

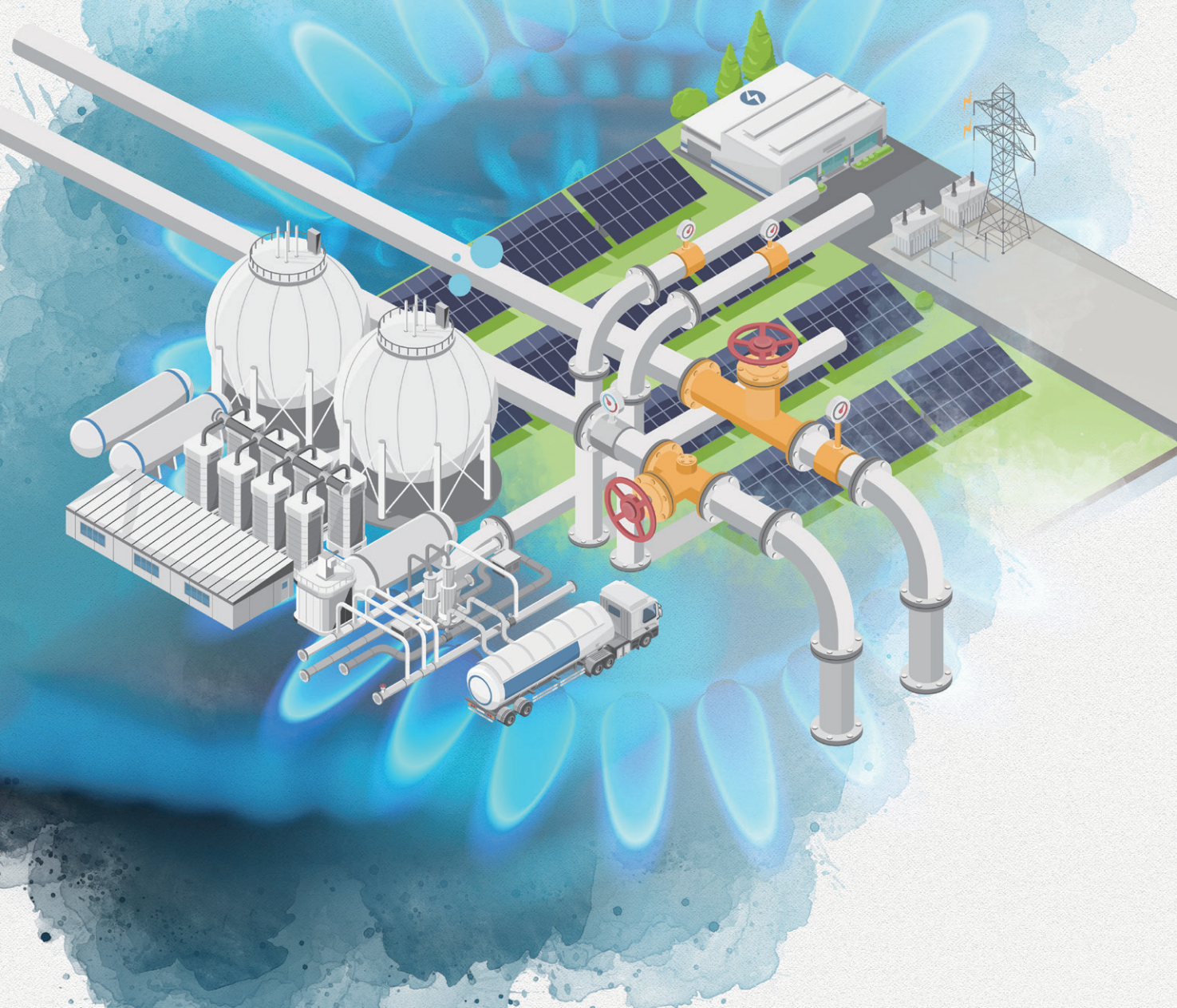


# Beijing Gas Blue Sky Holdings Limited 北京燃氣藍天控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 6828

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2023





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# 1. ABOUT THIS REPORT

## REPORT INTRODUCTION

We published this Environmental, Social and Governance (“ESG”) Report (this “Report”) to provide an overview of the initiatives, plans, results and performances of Beijing Gas Blue Sky Holdings Limited (stock code: 6828.HK) (the “Company”) and its subsidiaries (together, “Beijing Gas Blue Sky”, the “Group” or “we”) in the ESG aspects.

## REPORTING STANDARDS

This Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix C2 of the Listing Rules issued by The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), with reference to the GRI Universal Standards 2021 from Global Reporting Initiative (“GRI”). This Report has complied with the “Mandatory Disclosure” and the “Comply or Explain” provisions in the Guide.

This Report is prepared on the basis of four reporting principles of materiality, quantitative, balance and consistency in the Guide.

**Materiality:** It has identified and disclosed the procedures and standards for selecting the material ESG factors, as well as the process and results of stakeholder engagement in the preparation of this Report.

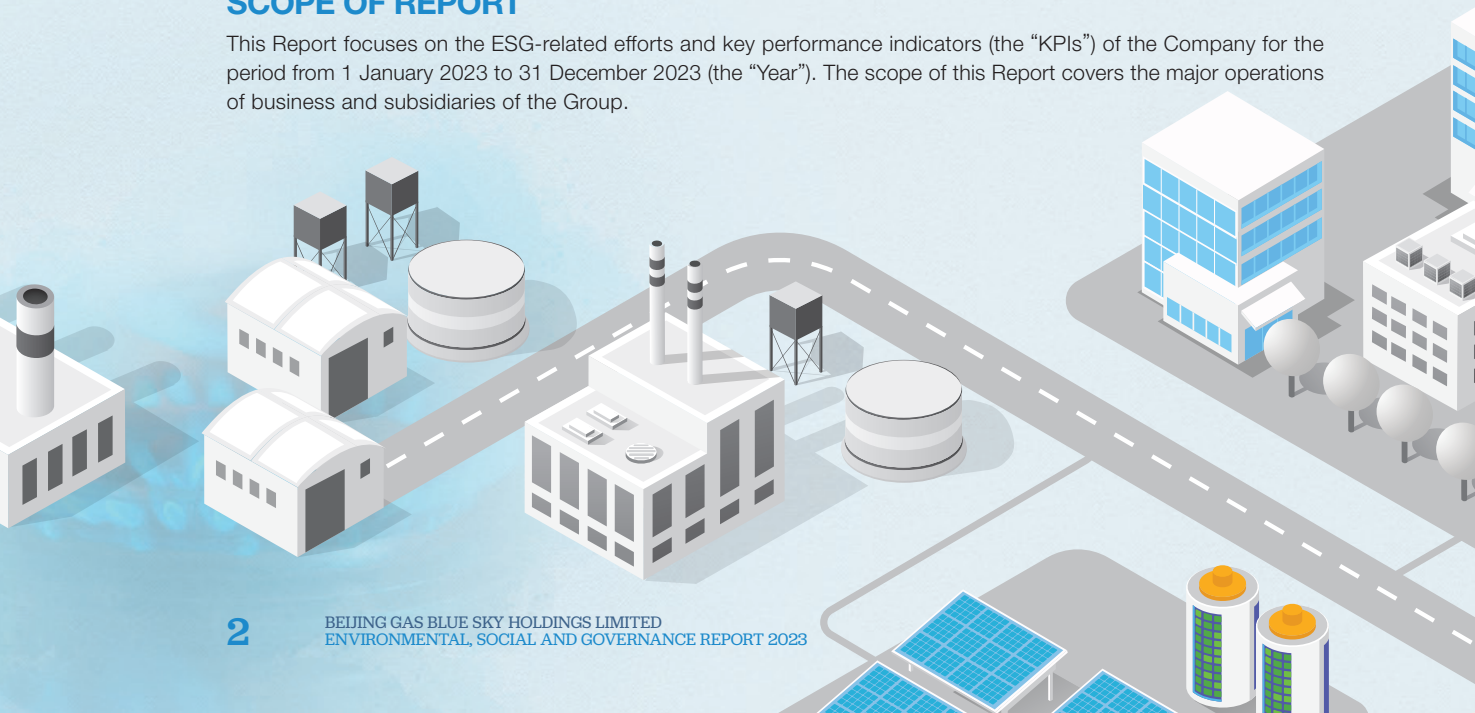
**Quantitative:** This Report has reported standards, methods, assumptions and/or calculation tools for the emission statistics, and the source of conversion factors.

**Balance:** This Report provides a picture of the Company’s performance during the Year in an objective, fair and unbiased manner and avoids selections, omissions, or presentation formats that may inappropriately influence the reader’s decisions or judgments.

**Consistency:** Unless otherwise stated, the statistical methods used in this Report are consistent with those of last year. Changes are clearly explained in this Report if any.

## SCOPE OF REPORT

This Report focuses on the ESG-related efforts and key performance indicators (the “KPIs”) of the Company for the period from 1 January 2023 to 31 December 2023 (the “Year”). The scope of this Report covers the major operations of business and subsidiaries of the Group.



## 1. ABOUT THIS REPORT

### ACCESS TO THIS REPORT

This Report is published in Chinese and English. In case of any discrepancy, the Chinese version shall prevail. This Report can be viewed or downloaded from the websites indicated below. In case of any conflict or inconsistency between this Report and the annual report of the Group, the annual report shall prevail.

Website of the Stock Exchange:

<http://www.hkexnews.hk>

Website of Beijing Gas Blue Sky Holdings Limited:

<http://www.bgbluesky.com>

### CONFIRMATION AND APPROVAL

The Board of Directors of the Company (the “Board”) assumes full responsibility for the contents of this Report and has approved and confirmed the contents of this Report on 27 March 2024.

### FEEDBACK

Stakeholders’ opinions and suggestions will help the Group’s sustainable development planning. If you have any feedback on this Report, please feel free to contact us by the following ways.

