaXing Gas Group Company Limited on Volunteer Services Management to standardize provisions on criteria for employees to become volunteers, recruitment and team organizing approach, rights available, awards and incentives, and content of services, etc., to encourage employees' active participation in volunteer activities and contribute unremitting efforts to improve residents' sense of wellbeing.

During the Reporting Period, the Group contributed 3,161 hours into a total of 257 public welfare activities, involving 1,210 participants.

6.1 CARING ABOUT PEOPLE'S LIVELIHOOD AND SUPPORTING OUR COMMUNITY

Jiaxing Gas always cares about people's livelihood by consciously assuming its social responsibility, and firmly believes that symbiosis and common prosperity with the community is the cornerstone for the booming of its business. In 2022, Jiaxing Gas, as always, actively organized and carried out various activities to celebrate traditional festivals, to standardize city appearance with better hygiene conditions, and to promote gas safety publicity. It also conducted public welfare gas safety monitoring activities to help achieve the common development of enterprises and communities.

Celebrating Lantern Festival with Volunteer Services

To preach the traditional culture of the Chinese nation via down-to-earth community services, Jiaxing Gas carried out activities under the theme of "Celebrate Lantern Festival with Volunteer Services". In the morning of 14 February 2022, "Ardent and Caring" volunteers from Jiaxing Gas visited the elderly, delivery guys and veterans in Youquan Community with Tang Yuan (filled balls made of glutinous rice flour for Lantern Festival) and gas safety publicity materials to deliver their warmest greetings to them. The volunteers also performed a thorough inspection on gas facilities in the households and dealt with identified safety threats in a timely manner to ensure people's safe use of gas.



Photos: "Celebrate Lantern Festival with Volunteer Services" Activities

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

Communist Youth League Members' Street-Cleaning Services, a Response to the Call for Urban Appearance Regulation

On 4 March 2022, the Communist Youth League members of Jiaxing Gas actively responded to the call of the superior Communist Youth League Committee for carrying out activities to regulate the city's appearance with voluntary actions, such as collecting household garbage scattered along the Huancheng Road, wiping ashy roadside rest benches, and placing non motor vehicles parked disorderly.



Photo: A Charming Scene of the City – Communist Youth League Volunteers in Action, Beautifying the City in Blue and Red

“Ardent and Loving” Volunteers visiting Longxing Flat for Publicity of Gas Use Instructions

In the morning of 5 March 2022, “Ardent and Loving” volunteers from Jiaxing Gas visited Longxing Flat with volunteer services. They delivered leaflets and instructions on the safety use of gas to residents of the community by setting up publicity stalls and offering warm reminders such as “Remember to turn off the valve after gas use”, “Remember to keep the kitchen ventilating”, and “Use corrugated pipes under instruction for safety and ease”.

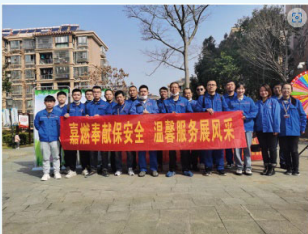


Photo: Voluntary Publicity on Gas Use for Community Residents

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Gas Facility Inspection for Public Welfare Institutions by the Customer Service Department of Jiaxing Gas

In the afternoon of 5 March 2022, ardent volunteers from the Customer Service Department of Jiaxing Gas visited the Jiaxing Relief Management Station and the Jiaxing Welfare House for gas facility inspections, as so to eliminate hidden threats and remind the users of safety gas use.



Photo: Gas Facility Inspection for Public Welfare Institutions by the Customer Service Department of Jiaxing Gas

As the pandemic made several comebacks during 2022, Jiaxing Gas organized several volunteer activities to fully support the local community with their battle against the pandemic.

Jiaxing Gas's Great Efforts to defend Jiaxing against the Pandemic

In March 2022, an anti-pandemic volunteer team consisting of Party members, Party membership activists, Communist Youth League members and middle-level backbones from all departments of Jiaxing Gas delivered down-to-earth assistance to the local streets, communities for pandemic prevention and control, by taking up duties to maintain site order, check QR codes and take temperatures at acid test points, high-speed railway stations and other places. So far, over 50 Party members of Jiaxing Gas have participated in these voluntary service activities.



