



# 2023

## Environmental, Social, and Governance (ESG) Report

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

(Incorporated in the Cayman Islands with limited liability)

Stock Code : 01600



Tian Lun Gas Holdings Limited's

**2023**

**Environmental, Social, and  
Governance (ESG) Report**



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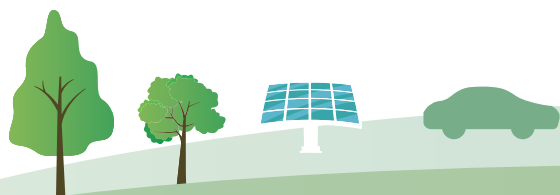
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# Report Description

Tian Lun Gas Holdings Limited ("the Company", 1600.HK) hereby presents the Environmental, Social, and Governance Report ("the Report" or the "ESG Report") for the year 2023 of the Company and its subsidiaries (collectively referred to as "the Group", "Tian Lun Gas", or "the Company"). The Report aims to disclose the ESG practices and performance of the Group in the past year in an open and transparent manner, to inform all sectors of society about the Group's sustainable development practices and performance.

## Scope of The Report

This Report covers the Group's main businesses, including investment, operation, and management of gas pipeline connections, gas transportation and sales, construction and operation of gas stations, and production and sales of Liquefied Natural Gas ("LNG") in China. The reporting period covered by this Report is from January 1, 2023, to December 31, 2023 ("the reporting period"), with some content extending beyond the aforementioned timeframe. Compared to the "Tian Lun Gas 2022 ESG Report", there are no significant adjustments to the scope of this Report.

## Reference

This Report is prepared in accordance with Appendix C2 "Environmental, Social and Governance Reporting Guide" ("HKEX ESG Guide") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("HKEX").

## Data Description

The financial data in the report are derived from the annual report for 2023, while other data are sourced from the company's internal management systems and statistics, including some historical data. Unless specifically stated otherwise, all monetary amounts in this Report are measured in CNY.

## Form of Release

This Report is published in electronic form and can be accessed or downloaded from the Company's website ([www.tianlungas.com](http://www.tianlungas.com)) and the HKEX website (<http://www.hkexnews.hk>).

# Message from Our Chairman

Zhang Yingcen Chairman



As time progresses, we embrace a new and vibrant year. The year 2023 marks the beginning of the full implementation of the spirit of the 20th National Congress of the Communist Party of China and a pivotal year for the "14th Five-Year Plan" to build on past achievements and kickstart future endeavors. Throughout this year, China's economy gradually transitioned from the special circumstances of the pandemic to normal operations. The restructuring of the global natural gas trade and the gradual diversification of domestic natural gas supply sources have brought new opportunities and momentum to the industry, promoting stable high-quality development.

Guided by the principles of the new development philosophy, innovation-driven, digital economy, and green transformation have become new engines driving the high-quality development and transformation of the industry. As a publicly listed company primarily engaged in urban pipeline gas operations, Tian Lun Gas is committed to becoming a top-tier supplier and service provider of green and low-carbon energy in China. Adhering to the philosophy of "improving our living environment through developing clean energy", we prioritize the high-quality development of our urban gas business while continuously innovating in low-carbon energy supply and orderly advancing businesses such as gas-electricity coordination, maximizing the integration of economic and social benefits.

**Throughout the year, we served national strategies and empowered green and low-carbon transformation.** Tian Lun Gas has always taken serving national strategies as our action guide, actively practicing green and low-carbon transformation. In 2023, we continued to strengthen environmental management, create green operation models, increase environmental protection investments, actively carry out energy conservation and emission reduction, and optimize resource utilization, resulting in a continuous decline in total greenhouse gas emissions. Tian Lun Gas interprets our commitment to green mountains and clear waters with responsible actions, contributing to the construction of a beautiful China.

**Throughout the year, we solidified robust governance and strengthened responsible operations.** Tian Lun Gas has always regarded responsible operation as the foundation for the company's stable development, continuously optimizing corporate governance,

improving the risk control system, promoting the implementation of compliance and anti-monopoly risk management systems, and solidly advancing responsible operation to firmly establish a safety baseline. We have always adhered to high standards of business ethics, providing a solid guarantee for the company's stable operation.

**Throughout the year, we continued value creation and sincerely gave back to society.** Tian Lun Gas focuses on technology and empowers our core business, always considering technological innovation as a key factor in driving the company's sustainable development. Through digital empowerment in management innovation, service optimization, and collaborative cooperation with stakeholders, we build a good ecosystem to continuously promote positive interaction between the enterprise and society, better serving the sustainable development of the economy and society.

**Throughout the year, we adhered to a people-oriented approach and practiced responsible commitment.** Tian Lun Gas has always embraced the core philosophy of "people-oriented", adhering to the four principles of "equal employment, protecting employees, training employees, and caring for employees", considering employees as the most valuable resource for achieving sustainable development of the company. We continuously improve the employee rights protection system, open up channels for employee career development, create a democratic work environment, and demonstrate the responsibility and commitment of a responsible enterprise through practical actions.

Looking forward, Tian Lun Gas will seize the significant development opportunities under the "dual carbon" goals, proceed with stability, coordinate development and safety, expand investments in clean energy and low-carbon technology, and continue to promote the transformation and upgrade from gas supply to comprehensive clean energy services. By advancing integrated energy services in synergy with the main gas business, we aim to contribute Tian Lun Gas's wisdom and strength to creating higher economic and social value for the country.

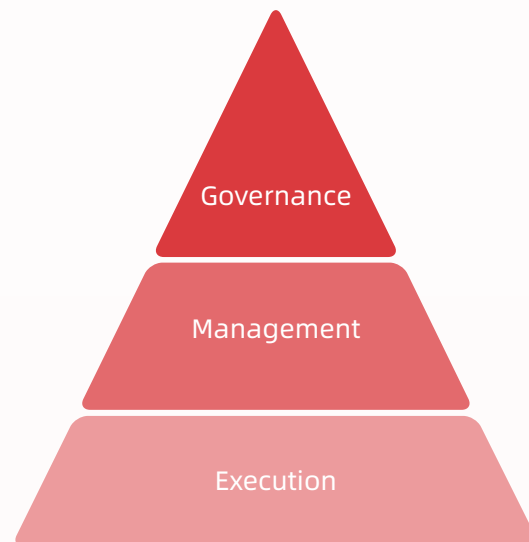
Tian Lun Gas Holdings Limited

April 2024

# ESG Statement from the Board of Directors

Tian Lun Gas recognizes the importance of ESG to the company's long-term stable operation. We have established an effective ESG management and governance mechanism, promoting the harmonious integration of Tian Lun Gas with the environment, society, and creating sustainable environmental, social, and corporate values.

Tian Lun Gas has formed an ESG management framework centered around the Group, consisting of three levels: "Governance, Management, and Execution", to ensure the effective implementation of ESG-related work. The Board of Directors, as the highest decision-making body on ESG matters, assumes full responsibility for the company's ESG strategies. An ESG Committee under the Board of Directors is responsible for guiding ESG-related issues. At the management level, an ESG management group has been established, consisting of the heads of all functional departments and/or business units, responsible for guiding and promoting ESG-related matters. At the execution level, an ESG working group led by the Investor Relations Department and comprising staff from all functional departments and/or business units is responsible for communicating and coordinating with all business units and functional departments to promote specific ESG work. Staff from all business units and functional departments are involved in the implementation and realization of ESG matters.



Tian Lun Gas considers environmental, social, and governance (ESG) work as an integral part of corporate strategy development and management. In 2023, Tian Lun Gas actively responded to the national "dual carbon" goals, energy restructuring, and rural revitalization strategy, insisting on clean energy as the direction of business development. We continued to promote projects such as gas-electricity coordination, building a clean, low-carbon, safe, and efficient energy system, and committed to becoming a main force in promoting energy structure reform in rural areas.

This report provides a detailed disclosure of the progress and achievements of Tian Lun Gas's ESG work in 2023, approved by the Board of Directors. The Board of Directors and all directors of the Company guarantee that the content of this report does not contain any false records, misleading statements, or significant omissions, and shall bear individual and joint responsibility for the truthfulness, accuracy, and completeness of the contents of the report.

# About Tian Lun Gas

## Company Profile >

Established in 2002, Tian Lun Gas is one of the earliest enterprises specializing in urban gas operations in China. Our main business covers urban gas operation, township gas operation, long-distance pipeline and industrial direct supply business, gas filling stations, and LNG plant business. On November 10, 2010, the Company was listed on the Main Board of the Hong Kong Stock Exchange, with the stock code 01600.HK. As of December 31, 2023, Tian Lun Gas has successfully operated 69 urban gas projects, providing gas services to more than 5.55 million urban and rural residents and over 40,000 industrial and commercial enterprise users. The company has laid and operated 9,173 kilometers of medium and high-pressure gas transmission pipelines, owns 51 operational gas filling stations, 1 LNG plant, and 6 long-distance pipelines that are operational and under construction.

In the current era of accelerated green transformation in the energy industry, guided by the new development strategy outline for 2022-2024, Tian Lun Gas will continue to practice the corporate vision of "committing to the cause of people's livelihood and building a brand with enduring success", and fulfill the mission of "developing clean energy to improve our living environment". We will actively adapt to market trends and help achieve China's goals of carbon peak and carbon neutrality. While focusing on the core business of providing high-quality urban gas, we will further expand and innovate the low-carbon energy business.

In the future, under the guidance of national policies such as the "dual carbon" goals and rural revitalization, Tian Lun Gas will join hands with partners from various industries and fields, layout nationwide, achieve full coverage of Tian Lun services, and become a first-class provider of green and low-carbon energy supply and services in China.

**69**  
urban gas projects

Providing gas services to more than  
**5.59 million** users

Laid and operated  
**9,173 kilometers** of medium and high-pressure gas transmission pipelines

## Annual Honors >



- 01 In February 2023, Tian Lun Gas was awarded the "ESG Excellence Enterprise Award" by the Hong Kong Stocks Top 100 Research Center in the tenth Hong Kong Stocks Top 100 list.
- 02 In May 2023, Tian Lun Gas received the "2022 Henan Social Responsibility Enterprise of the Year Award".



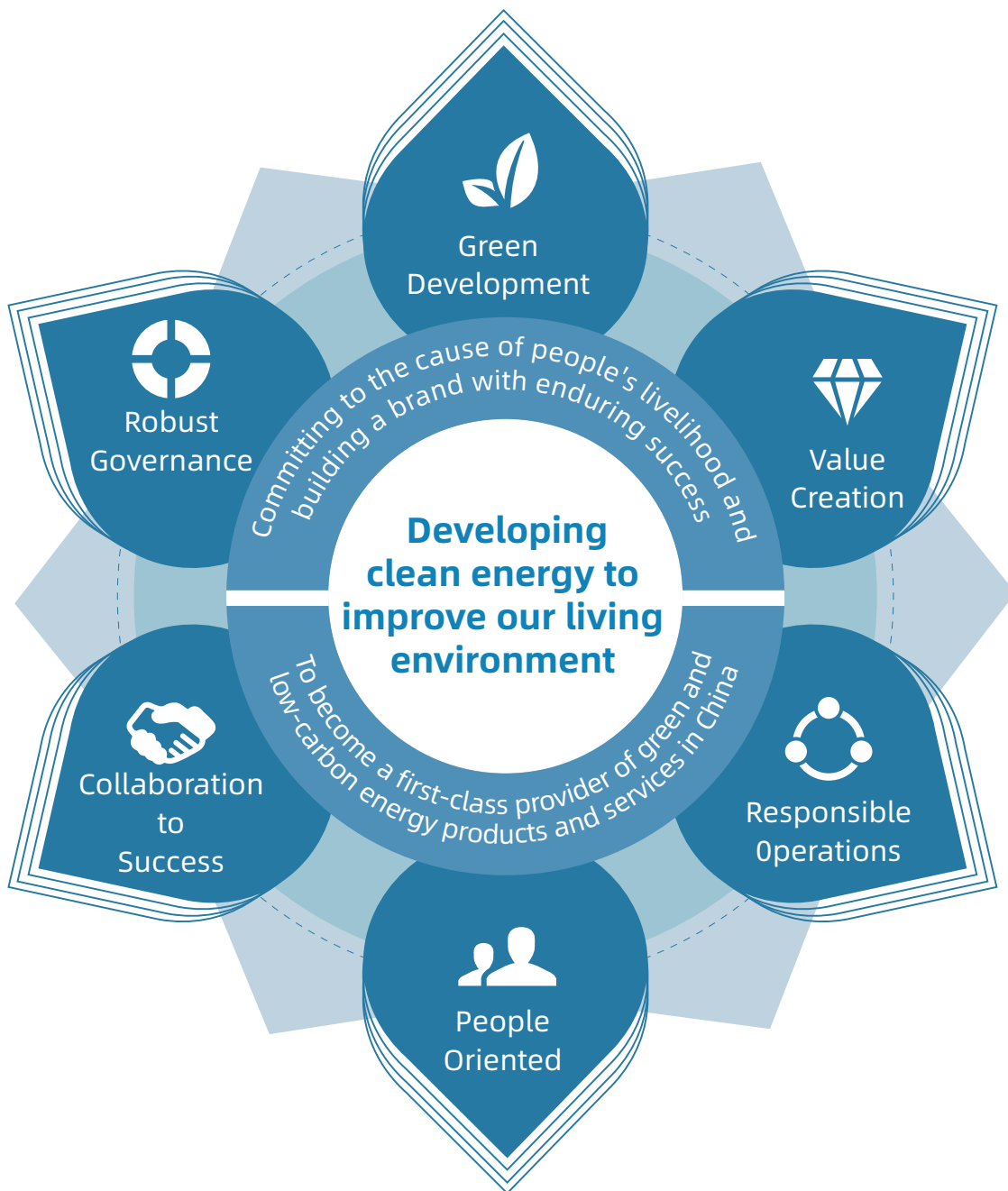
- 03 In June 2023, Tian Lun Gas was awarded the "Best Utilities Company Gold Award" by FinanceAsia.
- 04 In December 2023, at the 8th Zhitong Finance Listed Companies Awards, Tian Lun Gas won the "Best Energy & Resources Company".
- 05 In December 2023, at the 8th Zhitong Finance Listed Companies Awards, Tian Lun Gas received the "Best ESG Company Award".
- 06 In December 2023, Tian Lun Gas was awarded the "ESG Pioneer Award" at the 5th Golden Hong Awards by Gelonghui.



# ESG Management

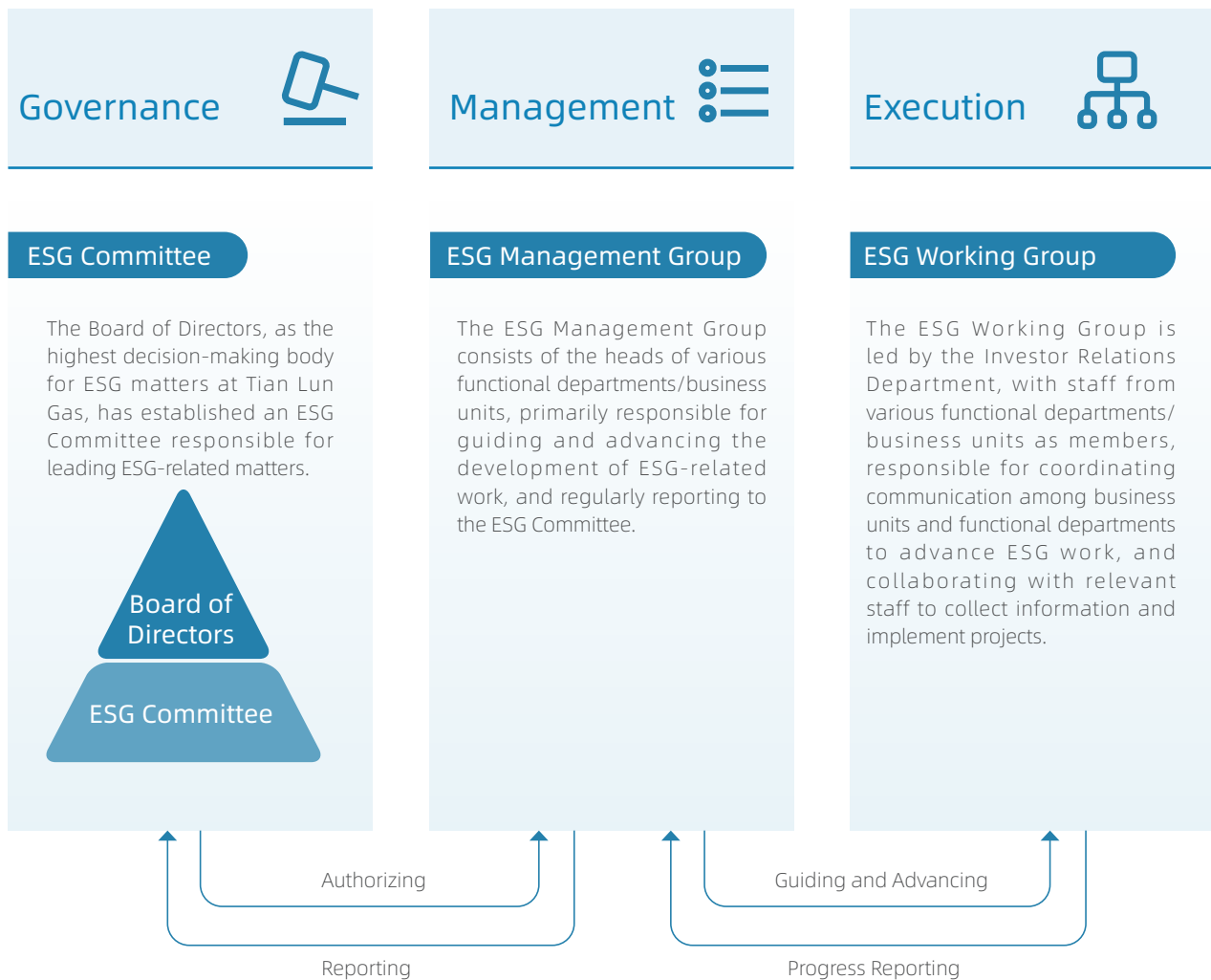
# ESG Strategy

Tian Lun Gas actively responds to the United Nations' principles of sustainable development, combining the corporate mission and development philosophy to establish its own ESG strategic vision and goals. Based on the judgment of material issues, six strategic pillars have been summarized: robust governance, green development, value creation, responsible operation, people-oriented, and collaboration to success. Tian Lun Gas refines medium- and long-term planning, ESG key performance indicators, and corresponding targets and practices based on these six strategic pillars.