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Investor Relations Department  
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Tel: (852) 3425 4538  
Fax: (852) 3425 4339  
Website: <http://www.bgbluesky.com>



## 2. MESSAGE FROM THE CHAIRMAN

On behalf of the Board, I would like to welcome you to the Group's ESG Report and thank you for your attention and support for Beijing Gas Blue Sky! Beijing Gas Blue Sky is committed to sustainable environment and harmonious society. In the course of rapid expansion, we have continued to pay attention to environmental protection to pursue and unify economic, social and environmental benefits, as well as enhance our sustainable development performance.

Looking back to 2023, the PRC was still on the road to recovery after the COVID-19 and faced many risks in its economic and social development. It was a year full of challenges and uncertainties. Both global investment environment and energy industry were disrupted due to the global geopolitical tensions and slower-than-expected economic recovery after the COVID-19. Amid an environment full of challenges, the changing global landscape also presented significant opportunities that should not be overlooked. In order to implement the "14th Five-Year Plan for a Modern Energy System" and the "14th Five-Year Plan for Renewable Energy Development", the National Energy Administration issued the "2023 Energy Work Guidance Opinions" (the "Guidance Opinions") in April 2023, which stipulated that the target for 2023 is to "increase the share of non-fossil energy in total energy consumption to approximately 18.3%", reflecting that the potential of clean energy will further expand. The Group will capitalise on its strengths to persistently promote green, low-carbon and high-quality development, and integrate the concept of sustainable development into the Company's daily operation and management to optimise its existing natural gas business and actively accelerate the development of the renewable energy and clean energy.

As a leading integrated energy service provider in the PRC, the Group has always attached great importance to sustainable development. While striving to promote the transformation of China's energy structure from high-carbon to low-carbon, Beijing Gas Blue Sky has also been actively fulfilling its social responsibility, with its contributions and efforts in promoting sustainable development being highly recognised. In 2023, we were honoured that the Group's ESG rating was upgraded to A- by SynTao Green Finance, a leading consultancy providing professional services in green finance and responsible investment in China, which was not only a strong evidence of the significant improvement in the achievements of the Company's ESG work, but also reflected the capital market's high concern and recognition of the Company's adherence to the concept of green and low-carbon development, fulfilment of social responsibility, and implementation of long-term sustainable development. We have effectively managed issues related to the sustainability of the Company through the establishment of a sound governance system. We have formulated the "Beijing Gas Blue Sky Holdings Limited Environmental, Social and Governance Report Management Measures (Trial)" (《北京燃氣藍天控股有限公司環境、社會及治理報告管理辦法(試行)》). Under the supervision and leadership of the Board, the Compliance Committee is responsible for formulating, promoting and monitoring the management guidelines, strategies, targets and work with respect to ESG and climate issues. We have especially established an ESG working group to be responsible for coordinating and promoting the implementation of various ESG and climate-related policies by various departments in an attempt to integrate the concept of sustainable development into the daily operation and management, and comprehensively improve the Company's risk management capability.

In terms of environmental protection, the Group bears the idea of "harmonious coexistence of energy and the environment" in mind and is highly concerned about the impact of corporate operations on the environment. The Group works hard on providing innovative and diversified clean energy solutions in line with the national environmental policy. In response to the country's "dual carbon strategy", we have signed a strategic cooperation framework agreement with different partners to actively develop in the areas of new energy, low carbon technology and negative carbon emissions, and have set up a dedicated new energy business preparation team to accelerate the Group's deployment and strategic implementation in the dual carbon market, further enhancing the Company's economic and social benefits to help the PRC realise its carbon peak and carbon neutral goals. Moreover, we are also committed to implementing green operation models and continuously promoting various types of green office activities, which are strongly supported by employees, and even recognised and appreciated by environmental protection organisations. Beijing Gas Blue Sky will continue to focus on energy conservation and emissions reduction to minimise the impact of production and operation on the environment in response to climate change.



## 2. MESSAGE FROM THE CHAIRMAN

Beijing Gas Blue Sky always prioritises the well-being of its employees and talent development. We regard employees as an important driving force for the long-term development of the Company, aiming to create an equal working environment for employees, provide diversified development opportunities, and offer a wide range of training in order to continuously cultivate talent. We are committed to reviewing and optimising the talent management system. During the Year, we issued the “Beijing Gas Blue Sky Holdings Limited Labour Dispatch Management Measures (Trial)” (《北京燃氣藍天控股有限公司勞務派遣管理辦法(試行)》) and the “Beijing Gas Blue Sky Holdings Limited External Recruitment and Introduction Management Measures (Trial)” (《北京燃氣藍天控股有限公司外部招聘和引進管理辦法(試行)》), and implemented a recruitment management and labour dispatch mechanism to meet the needs for talent in strategic development and operational management of the Company, and protect the rights and interests of employees while gradually optimising the talent structure.

During the Year, Beijing Gas Blue Sky adopted the Company’s principal work of “Safety, Services, Increasing Efficiency and Compliance” as the theme of the report. Production safety has always been our top priority. The Company has formulated a number of safety guidelines covering pipe network operation safety, gas engineering construction safety, safety facilities management, etc. During the Year, the Company also issued several systematic documents, such as the “Beijing Gas Blue Sky Holdings Limited Production Safety Management System (Trial)” (《北京燃氣藍天控股有限公司安全生產投入管理制度(試行)》) and the “Beijing Gas Blue Sky Holdings Limited Engineering Inspection System (Trial)” (《北京燃氣藍天控股有限公司工程巡查制度(試行)》), with a view to strengthening the supervision and inspection of gas safety. We have always assumed the responsibility of providing safe and stable gas supply and quality service. Through the standardised closed-loop system of safe production, the safety management of the Company has been enhanced continuously, in order to uphold Beijing Gas Blue Sky’s safety concept of “creating harmony and focusing on details from inception to ensure a high degree of safety”. At the same time, we attach great importance to compliance with laws and regulations. Through the formulation of the “Beijing Gas Blue Sky Holdings Limited Implementation Measures for the Accountability for Non-compliance with Business Investment Responsibility (Trial)” (《北京燃氣藍天控股有限公司違規經營投資責任追究實施辦法(試行)》), we have established a sound risk prevention and mitigation mechanism, strengthened the compliance risk management and control capability, and cracked down on non-compliance with laws and regulations in order to improve the corporate governance. We are dedicated to the enhancement of efficiency in pursuit of continuous improvement in order to achieve a higher level of work efficiency.

Looking ahead, the Group will actively capture the opportunities under the “dual carbon” strategic goal. Leveraging on our expertise and experience in natural gas, we will integrate the concept of green development into all aspects of the Company’s strategic planning and production and operation, and build a clean, efficient and low-carbon development path. Meanwhile, we will also continue to explore new energy projects, and gradually promote the transformation of various business sectors to a low-carbon development direction that is resource-friendly and environment-friendly. We will adhere to the corporate mission of “developing clean energy, enhancing customer value, and creating a bright future for Beijing Gas Blue Sky”, continue to promote the overall green transformation of economic and social development, and create more value for the society and shareholders!

**Beijing Gas Blue Sky Holdings Limited**

**Li Weiqi**

*Chairman*



# 3. ABOUT BEIJING GAS BLUE SKY

## BUSINESS PROFILE

The Group is an integrated natural gas provider and operator focusing on the mid- and downstream development of the entire natural gas industry chain. Under the backdrop of the “Belt and Road” Initiative development strategy advocated by the PRC government, the Group continues to proactively explore investment opportunities in the natural gas industry chain. We are dedicated to providing environment-friendly and efficient clean energy and rapidly expanding the natural gas industry chain in which city gas projects provide a solid foundation through diversified business development; industrial gas supply will be our pillar of growth, while trading and distribution of natural gas will be a guaranteed additional source of revenue. We have numerous natural gas projects located in different provinces, municipalities and autonomous regions in the PRC, and participate in other large-scale natural gas utilisation projects such as the Petrochina Jingtang project.

Driven by the dual carbon target, the energy consumption structure is undergoing significant changes. The energy system is also accelerating its transition to clean, low-carbon and diversified sources, while the growing demand from downstream markets also drives the stable growth of natural gas consumption in the PRC. In response to the huge market demand and the urgency of low carbon transition, the Group will continue its involvement in the development of the entire natural gas industry chain, while enhancing the value of its premium city gas business, gradually promoting the renewable energy sector, and striding towards a new type of gas enterprise. It also actively promotes the development of the industry by participating in industry summits and seminars, as well as providing technical and application support, thereby assisting China in its transition to a low-carbon society.

## CORPORATE PHILOSOPHY

Beijing Gas Blue Sky’s prime mission is to build a sustainable environment and a harmonious society. While providing the distribution and operation of natural gas throughout the entire industry chain, we continue to explore the end-use market and facilitate the integrated use of clean natural gas energy by leveraging our diversified gas sources and low-cost advantages.

We always uphold the following business philosophies and values in the course of our operations:

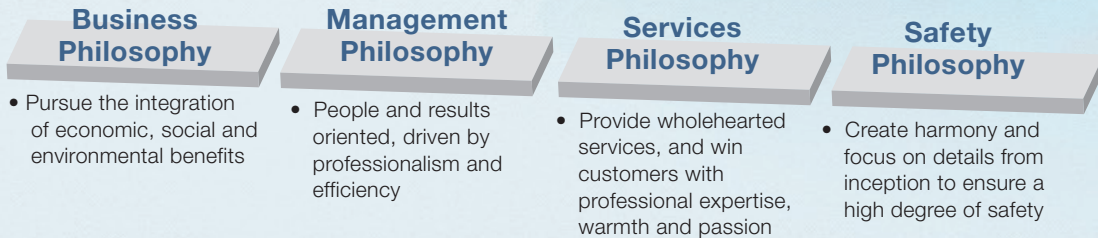


### Corporate missions

- Develop clean energy
- Enhance customer value
- Create a bright future for Beijing Gas Blue Sky



### 3. ABOUT BEIJING GAS BLUE SKY



### PROSPECTS

In recent years, the natural gas industry is growing in countries around the globe to improve the environment and promote sustainable economic development. China is actively building a resource-efficient and environment-friendly society under the dual carbon target. Due to the influence of the global trend of energy transition and the ever-increasing demand for clean energy, natural gas is not only an important alternative to coal to improve the quality of China's environment under the implementation of the coal-to-gas policy, but also one of the key energy sources in shaping the energy landscape and achieving a clean energy structure.