Photos: Volunteers from Jiaxing Gas in action to Fight against Pandemic

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

On 1 April, to combat the sudden surge of the pandemic, three employees of Jiaxing Gas, i.e., Lu Junzhong, Shen Aimin and Guo Xiaojing, bravely stepped out and headed towards Jiaxing Fruit Wholesale Market for a goods transfer mission. The trio-squad worked round the clock for 60 hours with other volunteers to help with disinfection and sterilization, freight vehicle troubleshooting, and communication and coordination tasks.



Brave Hearts: “Someone should step up. I’ll be there!”

On 2 April, to support Chengnan Street, an area bearing the brunt of the pandemic, with its tough battle against the pandemic, all the departments of Jiaxing Gas took rapid actions to build up a team of 16 volunteers, who joined the “Pandemic Fighters” in their symbolic white protective uniforms to help deliver living suppliers to residents, arrange for nucleic acid tests and even climb stairs to visit each households in shabby residential buildings for pandemic prevention knowledge publicity. Their tireless work lasted 12 hours from 7:00 a.m. to 7:00 p.m.



Dedicated Youngsters: “I’m young and energetic to take the lead!”

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

On 4 April, Youquan Community issued an emergency call for volunteer services at the spots for mass nucleic acid tests organized by the community. 10 volunteers from the Group acted without delay and arrived the spots within 5 minutes.



Positive Energy: “Our employees share a common after-work lifestyle by supporting our community.”

6.2 CONSUMPTION ASSISTANCE AND RURAL REVITALIZATION

2022 is the year of deepening the smooth transition from consolidating and expanding the key achievements in poverty alleviation to rural revitalization. Jiaxing Gas attaches importance to rural revitalization and focuses on relieving key areas requiring national rural revitalization assistance by firmly promoting rural development, rural construction, and rural governance with painstaking efforts as an enterprise.

“Buy Apples to Deliver Love” – Assisting Fruit Farmers in Xinjiang with Procurement of Apples

Since 2022, fruit farmers in Aksu Region of Xinjiang have been extremely worried about the sluggish sales of their apples under the shadow of the pandemic. To help relieve their burdens, Jiaxing Gas proposed an initiative in the afternoon of 18 November 2022 for purchasing the premium Aksu apples by voluntary employees, who contributed their individual efforts to strike a deal with the fruit farmer valuing at RMB6,240. This initiative helped the fruit farmers win the race against time and delivered a caring message from Jiaxing to remote areas in Xinjiang via assistance for the local’s livelihood.



Photo: Procured Apples in Transit



Photo: A “Thank You” Banner from Fruit Farmers in Xinjiang

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6.3 TREE PLANTING FOR A GREENER PLANET

Voluntary tree planting is one of the methods that work wonders to engage all social forces in ecological conservation. Jiaxing Gas actively advocates the civilized fashion of “everyone up with green” and carries far President Xi Jinping’s ecological conservation spirit in contributing its efforts for a greener China. In the spring of 2022, Jiaxing Gas carried out voluntary tree planting activities to enhance that effort.

Embracing Spring with Green Greetings

On 11 March 2022, the once-a-year Tree Planting Day falls as usual. Inspired by such a season full of promises and vibrating with lives, Party member volunteers from one of the Group’s subsidiaries felt a strong urge to plant trees. They took actions and decorated Zhongshan Community and Central Park Phase II with newly planted trees. Every spade and every digging depicted their efforts for ecological conservation.



Photo: Volunteers at Tree-Planting Sites

APPENDIX: HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDELINES CONTENT INDEX

Environmental, Social and Governance Reporting Guide		Report Content
A. Environmental		
Aspect A1: Emissions		
General Disclosure		Green Development for Environmental Protection – Addressing Climate Change, Ecological Protection
A1.1	The types of emissions and respective emissions data.	Green Development for Environmental Protection – Ecological Protection
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).	Green Development for Environmental Protection – Addressing Climate Change, Ecological Protection
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development for Environmental Protection – Ecological Protection
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development for Environmental Protection – Ecological Protection
A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Development for Environmental Protection – Addressing Climate Change, Ecological Protection
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.	Green Development for Environmental Protection – Addressing Climate Change, Ecological Protection



APPENDIX: HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDELINES CONTENT INDEX