# ESG Framework

To better implement sustainable development-related work, Tian Lun Gas integrates sustainable development concepts into corporate strategy and throughout every business segment, building and continuously improving the ESG management system, governance framework, and operational mechanisms. We actively respond to the requirements and expectations of stakeholders and strive to fulfill ESG responsibilities. Tian Lun Gas's ESG governance system covers the headquarters and all affiliated enterprises, forming an ESG management framework centered on the Group. The Group has established an ESG management structure with three levels: "Governance, Management, and Execution", which are respectively the ESG Committee, ESG management group, and ESG working group from top to bottom. The governance layer establishes the ESG Committee, with the Board of Directors as the highest decision-making body on ESG matters in Tian Lun Gas, setting up the ESG Committee to lead ESG-related matters. The management layer establishes the ESG management group, composed of heads of various functional departments/business units, mainly responsible for guiding and promoting the development of ESG-related work, and regularly reporting to the ESG Committee. The execution layer establishes the ESG working group, led by the investor relations department, with staff from various functional departments/business units as members, mainly responsible for communicating and coordinating the promotion of ESG work among business units and functional departments, and cooperating with relevant staff to complete information collation and project implementation. The Group's ESG management system has clear functions and responsibilities, providing important guarantees for the stable and efficient operation of Tian Lun Gas.



# Response to ESG Reporting Principles

## Principle of Materiality >>

Based on the HKEX ESG Guide, Tian Lun Gas identifies ESG issues that match its industry characteristics and business features, ensuring comprehensive coverage of information disclosure that concerns Tian Lun Gas and its stakeholders through materiality judgment. In 2023, the Group comprehensively assessed and sorted disclosure requirements from regulatory bodies and the capital market's assessment standards, comparing the shifting trends of issues among peers, and identified 33 material issues. We conducted a questionnaire survey among 8 major stakeholder groups, including the government, employees, customers, shareholders, and investors, to collect the results of the ESG issues' importance rated by stakeholders. Combining the importance of each issue to Tian Lun Gas's sustainable development, we ultimately formed the materiality matrix of Tian Lun Gas's ESG issues in 2023.

## Principle of Quantification >>

Tian Lun Gas has established an ESG indicator collection tool covering the headquarters and all subsidiaries, regularly collecting quantitative key disclosure indicators for all "Environmental" categories and some "Social" categories in the ESG Reporting Guide, and compiling them within the year to form the external disclosure of this report. Details of ESG quantitative data can be found in each chapter of this report.

## Principle of Consistency >>

This report's disclosure scope has not significantly adjusted compared to previous years' ESG reports, and it uses consistent disclosure statistical methods. Multi-year ESG comparative data details can be found in each chapter of this report.

## Principle of Balance >>

This report has been reviewed and confirmed by the Group's Board of Directors, committing to the objectivity and openness of the report content. The disclosed content can be accessed through Tian Lun Gas's official information disclosure channels or publicly available media.



# Stakeholder Communication

Tian Lun Gas always values the opinions from stakeholders across society and incorporates significant opinions into the Group's sustainable development work. For this reason, Tian Lun Gas actively uses diversified communication methods to thoroughly understand the expectations of various stakeholders and promptly respond to their demands.

Stakeholders	Expectations and Demands	Ways of Communication	Responses
<b>Shareholders / Investors</b>	<ul style="list-style-type: none"> <li>Improved governance structure</li> <li>Integrity and business ethics</li> <li>Information transparency</li> <li>Intellectual property protection</li> <li>Product and technology innovation</li> <li>Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>Performance announcement conferences</li> <li>Shareholder meetings</li> <li>Roadshows</li> <li>Interim and annual reports</li> <li>Project research</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of announcements, shareholder meeting resolutions, and financial reports as required</li> <li>Timely disclosure of information</li> <li>Striving to improve profitability</li> <li>Actively organizing field research</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Safe and stable gas supply</li> <li>Product quality and safety</li> <li>Protection of customer rights</li> <li>Optimization of customer service</li> <li>Customer privacy protection</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction surveys</li> <li>Complaints and suggestions through multiple channels</li> </ul>	<ul style="list-style-type: none"> <li>Regularly conducting customer safety inspections</li> <li>Enhancing service management level</li> <li>Implementing customer privacy protection requirements</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Protection of employee rights</li> <li>Equal, diverse employment</li> <li>Training and career development</li> <li>occupational health and safety</li> <li>Work-life balance for employees</li> </ul>	<ul style="list-style-type: none"> <li>Employee representatives</li> <li>Internal and external employee training</li> <li>Employee activities</li> </ul>	<ul style="list-style-type: none"> <li>Effectively safeguarding employees' legal rights</li> <li>Establishing a fair salary and promotion mechanism</li> <li>Enriching employee training types and methods</li> <li>Focusing on employee health</li> <li>Providing a healthy and safe working environment</li> </ul>
<b>Government/ Regulatory Authorities</b>	<ul style="list-style-type: none"> <li>Serving national strategies</li> <li>Emergency and risk management</li> <li>Anti-unfair competition</li> <li>Development of safety management</li> </ul>	<ul style="list-style-type: none"> <li>Institutional visits</li> <li>Work report presentations</li> <li>Daily communication</li> <li>Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Operating legally and in compliance</li> <li>Accepting government inspections</li> <li>Truthful and accurate information disclosure</li> </ul>
<b>Value Chain Partners</b>	<ul style="list-style-type: none"> <li>Responsible supply chain</li> <li>Industry cooperation and progress</li> </ul>	<ul style="list-style-type: none"> <li>Supplier negotiation meetings</li> <li>Daily communication</li> <li>Strategic cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Public tendering</li> <li>Fulfilling contracts as agreed</li> </ul>
<b>Environment</b>	<ul style="list-style-type: none"> <li>Resource use</li> <li>Emissions management</li> <li>Environmental management</li> <li>Biodiversity protection</li> <li>Climate change response</li> <li>Promoting energy conservation and emission reduction</li> <li>Low-carbon energy supply</li> <li>Energy efficiency improvement and green technology innovation</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact assessments and external communication</li> <li>Environmental management</li> </ul>	<ul style="list-style-type: none"> <li>Supplying clean energy</li> <li>Practicing resource conservation</li> <li>Technological innovation</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>Supporting rural revitalization</li> <li>Community communication and contribution</li> <li>Assisting local economic development</li> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Charitable activities</li> <li>Volunteer activities</li> </ul>	<ul style="list-style-type: none"> <li>Committing to charitable and public welfare</li> <li>Building good community relations</li> </ul>
<b>Media</b>	<ul style="list-style-type: none"> <li>Information transparency</li> <li>Maintaining good media relations</li> </ul>	<ul style="list-style-type: none"> <li>Press conferences</li> <li>Media project investigations</li> <li>Management interviews</li> </ul>	<ul style="list-style-type: none"> <li>Regularly holding press conferences</li> <li>Issuing press releases to the media</li> <li>Updating business developments on the company website</li> <li>Responding to media inquiries</li> <li>Continuous communication with the media</li> </ul>

# Materiality Assessment

## Collection of Relevant Topics >>

The process of collecting relevant topics was conducted by independent third-party consultants engaged by the Group. This involved benchmarking against the ESG Reporting Guidelines of the Hong Kong Stock Exchange, and drawing insights from the ESG disclosures of leading peers both domestically and internationally. Additionally, considerations were given to the focal points of sustainable development for Tian Lun Gas as highlighted by stakeholders, including those from the capital markets. By integrating an inventory of Tian Lun Gas' s annual strategic priorities with an analysis of significant issues identified in the previous year, we have synthesized, updated, and concluded on the material ESG topics for Tian Lun Gas in the year 2023. This comprehensive assessment forms the foundational basis for this report.

## Investigation of Concern Levels >>

Through a structured questionnaire, the Group' s independent consultants engaged with eight major stakeholder categories to solicit their perspectives on the importance of various ESG topics. This stakeholder-centric approach ensures that the materiality assessment is reflective of the broader expectations and concerns regarding Tian Lun Gas' s sustainability performance.

## Operational Impact Analysis >>

Senior management within the Group were consulted to provide their insights on the materiality of these ESG topics from an operational standpoint. This internal assessment allows for a strategic alignment of ESG priorities with the Group' s business objectives and sustainability goals.

### Collection of Relevant Topics

The collection of material ESG topics is carried out by the Group's independent third-party consultants. This process includes benchmarking against the ESG Reporting Guidelines of the Hong Kong Stock Exchange, referencing ESG issues of leading peers both domestically and internationally, and considering the capital market's focus on sustainable development relevant to Tian Lun Gas. The consultants integrate an annual review of Tian Lun Gas' s strategic priorities and analyze significant issues from the previous year to synthesize, update, and conclude the material ESG topics for Tian Lun Gas for the year 2023.

### Investigation of Concern Levels

The Group's independent consultants conduct a questionnaire survey among the eight major stakeholder groups, inviting them to evaluate the importance of each ESG topic from their perspectives. This ensures that the materiality assessment aligns with the stakeholders' views and concerns.

### Operational Impact Analysis

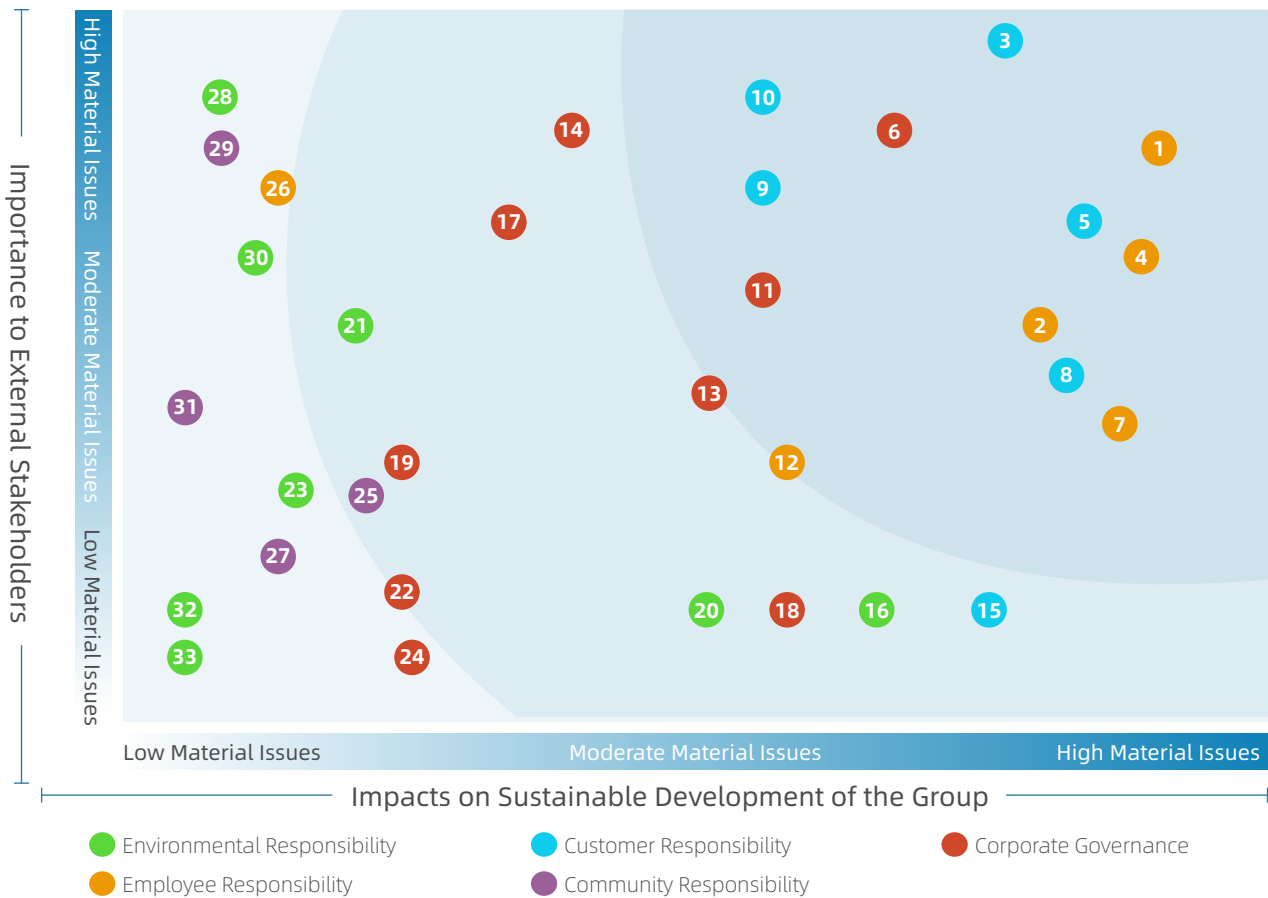
Senior management within the Group are consulted to assess the importance of these ESG topics from an operational perspective. This internal assessment helps align ESG priorities with the Group' s business objectives and sustainability goals.

### Prioritization of Topics

The prioritization of ESG topics involves a dual-dimensional analysis, assessing their significance to both the stakeholders and Tian Lun Gas. This analysis is visually represented through a materiality matrix, which serves as a crucial tool for guiding the Group' s strategic planning, goal setting, and continuous ESG disclosure efforts. This matrix of significant issues will be a key reference for future strategy formulation and ongoing information disclosure.

## Prioritization of ESG Topics >

The prioritization process involved a dual-dimensional analysis of the ESG topics, assessing their significance to both the stakeholders and Tian Lun Gas. This analysis was visually represented through a materiality matrix, which will serve as a critical tool for guiding the Group’s strategic planning, goal setting, and continuous ESG disclosure efforts.



Order	Issues	Order	Issues	Order	Issues
1	Safety Management	12	Training and Career Development	23	Emissions Management
2	Occupational Health and Safety	13	Anti-Unfair Competition	24	Improved Governance Structure
3	Product Quality and Safety	14	Responsible Supply Chain	25	Assisting Local Economic Development
4	Protection of Employee Rights	15	Product and Technology Innovation	26	Equal, Diverse Employment
5	Safe and Stable Gas Supply	16	Resource Use	27	Community Communication and Contribution
6	Emergency and Risk Management	17	Serving National Strategy	28	Energy Efficiency Improvement and Green Technology Innovation
7	Work-Life Balance for Employees	18	Intellectual Property Protection	29	Industry Cooperation and Progress
8	Customer Privacy Protection	19	Information Transparency	30	Low-Carbon Energy Supply
9	Protection of Customer Rights	20	Environmental Management	31	Supporting Rural Revitalization
10	Optimization of Customer Service	21	Promoting Energy Conservation and Emission Reduction	32	Biodiversity Protection
11	Integrity and Business Ethics	22	Stakeholder Communication	33	Climate Change Response

# ESG Goals and Annual Performance

Tian Lun Gas leverages the inherent environmental attributes of its business to fully support the United Nations Sustainable Development Goals (SDGs). Based on its unique business characteristics, Tian Lun Gas has identified the 13 most relevant SDGs and commits to supporting and implementing these goals within its corporate development strategy and business operations.