As one of the key players in the natural gas industry chain, we are committed to promoting the development of the natural gas industry market and providing customers with safe and stable clean energy.

We are well aware that green and low-carbon development cannot rely on a single clean energy source. Looking forward, we will actively grasp the market opportunities under the dual carbon target and leverage our industry resources and capital advantages as the Group's international investment and financing platform to actively develop potential regional projects for market expansion and create a complete and distinctive industrial chain. Considering the development of an integrated energy business, we will accelerate the exploration of the business development in renewable energy, such as energy storage, solar photovoltaic, etc., and clean energy, and gradually promote the development of renewable energy sector for a diversified energy structure. We will strive to build a future-oriented integrated clean energy operator primarily engaging in high-quality city gas projects and the LNG industry chain. We will also work extensively with industry peers to achieve leapfrog development and position ourselves for the arrival of the global gas energy era.

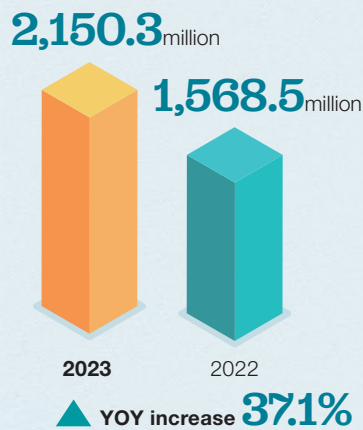


### 3. ABOUT BEIJING GAS BLUE SKY

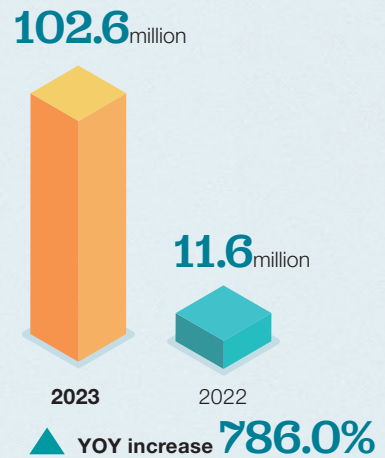
#### BUSINESS PERFORMANCE

During the Year, the Group delivered promising performance and maintained its favorable performance, showing that the earning fundamentals of the Company are improving and gaining “double growth” in both operational performance and financial performance:

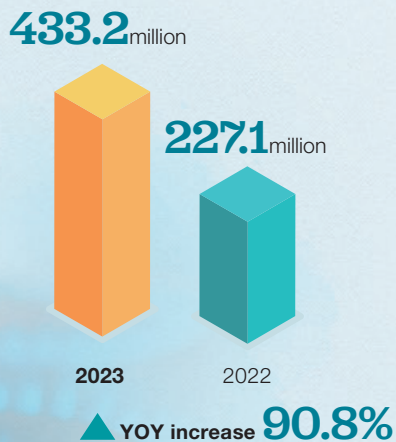
Turnover (approximate in HKD)



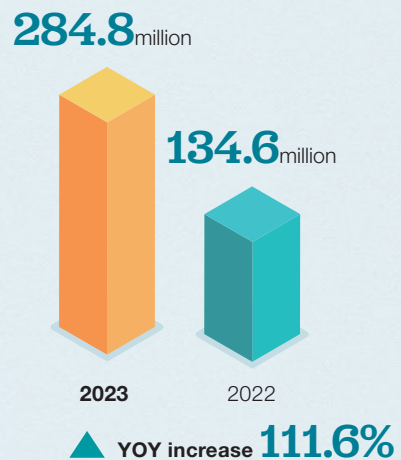
Profit for the Year (approximate in HKD)



Trading and Distribution of Natural Gas Business  
Sales Volume (approximate in cubic meters)



Development and Operation of City Gas Business  
Sales Volume (approximate in cubic meters)





### 3. ABOUT BEIJING GAS BLUE SKY

#### RECOGNITION FROM THE MARKET

In addition, the Company has received positive reports and sound ratings from external parties including securities dealers and professional organizations, demonstrating the endorsement and recognitions of the Group from the market:

##### Highlights of ESG Ratings

- Upgrading the ESG ratings from Grade B+ in last year to Grade A- in this year by SynTao Green Finance
- Consecutive Grade A awarded from Wind Information Co., Ltd. (Wind) in ESG Ratings
- Significant upgrade in S&P Global Corporate Sustainability Assessment this year



In January 2024, Wuzhou City Gas Association\* (梧州市燃气协会) granted Beijing Gas Group (Teng County) Co., Ltd\* (北京燃气集团藤县有限公司) the title of "Outstanding Gas Enterprise of Wuzhou City 2023"



In November 2023, Guangxi Zhuang Autonomous Region Administration for Market Regulation granted Beijing Gas Group (Teng County) Co., Ltd\* (北京燃气集团藤县有限公司) the title of Publicized Enterprises of "Trustworthy and Creditworthy"



### 3. ABOUT BEIJING GAS BLUE SKY

## ACHIEVEMENT HIGHLIGHTS IN SUSTAINABLE DEVELOPMENT

### Environmental protection

- Greenhouse gas emissions of 2,578 tCO<sub>2</sub>e
- Water consumption intensity of 0.0835 m<sup>3</sup>/ten thousand HKD revenue
- No significant incident of non-compliance in relation to environmental pollution



### Occupational safety and health

- 0% of work-related fatalities in the past three years
- 100% of production safety education and training for employees
- No work day lost due to work-related injuries



### Production safety

- Signing rate of the production safety responsibility statement for all staff amounting to 100%
- Organised 1 kick-off meeting and 7 promotion meetings for the implementation of certain measures to further prevent and curb major production safety accidents
- Organised 73 monthly safety inspections by the general manager throughout the Year
- Organised 76 safety committee/production safety meetings throughout the Year
- Organised a total of 13 emergency drills throughout the Year





### 3. ABOUT BEIJING GAS BLUE SKY



#### Human resources management

- Percentage of female employees of 33%
- Training coverage rate of 100%
- Total number of training hours of 13,682



#### Safety inspection

- Conducted safety inspections on 11 project companies throughout the Year
- Completion rate of rectification of potential hazards reaching 99%
- Overall household safety inspection rate for residents exceeding 80%
- Household safety inspection rate for non-residents reaching 100%
- 34 new or amended safety rules and regulations issued throughout the Year



#### Governance

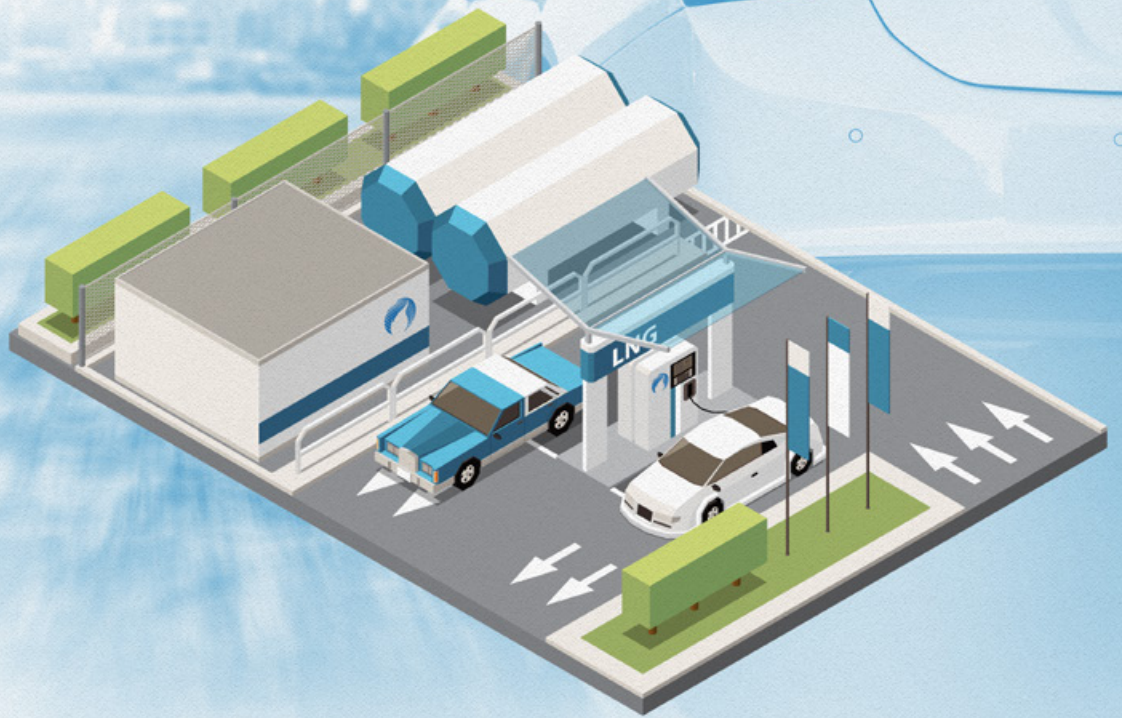
- 0 corruption or bribery incidents
- 14 integrity training sessions organized during the year
- Independent non-executive Directors representing 38% of the number of the Directors





# 04

## SUSTAINABLE DEVELOPMENT GOVERNANCE





## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

### 4.1 STATEMENT OF THE BOARD

The Group attaches great importance to sustainable development and aims to incorporate the concept of sustainable development into its daily operation and management system in order to actively fulfil its corporate social responsibility. The Board is the leader of the Group's ESG efforts and is fully responsible for the Group's ESG strategies, policies and reporting. It not only reviews and resolves on approaches, strategies and objectives concerning ESG issues, but also oversees the overall work, including the assessment, priorities and management of material ESG issues, risks and opportunities. In order to formulate sound management approaches, strategies, objectives and work in relation to ESG issues, the Compliance Committee under the Board is empowered as the management to organise the ESG working group to promote and monitor the implementation of ESG-related policies and tasks by all departments. ESG-related topics are included in regular meetings of the Compliance Committee to regularly discuss ESG related issues, with a view to integrating ESG strategies and objectives into the Group's daily operations and business, as well as implementing the ESG work.