Environmental, Social and Governance Reporting Guide		Report Content
Aspect A2: Use of Resources		
General Disclosure		Green Development for Environmental Protection – Addressing Climate Change, Efficient Resource Utilization
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).	Green Development for Environmental Protection – Efficient Resource Utilization
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Development for Environmental Protection – Efficient Resource Utilization
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development for Environmental Protection – Addressing Climate Change, Efficient Resource Utilization
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.	Green Development for Environmental Protection – Efficient Resource Utilization
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials for manufactured goods.
Aspect A3: The Environment and Natural Resources		
General Disclosure		Green Development for Environmental Protection – Efficient Resource Utilization, Ecological Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development for Environmental Protection – Efficient Resource Utilization, Ecological Protection
Aspect A4: Climate Change		
General Disclosure		Green Development for Environmental Protection – Addressing Climate Change
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.	Green Development for Environmental Protection – Addressing Climate Change

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Environmental, Social and Governance Reporting Guide		Report Content
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure		People Orientation and Joint Efforts for a Better Future – Retaining Talents with Attractive Remuneration
Information on:		
B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People Orientation and Joint Efforts for a Better Future – Retaining Talents with Attractive Remuneration
B1.2	Employee turnover rate by gender, age group and geographical region.	People Orientation and Joint Efforts for a Better Future – Retaining Talents with Attractive Remuneration
Aspect B2: Health and Safety		
General Disclosure		Safe Gas Supply, Customer at Heart – Strengthen the Security Foundation
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Gas Supply, Customer at Heart – Strengthen the Security Foundation
B2.2	Lost days due to work injury.	Safe Gas Supply, Customer at Heart – Strengthen the Security Foundation
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Gas Supply, Customer at Heart – Strengthen the Security Foundation
Aspect B3: Development and Training		
General Disclosure		People Orientation and Joint Efforts for a Better Future – Retaining Talents with Career Prospect
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People Orientation and Joint Efforts for a Better Future – Retaining Talents with Career Prospect
B3.2	The average training hours completed per employee by gender and employee category.	People Orientation and Joint Efforts for a Better Future – Retaining Talents with Career Prospect

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Environmental, Social and Governance Reporting Guide		Report Content
Aspect B4: Labour Standards		
General Disclosure Information on:		People Orientation and Joint Efforts for a Better Future – Retaining Talents with Attractive Remuneration
B4.1	Description of measures to review employment practices to avoid child and forced labour.	People Orientation and Joint Efforts for a Better Future – Retaining Talents with Attractive Remuneration
B4.2	Description of steps taken to eliminate such practices when discovered.	People Orientation and Joint Efforts for a Better Future – Retaining Talents with Attractive Remuneration
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure		Stable and Long-Term Development Built on Integrity – Supply Chain Management
B5.1	Number of suppliers by geographical region.	Stable and Long-Term Development Built on Integrity – Supply Chain Management
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.	Stable and Long-Term Development Built on Integrity – Supply Chain Management
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Stable and Long-Term Development Built on Integrity – Supply Chain Management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Stable and Long-Term Development Built on Integrity – Supply Chain Management

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Environmental, Social and Governance Reporting Guide		Report Content
Aspect B6: Product Responsibility		
General Disclosure		Safe Gas Supply, Customer at Heart
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not Suitable
B6.2	Number of products and service related complaints received and how they are dealt with.	Safe Gas Supply, Customer at Heart – High-quality Customer Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Safe Gas Supply, Customer at Heart – Innovation-driven Development
B6.4	Description of quality assurance process and recall procedures.	Not Suitable
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safe Gas Supply, Customer at Heart – High-quality Customer Service
Aspect B7: Anti-corruption		
General Disclosure		Stable and Long-Term Development Built on Integrity – Anti-corruption and Upholding Integrity
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.	Stable And Long-Term Development Built on Integrity – Anti-corruption and Upholding Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Stable and Long-Term Development Built on Integrity – Anti-Corruption and Upholding Integrity
B7.3	Description of anti-corruption training provided to directors and staff.	Stable and Long-Term Development Built on Integrity – Anti-corruption and Upholding Integrity



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Environmental, Social and Governance Reporting Guide		Report Content
Community		
Aspect B8: Community Investment		
General Disclosure		Safe Gas Supply, Customer at Heart – Safe Communities Harmonious Community and Inclusive Society
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Safe Gas Supply, Customer at Heart – Safe Communities Harmonious Community and Inclusive Society
B8.2	Resources contributed (e.g. money or time) to the focus area.	Harmonious Community and Inclusive Society