Strategic Pillars	Specific Issues	Corresponding SDG	Tian Lun Gas Objectives
<p><b>Robust Governance</b></p>	<ul style="list-style-type: none"> <li>•Serving National Strategy</li> <li>•Improve Governance Structure</li> <li>•Stakeholder Communication</li> <li>•Integrity and Business Ethics</li> <li>•Information Transparency</li> <li>•Anti-Unfair Competition</li> <li>•Emergency and Risk Management</li> </ul>	  	<p>Continue to optimize the corporate governance structure, build a scientific and reasonable internal control system and risk control mechanisms, actively respond to national strategies, implement business ethics standards, and ensure compliant and stable business operations.</p>
	<p>➤ 2023 Performance Response:</p> <ol style="list-style-type: none"> <li>1. Held the annual shareholders' meeting, where amendments to the company's organizational charter and detailed rules were passed, continuously optimizing the governance system.</li> <li>2. The board consists of 10 members, including 4 executive directors, 2 non-executive directors, and 4 independent non-executive directors, with 4 female directors, representing 40%.</li> <li>3. In 2023, Tian Lun Gas disclosed 52 announcements and 1 shareholders' circular, and conducted nearly 100 communications with investors and analysts via teleconferences.</li> <li>4. Continuously improved the compliance risk management system; systematically studied and understood legal regulations on anti-monopoly, identifying potential monopoly risks in the gas industry.</li> </ol>		
<p><b>Green Development</b></p>	<ul style="list-style-type: none"> <li>•Environmental Management</li> <li>•Low-Carbon Energy Supply</li> <li>•Energy Efficiency and Green Technology Innovation</li> <li>•Resource Use</li> <li>•Emissions Management</li> <li>•Promoting Energy Conservation and Reduction</li> <li>•Biodiversity Protection</li> <li>•Climate Change Response</li> </ul>	   	<p>Under the guidance of national policies on rural revitalization and dual-carbon goals, continuously promote the optimization of the energy structure, innovate in low-carbon energy supply, orderly advance 'gas-electricity synergy' and other new energy business development, continuously optimize production processes and environmental management levels, reduce environmental impacts in all business aspects, enhance resource use efficiency, and actively respond to climate change.</p>
	<p>➤ 2023 Performance Response:</p> <ol style="list-style-type: none"> <li>1. Developed environmental management plans and measures.</li> <li>2. Total municipal water supply was 91,438.22 tons, with water-saving in production and operation processes amounting to 80.365 tons, mainly achieved through reclaimed water reuse and water-saving measures.</li> <li>3. Standardized group resource use management, specifying measures for saving electricity, oil, and gas.</li> <li>4. Promoted the use of electric vehicles and natural gas vehicles to reduce emissions.</li> <li>5. Actively laid out distributed photovoltaic business.</li> </ol>		

Strategic Pillars	Specific Issues	Corresponding SDG	Tian Lun Gas Objectives
<p><b>Value Creation</b></p>	<ul style="list-style-type: none"> <li>• Optimizing Customer Service</li> <li>• Product and Technology Innovation</li> <li>• Intellectual Property Protection</li> </ul>	  	<p>Focus on technological innovation and R&amp;D to optimize customer service.</p>
<p><b>Responsible Operations</b></p>	<ul style="list-style-type: none"> <li>• Safe and Stable Gas Supply</li> <li>• Safeguarding Customer Rights</li> <li>• Product Quality and Safety</li> <li>• Customer Privacy Protection</li> <li>• Development of Safety Management</li> </ul>	    	<p>Comprehensively strengthen the safety management system to ensure user safety and achieve stable gas supply and safe, robust operations.</p>

➤ 2023 Performance Response:

- 1.Through continuous upgrades in digitalized experiences, achieved efficient and convenient services.
- 2.Through the application of advanced technologies, Tian Lun Gas not only enhanced its service quality and operational efficiency but also provided safer, more efficient, and smarter gas services to customers and society.

➤ 2023 Performance Response:

- 1.The group organized spring and autumn inspections and supervised daily maintenance, investing a total of 45.58 million yuan; continued to carry out updates and transformations of factory stations and pipeline equipment, investing approximately 17.62 million yuan, eliminating 65 pressure occupations, transforming 26 kilometers of aging pipelines, and retrofitting over 10,000 households with vertical pipes.
- 2.Generated value-added revenue of 370 million yuan from services tailored to meet individual user needs, an increase of 12%, with a gross profit of 180 million yuan, up 12%. In 2023, eighteen companies including Hebi and Xuchang implemented safety device transformations for 678,000 households.

Strategic Pillars	Specific Issues	Corresponding SDG	Tian Lun Gas Objectives
<p><b>People-Oriented</b></p>	<ul style="list-style-type: none"> <li>• Protection of Employee Rights</li> <li>• Occupational Health and Safety</li> <li>• Employee Training and Career Development</li> <li>• Work-Life Balance for Employees</li> <li>• Equal, Diverse Employment</li> </ul>		<p>Establish a sound talent management system, legally protect employee rights, implement safety production systems, ensure employee health and safety, build harmonious and stable labor relations, and achieve mutual growth of employees and the enterprise.</p>
	<p>➤ 2023 Performance Response:</p> <ol style="list-style-type: none"> <li>1.Signed performance responsibility agreements with relevant employees that include ESG indicators.</li> <li>2.From July to November 2023, Tian Lun Gas Group organized public selections for reserve general managers and deputy general managers of member units.</li> <li>3.Conducted various types of training 2,373 times, with a total of 198,618 training participants, including 169,639 online and 28,979 offline, totaling 74.9 thousand training hours.</li> <li>4.Held 10 group safety risk protection training sessions, with 50 safety training session at member companies, totaling 53,525 safety training hours.</li> <li>5.Organized various cultural and sports activities, such as a series of events held on Women's Day and the Winter Solstice, providing a good working atmosphere for employees and helping them achieve a balance between life and work.</li> </ol>		
<p><b>Collaboration to Success</b></p>	<ul style="list-style-type: none"> <li>• Community Communication and Contribution</li> <li>• Supporting Rural Revitalization</li> <li>• Assisting Local Economic Development</li> <li>• Industry Cooperation and Progress</li> <li>• Responsible Supply Chain</li> </ul>		<p>Under the guidance of national policies on rural revitalization and "dual-carbon" goals, actively participate in public welfare activities, undertake corporate citizen responsibilities, create good community relations. By building a comprehensive development cooperation platform for the upstream and downstream industry chain, achieve multi-party collaboration and mutual benefits.</p>
	<p>➤ 2023 Performance Response:</p> <ol style="list-style-type: none"> <li>1.Maintained a strict full-process supplier management mechanism, requiring bidders to operate with integrity, and bidders must obtain ISO18001, ISO14001, ISO9001, and other certification certificates.</li> <li>2.Public welfare donations reached CNY 1.516 million, a 66.2% increase compared to the previous year.</li> </ol>		

# Robust Governance



Tian Lun Gas strictly adheres to national laws and regulations, regulatory requirements, and corporate governance policies, continuously optimizing the corporate governance system to form a comprehensive governance structure. The company operates honestly and legally, focuses on risk management, and strengthens the compliance system construction. The company emphasizes ESG governance and the full participation of the board of directors in ESG information disclosure. In terms of compliance system construction and audit and supervision, the company has established a whistleblower protection system and achieved full coverage of compliance review, audit supervision, and anti-corruption supervision policies to ensure effective and compliant corporate governance.

## SDGs Covered in This Section



# Corporate Governance

Tian Lun Gas strictly adheres to the "People's Republic of China Company Law," "People's Republic of China Securities Law," Hong Kong Stock Exchange "Listing Rules," "Securities and Futures Ordinance," "Code on Takeovers, Mergers, and Share Repurchases," "Companies Ordinance," "Outline and Details of Company Charter," and other legal and regulatory requirements. The company has developed systems such as the "Outline and Details of Organizational Charter" to carry out corporate governance-related work and comply with information disclosure responsibilities.

The board of directors, as the highest decision-making body of the group, has set up professional committees such as the Audit Committee, Nomination Committee, Remuneration Committee, and ESG Committee. These committees regulate and control relevant aspects of the company based on their clear authority and efficiently perform management functions. The Audit Committee is responsible for recommending the appointment, reappointment, and removal of external auditors to the board, reviewing financial statements, making significant suggestions on financial reporting, and reviewing and monitoring the group's financial reporting and internal control procedures. The Nomination Committee is responsible for appointing directors and the board's management succession and making recommendations to ensure that all director nominees are experienced and competent. The Remuneration Committee reviews the compensation of directors and senior management and assesses the performance of executive directors, making recommendations for any adjustments. The ESG Committee reviews current requirements and trends in environmental, social, and governance aspects, assesses and judges existing ESG risks and opportunities, and reviews and examines the annual ESG report to promote optimized ESG management.



## Data Highlights

As of June 30, 2023, Tian Lun Gas held its annual shareholders' meeting, where amendments to the company's organizational charter and detailed rules were passed, continuously optimizing the governance system construction.

By the end of the reporting period,

Tian Lun Gas had held

- 1** shareholders' meeting
- 6** board meetings
- 3** audit committee meetings
- 2** remuneration committee meetings
- 2** nomination committee meetings
- 1** ESG committee meeting

# Board Diversity

The company's board adopts a diversity policy, viewing board diversity as a key factor in achieving strategic goals and sustainable development. Tian Lun Gas considers candidates for the board based on diversity in gender, educational background, and professional ability according to the "Board Diversity Policy" and "Nomination Committee Scope of Responsibilities." Board members have diverse educational backgrounds and professional experiences. When selecting executive director candidates, the board considers candidates' expertise in energy development and industry experience, as well as leadership and management skills. When selecting non-executive director candidates, the board not only values the candidates' professionalism and educational background but also emphasizes the valuable perspectives, knowledge, skills, and experience they can bring to support the efficient and effective operation of the board.



## Data Highlights

By the end of the reporting period,

Tian Lun Gas had **10** board members, including **4** executive directors, **2** non-executive directors, and **4** independent non-executive directors, with **4** female directors, representing **40%**.



## Information Transparency

Tian Lun Gas strictly adheres to the Hong Kong Stock Exchange listing rules and related legal and regulatory requirements, highly valuing the security and effectiveness of the group's information disclosure work. The company has established management systems such as the "Tian Lun Gas Group Significant Information Internal Notification and Disclosure System" and "Tian Lun Gas Information Disclosure Guide Manual." Through the Hong Kong Stock Exchange's disclosure website, the company's official website, shareholders' meetings, phone calls, emails, and other means, the company discloses information timely, effectively, and transparently, ensuring compliance with group information disclosure affairs.

Tian Lun Gas continuously improves the information disclosure system, strictly implements related regulatory provisions, enhances information transparency, and strengthens communication and interaction with shareholders and investors, actively responding to investors' concerns. The group regularly publishes announcements, interim reports, annual reports, and other related materials on public channels such as the Hong Kong Stock Exchange disclosure website and the company's official website, using shareholders' meetings, strategy meetings, phone calls, emails, and other contact methods to timely communicate the group's business development and planning with stakeholders.

The company is committed to maintaining close contact with shareholders, especially through annual or other shareholders' meetings, encouraging shareholder participation. Tian Lun Gas continues to advance an open and effective investor communication policy, providing investors with the latest information about the company's business according to relevant regulatory provisions, and regularly reviewing the shareholder communication policy annually to ensure its effectiveness.



### Data Highlights

In 2023, Tian Lun Gas disclosed **52** announcements and **1** shareholders' circular, and conducted nearly **100** communications with investors and analysts via teleconferences. By the end of the reporting period, Tian Lun Gas strictly adhered to listing rules and other related requirements, with no incidents of condemnation or violations by the Stock Exchange or the Securities and Futures Commission.

## Business Ethics

Tian Lun Gas strictly adheres to anti-corruption laws and regulations, upholding honesty, integrity, and fair competition in business ethics. The company has established and published a series of policy documents internally, building a compliance management system to provide ethical guidance for all employees and strictly regulate employee behavior to ensure that the company and employees properly fulfill their responsibilities.

Tian Lun Gas has developed management systems such as the "Tian Lun Group Cadre Management Regulations," "Tian Lun Group Three Red Lines and Five Prohibitions," and "Tian Lun Group Gift and Gift Money Reception Management Methods." These systems provide guidance and requirements for directors and senior management on regulatory rules, insider trading, improper market behavior, conflicts of interest, corporate opportunities, protection and proper use of corporate assets, and reporting regulations. All directors and senior management must be familiar with and adhere to various management systems and regulations. The board annually reviews and continuously revises related systems.

## Practice Highlights

By the end of the reporting period, Tian Lun Gas conducted integrity lectures at nine companies, including the Northeast region, Liqun, Zizhou, Xuchang, Datong, Huzhu, Gas Group Procurement Department, Weishi, and Xindu.



North East Area



Liquan Company



Zizhou Company



Xuchang Company



Datong Company



Huzhu Company



Group Purchasing Department

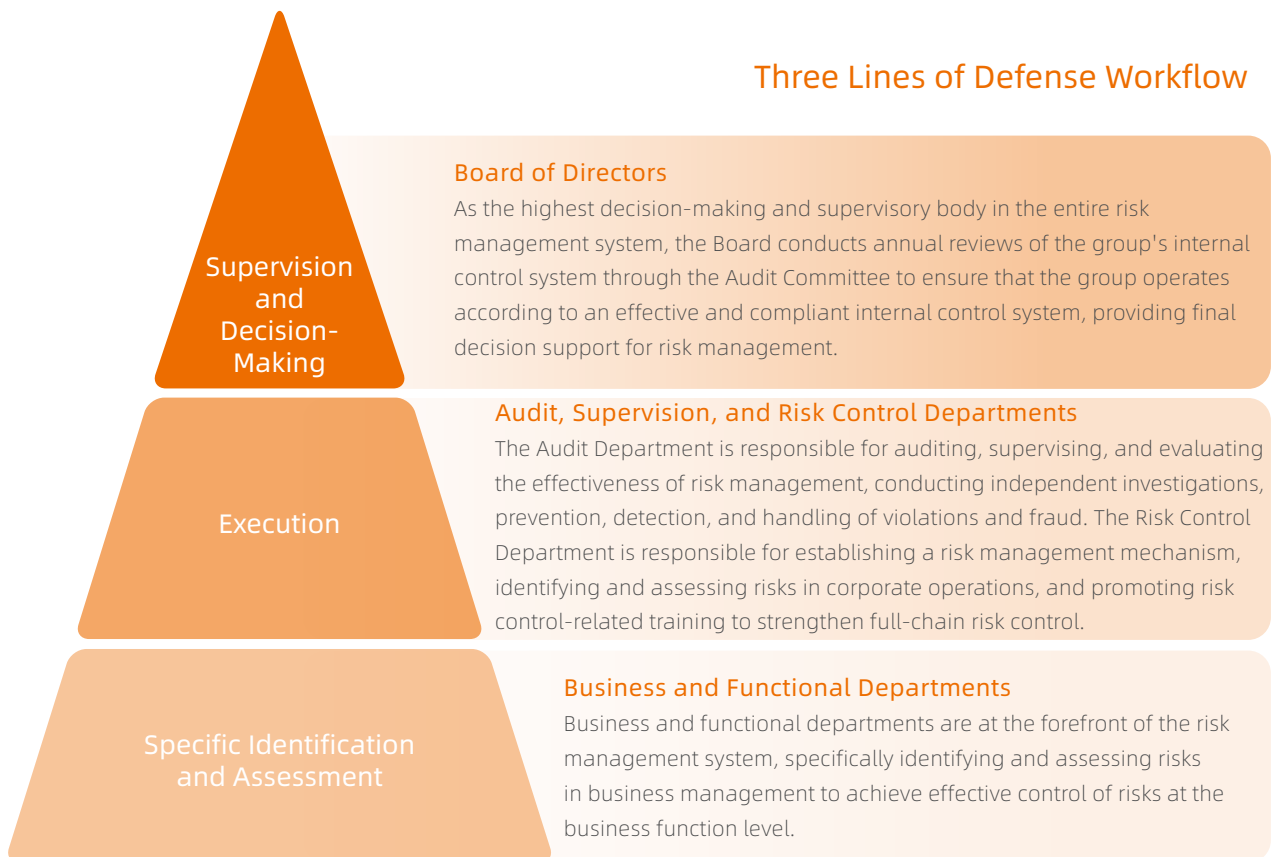


Weishi Company

# Risk Management

Tian Lun Gas has a comprehensive internal control system and has established the "Tian Lun Group Audit and Supervision Management System." From top to bottom, three lines of defense are set up to solidly advance the implementation of internal control and auditing in the operational process, avoiding major compliance risks from multiple aspects and strengthening full-chain risk control.

The board is overall responsible for maintaining the group's operation according to an effective internal control system. The board conducts an annual review of the group's internal control system through the Audit Committee. Internal auditors assist the Audit Committee in reviewing the current internal control situation and report results and optimization suggestions to the Audit Committee. The audit and supervision department conducts independent audits, supervision, and evaluations of risk and control results to promote the improvement of internal control management levels. At the same time, it conducts independent investigations, prevention, detection, and handling of violations and fraud cases. The risk control department is responsible for establishing a risk management work mechanism, organizing the identification and assessment of related risks in the management process, and conducting risk control-related training within the group. Business and functional departments are responsible for specifically identifying and assessing risks in management, aiming to effectively control risks at the business function level.





## Practice Highlights

### Highlight 1

In 2023, Tian Lun Gas's Legal Department continued to improve the compliance risk management system, with a focus on strengthening contract risk management and conducting anti-monopoly risk management. In strengthening contract risk management, issues found in the daily contract management process were specifically addressed, and risks related to contract performance were organized and summarized. Ultimately, the "Tian Lun Gas Group Major Performance Abnormalities or Dispute Management Methods" was formulated and issued, clarifying what constitutes significant contract performance abnormalities or disputes and the reporting and approval processes to be followed in such cases, thus clearly defining the boundaries and operational methods of this work for the group and its member companies.

### Highlight 2

Anti-monopoly risk management is a systematic management task and also a management task that the Gas Group began to advance in 2023. Tian Lun Gas systematically studied and understood legal regulations regarding anti-monopoly, identifying potential monopoly risk behaviors that could occur in the gas industry, and formed a catalog. After objectively comparing each member company, the catalog of anti-monopoly behaviors applicable to the entire Gas Group was reorganized and summarized. Based on this, targeted rectification measures and clearly standardized behavior patterns for each monopoly risk behavior were proposed. The group continuously uses daily management activities as opportunities to identify and correct issues promptly, regularly reviewing and summarizing the inadequacies of stage work achievements, gradually improving the anti-monopoly risk management system.