The Board also places great emphasis on the progress of the Company's target achievement. Therefore, it regularly reviews and monitors the performance of ESG-related issues and the progress towards target achievement to ensure that the progress is in line with expectations with consistent good performance. At the same time, it also approves the content of the ESG report for the Year, reviews and ensures the effectiveness of ESG controls and internal controls systems, promotes the sustainable development of the Company, and advocates the culture of sustainable development from top to bottom.

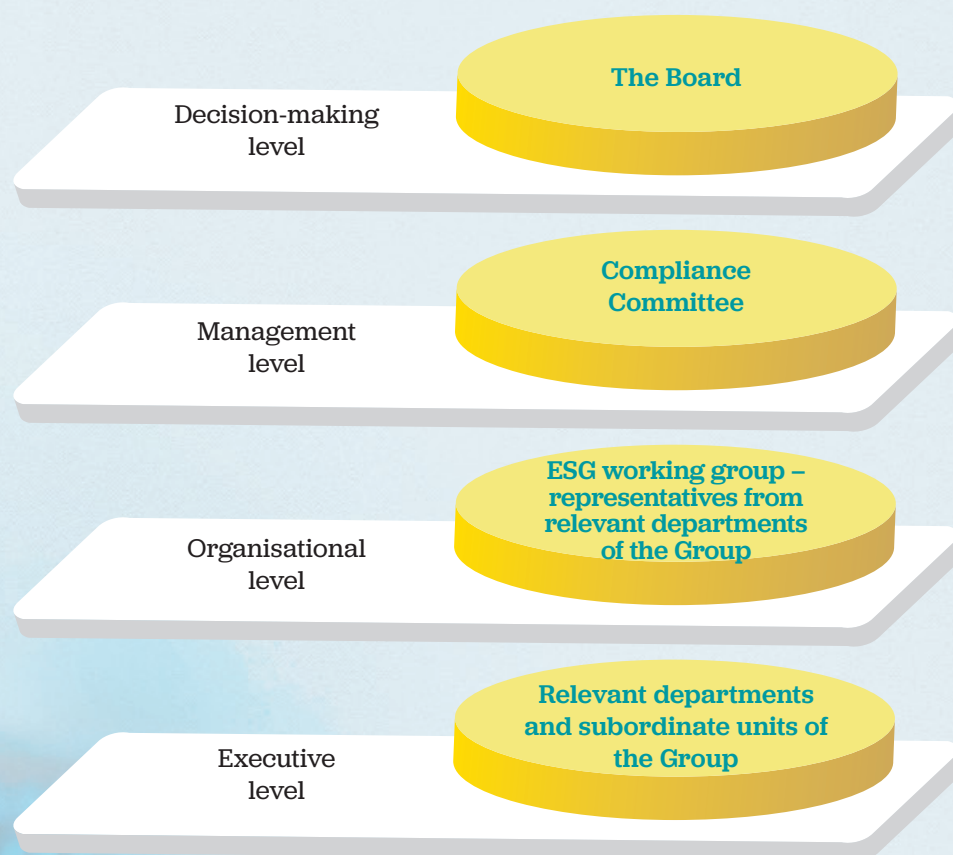


## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

### 4.2 SUSTAINABILITY MANAGEMENT SYSTEM

The Group always adheres to the concept of green and low-carbon development, practices the value of long-term sustainable development, and implements the ESG concepts into the Group's management approaches, strategies, business plans and policies. Through the formulation of the "Beijing Gas Blue Sky Holdings Limited Environmental, Social and Governance Reporting Management Measures (Trial)" (《北京燃氣藍天控股有限公司環境、社會及管治報告管理辦法(試行)》), we have established a more systematic sustainable development management framework, covering the decision-making level, management level, organisational level and executive level, clarified the responsibilities of each level in the ESG governance structure to ensure the synergies and cooperation of the various levels for the comprehensive implementation of the ESG work.

The Group's ESG governance structure and the responsibilities at each level are as follows:





## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

Level	Responsibilities
Decision-making level: the Board	<ul style="list-style-type: none"> <li>Resolve and approve the Group's ESG management approaches, strategies, objectives and annual work, including the assessment, priorities and management of material ESG issues, risks and opportunities;</li> <li>Establish and oversee the ESG risk management and internal control system; and</li> <li>Regularly review and monitor the performance of ESG-related issues and the progress towards target achievement.</li> </ul>
Management level: Compliance Committee	<ul style="list-style-type: none"> <li>Identify, assess, review and manage material ESG-related risks and opportunities;</li> <li>Formulate ESG's management approach, strategy, planning, annual work and objectives for the Board's approval and promote the implementation of such work; and</li> <li>Responsible for reviewing and monitoring the Group's ESG policies and practices to ensure compliance with relevant statutory and regulatory requirements.</li> </ul>
Organisational level: ESG Working Group – representatives from relevant departments of the Group	<ul style="list-style-type: none"> <li>Collect, understand and respond to stakeholders' views on material ESG issues through appropriate channels;</li> <li>Continuously track and review ESG performance and progress against targets to ensure that all ESG issues are properly managed and implemented; and</li> <li>Convene regular meetings with relevant departments to coordinate and promote the implementation of various ESG-related policies in each department and monitor the ESG-related efforts of each functional department.</li> </ul>
Executive level: Relevant departments and subordinate units of the Group	<ul style="list-style-type: none"> <li>Organise, promote and execute various ESG-related work in accordance with the Group's ESG management policy, strategy, planning, annual work and target deployment, requirements and division of labour; and</li> <li>Collect and report internal ESG policies, systems and ESG-related performance indicators.</li> </ul>






## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

### 4.3 COMMUNICATION WITH STAKEHOLDERS





The support and trust of our stakeholders lay a solid foundation for the Group's long-term sustainable development. We value their engagement in our operations. With a well-established communication and feedback mechanism, we continue to listen to stakeholders' expectations and aspirations and respond in a timely manner.

In order to evaluate and adjust our ESG decision-making and internal control mechanisms, and assist us in the identification of ESG material issues, the Group has identified key stakeholders relevant to its operations. The key communication channels are as follows:

Major Stakeholders	Issues of Concern	Communication Channels	Communication Frequency
The Board and senior management 	<ul style="list-style-type: none"> <li>Operation compliance</li> </ul>	<ul style="list-style-type: none"> <li>Board meetings</li> <li>Daily communication and reporting</li> <li>Various seminars and forums</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Periodic</li> <li>Periodic</li> </ul>
Employees 	<ul style="list-style-type: none"> <li>Protection of employees' rights and interests</li> <li>Occupational health and safety</li> <li>Training and development</li> <li>Compliance management</li> </ul>	<ul style="list-style-type: none"> <li>Employee performance appraisal</li> <li>Employee suggestion box/ Interview</li> <li>Various seminars and training</li> <li>Team sharing sessions</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Periodic</li> <li>Periodic</li> <li>Periodic</li> </ul>
Customers 	<ul style="list-style-type: none"> <li>Protection of customers' rights and interests</li> <li>Protection of customers' privacy</li> <li>Provision of high-quality products and services</li> <li>Responsible marketing</li> <li>Protection of intellectual property rights</li> <li>Compliance management</li> </ul>	<ul style="list-style-type: none"> <li>Conducting business return visit</li> <li>Satisfaction survey</li> <li>Website</li> <li>Customer service hotline</li> <li>Social media</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Periodic</li> <li>Year-round</li> <li>Year-round</li> <li>Year-round</li> <li>Year-round</li> </ul>



## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

Major Stakeholders	Issues of Concern	Communication Channels	Communication Frequency
Suppliers and partners 	<ul style="list-style-type: none"> <li>Fair and public sourcing</li> <li>Sustainable supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>On-site visit to suppliers' plants to conduct investigation, on-spot check and evaluation</li> <li>Meetings and activities</li> <li>On-site audit of the management system of suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Periodic</li> <li>Periodic</li> </ul>
Government and regulators 	<ul style="list-style-type: none"> <li>Compliance management</li> <li>Tax payment</li> </ul>	<ul style="list-style-type: none"> <li>Participating in improvement programs organised by the industry and local government regulators</li> <li>Actively cooperating with the government for spot-check arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Year-round</li> </ul>
Investors and shareholders 	<ul style="list-style-type: none"> <li>Compliance management</li> <li>Governance</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Interim report, annual report and results announcement</li> <li>Corporate communications, such as meeting notices</li> <li>Company website</li> <li>Information disclosure</li> <li>Investor meetings</li> <li>Timely handling of investor enquiries by investor relations mailboxes</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Periodic</li> <li>Periodic</li> <li>Year-round</li> <li>Periodic</li> <li>Periodic</li> <li>Year-round</li> </ul>
Community 	<ul style="list-style-type: none"> <li>Safe and stable gas supply</li> <li>Community relations</li> <li>Community public welfare and poverty alleviation</li> </ul>	<ul style="list-style-type: none"> <li>Charitable activities and community service activities</li> <li>Community investment program</li> <li>Seminars/lectures/workshops</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> <li>Periodic</li> <li>Periodic</li> </ul>



## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

In order to gain a better understanding of the opinions of stakeholders, the Group rejoined the Hong Kong Investor Relations Association (HKIRA) this year, which is a professional association comprising investor relations practitioners and corporate officers responsible for communications between corporate management and the investment community. By participating in this platform for exchange of views and sharing of knowledge and experience, we hope to engage with market participants and support the practice of openness and transparency in investor relations. In addition, we also strive for improvement by organising roadshows and communicating directly with investors to understand their expectations of the Group's development.