### Highlight 3

To effectively manage the intellectual property of the Gas Group and avoid internal and external risks to intellectual property, the group formulated intellectual property management methods and conducted multiple employee compliance trainings. By specifying the scope of the group's intellectual property, the management departments and responsibilities for intellectual property work, and the specific management approaches and methods, the entire group is made clearly aware of the importance and necessity of protecting intellectual property and the responsibilities that each department should fulfill in the process of protecting intellectual property. Since 2021, the group has held multiple compliance training sessions for the entire group, with each session involving more than 60 participants.



# Green Development



Under the guidance of the national "dual carbon" policy, Tian Lun Gas adheres to sustainable development, embracing the concept of green development to support low-carbon emission reduction and striving to become a leading green and low-carbon energy supplier and service provider in China. The company has always adhered to the environmental concept of "green development," strictly complying with environmental regulations, incorporating environmental protection into the company's development strategy, and comprehensively enhancing the sustainable management level of ESG. By the end of the reporting period, the group continued to increase environmental protection investments, actively carried out energy conservation and emission reduction, optimized resource utilization, and achieved a continuous decline in total greenhouse gas emissions. Additionally, the group strengthened the control of wastewater, exhaust gas, and solid waste, significantly improving pollutant emission indicators.

## SDGs Covered in This Section:



# Environmental Management

In 2023, Tian Lun Gas continued to strengthen environmental management, creating a green operation model, and responsibly demonstrating its commitment to preserving green mountains and clear waters, contributing to the construction of a beautiful China.

Tian Lun Gas places great importance on the construction of the environmental management system, developing and perfecting the Tian Lun Gas environmental management internal system under the unified leadership of the ESG Committee. The board of directors sets clear environmental management goals and system arrangements, with senior management ensuring the implementation and supervision of the environmental management system, and functional departments responsible for the implementation and execution of environmental management matters. Simultaneously, Tian Lun Gas continues to improve the governance mechanism for climate change, integrating climate change factors into strategic decision-making and daily operational management.

Tian Lun Gas strictly adheres to laws and regulations such as the "Environmental Protection Law of the People's Republic of China," "Air Pollution Prevention and Control Law of the People's Republic of China," "Water Pollution Prevention and Control Law of the People's Republic of China," "Solid Waste Pollution Prevention and Control Law of the People's Republic of China," "Environmental Noise Pollution Prevention and Control Law of the People's Republic of China," etc. Internally, the company has established the "Environmental Health Management Methods," specifying waste management implementation rules and establishing a comprehensive environmental management system. Tian Lun Gas has formulated and regularly updates the "Emergency Response Plan for Sudden Environmental Incidents," establishing an emergency response mechanism, regularly conducting training and drills to improve the emergency response capability for sudden environmental incidents. By the end of the reporting period, Tian Lun Gas had no environmental violations or illegal incidents.



## Practice Highlights

**Highlight 1: Tian Lun Gas implements corresponding environmental protection measures from the bidding to the closure stages:**

### 01 Before bidding

Communicate about ecological protection areas, handle various procedures during the exploration and assessment stage, and conduct environmental risk assessments.

### 02 During the site development stage

Manage dust and noise pollution.

### 03 During the production stage

Regulate the disposal of wastewater and waste and establish energy consumption indicators.

### 04 During the closure stage

Properly dismantle equipment and restore the site, conducting regular inspections and maintenance during the shutdown and recovery phase.

## Highlight 2

Tian Lun Gas, through third-party certification, has established and continuously optimized the ISO14001 environmental management system and energy management system, continuously improving environmental management processes, and enhancing the level and performance of environmental management.

Tian Lun Gas member companies receive environmental management certification.





# Resource Management

## Water Resource Management >

Tian Lun Gas focuses on water management during production operations and office processes, setting per capita water costs and per cubic meter gas water costs as water usage indicators, and continuously monitoring to strive for efficient use and conservation of water resources. Through continuous optimization of water management, the per capita water cost for administrative offices and the per cubic meter gas water cost for production operations have decreased annually.



### Data Highlights

By the end of the reporting period, Tian Lun Gas's total municipal water usage was **91,438.22 tons** (used in production operations, excluding drinking water); water saved during production operations was **80.365 tons**, mainly achieved through reclaimed water use and water-saving measures.

## Promoting Energy Conservation and Emission Reduction >

Efficient energy management and usage have always been a focus for Tian Lun Gas. The group strictly adheres to laws and regulations such as the "Energy Conservation Law of the People's Republic of China," "Renewable Energy Law of the People's Republic of China," "Water Law of the People's Republic of China," "Electricity Law of the People's Republic of China," etc. It has established energy-saving management frameworks for both production operations and administrative offices, implemented the "Tian Lun Gas Office Energy Saving Management Methods," standardized group resource usage management, and specified concrete measures for saving electricity, oil, and gas. Mature technologies and equipment equipped with electricity meters, gas meters, and gas flow meters are used to advance the implementation of energy conservation and emission reduction.

Tian Lun Gas promotes energy-saving work in both production operations and administrative offices. In production operations, energy-saving equipment selection, control of production energy consumption, and regular assessment mechanisms are established, forming an energy-saving management framework involving the general office, business departments, and operational staff. In administrative offices, energy-saving equipment selection, setting energy-saving targets, and regular assessment mechanisms are established, forming an energy-saving management framework involving the general office, comprehensive department, and business departments.



### Practice Highlights

To implement energy conservation and emission reduction systems and improve resource usage efficiency, Tian Lun Gas has actively responded by saving electricity, oil, and gas, and enhancing employee awareness and actions towards energy conservation.

#### Electricity Conservation Measures

In production operations, gas stations are scheduled reasonably to reduce the number of gas delivery trips and minimize the frequency of compressor and other equipment operations. In administrative offices, energy-saving lighting is used exclusively, eliminating always-on lights, using environmentally friendly low-energy consumption devices, and setting air conditioning temperatures to no lower than 26 ° C in summer and no higher than 26 ° C in winter, with timely shutdown of unused electrical equipment.

**Oil Conservation Measures**

Promote the use of gas and electric vehicles, strictly control vehicle usage approvals, and encourage the use of public transportation for outings.

**Gas Conservation Measures**

Use low-energy consumption, automatically controlled gas boilers and gas appliances.

**Gas Conservation Measures**

Use low-energy consumption, automatically controlled gas boilers and gas appliances.

**Energy Conservation Awareness**

Tian Lun Gas enhances employee environmental education and training to raise awareness of energy conservation and emission reduction. Promote the use of energy-saving equipment, establish energy consumption control indicators, reduce electricity and fuel consumption, promote online office and other low-carbon methods, and integrate environmental concepts into daily work and life.

**Data Highlights**

To advance energy conservation and emission reduction in the transportation sector, Tian Lun Gas manages the group's vehicle usage centrally. In 2023, the total number of vehicles was 223. Of these, the company actively promoted the use of 59 electric vehicles and 28 natural gas vehicles, while reducing the number of traditional fuel vehicles to 136 gasoline vehicles, covering a total distance of 3,477,467 kilometers.

The company actively promoted the use of **59** electric vehicles and **28** natural gas vehicles

Table: Main Energy Consumption from 2021 to 2023

Indicator Name	Unit	2023	2022	2021
Gasoline	tons	160.16	155.34	265.74
Diesel	tons	9.82	8.89	98.35
Natural Gas	ten thousand m <sup>3</sup>	37.63	46.14	45.33
Total Direct Energy Consumption	MWh	10,808.21	11,710.42	14,320.04
Electricity	MWh	39,599.27	43,923.23	42,837.06
Purchased Heat	GJ	81,587.50	94,659.17	62,456.37
Total Indirect Energy Consumption	MWh	62,262.46	70,202.90	60,176.45
Indirect Energy Consumption	MWh	73,070.67	81,913.31	74,496.49
Energy Consumption Density	MWh/million CNY revenue	9.46	10.86	9.74



# Emissions Management

## Wastewater Management >

Tian Lun Gas strictly adheres to wastewater discharge regulations. Only the Changling Company within the group is involved in the discharge of production wastewater, which is processed by the Changling County Sewage Treatment Plant using the hydrolysis + AICS integrated process. The specific process includes: wastewater first passes through a coarse grate to remove large debris, after preliminary separation, it enters a collection well, is lifted by pumps, and then flows through a drum separator above the sedimentation tank to further remove smaller particles. The retained material from the drum separator, along with the grate residue, is transported to a landfill. After the drum separator, the wastewater enters a sedimentation tank for sand-water separation. The separated sand and liquid are removed from the wastewater by a sand-water separation device, and the retained sand is transported out. The effluent from the sedimentation tank enters a hydrolysis tank to remove suspended solids and some organic matter. The effluent from the hydrolysis tank flows into an AICS reaction tank for aerobic treatment, and after being lifted, it enters a fiber filter. The effluent from the fiber filter is disinfected with ultraviolet light, and the treated wastewater is discharged into the western seventh flood discharge channel of the sewage treatment plant (approximately 5.24 km), eventually flowing into the Thirteen Pools (approximately 100 km away). The sludge retained in the hydrolysis tank and the remaining sludge in the AICS tank are discharged into a sludge collection tank, concentrated and dehydrated by a thickening dehydrator, and the cake is transported out for landfill.

Other companies within Tian Lun Gas discharge domestic wastewater. The group manages and monitors wastewater generated from operational production, daily employee life, and office activities, discharging domestic and office wastewater into municipal sewage pipelines managed by municipal sewage plants; production wastewater is transported to sewage treatment plants, where it is treated through coagulation, sedimentation, and other processes to meet discharge standards; wastewater generated from project intensity testing (clean water) is discharged nearby to sewers to avoid damaging farmland.

By the end of the reporting period, Tian Lun Gas's total external wastewater discharge was

**49,891.2** tons

## Waste Gas Management >

The gas boilers and gas appliances used by Tian Lun Gas are national standard products that do not directly produce waste gas emissions. The company is promoting the use of electric vehicles and natural gas vehicles as clean transportation tools to reduce waste gas emissions.

By the end of the reporting period, the company's particulate emissions were

**0.10** tons

with no other waste gas emission data available.

## Hazardous Waste Management >>

Tian Lun Gas professionally disposes of hazardous waste such as natural gas impurities (oil-water mixtures) filtered from plants and stations and activated carbon, entrusting qualified third-party units to collect and process them regularly.

2023,Total Hazardous Waste	2023,Waste Engine Oil Generated	2023,Waste Barrels from Odorants	2023,Other Hazardous Waste Processed
<b>8.899</b> tons	<b>2.060</b> tons	<b>6.655</b> tons	<b>0.960</b> tons

## Non-Hazardous Waste Management >>

For non-hazardous waste such as household garbage, office waste, and kitchen waste, Tian Lun Gas entrusts sanitation departments to collect and process them uniformly.

2023,Total Non-Hazardous Waste	2023,Office and Household Waste Generation	2023,Kitchen Waste Generation
<b>11,056.145</b> tons	<b>10,360.485</b> tons	<b>578.850</b> tons
2023,Disposal of Old Pipelines (PE Waste Pipes)	2023,Disposal of Old Pipelines (Waste Metal Pipes)	2023,Other Waste Generated During Production and Operation
<b>0.2</b> tons	<b>12</b> tons	<b>0.5</b> tons

## Dust Pollution Management >>

Tian Lun Gas centrally manages construction materials and adopts comprehensive measures such as automatic spraying, professional dust removal devices, and water truck spraying to regularly suppress dust during construction. Protective measures like protective nets and complete coverage with crushed stone are used for bare soil and dust-prone materials, and in collaboration with professional departments, real-time monitoring of suspended particulate matter is conducted. Specific measures include:

- 01** Before construction entry, conduct safety technical disclosure, and based on the actual situation of the project, clarify safety and environmental protection work requirements and specific measures.
- 02** During earthworks construction, immediately spray mist and cover with dust nets, and timely backfill and compact.
- 03** Keep the construction site clean and hygienic, and sprinkle water for dust prevention as needed.

## Noise Management >>

Tian Lun Gas strictly adheres to the "Noise Limits at Construction Site Boundaries" requirements, scientifically and rationally arranges construction procedures, uses high-efficiency and low-noise construction equipment, improves operational levels, and minimizes impact on sensitive locations. For places like plants and stations where noise pollution exists, Tian Lun Gas reduces noise impact on the surrounding environment by installing sound-absorbing materials, setting up factory buildings, and providing protective gear for workers. Additionally, during construction, Tian Lun Gas strictly controls working hours and negotiates with nearby residents in advance to prevent noise disturbances during noon or nighttime. As of the end of the reporting period, there have been no instances of noise exceeding standards in gas project construction.

## Climate Change Response

Climate change has become a significant global challenge for sustainable development. As a responsible energy company, Tian Lun Gas feels a profound sense of duty. The group actively responds to the national "Dual Carbon" strategy, prioritizing climate change response in its environmental management. It comprehensively identifies and assesses the risks and opportunities brought by climate change, integrating them into corporate governance, strategic planning, and daily operations.

During the reporting period, Tian Lun Gas actively referred to the framework and recommendations of the "International Financial Reporting Standard for Sustainability Disclosure No. 2 (IFRS S2) — Climate-related Disclosures" continuously strengthening climate change management across governance, strategy, risk management, and metrics and targets. The group has established a climate governance framework led by the board of directors and driven by management, incorporating climate factors into decision-making processes, deeply identifying transition and physical risks, and developing targeted response measures to contribute to achieving peak carbon and carbon neutrality.

## Identification and Response to Climate Change Risks >>

In the face of climate change risks, Tian Lun Gas has identified and addressed a series of risks with corresponding preventive and response measures.

Risk Types	Risk Description	Responses to Risks
<b>Policy and Legal Risks</b>	With the introduction of national dual-carbon goals and the launch of the national carbon emission trading market, if Tian Lun Gas is included in the carbon trading system in the future, the company may face increased operational and low-carbon investment costs due to insufficient carbon quotas. Additionally, the allocation of quotas and carbon pricing may also increase the company's compliance costs.	<ul style="list-style-type: none"> <li>● Tian Lun Gas will actively engage in external collaborations to develop comprehensive energy services and drive business transformation. Currently, the company is proactively deploying zero-carbon services such as gas-electricity coordination, breaking through the limitations of existing single energy supply methods, and continuously promoting the transformation of traditional energy structures.</li> <li>● Tian Lun Gas will continue to monitor existing carbon trading policies, maintain close communication with regulatory bodies, and timely formulate and adjust the group's greenhouse gas control strategies based on policy guidelines and carbon market conditions to avoid additional compliance costs.</li> </ul>

Risk Types	Risk Description	Responses to Risks
<b>Technological Risks</b>	<p>Under the national "dual carbon" goals, Tian Lun Gas needs to continuously increase its investment in energy-saving and emission reduction technologies, and low-carbon energy technologies, deploying more energy-efficient and environmentally friendly technologies and facilities. If technology investments fail, it will increase the company's additional R&amp;D costs and slow down the company's low-carbon transformation actions.</p>	<ul style="list-style-type: none"> <li>● Tian Lun Gas will continue to focus on the development of low-carbon technologies and accelerate the deployment of renewable energy, green processes, energy storage, and carbon capture, storage, and utilization technologies.</li> <li>● Extensively carry out industry-academia-research cooperation to jointly create an ecosystem for the R&amp;D, production, promotion, and use of low-carbon technologies, achieving synergistic industrial development.</li> </ul>
<b>Market Risks</b>	<p>As the national energy structure reform progresses, downstream industrial, commercial, and residential customers may tend to choose lower-carbon energy products, reducing the demand for traditional natural gas and affecting the group's revenue.</p>	<ul style="list-style-type: none"> <li>● While maintaining the development of high-quality urban gas main business, Tian Lun Gas is further expanding and innovating low-carbon energy businesses, accelerating the construction of zero-carbon and negative-carbon energy sources to fully meet the low-carbon transformation needs of commercial and residential customers.</li> </ul>
<b>Reputation Risks</b>	<p>In the context of heightened attention to climate change, stakeholders have made the group's management of climate change issues a focus, expecting proactive measures. If the response is not timely, it may affect stakeholder decisions and damage the company's reputation.</p>	<ul style="list-style-type: none"> <li>● Tian Lun Gas actively communicates and engages with investors and stakeholders on climate change response and the company's ESG efforts.</li> <li>● Disclose measures taken to reduce greenhouse gas emissions in annual and ESG reports to maintain a positive corporate image.</li> </ul>
<b>Acute Risks</b>	<ul style="list-style-type: none"> <li>● Extreme weather conditions such as typhoons, heavy rainfall, and floods could damage the group's gas supply pipelines and stations, affecting the stability of the gas supply and potentially leading to issues such as business interruption, which could involve breach of contract, compensation, and legal liabilities.</li> <li>● Extreme weather conditions (such as extremely cold weather) could cause tension in natural gas supply and failures in photovoltaic equipment. If stable gas supply and stable operation of photovoltaic equipment cannot be guaranteed under extreme weather conditions, it could negatively impact the group's public image and business revenue.</li> </ul>	<ul style="list-style-type: none"> <li>● Tian Lun Gas will continue to improve the "Emergency Management Plan," promptly repair damaged equipment and facilities, and maintain gas supply stability.</li> <li>● Tian Lun Gas requires member companies to issue "Gas Stoppage and Limitation Emergency Plans" and "Supply Peak Adjustment Plans" based on their own situations, closely monitor weather changes and operational gas volume fluctuations in each operating area. Additionally, the group establishes an emergency gas supply warning and response mechanism, coordinates with upstream units in advance, increases contracted gas volumes, and timely interconnects with neighboring gas companies' gas networks to supplement pipeline gas sources.</li> <li>● In engineering design, the group considers wind load and snow load factors that occur once every 50 years and uses construction techniques such as counterweights and expansion bolts to ensure the stable operation of photovoltaic equipment.</li> </ul>

Risk Types	Risk Description	Responses to Risks
<b>Chronic Risks</b>	<ul style="list-style-type: none"> <li>● Long-term climate changes will lead to rising sea levels, impacting coastal operations and facilities, resulting in decreased business income and generating non-operational expenditures.</li> <li>● Yearly rising temperatures will lead to more frequent high-temperature weather in the summer, further increasing the company's energy consumption, reducing operational efficiency, and increasing the frequency of power supply anomalies and fire accidents.</li> </ul>	<ul style="list-style-type: none"> <li>● Tian Lun Gas will regularly monitor the situation of sea level rise over the long term and plan market development and strategic layouts accordingly.</li> <li>● The group requires member companies to closely conduct inspections during high-temperature weather and improve supporting equipment to ensure production and operational safety. Additionally, the group actively conducts emergency drills for fire accidents to enhance emergency response capabilities.</li> </ul>

## Climate Change Governance >

Tian Lun Gas continuously improves its climate change governance mechanisms, integrating climate change factors into the group's development strategy and daily operational management to create long-term stable environmental value. The group has established a climate governance structure led by the board of directors, driven by management, and coordinated across departments. Climate-related risk management is incorporated into the overall ESG management framework. Under the supervision and support of the ESG Committee, the ESG working group coordinates and advances the implementation of climate-related risk management across the group and its member companies, continuously enhancing the company's adaptability to climate change to mitigate its impacts effectively.

Tian Lun Gas consistently monitors and tracks its carbon dioxide emissions, regularly disclosing greenhouse gas emissions data for the past three years. The company also pays close attention to methane management. As the second-largest greenhouse gas contributing to global warming, methane has a significant impact on global climate change. Tian Lun Gas rigorously conducts methane monitoring and actively implements methane control measures to reduce methane leaks and emissions throughout its operations, forming a closed-loop control process. Tian Lun Gas actively promotes the setting of environmental goals within the group and its member companies, striving to minimize the impact of climate change and support the achievement of the national "dual carbon" goals.

### Greenhouse Gas Emissions and Density from 2021 to 2023

Indicator Name	Unit	2023	2022	2021
Scope 1: Direct Emissions of Greenhouse Gases	tCO <sub>2</sub> e	2,698.68	2,956.74	4,507.79
Scope 2: Indirect emissions of greenhouse gases	tCO <sub>2</sub> e	31,981.81	35,931.91	31,758.53
Total emission of greenhouse gases	tCO <sub>2</sub> e	34,680.49	38,888.65	36,266.32
Scope 1 emission intensity	tCO <sub>2</sub> e / Million CNY Revenue	0.35	0.39	0.59
Scope 2 emission intensity	tCO <sub>2</sub> e / Million CNY Revenue	4.14	4.76	4.15
Total emission intensity of greenhouse gases	tCO <sub>2</sub> e / Million CNY Revenue	4.49	5.16	4.74

# Low-Carbon Transition

Tian Lun Gas fully responds to the national strategy of "promoting the construction of rural photovoltaic and other clean energy sources," actively deploying distributed photovoltaic business. Leveraging its gas customer resources, the company enhances customer development value, aiding the government in implementing rural energy development, further responding to the national "dual carbon" policy and rural revitalization strategy, becoming a key force in promoting rural energy structure reform.

Based on its existing gas operation services, Tian Lun Gas rents customer rooftops to invest in and construct distributed rooftop photovoltaic systems, integrating the distributed photovoltaic revenue model with gas services. According to customer needs, Tian Lun Gas combines rooftop rental fees with gas fees, connection fees, household gas appliances, smart home appliances, and retrofit maintenance services to achieve diversified customer services and maximize revenue.

For commercial and industrial distributed photovoltaic services, Tian Lun Gas adopts a "gas + photovoltaic + smart energy use" business model, installing rooftop photovoltaic power generation equipment for commercial and industrial users for free, and offering electricity at a discounted rate based on national grid prices through contract energy management, reducing electricity costs for commercial and industrial users while coordinating with existing gas services to provide intelligent integrated energy services.

## Practice Highlights

### Highlight 1

Tian Lun Gas collaborates with State Power Investment Corporation and China Power Construction to invest in distributed photovoltaic projects in Henan's county areas, actively deploying green technology innovations and promoting green low-carbon transformation. As of the reporting period, Tian Lun Gas has secured resources for about 100,000 households, with contracts signed for 4,856 households, equivalent to about 125MW of photovoltaic installation capacity; completed the construction of the Tian Lun Photovoltaic Cloud Platform, achieving online operation and transfer of the entire business process for photovoltaic station development, design, dispatch, acceptance, grid connection, and maintenance; and conducted photovoltaic business cooperation simultaneously with State Power Investment Corporation, China Power Construction, China Electric Power, Jinko Power Technology, and China Electric Power Complete Equipment.



Tian Lun Gas Signing Ceremony

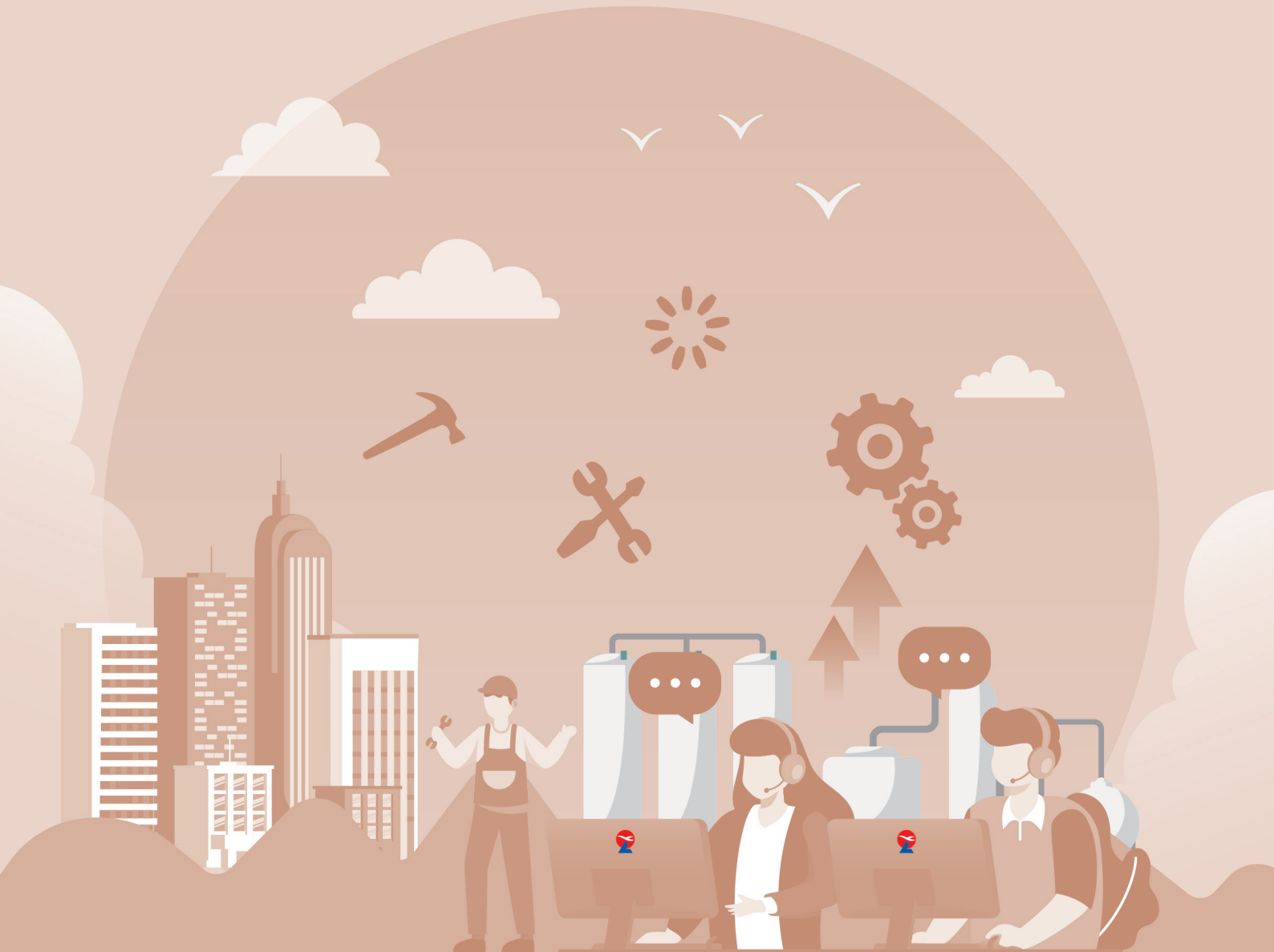
### Highlight 2

To support rural revitalization, promote the "dual carbon" goals, and practice the rural energy revolution national strategy, Tian Lun Gas, in partnership with State Power Investment Corporation's China Power (02380.HK), established Henan Zhongping Tian Lun New Energy Co., Ltd., innovatively expanding new paths for green energy development. Together, they invested in constructing 251.59MW of distributed photovoltaic projects within Henan's county areas and reached a strategic EPC (Engineering, Procurement, and Construction) cooperation with China Power Construction Group's Guizhou Engineering Company, leveraging each other's strengths to smoothly implement, efficiently operate, and scale the new rural energy system in Henan.



Xinye Photovoltaic Model Project

# Value Creation



Tian Lun Gas considers technological innovation as a key factor in driving the company's continuous development and maintaining a leading position in the industry. By focusing on digital transformation and management innovation, Tian Lun Gas continuously explores and practices new technologies and methods, promoting better interaction between the enterprise and society, aiming to better realize the value creation that serves national strategies.

## SDGs Covered in This Section



# Management Innovation

In terms of management innovation, Tian Lun Gas has streamlined management levels to enhance organizational flexibility and response speed. By reducing management layers, the company can make faster decisions and respond to market changes, while also improving management efficiency and employee engagement.

Under this management model, Tian Lun Gas focuses more on empowering frontline operations, ensuring that resources and decisions are closer to actual business and customer needs. This strengthens internal communication and collaboration, helping to quickly and accurately capture market dynamics and customer needs, thereby more effectively formulating and implementing strategies. Additionally, by granting more autonomy and resource support to frontline operations, Tian Lun Gas ensures its service quality and operational efficiency, strengthens the guarantee of social safety in gas usage, and lays a solid foundation for the company's long-term development and stable industry position.

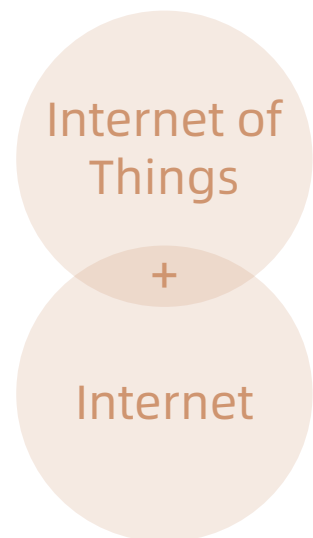
In the future, Tian Lun Gas will continue to integrate advanced technologies from various fields, innovate and expand application scenarios, enhance the level of intelligent management, fully support the construction of a digital society, deeply assist in the construction of new smart urban and rural areas, and contribute to the convenience of public services and precision in social governance.

# Digital Management

Tian Lun Gas drives service and management through technological innovation, achieving deep integration of online and offline information through the "Internet of Things + Internet" technology development model, and enhancing service levels and management efficiency in measurement, safety, system interaction, and IoT perception through big data analysis.

The application of GIS systems, SCADA systems, dispatch centers, and hidden danger management systems allows for intelligent control over the entire chain of engineering surveying, safety monitoring, and construction management. By linking control of on-site instruments, the timeliness and consistency of sampling data are ensured, achieving cost reduction and efficiency enhancement. Additionally, the use of online simulation systems for gas networks allows for precise analysis of key parameters such as pressure, pressure drop, and flow rate in the network. Combined with digital twin technology, it provides scientific decision support for the design and modification of pipeline systems, ensuring the operational efficiency and safety of pipeline systems and improving the level of dispatch management.

Through the application of these advanced technologies, Tian Lun Gas not only enhances its own service quality and operational efficiency but also provides safer, more efficient, and intelligent gas services to customers and society, demonstrating the company's active role in promoting industry progress and social development.





# Optimizing Customer Service

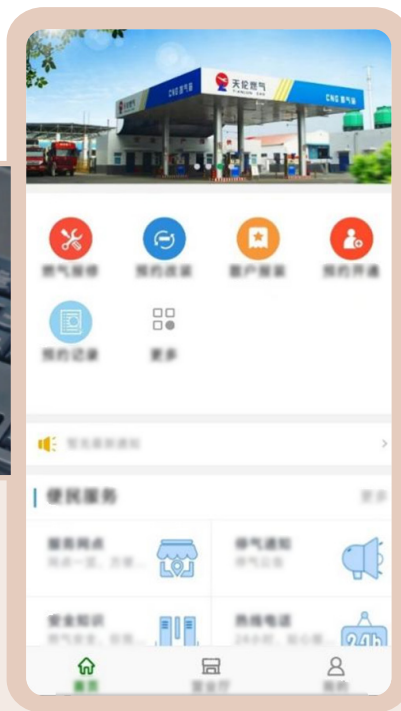
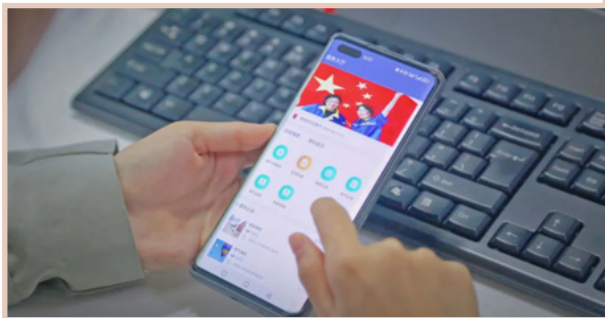
Tian Lun Gas believes that only responsible products and services can form the basis for long-term value creation. The group insists on integrating the "customer first" value into its products and services, achieving efficient and convenient services through continuous upgrades to intelligent experiences. Linking cloud service management systems to WeChat public accounts provides users with an easy-to-use platform, enabling "one-click handling" of gas modification, gas supply, repair, meter replacement, and safety inspections, greatly enhancing user experience and satisfaction. On the other hand, through precise data processing and management, Tian Lun Gas can timely and accurately push billing information, effectively avoiding inconvenience caused by users' failure to pay on time, further enhancing user trust and reliance.

Additionally, Tian Lun Gas's linkage with local government data promotes the digital transformation of livelihood services, achieving seamless integration of gas business with local government services. In places like Hebi, Xinye, Xichuan, and Shengqiu, this practice allows users to enjoy more convenient linked services when handling related government affairs. For example, when transferring property ownership, users only need to complete the transaction procedures at the local housing authority, and Tian Lun Gas can automatically transfer the gas account in the background, providing users with smart linked convenience services.

## Practice Highlights

Tian Lun Gas has launched a mobile business hall feature, allowing online handling of residential and commercial gas repairs, appointment activations, name transfers, and other services, enabling users to enjoy offline counter services without leaving home.

Tian Lun Gas Launches Mobile Business Hall Feature



# Responsible Operation



Tian Lun Gas continues to advance the construction of a long-term mechanism for safe production, adhering to the implementation of safety production and the management policy of "safety first, prevention as the mainstay, full participation, and continuous improvement", thereby continuously enhancing our safety management capabilities. The group will provide high-quality products and services as the strategic foundation for achieving sustainable corporate development, continuously improve product and service quality management, steadfastly promote safe production, and ensure the provision of stable, safe, and high-quality gas services to our customers.

## SDGs Covered in This Section



# Product Safety and Quality

Tian Lun Gas rigorously adheres to the "Emergency Response Law of the People's Republic of China" and local regulations of project companies, fulfilling its social responsibility to provide safe and steady gas supply. In accordance with national laws, regulations, standards, and norms, the group has established a safety production management system and formulated and strictly implemented a set of safety production management systems, including policies and procedures on safety production, safety objectives and assessment, safety education and training, hazard management, dangerous operations, safety signage, emergency management, plant and pipeline operation, occupational health and environmental protection, equipment operation, accident management, guidelines for safety management personnel, and incentive and disciplinary measures, along with standards for station control, monitoring equipment, and security video.

The group has set up a robust and effective mechanism for hazard identification and risk assessment. Regular inspections and leak detection activities are conducted as per the set schedules on projects, plants, pipelines, users, and warehouses. Plant inspections are required hourly,

and daily inspections are mandated for construction sites, official networks, and associated facilities. Customer safety inspections are carried out annually or biennially as per local gas management regulations, while warehouse inspections and office fire safety checks are conducted daily and monthly, respectively. Any hazards identified during inspections are recorded in the company's safety hazard ledger, specifying the person responsible for rectification, deadlines, corrective measures, reviewer, and review dates to ensure comprehensive safety.