In March 2023, the Company held its 2022 annual results presentation. The management of the Company presented the performance and development direction of the Company and had an in-depth exchange with more than 30 investors and members of the financial sector. The Company considered that the annual results presentation was able to demonstrate the interest and recognition of the capital market on the Company and further enhanced the Company's ability to interact with the capital market.



The 2022 Annual results presentation of the Company has been held successfully

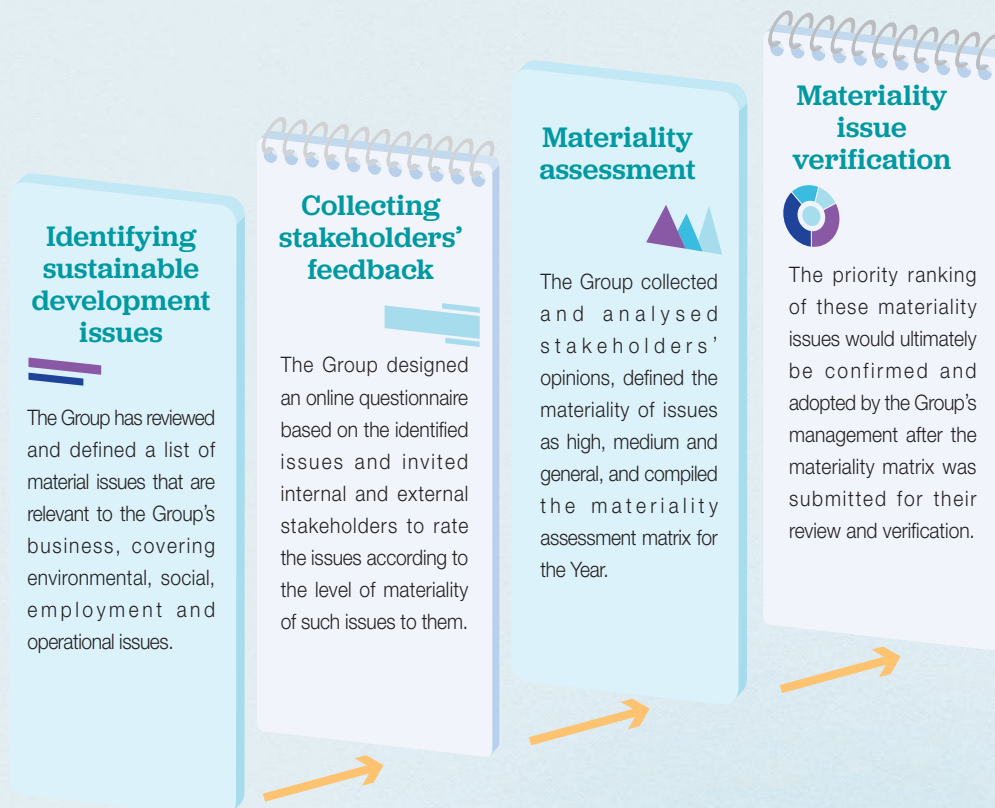


## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

### 4.4 MATERIALITY ASSESSMENT

The Group maintains close communication with various stakeholders in an active manner to understand the issues of concern to stakeholders in order to meet their needs. We have commissioned a third-party consultant to conduct a materiality assessment to identify the issues that are critical to our business so that we can effectively allocate resources to carry out ESG work. We made reference to the disclosure obligations covered by the Guide, the Materiality Map of the Sustainability Accounting Standards Board (SASB), etc., together with our operating conditions and benchmarking against best practices in the industry, to sort out the material ESG issues. Internal and external stakeholders were invited to participate in an online survey to identify the Group's ESG materiality issues by understanding the expectations of each stakeholder.

The key steps of the materiality assessment are as follows:

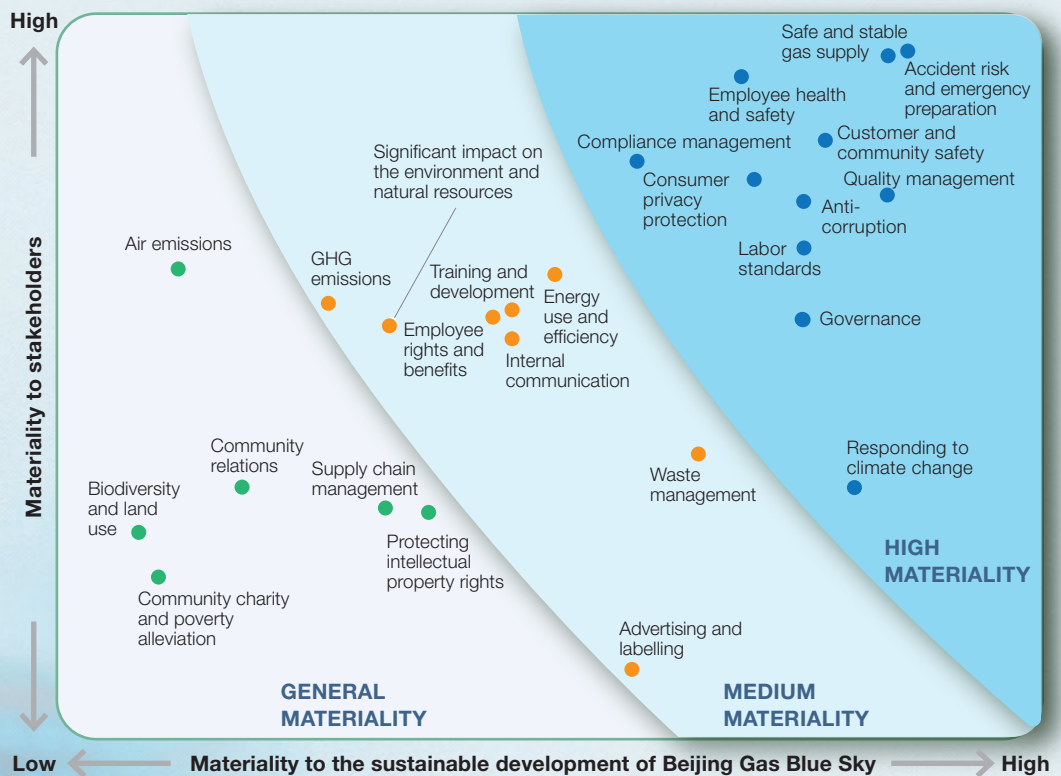


## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

The Group reviewed the applicability of the assessment results of the ESG materiality issues in the previous year. Taking into account the business development during the Year, the management adjusted and revised the materiality ranking of the ESG issues. The issues for which adjustments were made to the materiality ranking for the Year included “advertising and labelling”, “consumer privacy protection”, “anti-corruption”, “responding to climate change”, “GHG emissions” and “energy use and efficiency”.

During the Year, we have identified a total of 25 material ESG issues after materiality ranking adjustments and made prioritisation based on the questionnaire feedback from stakeholders, of which 11 issues were of high materiality, 8 issues were of medium materiality, and 6 issues were of general materiality. The materiality issues have been approved and confirmed by the Board. The results of the materiality assessment for the Year are as follows:

### Materiality Matrix of Beijing Gas Blue Sky





## 4. SUSTAINABLE DEVELOPMENT GOVERNANCE

We have responded to stakeholders in this Report on issues of high materiality. The corresponding sections of this Report are as follows:

Issues of high materiality	Related sections
Governance	4. Sustainable Development Governance
Accident risk and emergency preparation	5. Safety
Safe and stable gas supply	5. Safety
Quality management	5. Safety
Customer and community safety	5. Safety
Employee health and safety	5. Safety
Consumer privacy protection	6. Services
Responding to climate change	7. Increasing Efficiency
Labor standards	7. Increasing Efficiency
Compliance management	8. Compliance
Anti-corruption	8. Compliance



# 05 SAFETY





## 5. SAFETY

### 5.1 SAFE AND QUALITY PRODUCTION

Beijing Gas Blue Sky regards safe and quality production as its top priority in a continuous effort to provide customers with safe and stable gas supply of high quality. By constant insisting on the safety concept of “creating harmony and focusing on details from inception to ensure a high level of safety” and adhering to the safety approach of “safety first, prevention as a priority, and comprehensive governance”, we minimise the risks in our operations to always ensure work safety, striving to achieve the goal of zero accidents and eliminate potential hazards in the supply, use and related services of gas. At the same time, we recognise the importance of safety awareness. We are dedicated to enhancing the safety awareness and alertness of our relevant stakeholders such as employees and contractors through a series of education and training.

We have set comprehensive safety objectives covering areas of production safety, safety training, qualification certification, hazards detection and road safety to incorporate the safety concept into our daily operations, striving to protect the safety of our employees, customers and work-related personnel in all aspects. During the Year, the Group has successfully achieved safety goals, demonstrating the Group’s emphasis and determination on safety management.

#### Safety indicators for the Group’s main controls



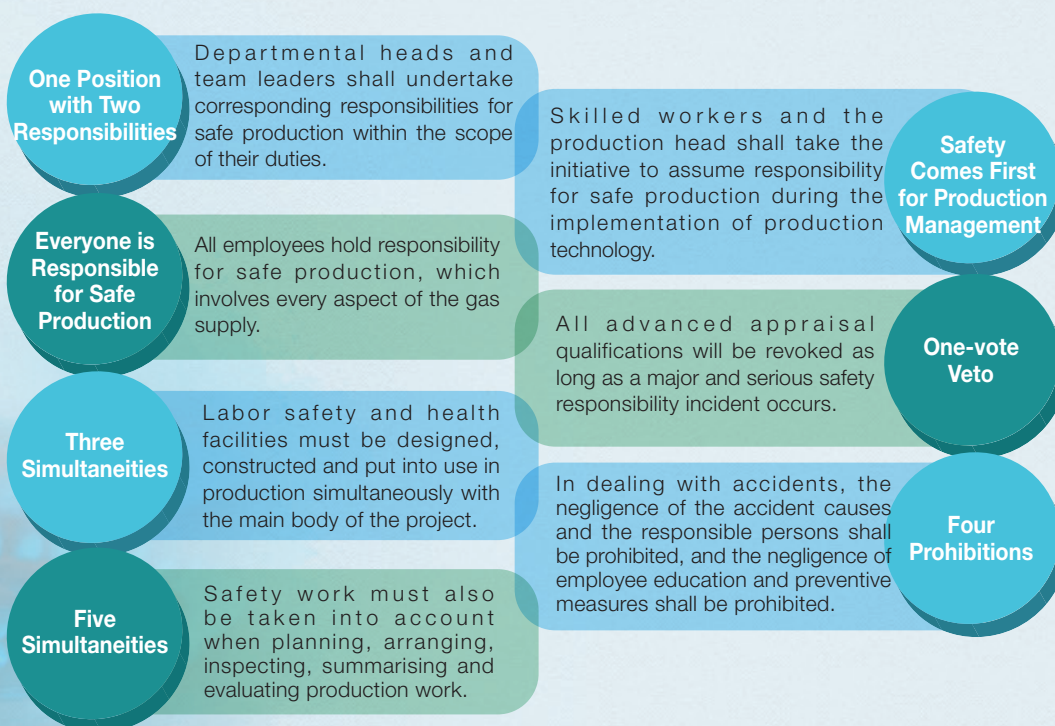
## 5. SAFETY

### Improvement in the Safety Management Systems

Adhering to the concept of safety management, the Group has formulated and enhanced its internal documents such as the “Safety Management Manual” (《安全管理手冊》) and the “Production Safety Responsibility System” (《安全生產責任制》) in strict compliance with the relevant laws and regulations, such as the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Fire Control Law of the People’s Republic of China” (《中華人民共和國消防法》), the “Road Traffic Safety Law of the People’s Republic of China” (《中華人民共和國道路交通安全法》), the “Special Equipment Safety Law of the People’s Republic of China” (《中華人民共和國特種設備安全法》) and the “Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents” (《生產安全事故報告和調查處理條例》). The safety and technology department has also set up safety management systems for a number of specialties covering a wide range of areas, with comprehensive guidelines from production safety, facility management and pipe network operations to engineering constructions and engineering inspections.

We encourage our employees to play an active role in safety, require them to abide by the principles of safe production, actively participate in safety management and assume their respective safety responsibilities. The complete and comprehensive system of Beijing Gas Blue Sky not only clarifies the general principles of safety management, production safety leadership, production safety responsibility system and the procedural control of safety management for the Group, but also provides clear guidance for the Production Safety Committee, project companies, functional departments, the chief executive officer, regional heads, project managers and employees, stating the roles and duties of the staff of each position in maintaining the safety of refuelling and gasification stations. At the same time, standardised procedures for the management of hazardous operations, potential accidents investigation and treatment, safety inspection and safety regulation study are also in place to fully implement the principles of safe production.

### Safe Work Principles





## 5. SAFETY

### Case Study : Regular Quarterly Safety Committee and Safety Project Promotion Meeting Convened to Continuously Enhance Safety Protection Capability

Beijing Gas Blue Sky convened the 2023 Second Quarter Safety Committee and the Fourth Safety Project Promotion Meeting in mid-2023 to summarise the quarterly safety work, including the stage progress of the implementation of measures to prevent and curb major production safety accidents, the current status of the rectification of potential hazards and the review of production safety accidents, with a view to continuously strengthening the capability to rectify potential hazards in the household, ensuring the efficiency of pipe network monitoring, strengthening the construction of safety culture for employees and the Company as a whole, and strictly enforcing safety responsibilities. We are committed to correctly establish the concept of “big safety” to incorporate the concept of production safety into the high temperature, summer heat, flood control, electricity, operations, transportation, food and beverage and a wide range of areas in an effort to create a “big safety” atmosphere.

Safety management has become one of the core principles of our daily business. In order to strengthen the organisation and leadership of safety work, the Company has established the Beijing Gas Blue Sky Safety Management Committee comprising the Production Safety Committee, Fire Safety Committee and Traffic Safety Committee to realise the integration of the three committees, effectively coordinating, supervising and guiding the safety management of Beijing Gas Blue Sky.



The management of the Company signed operation performance assessment responsibility statement and safety production responsibility statement



Emergency rescue drill for gas industry of Songyuan City and underground pipe network of Songyuan Beijing Gas Blue Sky conducted by Songyuan Beijing Gas Blue Sky New Energy Co., Ltd. (松原市北京燃氣藍天新能源有限公司) in 2023

## 5. SAFETY

### Proper Management of Safety Accident

Beijing Gas Blue Sky has formulated a series of comprehensive emergency plans, including the “Safety Responsibility System” (《安全責任制》), to provide colleagues with detailed emergency handling process to cope with possible emergencies during its production and operation such as gas leakage, fire, explosion, intoxication and suffocation. A people-first, safety-first approach shall be respected in the event of a safety accident. As stated in a series of accident emergency regulations in the “Comprehensive Emergency Plans for Production Safety Accidents” (《生產安全事故綜合應急預案》), advanced technology shall be adopted to standardise emergency rescue work according to laws. The safety technology department shall conduct an investigation to identify the cause of accidents and any work-related injuries and rationalise improvement measures to prevent the recurrence of accidents. The Company has also set up the On-site Emergency Command Office to centrally command and coordinate the work against emergencies, and conduct evaluation after records are filed to propose future improvement plans. In 2023, we organised 9 emergency drills for accidents with 172 participants, as well as 7 specialised fire emergency escape drills and practical training sessions on “fire extinguishers to put out real fires and fire hydrants to dispense real water” for employees’ self-rescue and mutual-aid skills training, with 59 participants. In addition, our well-established Group production safety information reporting mechanism stipulates that each guiding project company is required to complete the “Beijing Gas Blue Sky Monthly Safety Information Report” (《北燃藍天月度安全信息報表》) every month to accurately and completely calculate and report all types of production safety information on time, which will be reviewed, verified, stored and analysed by the dedicated safety and technology department to propose opinions and recommendations, and form a report to be sent to the Group’s relevant leaders for an annual safety evaluation on the project company. We take any safety accident seriously and are determined to do our utmost to achieve zero accidents by implementing an accident accountability system so that accidents may hardly occur to continuously improve the Group’s production safety management.





### Comprehensive Safety Risk Identification

Beijing Gas Blue Sky understands that safety risk identification can help us avoid potential safety concerns and effectively prevent the occurrence of safety accidents. Therefore, we have established the “Safety Evaluation Management Measures (Trial)” (《安全評價管理辦法(試行)》) to provide guidelines for the management of status assessment, strengthen the identification and prevention of safety risks and risk factors in production activities, and improve the level of production safety management. Safety evaluation focuses on the risks of accidents and safety management of production and operation activities, identifies and analyses the existence of hazardous and harmful factors, including organisational system, institutional system, on-site management, staff training, accident management, emergency management, etc., In the process, it examines the compliance with the requirements of relevant laws and regulations on production safety, predicts the possibility of occurrence of accidents or occupational hazards as well as their severity, and puts forward recommendations for safety measures that are scientific, reasonable and feasible. We require project companies to commission a safety evaluation organisation with qualifications and conditions to implement external safety status evaluation at least once every three years, and conduct an internal safety status evaluation at least once a year. Units with occupational hazards are also required to take protective measures against the production of toxins, dust, noise, vibration, heat, radiation, and other occupational hazards in their workplaces in accordance with national regulations. An institution with appropriate qualifications should conduct inspection of occupational hazard factors at least once a year, and current occupational hazard evaluation at least once every three years.

Before commencing on-site operation activities, our “Operation Safety Analysis and Management Guidelines” (《作業安全分析管理指引》) instructs project companies and their contractors on how to carry out work safety analysis in a standardised manner before operations, with the aim of identifying possible hazards in accordance with the order of operations before commencing on-site operation activities, and finding ways to eliminate or control such hazardous factors, so as to establish safe operation procedures or work standards, enhance work efficiency and quality, and reduce the occurrence of accidents.

Meanwhile, in order to properly monitor and manage major hazardous sources, prevent and minimise the occurrence of accidents, and safeguard the health and safety of operators, we have also formulated the “Major Hazardous Sources Management Guidelines (Trial)” (《重大危險源管理指引(試行)》), which provides guidelines for the identification and assessment of major hazardous sources, definition of major hazardous source levels, safety monitoring and control systems and control measures of major hazardous sources. Beijing Gas Blue Sky is committed to eliminating, preventing, minimising or controlling possible risks in an effort to maintain an excellent level of production safety. During the Year, we have no significant product and service categories for which health and safety impacts are assessed for improvement.

## 5. SAFETY

### Implementation of Rigorous Safety Inspections

Beijing Gas Blue Sky regards safety as the cornerstone of its long-term prosperity and stable development. We adhere to the safety management approach of “safety first, prevention as a priority, and comprehensive governance” to comprehensively review and analyse the safety risks in all aspects of project, and continue to conduct annual safety inspections of the Group and monthly inspections by the general manager on a regular basis in order to promote the rectification of hidden hazards. At the same time, we have prepared the “Safety Inspection Guidelines” (《安全檢查指引》), which guide our employees in identifying and promptly detecting potential problems, equipment defects, abnormal wear and tear, employee misconduct, poor work practices and other factors that were not foreseen during the design and operation of gas facilities, to eliminate potential hazards. We have also compiled the “Guidelines for Establishing Potential Safety Hazard Investigation and Governance Mechanism” (《安全隱患排查治理機制建立指引》), which specifies the tasks of weekly, monthly, seasonal and special safety inspections to strengthen the supervision and management of accident hazards, identify potential risks and eliminate potential safety hazards. Safety inspectors are required to develop a detailed inspection plan on gas supply facilities, major operations, operating sites and equipment, engineering projects, and customer gas installations prior to inspections, including regular inspections such as daily, weekly, and monthly inspections, or irregular inspections such as pre-holiday inspections and special inspections, as well as record and analyse the results of safety inspections.