Furthermore, Tian Lun Gas employs GIS+SCADA tools for online monitoring and dispatching of the pipeline network and manages inspection, maintenance, testing, and construction supervision through cloud management. The group continuously monitors the condition of the pipeline network and its ancillary equipment, conducting preventative maintenance and modifications. The company consistently prioritizes production safety as the lifeline of its development, focusing on safety and leveraging digitalization to ensure secure operations.



## Practice Highlights

Tian Lun Gas rigorously conducts regular inspections, leak detections, and testing of pipelines in strict compliance with national standards, ensuring timely updates and renovations. In 2023, the group organized and implemented special inspections in spring and autumn, supervising the daily maintenance and repair work, with a total investment of 45.58 million CNY for the year. The group continued to carry out updates and renovations of plant and pipeline equipment and facilities, investing approximately 17.62 million CNY. Throughout the year, the company eliminated 65 pressure occupations, renovated 26 kilometers of aging pipelines, and overhauled more than 10,000 risers, fundamentally ensuring the safe and stable gas supply for customers.

Total investment of

**45.58** million

CNY for the year

Renovated

**26** kilometers

of aging pipelines

Eliminated

**65**

pressure occupations

Overhauled more than

**10,000**

risers

By the end of the reporting period, the group had conducted

**6** special inspections and did not identify any potential hazards.

# Safeguarding Customer Rights

Tian Lun Gas adheres to the development principle of "customer-first and service as the guarantee," focusing on customer needs, prioritizing product quality management, strengthening information security management, and continuously improving customer satisfaction levels. The group strictly follows regulations and standards such as the "Gas Service Guidelines" (GB/T 28885-2012), "Urban Gas Management Regulations," "Urban Gas Design Code" (GB50028), "Urban Gas Indoor Engineering Construction and Quality Acceptance Standards" (CJJ94), "Installation and Acceptance Procedures for Domestic Gas Burning Appliances" (CJJ12), and "Safety Technical Conditions for Gas Burning Appliances" (GB16914). Tian Lun Gas has also established "Tian Lun Gas Modification Business Fee Management Regulations" and "Tian Lun Gas Insurance Business Management Regulations" to further ensure the safe use of gas for customers.



## Practice Highlights

As people increasingly seek to enhance their quality of life and in response to national requirements for gas safety, Tian Lun Gas has prioritized the installation of safety devices for residential customers, offering more secure and personalized service products.



Tian Lun Gas is undertaking the installation of gas safety devices.



## Practice Highlights

By the end of the reporting period, Tian Lun Gas achieved value-added revenue of 370 million CNY from services provided to meet users' personalized needs, an increase of **12%**, with a gross profit of 180 million CNY, up by **12%**. In 2023, eighteen companies, including those in Hebi and Xuchang, implemented safety device upgrades such as self-closing valves for up to **678,000 households**.

# Development of Safety Management

Tian Lun Gas strictly adheres to national laws and regulations, placing high importance on employee safety and health, and has implemented comprehensive and stringent measures to ensure employee safety during production activities. The company has established a range of systems, including the "Tian Lun Gas Safety Production Accident Management System", "Safety Objectives and Assessment Management", "Safety Education and Training Management", "Hazard Management", "Dangerous Operations Management", "Safety Signage Management", "Emergency Management", and "Occupational Health and Environmental Protection Management". These systems detail management requirements for safety incident classification, reporting, disclosure, emergency response, internal investigation, accountability determination, and responsibility pursuit. For accountability in accidents, the

company imposes internal administrative, financial, and performance penalties based on the severity of the incident, ensuring that safety disciplines are reinforced.

Tian Lun Gas has established an emergency rescue management system where each member enterprise has developed comprehensive and specific emergency plans, effectively integrating with local government emergency protocols. These plans are reviewed by experts and filed with relevant regulatory bodies. The company also regularly conducts emergency training and drills to enhance employees' capabilities in handling emergency situations.

To further strengthen safety assurance, Tian Lun Gas has implemented strict safety measures and equipped advanced safety devices at every operational stage.

## Plant and Station End



- The group has implemented security video surveillance systems to monitor the safety status of production areas in real time.
- All process pipelines and equipment are fitted with necessary cutoff valves and safety valves to ensure the gas supply can be quickly shut off in emergencies, preventing the escalation of incidents.
- Equipped with combustible gas leak detection and alarm systems, as well as essential emergency rescue equipment like respirators, fireproof suits, antifreeze clothing, and explosion-proof intercoms, ensuring employees are effectively protected and can be promptly rescued in emergency situations.

## Pipeline Network End



- Pressure, flow, and leak monitoring and early warning devices are installed on the pipeline network and its ancillary facilities.
- A variety of leak detection equipment is deployed, including handheld, push-type, and laser methane detectors, along with emergency rescue equipment such as repair vehicles, generators, welders, explosion-proof fans, respirators, and explosion-proof intercoms, ensuring rapid response and resolution of issues as they arise.

## User End



- The promotion of metal hoses and self-closing valves to automatically cut off the gas supply in case of leaks, preventing accidents.
- The adoption of combustible gas leak detection and alarm devices to enhance the safety level of gas usage among consumers.

## Practice Highlights

Tian Lun Gas has comprehensively initiated a special campaign for the investigation and rectification of hidden dangers among users. Concurrently, in alignment with the "Safety Production Month" campaign requirements, the company has intensified its efforts in training and awareness promotion to enhance safety consciousness among all employees and implement risk management and control measures.



FengHuang Company is conducting safety inspections at liquefied petroleum gas and natural gas filling stations.



Chaozhou Company is carrying out a special campaign for the investigation and rectification of hidden dangers among users.

## Customer Privacy Protection

Tian Lun Gas prioritizes customer service, striving to provide high-quality products and services tailored to the individual needs of customers while placing great emphasis on the security and privacy of customer information. The company strictly adheres to laws and regulations such as the "Cybersecurity Law" and the "Personal Information Protection Law." It has also established internal management systems, including the "Tian Lun Gas Group Disciplinary Regulations" and the "Tian Lun Gas Group File Management Methods V2.0," thereby strengthening its customer information security management system.

As a company who certified at level three of the national information system security level protection, Tian Lun Gas, referencing the ISO 27001 international information security standards and the CSA cloud computing key domain security guidelines, has established a cloud service security assurance system that integrates technical and managerial aspects, focuses on prevention, and provides in-depth defense,

ensuring the safety of customer privacy. Moreover, Tian Lun Gas has conducted multiple internal audits on information security and privacy protection and plans to complete audits across the entire group within three years to ensure the effectiveness and sustainability of its information security management.

Tian Lun Gas requires all employees to sign "Confidentiality Agreements" and designates specific personnel responsible for managing customer information, ensuring that unauthorized personnel cannot query, copy, or excerpt customer information, effectively eliminating the risk of customer information leakage. For actions violating customer data confidentiality rules, Tian Lun Gas has clear punitive measures, ranging from criticism to demerits, and in severe cases, demotion, or dismissal, ensuring sufficient deterrent and corrective measures. This approach ensures that Tian Lun Gas can provide safe and reliable products and services to its customers while fostering mutual growth amidst rapid development.



# People-Oriented



Tian Lun Gas steadfastly adheres to and implements the core philosophy of "People-Oriented", abiding by the four major principles of "equal employment, employee protection, employee development, and employee care". The company regards its staff as the foundation of its survival and growth, fully safeguarding employee rights. Tian Lun Gas actively promotes talent development programs, consistently maintains concern for employees, fosters a democratic work environment, and through a standardized, relaxed, and positive atmosphere, supports employee development. In 2023, Tian Lun Gas was honored with the "Excellence in Digital Learning Content Award" by Time Fortune.

## SDGs Covered in This Section



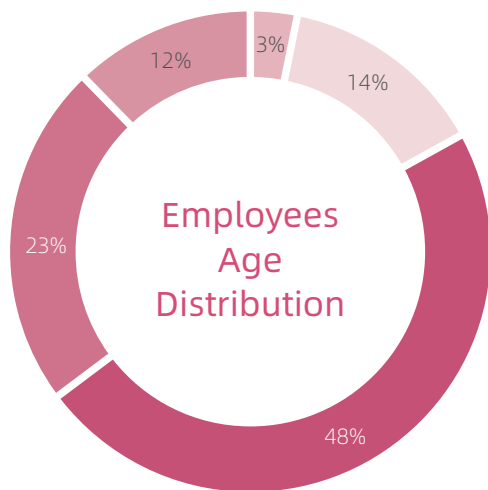
# Equal Employment

Tian Lun Gas strictly adheres to the "Labor Law of the People's Republic of China," the "Labor Contract Law of the People's Republic of China," the "Implementation Regulations of the Labor Law of the People's Republic of China," and other relevant laws and regulations. The company has established internal documents such as the "Labor Contract Management Measures" and the "Tian Lun Gas Group Flexible Working Hours System Application Guide," providing all employees with a work environment that is transparent in policy and equal in opportunity, effectively safeguarding their legitimate rights and interests.

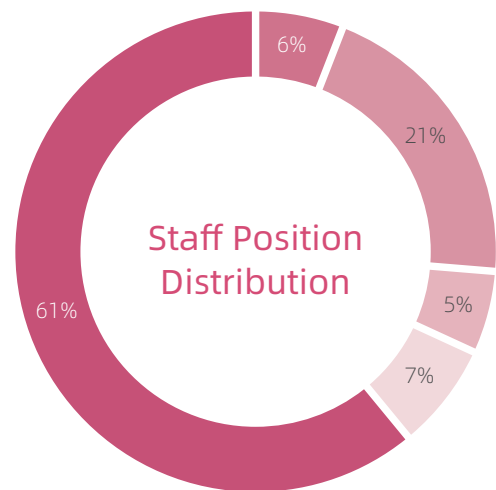
Tian Lun Gas follows the principle of "openness and equality" in recruitment and talent introduction. The company has formulated and issued the "Tian Lun Gas Group Recruitment Management Measures" within the group, adopting a fair, impartial, and transparent approach to actively recruit various talents. It has also established the "Tian Lun Gas Group Talent Recommendation Management Measures" to encourage internal employees to actively recommend outstanding talents both internally and externally and provides corresponding rewards. Furthermore, the "Tian Lun Gas Group Background Check Management Measures" have been established to strictly control the quality of talents. During the recruitment process, the principle of avoiding relatives is implemented to prevent employees from having direct subordinate relationships, business upstream or downstream relationships, economic interests, or supervisory relationships with relatives. For key departments (such as finance, cost procurement, and material warehouse management), a strict avoidance policy is applied, meaning employees in such departments cannot have any relatives working in the same unit (group/member companies).

By the end of the reporting period, Tian Lun Gas had recruited total talents of **479**

Total number of employees: **3,046**.



- 30-39 years old 48%
- 40-49 years old 23%
- 50 years old and above 12%
- 25 years old and below 3%
- 25-29 years old 14%



- Customer Service Staff 61%
- Management Staff 6%
- Functional Staff 21%
- Market Development Staff 5%
- Engineering and Technical Staff 7%

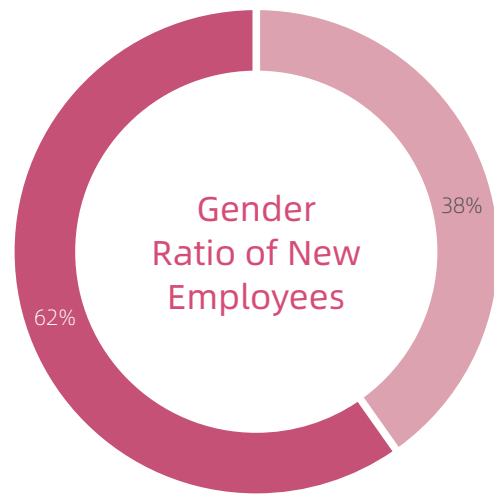
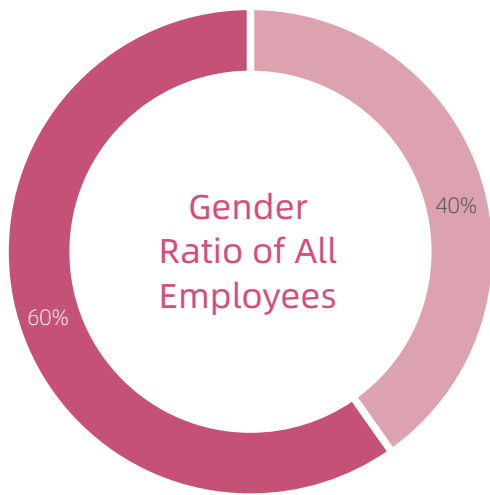


Tian Lun Gas is committed to enhancing the system for protecting employee rights and focuses on compliance and social responsibility in employment practices. Adhering strictly to laws and regulations such as the "Law of the People's Republic of China on the Protection of Minors," "Regulations on the Prohibition of Child Labor," "Special Provisions on the Labor Protection of Female Employees," and the "Law on the Protection of Women's Rights and Interests," the company has implemented "Employee Background Check Management Measures" and "Attendance and Leave Management Measures" applicable across the entire group. These measures explicitly prohibit the employment of individuals under the age of 16 under any circumstances, strictly adhere to the "Special Provisions on the Labor Protection of Female Employees" to safeguard the legitimate rights and interests of female employees, and forbid discrimination based on gender, ethnicity, religious belief, disability, or rural worker status. In the event of violations, the group will impose penalties such as warnings, demerits, or dismissal in accordance with the "Tian Lun Gas Group Disciplinary Regulations."

As of the end of the reporting period,

Female employees accounted for	Minority employees accounted for
<b>40.10%</b>	<b>5.06%</b>
of the workforce	of the workforce

Hired	Among newly hired,
<b>5</b>	Female accounted for
employees with disabilities	<b>38.41%</b>



■ Male Employees 60% ■ Female Employees 40%

■ Male Employees 62% ■ Female Employees 38%

## Employee Compensation and Benefits

To further refine its compensation management system, Tian Lun Gas has developed a fair and transparent salary structure for all employees, based on the "Salary Management Measures," "Internal Competition Management Measures," and "Employee Performance Evaluation Management Measures." The company offers stock incentives, awards, and an internal competition mechanism, all designed to motivate and encourage employees to actively engage in activities that drive the long-term development of the group.

**Year-End Bonus Structure:** The group has instituted a year-end bonus policy that allocates bonuses ranging from 1.5 to 3.5 times the employees' salaries, as a reward for their yearly contributions.

**ESG Performance Agreement:** Aligning with employees' positions and responsibilities, the company signs performance agreements with relevant employees that include ESG metrics.

**Performance Incentive Mechanism:** The existing performance incentive mechanisms are being reevaluated in conjunction with value orientation and annual strategic objectives. This involves a thorough investigation of business requirements at the operational level, reassessment of current incentives' shortcomings, and industry benchmarking to set the direction for performance incentives. Enhancements are being made to the incentive mechanisms for traditional and value-added business operations, with the establishment of targeted business performance incentives.

**Advanced Employee Incentive Mechanism:** Incentive systems have been established for the group's exemplary teams and individuals, encompassing salary adjustments, promotions, and inclusion in the talent reserve. These team members are given priority consideration in internal competitions, promoting a culture of excellence among the workforces.

**Internal Competition Mechanism:** The company has organized an open selection process for reserve management positions, including roles such as reserve unit general manager, deputy general manager, and department manager. This targeted selection process places emphasis on penetrating the ranks of past university graduates. Candidates undergo a comprehensive evaluation through qualification review, preliminary professional assessments, written tests, and management reviews to ultimately appoint new reserve managers.

Tian Lun Gas is dedicated to creating a positive work environment, focusing on employee advancement and addressing their difficulties. The group offers various types of leave, including paid annual leave, marriage leave, and maternity leave, and also provides benefits such as festival bonuses, condolence payments, communication subsidies, and housing allowances. For employees working night shifts, a night shift allowance is provided to ensure their warmth and well-being within the workplace. Moreover, expatriate executives are entitled to 10 home leave trips per calendar year with reimbursed travel expenses.

The health of employees is considered a key determinant of the company's productivity at Tian Lun Gas, and multiple measures are taken to ensure the physical and psychological well-being of the staff. Governed by the internal "Welfare Management Measures," the company manages work hours and vacation benefits for its employees. Through robust union construction and diverse recreational activities, continuous efforts are made to strengthen communication with employees, ensuring they feel the warmth of the group in their daily work and life.