In addition to daily safety inspections, Beijing Gas Blue Sky always strives to ensure the safety of gas engineering. We have prepared the “Engineering Inspection System (Trial)” (《工程巡查制度(試行)》) for conventional, non-conventional gas projects and other projects, which provides for routine engineering inspections to be conducted every year by the dedicated project management department on project companies with construction tasks, as well as targeted engineering inspections on specific issues of engineering management. The inspections include key aspects and targets with high potential risks, including budget planning, project design, procurement and supply, quality and safety, progress control, cost control, acceptance of key investment projects and contract fulfilment. We have compiled the “Annual Safety Inspection and Rating System” (《年度安全巡查評分制度》) in accordance with the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》) and the “Interim Provisions on the Investigation and Control of Safety Accidents” (《安全生產事故隱患排查治理暫行規定》). We conduct annual inspections of the Group’s city gas projects, LNG gasification station projects, gas refuelling station projects and LNG transportation projects to evaluate the legality and compliance of project companies’ operations, operational processes and on-site safety in order to objectively assess the safety management standards of the Group’s project companies and verify whether their safety management facilities and operations are in compliance with the established standards and requirements. The scoring results of the annual project inspections will be used as an important basis for the annual performance appraisal of the project company, and will also be used as one of the main contents of the performance appraisal of its management staff to make safety an important part of our work. Upon receipt of the inspection report, the project company is required draw up a rectification plan, prepare and report the rectification feedback on a monthly basis. The project management department is required to calculate, summarise and follow up on the completion of rectification on a monthly basis.

#### In 2023, Beijing Gas Blue Sky

performed on-site  
self-inspection and  
self-correction

**242** times

mobilised  
inspection

**489** participants

identified hidden  
hazards

**432** items

rectified and  
completed by the  
end of 2023

**99%**



## 5. SAFETY

### Case Study : Beijing Gas Blue Sky Actively Responded to National “Production Safety Month” in 2023

In response to the national “Production Safety Month” in 2023, Beijing Gas Blue Sky organised special inspection and rectification actions in accordance with the theme of Production Safety Month for the Year, namely “Everyone Concerns About Safety and Responds to Emergencies”, and actively organised and launched the “Five Leads” for key personnel, including taking the lead in researching and organising the Company to inspect and rectify major accidents and hidden hazards, taking the lead in assuming the responsibility of all employees in the production safety position to play the roles of the management team and experts, taking the lead in carrying out inspection and rectification for hazardous operations such as operations using fire, taking the lead in carrying out inspection and rectification for production and business activities such as outsourcing and renting, and taking the lead in carrying out emergency rescue and relief drills for accidents. In addition, we launched a series of activities, such as “talk on production safety”, “pre-shift meeting”, “case study”, and other activities to exchange learning experiences and conduct alert education; organised and launched the video broadcast of escape drills knowledge and safety network knowledge contest; arranged the “safety advocacy and consultation day” activity; and organised training on gas safety for key gas users, etc. During the “Production Safety Month”, we displayed 4 public welfare advertisements, posted 6 safety reminders, organised 3 safety advocacy sessions for school teachers and students, conducted 3 safety inspections, and launched 2 safety advocacy campaigns in the countryside, which reached out to 200 people. Beijing Gas Blue Sky has been exerting continuous efforts in raising the public’s safety awareness.

In accordance with the “Regulation on the Administration of Urban Gas” (《城鎮燃氣管理條例》) and local gas management regulations, Beijing Gas Blue Sky conducted regular inspections of users’ gas pipelines and facilities and gas-using equipment to ensure the safety of users’ gas systems. Our certain internal documents on safety inspections such as the “Guidelines on Regular Safety Inspections for Residents of Beijing Gas Blue Sky” (《北京燃氣藍天居民用戶定期安全檢查工作指引》) and the “Guidelines on Regular Safety Inspections for Commercial and Industrial Customers of Beijing Gas Blue Sky” (《北京燃氣藍天工商用戶定期安全檢查工作指引》) provide detailed regulations on the scope, workflow and content of safety inspections in an attempt to ensure that all customers can use our services at ease.

## 5. SAFETY

Furthermore, we also attach great importance to equipment safety management. In accordance with the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), we have formulated the “Safety Facility Management Guidelines (Trial)” (《安全設施管理指引(試行)》), which regulates the inspection, examination, calibration and scrapping of safety facilities, such as equipment safety protection facilities and detection and alarm facilities to ensure that the safety facilities can properly perform their safety protection functions and guarantee the safe and stable operation of the production system. In addition, we have prepared the “Production and Operation Equipment Management System” (《生產運營設備管理制度》) based on the national standards such as the “Safety Technical Specification for Operation, Maintenance and Rush-repair of City Gas Facilities” (《城鎮燃氣設施運行、維護和搶修安全技術規程》) and the “Regulations on Regular Inspection of Pressure Pipelines” (《壓力管道定期檢驗規則》) to clarify the safety management responsibilities of each department. In respect of various special equipment, we have also formulated the “Special Equipment Management Guidelines” (《特種設備管理指引》) to reinforce the safety of special equipment and prevent special equipment incidents. As for the maintenance and management of other equipment, such as electrical equipment in explosive gas atmospheres, we have put in place corresponding guidelines to make every effort to protect the personal and property safety of the project companies and avoid the occurrence of safety accidents.

### Safety Advocacy and Training for All Employees

We are deeply aware that the safety awareness of our employees and our internal safety culture are crucial to the safe operation of the gas business. In this regard, we have actively carried out various safety training and activities. To realise the planning, systematisation and standardisation of safety training, the Company has formulated the “Safety Training Management System” (《安全培訓管理制度》), which sets out the Company’s safety education including operator training, special operator training, three-level safety education for new recruits, the “Four New” safety education in adopting new technologies, techniques, materials and equipment and specialised training on safety management techniques. It also stipulates that all new employees in production positions should receive three-level safety education and pass the assessment before they can be certified to work, and that operators should receive no less than 20 hours of retraining each year to enhance employees’ safety awareness and reduce the occurrence of safety accidents. In order to ensure that the employees fully grasp the safety technical requirements required by their respective posts, they should complete the training records and undergo an assessment to make sure that the safety training is fully implemented. During the Year, we focused on the “Safety Law” (《安全法》), the “Fire Control Law” (《消防法》) and other laws and regulations, the “Gas Engineering Project Specifications” (《燃氣工程項目規範》), the “Safety Technical Specification for Operation, Maintenance and Rush-repair of City Gas Facilities” (《城鎮燃氣設施運行、維護和搶修安全技術規程》), the Beijing Gas Blue Sky safety management regulations and systems, and typical cases of accidents in the gas industry to conduct 12 online training, with cumulative 2,574 participants.



### Three-level safety education for new employees

1

#### Company-level safety education

New employees will be briefed on safety education by the Company's safety management department before work.

- The Work Safety Law (《安全法》), the Labor Law (《勞動法》) and other laws and regulations related to production safety;
- Introduction to the Company's business related to production safety;
- General knowledge of safety technology, etc.

2

#### Department-level safety education

New employees will further receive safety education from their respective departments after their assignment to the department.

- The production overview and process flow of the department;
- The production safety situation of the department and positive and negative cases;
- The operation practice of the department and safety concerns.

3

#### Team-level safety education

New employees will further receive safety education from their respective teams after their assignment to the team.

- The production safety status, work nature, scope of duties and safety rules and regulations of the post;
- The use and management of machinery and equipment and safety protection facilities;
- Safety operating procedures for posts;
- Accident review, emergency measures and safe evacuation routes.

## 5. SAFETY

### Case Study : Integrated Emergency Drills Training in 2023

On 20 March 2023, Beijing Gas Blue Sky officially issued and promulgated the trial “Comprehensive Emergency Plans for Production Safety Accidents” (《生產安全事故綜合應急預案》). The safety and technology department drafted and prepared a “Desk Drill Plans” in accordance with the Emergency Plans, and organised relevant units to carry out the desk drills. The training included the main contents of the “Comprehensive Emergency Plans for Production Safety Accidents” (《生產安全事故綜合應急預案》) and the corresponding division of responsibilities; the procedures for reporting and responding to accidents of grade 3 and above of Beijing Gas Blue Sky and the drill plans, etc, assisting the safety management personnel in familiarising themselves with the relevant emergency procedures, with the aim of enhancing the capability of each unit to cope with the occurrence of a safety accident in a prompt, accurate and orderly manner, effectively organising the emergency rescue and disaster relief, preventing the expansion of the accident, as well as avoiding and reducing casualties and property losses.

### Case Study : Training on the Typical Urban Gas Potential Safety Hazards Inspection and Rectification

In order to improve the level and effectiveness of the inspection and governance of potential hazards, and enhance the effectiveness of the rectification of potential hazards at the user end, Beijing Gas Blue Sky organised the training on the “Typical Urban Gas Potential Safety Hazards Inspection and Rectification” (《城鎮燃氣典型安全隱患排查及整治》), which explained the typical potential hazards of gas pipe network, the division of responsibilities of potential hazards rectification at the user end, the examples of typical potential hazards at the user end, as well as the proposal of the classification of potential hazards at the user end to relevant employees. The training deepened employees’ understanding of the typical gas pipe network potential hazards and the potential hazards at the user end, effectively assisting employees to carry out in-depth special rectification of urban gas safety, and preventing the occurrence of gas accidents.