## Employee Career Development

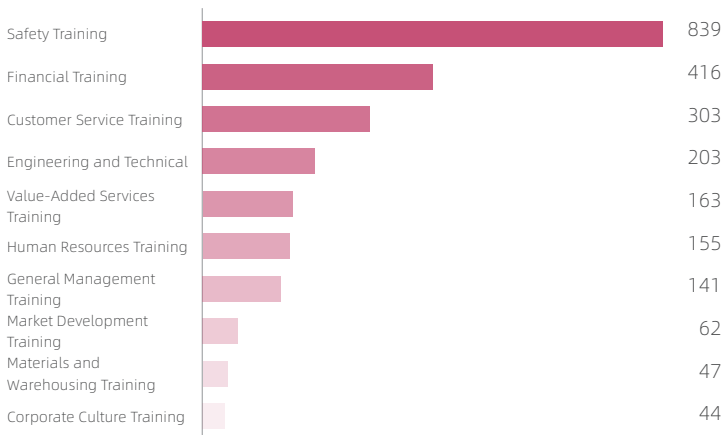
Tian Lun Gas prioritizes the career planning of its employees, striving to provide avenues for them to realize their self-worth and expand their professional development. The group has created a comprehensive internal mechanism for talent cultivation, motivation, and accomplishment in accordance with its "Talent Recommendation Management Measures." It has established clear talent selection plans, introduced management cadre policies, implemented a diversified exit strategy, and conducted dynamic assessments of its workforce to promptly identify and transition out those who are underperforming. To continuously unearth

and nurture management talent and improve the construction of talent echelons, the group has been actively promoting young executives. From July to November 2023, Tian Lun Gas Group conducted open selections for reserve general managers and deputy general managers of member units. After a rigorous process of qualification screening, professional testing, and management evaluation, 4 reserve general managers and 8 deputy general managers were chosen from 109 candidates for the talent reserve, ready to be appointed when needed.

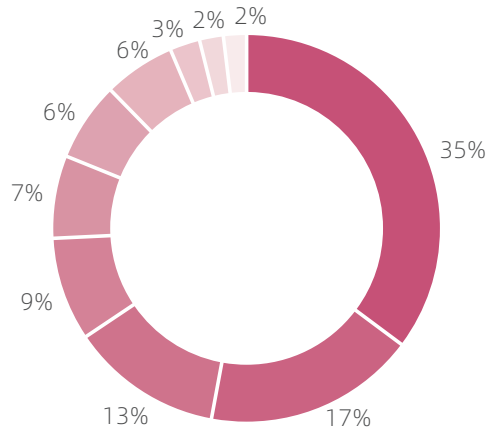
To encourage employees to learn a variety of professional knowledge and comprehensively enhance their management and vocational skills, Tian Lun Gas has established a "blended learning" training mechanism, combining offline and online methods. Tailored to actual training needs, sessions are delivered by internal trainers or management cadres.

By the end of the reporting period, the company had conducted a total of **2,373** training sessions, amounting to **198,618** training instances, including **169,639** online and **28,979** offline participations, with a total learning duration of approximately **74,900** hours.

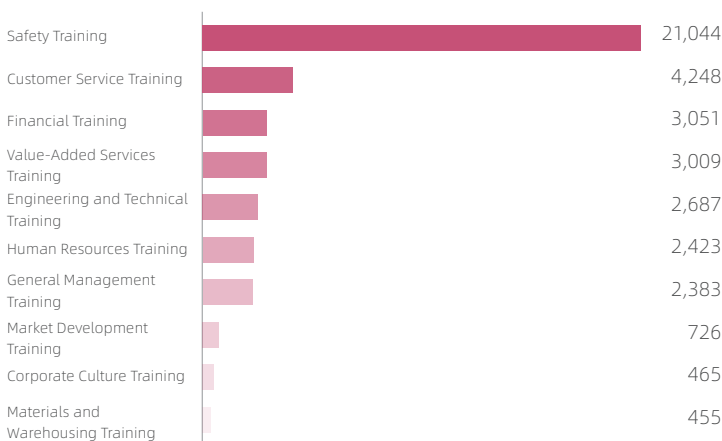
Numbers of Training Sessions by Category



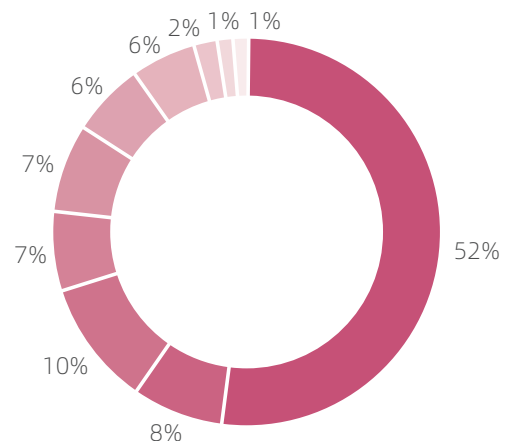
Training Sessions by Category



Number of Participants in Each Training Session

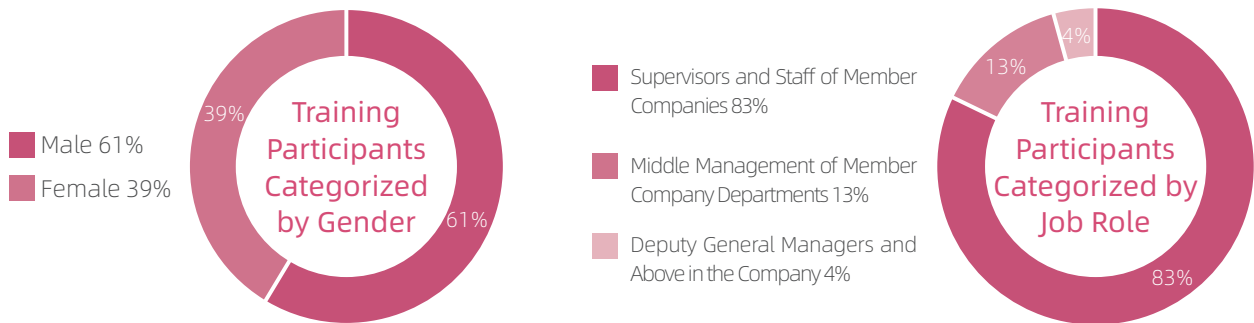


Number of Participants in Each Training Session



Tian Lun Gas has collaborated with the industry-leading organization, Time Fortune, to custom-develop the "Zhi Fou" online learning platform. This platform offers a range of training programs through live broadcasting and online learning. As of the end of the reporting period, a total of 3,595 online courses have been accumulated on the platform, of which 3,304 are external general courses and 291 are internal specialized courses for the group.

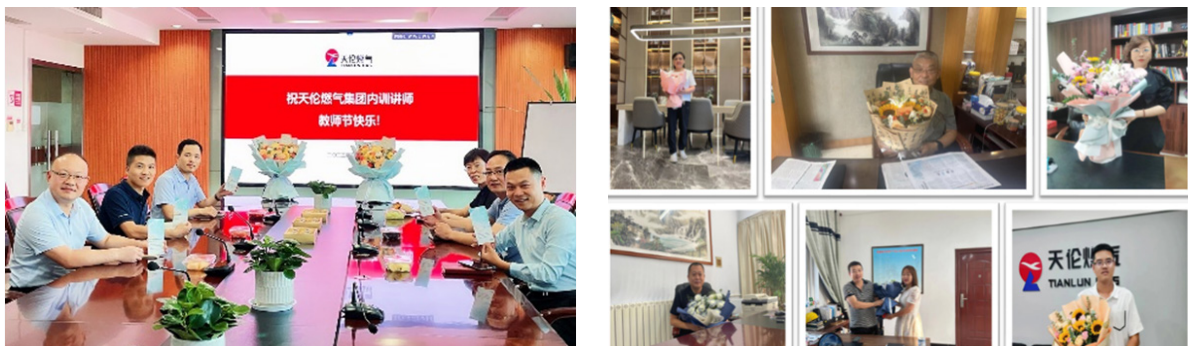
In 2023, the organization facilitated over **169,000** instances of online learning, covering **33,827** course sessions, with a total learning duration exceeding **37,000** hours. In terms of offline training, Tian Lun Gas organized **1,510** sessions of various types of training, with **28,979** participant instances, totaling over **46,000** hours of instruction.



Tian Lun Gas places great emphasis on the training and development of new employees, providing an online learning platform to help them quickly adapt and integrate into the work environment. As of the end of the reporting period, the training coverage for new employees reached 100%. Eleven training projects were launched, with a total of 18 training events that covered various aspects of knowledge and skills, including multiple qualification certification exams. These efforts are aimed at comprehensively enhancing the professional abilities and overall qualities of new employees, ensuring their continuous development throughout their careers and enabling them to contribute to the company's long-term growth.

### Practice Highlights

To foster enthusiasm among the group's internal trainers and create a positive atmosphere for in-house training, on September 8, 2023, Tian Lun Gas Group held a Teachers' Day event at the group's headquarters. The event was a gesture of appreciation for the dedication of internal trainers who had shared their knowledge and expertise in various training sessions. They were presented with book gift cards, flowers, and greeting cards as a token of gratitude for their contributions.



# Occupational Health and Safety

Tian Lun Gas steadfastly adheres to the occupational health and safety policy of "safety first, prevention-oriented, full participation, and continuous improvement," dedicated to providing a safer and healthier work environment for its employees.

As of the end of the reporting period, the group organized a total of **10** safety risk prevention training sessions, with member companies conducting **50** sessions, totaling **53,525** training hours for the year, averaging **17.57** hours per employee.

Tian Lun Gas actively analyzes occupational health and safety risks and their sources, developing specific health and safety policies and measures aimed at preventing and mitigating occupational health risks. The company identifies various risks that could impact the safety and health of employees as part of its occupational health and safety management efforts.

Risk Types	Risk Description
Noise Risk	The noise generated by the operation of compressors at filling stations could potentially harm employees' hearing.
Cold Risk	The operation and filling activities at LNG vaporization stations and LNG filling stations could create cold environments, posing a risk of frostbite to employees.
Heat Risk	Outdoor work in high temperatures or the heat generated by the operation of compressors at CNG filling stations could lead to heatstroke or other heat-related health issues for employees.

By identifying these specific risks, Tian Lun Gas actively implements various preventative and mitigation measures:

**01** Implementation of the "Three Simultaneities" Rule for Occupational Disease Prevention in Construction Projects.

**02** Establishment of Occupational Health Records and Regular Monitoring.

**03** Provision of Personal Protective Equipment and Emergency Rescue Gear, and Conducting Occupational Disease Prevention Training.

**04** Placement of Warning Signs in Workplaces with Occupational Disease Hazards and Supervising the Use of Protective Gear.

In terms of occupational injury identification and compensation, Tian Lun Gas strictly adheres to national regulations to ensure that injured employees receive fair and appropriate treatment. Additionally, the company has secured "Employer's Liability Insurance" for all employees, further reducing the risk of occupational injury and protecting their rights to the fullest extent. Through these comprehensive measures, Tian Lun Gas not only provides

a safe working environment but also demonstrates deep concern for employee welfare, contributing to the company's long-term development.

These actions guarantee employee safety and the stability of the entire production system, ensuring safety throughout the chain from production to transportation to end-user, reflecting the company's commitment to employee well-being and sustainable business growth.

## Employee Care

Tian Lun Gas upholds a corporate ethos dedicated to safeguarding its employees' well-being, vigorously fostering both their mental and material happiness. As of the end of the reporting period, the group's companies organized a variety of cultural and sports activities during Women's Day and the Mid-Autumn Festival, creating a positive work atmosphere and helping employees achieve a balance between life and work.

Tian Lun Gas pays close attention to the physical and mental health of its employees, continuously improving working conditions through a series of policies and measures. The company strives to provide a work environment that promotes the physical and mental well-being of its employees, ensuring they maintain robust health and a positive mindset.

### Practice Highlights

#### Highlight 1

To celebrate the 113th International Women's Day, Tian Lun Gas launched a series of celebratory events for Women's Day across its branches nationwide. The events aimed to acknowledge the contributions of female employees, enhance their sense of happiness and belonging, and promote a corporate culture of gender equality and respect for women. Through these meticulously planned activities, Tian Lun Gas aimed to express respect and gratitude to all its female employees, fostering a work environment that supports and encourages the achievements of women.



Tian Lun Group's headquarters organized a DIY baking activity

The Xuchang company of the Tian Lun Group hosted a fun sports day





Practice Highlights



The Xindu company of Tian Lun Group organized a live-action CS (Counter-Strike) event

The Song County company organized a tea party



The Shangjie company prepared flowers for its female employees

The Jiutai company decorated business hall to celebrate the holiday



 Practice Highlights

Highlight 2

For the Mid-Autumn Festival in 2023, Tian Lun Gas organized an event titled "The Best Time and Beautiful Scenery for Tian Lun Family Reunion." The event focused on four themes: poetry, chess, archery, and strength, aimed at enriching employees' cultural lives, alleviating work pressure, and enhancing team cohesion. The activities included poetry recitation, showcasing employees' literary talents; chess competitions, where employees engaged in intellectual exercises like Go and Chinese chess; archery contests, testing focus and accuracy; and strength challenges, emphasizing team collaboration and personal resilience. Through these diverse activities, Tian Lun Gas aimed for employees to feel the company's care during traditional festivals, fostering communication and unity among staff, and allowing everyone to enjoy the splendid moments of the Mid-Autumn Festival together.



Tian Lun Gas Poetry Reading Event



Tian Lun Gas Chess Tournament



Tian Lun Gas Archery Competition



Tian Lun Gas Strength Challenge Event



# Collaboration to Success



Tian Lun Gas adheres to the concept of mutual development with society, continuously advancing collaborative efforts with stakeholders, actively participating in social welfare activities, and fulfilling its corporate citizenship responsibilities to foster positive community relations. By establishing a cooperative platform that promotes comprehensive development across the upstream and downstream industry chain, Tian Lun Gas aims to achieve mutual success through collaboration, dedicated to driving sustainable development within the industry and society at large.

## SDGs Covered in This Section



# Supply Chain Management

During its development, Tian Lun Gas recognizes the crucial role of collaborative synergy with industrial partners and efficient supply chain management in creating social value. In 2023, adhering to this principle, the company continuously strengthened its supply chain management, emphasizing green and responsible procurement. This approach highlights Tian Lun Gas's tangible contributions to fostering a healthy society and promoting sustainable development.

## Supplier Management ➤

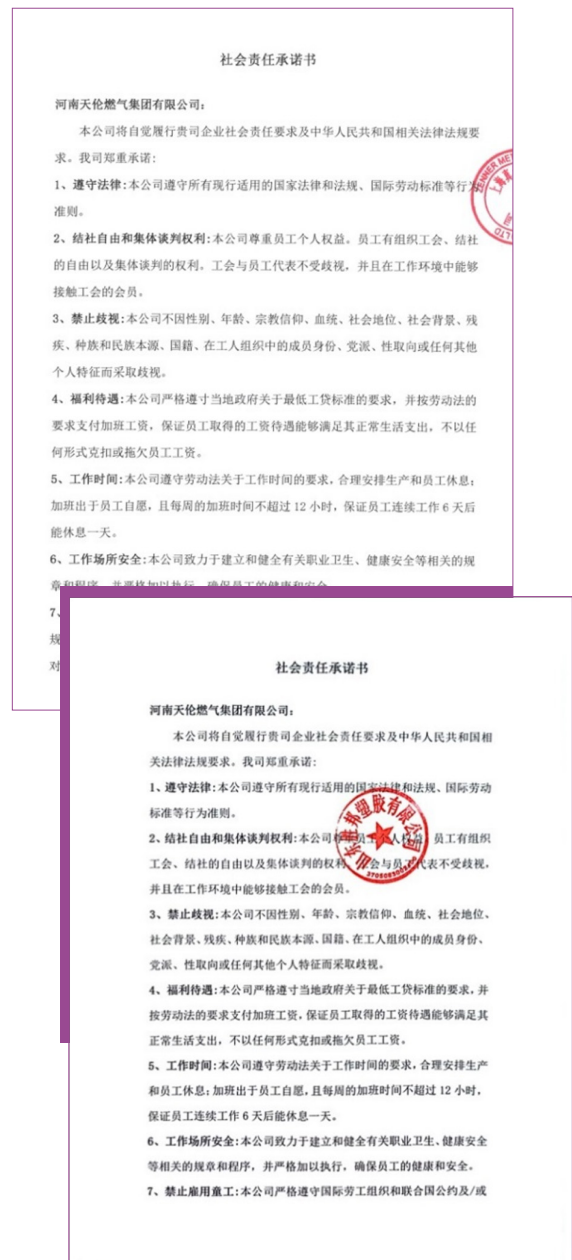
Tian Lun Gas maintains a stringent end-to-end supplier management mechanism, ensuring a meticulous selection process to choose the best from the best. In terms of supplier admission:

**Integrity in Operations:** Bidders are required to conduct their business with integrity. During the bidding stage, preliminary screening is conducted through platforms like the national enterprise credit information publicity system and Tianyancha to check for any regulatory non-compliance. Bidders with a history of violations do not pass this initial screening.

**Certification Requirements:** Bidders must possess certificates related to responsibility towards employees, consumers, the environment, and resources, such as ISO18001, ISO14001, and ISO9001 certifications.

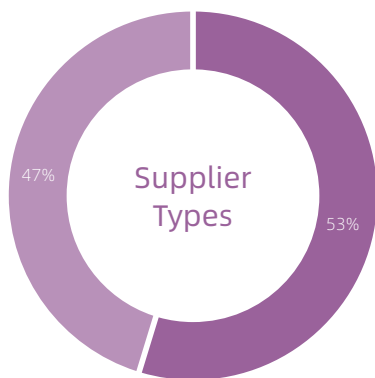
For shortlisted suppliers, Tian Lun Gas mandates compliance with national laws, respect for employees' rights to association and collective bargaining, prohibition of discrimination, assurance of occupational safety, prohibition of child labor and forced or disciplinary labor, adherence to environmental regulations, and initiatives to reduce environmental impact. Suppliers are encouraged to actively participate in social welfare activities and community building through donations and other means, providing assistance to community residents.

Regarding review and disqualification processes, Tian Lun Gas annually reviews the aforementioned documents and certifications of the shortlisted suppliers. If anomalies are detected, orders are suspended, and suppliers are given a deadline to rectify and provide necessary certifications; suppliers with significant regulatory violations are disqualified from the shortlist. This comprehensive approach underscores Tian Lun Gas's commitment to ethical practices and sustainable development in its supply chain management.

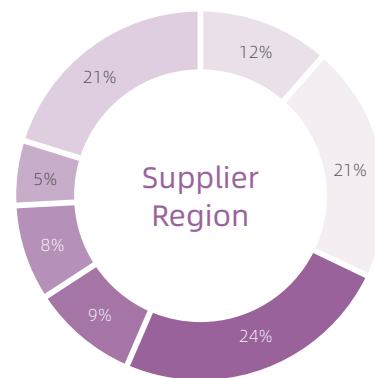


As of the end of the reporting period, Tian Lun Gas had 246 suppliers, all located in mainland China. Of these, 131 were selected through centralized procurement processes, while 115 were non-centralized procurement suppliers. The review coverage rate for centralized procurement suppliers reached 100%. During the selection process for these suppliers, they are required to provide valid certification for quality management systems, environmental management systems, and occupational health and safety management systems, ensuring the quality of suppliers included in centralized procurement.

Regarding the types of suppliers, the 131 centralized procurement suppliers are categorized into 28 different types, including PE gas pipes, steel valves, galvanized steel pipes, industrial and commercial flow meters, copper fittings/copper ball valves, among others. Geographically, these suppliers are primarily located in 15 in Hebei, 27 in Henan, 32 in Zhejiang, 12 in Sichuan, 11 in Shandong, and 7 in Guangdong, with others distributed across 27 regions including Tianjin, Chongqing, and Jiangsu. This diversified supplier base reflects Tian Lun Gas's commitment to ensuring a stable, high-quality supply chain that supports its operational needs across various regions.



■ Centralized Procurement Suppliers 53%  
 ■ Non-Centralized Procurement Suppliers 47%



■ Zhejiang ■ Sichuan ■ Shandong ■ Guangdong  
 ■ Others ■ Hebei ■ Henan

## Responsible Procurement >>

Guided by the "dual carbon" goals, Tian Lun Gas strengthens the management of environmental impacts in its supply chain, incorporating environmental protection factors of suppliers' products into its evaluation criteria. During supplier qualification, Tian Lun Gas requires all bidders to obtain the ISO14001 Environmental Management System certification, ensuring they conserve resources and minimize or eliminate pollution in their production activities, striving for the "zero emissions" target. Additionally, all shortlisted gas equipment materials must meet energy efficiency levels 1 or 2, aligning with the objectives of energy conservation and consumption reduction.



Tian Lun Gas rigorously adheres to relevant laws and regulations, such as the "Civil Code of the People's Republic of China" and the "Tendering and Bidding Law of the People's Republic of China," recognizing the importance of a high-quality, robust, and sustainable supply chain system for business operations and development. Suppliers are strictly required to fulfill their social responsibilities, ensuring sustainable development for all parties involved.

In the supplier selection process, Tian Lun Gas emphasizes checking the suppliers' procurement or business activities over the past three years through corporate credit information platforms, ensuring compliance with all national laws and regulations without any illegal activities. During the tendering process, bidders are required to sign an integrity and self-discipline commitment and are subject to the oversight of the company's audit and inspection

departments, adhering to principles of fairness, transparency, justice, and honesty, ensuring no harm to the interests of the state and the company. The evaluation is conducted under the supervision of the audit and inspection departments, focusing on product quality and safety, supply continuity, delivery speed, and the assurance and legitimacy of raw materials, aiming to build a supply chain with strong risk resistance capabilities.

Tian Lun Gas has also established various regulations such as "Goods Receiving and Inspection Methods," "Quality Management Methods," and "Supplier Evaluation System," strictly controlling the safety and quality of materials, and specifying after-sales service and return policies in contracts to reduce consumer losses and protect their rights.

## Community Co-building

While pursuing business development, Tian Lun Gas remains true to its original mission, continuously addressing social issues and dedicating itself to charitable and public welfare endeavors. These actions highlight its role as an exemplary corporate citizen, actively fulfilling its corporate social responsibilities and contributing to shared prosperity.

In recent years, Tian Lun Gas has made cumulative charitable donations totaling 7.428 million CNY, with 1.516 million CNY donated in 2023 alone, marking a 66.2% increase compared to the previous year. Moreover, Tian Lun Gas has been honored with awards such as the "ESG Excellence Enterprise Award" and the "Central Plains ESG Leading Enterprise Award," and has been featured as a typical case in the China Environmental Protection Federation's ESG examples, showcasing its commitment to environmental stewardship, social responsibility, and governance excellence.



Cumulative charitable donations with

**1.516** million

CNY in 2023, marking a

**66.2%** increase

compared to the previous year

## Rural Vitalization ►

Tian Lun Gas upholds the core values of "creating business together, sharing familial bonds," actively responding to the national call for "comprehensively advancing rural revitalization." The company is committed to improving people's livelihoods, engaging deeply in community support and assistance, actively giving back to society, conveying corporate warmth, and promoting harmonious and healthy social development. Through these efforts, Tian Lun Gas demonstrates a strong commitment to contributing positively to the communities where it operates, enhancing its role as a responsible corporate citizen.



### Practice Highlights

To implement the directives of the CPC Central Committee, the State Council, and the provincial committees and governments regarding the effective linkage between consolidating and expanding the achievements of poverty alleviation and rural revitalization, Tian Lun Gas actively participated in the charitable initiative guided by the "Notice on the Establishment of a 'Special Charity Fund for Emergency Assistance to the Needy' by the Civil Affairs Departments at the Provincial, City, and County Levels and the Charity Federations Across the Province" (Yu Min Wen [2022] No. 259). This initiative, jointly conducted by the Henan Provincial Department of Civil Affairs and the Henan Charity Federation, aims to improve the safety net for the underprivileged, promoting an effective connection between social aid and charitable support to consolidate and expand the results of poverty alleviation efforts.

The Henan Charity Federation's "Special Charity Fund for Emergency Assistance to the Needy" is a dedicated fund providing temporary assistance to individuals and groups in distress in Henan, playing a vital role in aiding the needy, improving livelihoods, and fostering social harmony. Tian Lun Gas Group, embracing its social responsibility and responding to the government's call, donated 1.5 million CNY to this special fund in 2023, totaling 1.8 million CNY in contributions, supporting the welfare initiatives in Henan.

In the same year, Tian Lun Gas was honored with several prestigious awards: the first Henan Charity Award for "Caring Donation Enterprise" by the People's Government of Henan Province, the "Excellent Loving Enterprise Award" from the Henan Charity Federation, and the "2022 Henan Social Responsibility Enterprise of the Year Award," underscoring its commitment to societal welfare and recognition of its significant contributions to community support and development in Henan.





## Student Public Welfare >

Education is a pivotal foundation for national rejuvenation and social progress. Tian Lun Gas regards supporting educational initiatives as a crucial aspect of its social responsibility, aiding young people in accessing equitable educational opportunities to realize their dreams and personal values. For several years, the group has been engaged in charitable and public welfare activities like the Hope Project and educational support programs, bringing the benefits of education to students in over 40 remote areas of Henan, assisting them in achieving their college aspirations and breaking free from the constraints of their geographical limitations.

Tian Lun Gas is committed to continuing its philosophy of benefiting the community and giving back to society. On the path of fulfilling its social responsibilities, the company persists in adhering to its core values of "creating business together, sharing familial bonds," passing on the torch of charity, and contributing Tian Lun's strength toward achieving shared prosperity and enhancing the societal fabric through education support.



### Practice Highlights

In June 2023, Tian Lun Gas initiated the "Million Youngsters Sunshine Growth Education Support Program: Light Illuminating the Future, Sharing Tian Lun" event at the Xinji Third Elementary School in Lushan County, Pingdingshan City. During this event, Tian Lun Gas donated a total of 1,900 annual subscriptions of the "Sunshine Youngster Newspaper" to six elementary schools in the county, aiming to enrich the students' learning resources and broaden their horizons. This initiative reflects the company's commitment to supporting education and fostering a bright future for the younger generation.



# Report Appendix

## 2023 Key Performance Overview Table

Indicator	Unit	2023	2022	2021
Total Assets	Million CNY	15,691	15,959	15,104
Operating Revenue	Million CNY	7,725	7,543	7,650
Annual Profit	Million CNY	506	469	1,028
Basic Earnings Per Share	CNY	0.49	0.45	1.00
Cumulative Pipeline Gas Users	Number	5,599,925	5,294,315	4,938,642
Natural Gas Sales	Ten Thousand Cubic Meters	208,528	191,177	194,238
Long-Distance Pipeline Gas Transportation Volume	Ten Thousand Cubic Meters	71,640	75,931	81,287
<b>Environmental Performance</b>				
Total Wastewater	Tons	49,891.20	54,470.31	61,256.53
Wastewater Density	Tons/Million CNY Revenue	6.46	7.22	8.01
Total Greenhouse Gas Emissions	Tons CO2 Equivalent	34,708.91	38,888.65	36,266.32
Greenhouse Gas Emission Density	Tons CO2 Equivalent/Million CNY Revenue	4.49	5.16	4.74
Hazardous Waste Discharge	Tons	8.8991	8.42	12.57
Hazardous Waste Discharge Density	Tons/Million CNY Revenue	0.00115	0.00112	0.00164
Total Non-hazardous Waste Discharge	Tons	11,056.145	535.08	549.86
Non-hazardous Waste Discharge Density	Tons/Million CNY Revenue	1.43	0.07	0.07
Total Energy Consumption	MWh	73,070.67	81,913.31	74,496.49
Energy Consumption Density	MWh/Million CNY Revenue	9.46	10.86	9.74
Total Water Consumption	Tons	91,438.22	113,717.81	120,113.00
Water Consumption Density	Tons/Million CNY Revenue	11.84	15.08	15.70
<b>Social Performance</b>				
Total Number of Employees	People	3,046	3,355	3,506
Total Number of Male Employees	People	1,825	2,072	2,218
Total Number of Female Employees	People	1,221	1,283	1,288
Percentage of Male Employees	%	59.90	61.76	63.26
Percentage of Female Employees	%	40.10	38.24	36.74
Work-related Fatalities	People	0	0	0
Days Lost to Work-related Injuries	Days	0	782	173
Employee Training Coverage Rate	%	100	100	100
Average Training Hours per Employee	Hours/Person	24.59	48.53	47.64
Total Number of Suppliers	Entities	246	191	317
Total Donations	Ten Thousand CNY	151.60	91.20	1,280

# HKEX ESG Guideline Index Table

Main Categories, Aspects, Key Performance Indicators	Description	Section	Page
	Statement from the Board of Directors	Statement from the Board of Directors	P6
	Materiality		
<b>Mandatory Disclosure</b>	Quantification	Response to ESG Reporting Principles	P11
	Consistency		
	Reporting Scope	Report Description	P4
<b>A. Environment</b>			
<b>Aspect A1: Emissions</b>			
A1.1	Types of emissions and related data.	Green Development ●Emissions Management	P28-P29
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, if applicable, intensity (e.g., per unit of production, per facility).	Green Development ●Climate Change Response	P30-P32
A1.3	Total amount of hazardous waste generated (in tons) and, if applicable, intensity (e.g., per unit of production, per facility).	Green Development ●Emissions Management	P28-P29
A1.4	Total amount of non-hazardous waste generated (in tonnes) and, if applicable, intensity (e.g., per unit of production, per facility).	Green Development ●Emissions Management	P28-P29
A1.5	Describe emission reduction targets set and steps taken to achieve these goals.	Green Development ●Emissions Management	P25、 P28-P29
A1.6	Describe methods for handling hazardous and non-hazardous waste, and describe waste reduction targets set and steps taken to achieve these goals.	Green Development ●Emissions Management	P25、 P28-P29
<b>Aspect A2: Resource Use</b>			
A2.1	Total direct and/or indirect energy consumption by type (such as electricity, gas, or oil) in kilowatt-hours and intensity (e.g., per unit of production, per facility).	Green Development ●Promoting Energy Conservation and Emission Reduction	P26-P27
A2.2	Total water consumption and intensity (e.g., per unit of production, per facility).	Green Development ●Water Resource Management	P26-P27
A2.3	Description of energy use efficiency targets set and steps taken to achieve them.	Green Development ●Promoting Energy Conservation and Emission Reduction	P26-P27



Main Categories, Aspects, Key Performance Indicators	Description	Section	Page
A2.4	Description of issues related to sourcing water and the water use efficiency targets set and steps taken to achieve them.	Green Development ●Water Resource Management	P26-P27
A2.5	Total amount of packaging materials used for finished products (in tons) and, if applicable, / the amount per unit of production.		The use of packaging materials is not involved due to the nature of the company's business.
<b>Aspect A3: Environment and Natural Resources</b>			
A3.1	Description of the significant impacts of business activities on the environment and natural resources and actions taken to manage these impacts.	Green Development ●Environmental Management ●Low-Carbon Transition	P25-P33
<b>Aspect A4: Climate Change</b>			
A4.1	Description of significant climate-related matters that have affected and may affect the issuer and response actions.	Green Development ●Environmental Management ●Climate Change Response	P30-P32
<b>B.Social</b>			
<b>Aspect B1: Employment</b>			
B1.1	Total number of employees by gender, employment type (e.g., full-time or part-time), age group, and region.	People-Oriented ●Equal Employment	P43-P44
B1.2	Employee turnover rate by gender, age group, and region.	People-Oriented ●Equal Employment	P43-P44
<b>Aspect B2: Health and Safety</b>			
B2.1	Number and rate of work-related fatalities for the past three years, including the reporting year.	People-Oriented ●Occupational Health and Safety	P48
B2.2	Number of days lost due to work-related injuries.	People-Oriented ●Occupational Health and Safety	P48
B2.3	Description of the occupational health and safety measures adopted, along with the related implementation and monitoring methods.	People-Oriented ●Occupational Health and Safety	P48
<b>Employment and Labor Practices</b>			

Main Categories, Aspects, Key Performance Indicators	Description	Section	Page	
<b>Employment and Labor Practices</b>	<b>Aspect B3: Development and Training</b>			
	B3.1	Percentage of employees receiving training, by gender and employee category (e.g., senior management, middle management).	People-Oriented ●Equal Employment ●Employee Career Development	P43-P47
	B3.2	Average training hours completed per employee, by gender and employee category.	People-Oriented ●Employee Career Development	P45-P47
	<b>Aspect B4: Labor Principles</b>			
	B4.1	Description of measures to review recruitment practices to avoid child labor and forced labor.	People-Oriented ●Equal Employment	P43-P44
	B4.2	Description of steps taken to eliminate non-compliance with labor practices upon discovery.	People-Oriented ●Employee Career Development Robust Governance ●Business Ethics ●Risk Management	P45-P47, P20-P23
<b>Operating Practices</b>	<b>Aspect B5: Supply Chain Management</b>			
	B5.1	Number of suppliers by region.	Collaboration to Success ●Supply Chain Management	P53-P55
	B5.2	Description of practices related to hiring suppliers, the number of suppliers implementing these practices, and related implementation and monitoring methods.	Collaboration to Success ●Supplier Management	P53-P55
	B5.3	Description of practices for identifying environmental and social risks at each stage of the supply chain, and related implementation and monitoring methods.	Collaboration to Success ●Responsible Procurement	P53-P55
	B5.4	Description of practices encouraging the use of environmentally friendly products and	Collaboration to Success ●Responsible Procurement	P53-P55
	<b>Aspect B6: Product Responsibility</b>			
B6.1	Percentage of products sold or delivered that need to be recalled for safety and health / reasons.		This disclosure is not applicable due to the nature of the company's business.	

Main Categories, Aspects, Key Performance Indicators	Description	Section	Page	
Operating Practices	B6.2	Number of complaints received about products and services and response methods.	Responsible Operation ●Safeguarding Customer Rights Value Creation ●Enhancing Customer Service	P39、 P36
	B6.3	Description of practices related to maintaining and protecting intellectual property rights.	Responsible Operation ●Safeguarding Customer Rights	P39
	B6.4	Description of quality inspection processes and product recall procedures.	Responsible Operation ●Product Safety and Quality	P38
	B6.5	Description of consumer data protection and privacy policies, and related implementation and monitoring methods.	Responsible Operation ●Customer Privacy Protection	P41
	<b>Aspect B7: Anti-Corruption</b>			
B7.1	Number and outcome of corruption lawsuits filed and concluded against the issuer or its employees during the reporting period.	Robust Governance ●Business Ethics	P20-P21	
B7.2	Description of anti-corruption measures and whistleblowing procedures, and related implementation and monitoring methods.	Robust Governance ●Business Ethics ●Risk Management	P20-P23	
B7.3	Description of anti-corruption training provided to directors and employees.	Robust Governance ●Business Ethics People-Oriented ●Employee Career Development	P20-P21、 P45-P47	
<b>Aspect B8: Community Investment</b>				
Community	B8.1	Focus areas of contribution (e.g., education, environmental matters, labor needs, health, culture, sports).	Collaboration to Success ●Community Co-building	P55-P57
	B8.2	Resources utilized in focus areas (e.g., money or time).	Collaboration to Success ●Community Co-building	P55-P57



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