Training on the Typical Urban Gas Potential Safety Hazards Inspection and Rectification



### Continuous Delivery of Outstanding Quality

Beijing Gas Blue Sky is in strict compliance with the “Regulation on the Administration of Urban Gas” (《城鎮燃氣管理條例》) and the GB17820 national standard Natural Gas. We are committed to ensuring the natural gas we offer is up to standard and of high quality to provide customers with complete, authentic, reliable and high-quality products and services.

We continue to monitor the quality of natural gas, and have assigned dedicated safety and technology department as the head office responsible for inspecting the quality of natural gas at corporate level. The production and operations department, a subordinate department, is responsible for inspecting the quality of natural gas in the project companies. Upstream suppliers are required to submit a gas quality report, and a semi-annual inspection report is required for the city gas project, while the LNG procurement project should include a gas quality report as a product annex that should be delivered at the same time. In addition, we have formulated the “Odorants Safety Management Guidelines (Trial)” (《加臭劑安全管理指引(試行)》) to regulate the quality requirements for odorants, and hired a third-party institution to inspect the quality of natural gas odorisation every year to ensure that any gas leaks are detectable. The quality of the equipment used by customers is also another issue of concern for us. All natural gas measuring instruments are also subject to preliminary inspection or regular inspection according to national standards. We arrange a household inspection at least once a year to check whether the natural gas pressure of gas equipment at the user’s home is qualified. Calibration and inspection rate for gas meters was 100%.

At the same time, we attach great importance to the quality of gas construction projects, the engineering design, construction and acceptance of natural gas projects, as well as the operation, maintenance and repair of gas facilities. We strictly comply with all relevant national standards and industry practices., and have set up the “Gas Construction Safety Management System (Trial)” (《燃氣工程施工安全管理制度(試行)》) to ensure that the construction safety and project quality meet the requirements. Our “Pipe Network Operation Safety Management System (Trial)” (《管網作業安全管理制度(試行)》) also guarantees the quality of gas pipelines and their processes.

During the Year, Beijing Gas Blue Sky did not have any non-compliance cases regarding product quality that had a significant impact on the Group’s operation, nor did it have any products to be recalled due to safety and health reasons.

## 5. SAFETY

### 5.2 OCCUPATIONAL HEALTH

#### Employee Rights System Guarantee

Employees have always been the important assets of Beijing Gas Blue Sky. The Company is in strict compliance with the “Labor Law of the People’s Republic of China” (《中華人民共和國勞動法》), the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases” (《中華人民共和國職業病防治法》), the Occupational Safety and Health Ordinance (《職業安全及健康條例》) in Hong Kong and other laws and regulations, and various administrative rules on occupational health. In a continuous effort to improve the occupational health and safety management of employees, we have formulated relevant internal documents such as the “Measures for Special Labor Protection of Female Employees” (《女職工特殊勞動保護辦法》), the “Labor Protection Equipment Management System” (《勞動防護用品管理制度》) and the “Prevention and Management of Occupational Disease Hazards” (《職業病危害預防及管理》) in order to protect the occupational health of employees, as well as control and eliminate the unfavourable factors affecting occupational health of employees.

Beijing Gas Blue Sky emphasises the protection of employees’ physical and mental health and safety. In order to comprehensively prevent and control occupational diseases, we not only comply with the GB/T45001 occupational health and safety management systems, but also adhere to the “Three Simultaneities” in occupational disease-preventative facilities. We carry out regular inspection of hazards, occupational health surveillance and distribution of personal protective equipment. In addition to this, we have also formulated the “Administrative Measures on Employees Physical Examination of Beijing Gas Blue Sky” (《北京燃氣藍天員工體檢管理辦法》) and organised a health examination for employees once a year to strengthen employee benefit management, protect the health and safety of our employees, and show the Company’s care and concern for employees. During the Year, the Company did not experience any non-compliance with health and safety regulations or any work days lost due to work-related injuries. In the past three years, the Group has not had any work-related fatalities. Through the formulation of a series of safety guidelines and regulations, we are committed to preventing any major safety accidents. Looking forward, safety will continue to be part of the core of our work to provide employees with a safe and harmless working environment.

The Group has always been committed to safeguarding the health and safety of its employees and is dedicated to continuous safe operation. With respect to high-risk processes, equipment, articles, premises and posts, we have formulated the “Management System on the Double Prevention Mechanism” (《雙重預防機制管理制度》) based on the “Classification for Casualty Accidents of Enterprises” (《企業傷亡事故分類》) and the “Classification and Code for the Hazardous and Harmful Factors in the Production Process” (《生產過程危險和有害因素分類與代碼》) to carry out regular risk assessments and hazard identification. We have established hierarchical management and control system and set up standards for the classification, investigation and treatment of potential production safety accidents. Safety risks in positions, enterprises and regions are identified and predicted in advance. Through the implementation of institutional, technical, engineering and management measures, we can effectively control, investigate and prevent major accident hazards, including fatalities, and identify and eliminate all types of potential accident hazards in a timely manner so as to minimise risks.



## 5. SAFETY

In order to prevent, control and eliminate occupational disease hazards, we have set up the “Occupational Disease Hazards and Prevention Management Guidelines (Trial)” (《職業病危害及預防管理指引(試行)》), which stipulates that our project companies are required to conduct occupational disease hazard testing and evaluation on a regular basis. During the status assessment, if it is found that there are occupational disease hazards in the workplace that do not comply with the national occupational health standards and health requirements, corresponding management measures should be taken immediately to ensure that the project companies comply with the requirements of the occupational health environment and conditions, so as to protect the occupational health rights and interests of the workers.



Management team of the Company conducted safety inspection and operation research in Songyuan Beijing Gas Blue Sky

The preventative measures for occupational diseases of Beijing Gas Blue Sky are as follows:

### “Three Simultaneities” in occupational disease preventative facilities

- Occupational disease-preventative facilities for construction projects must be designed, constructed and put into use in production simultaneously with the main body of the project.
- Priority is given to the adoption of new technologies, processes, equipment and materials conducive to the protection of workers' health.

### Regular inspection of hazards

- For workplaces with occupational hazards, regular inspection and status assessment of occupational hazards shall be carried out.

### Occupational health surveillance

- Organise employees to receive pre-employment, on-the-job, post-transfer, post-leaving and other occupational physical examinations, and truthfully inform employees of the results in writing and on file.
- Set aside the special funding required to implement the internal annual plan for occupational health inspections.

### Distribution of personal protective equipment

- Provide employees with personal protective articles and appliances appropriate for occupational safety risks in line with national standards or industrial standards, and supervise and guide employees to wear and use personal protective equipment and apparatus properly according to relevant provisions.

## 5. SAFETY

### Commencement of Occupational Health Training

In order to enhance the knowledge of occupational health among employees, the Company actively conducts various occupational health-related training and activities and incorporated the annual occupational health and safety education and training programs of Beijing Gas Blue Sky's headquarters, professional institutions and its subsidiaries into the training programs of Beijing Gas Blue Sky in the hope of enhancing employees' awareness on occupational health and minimising work-related injuries and health damages to operators. Upon completion of the training, we would conduct supervision and inspection of the implementation of the education programs to keep track of the effectiveness of the training.

### 5.3 SUPPLY CHAIN MANAGEMENT

Supply Chain Management is one of the most important aspects of sustainable development. The Group is always determined to establish a supplier ecosystem that is compliant, clean, fair, just and open. In accordance with the national laws and regulations such as the "Bidding Law of the People's Republic of China" (《中華人民共和國招標投標法》) and the "Measures on Competitive Biddings for Goods for Engineering Construction Projects" (《工程建設項目貨物招標投標辦法》) as well as the relevant provisions of the Group, the Group has established the "Material Suppliers Management System" (《物資供應商管理制度》) as a comprehensive system in order to regulate the shortlisting and management procedures of material suppliers. The Group understands that reviewing the social and environmental qualifications of suppliers is an important part of supply chain risk management. We have now included ISO 9001 Quality Management System, ISO 14001 Environmental Management System and OHSAS 18001 Occupational Health and Safety Management System certifications in the qualification review conditions for material suppliers. In the future, we will further consider formulating a system to incorporate relevant risks into the performance evaluation and management of suppliers to monitor their conduct and the quality of goods supplied. We attach great importance to fair competition in the supply chain, and strictly prohibit suppliers from engaging in commercial fraud in any way. We clearly define the obligations of materials suppliers, and prohibit suppliers from using improper means to engage in vicious competition. To support the development of the local economy, Beijing Gas Blue Sky selects local suppliers as far as possible. As an integrated natural gas supplier and operator, we consider the scale of suppliers and the quality and timeliness of their gas supply in reviewing and selecting the most suitable natural gas suppliers.



## Stable Gas Supply

### Case Study : Guaranteed Heating Supply – Beijing Gas Blue Sky’s Stable Gas Supply in Winter

Beijing Gas Blue Sky has always been in the forefront of securing gas supply in winter, optimising the service quality of its subsidiaries. In order to plan for the deployment of stable supply in winter, Songyuan Beijing Gas Blue Sky New Energy Co., Ltd. (松原市北京燃气蓝天新能源有限公司, “Songyuan Beijing Gas Blue Sky”), a subsidiary of Beijing Gas Blue Sky, convened a meeting in advance, actively communicated and coordinated with gas supply units to maximise the amount of gas supply,



and organised the development and implementation of a stable supply plan to coordinate the staggering of peaks for large industrial and commercial users. In the face of tight gas supply, the engineering department worked overtime to build the second gas source in Jiangbei, striving for the early commissioning of the newly constructed pressure-regulating and metering equipment and pipe network in Jiangbei to alleviate the problem of insufficient gas supply in Jiangbei. Before the arrival of the cold snap, the gas refuelling stations and the production and operation department inspected the equipment and facilities of the stations, conducted timely investigation to eliminate potential hazards, and strengthened the production foundation to prevent major accidents. The emergency maintenance and repair team was on duty 24 hours a day to ensure effective and rapid handling of all types of emergencies, and “responded to the needs of the people” to ensure the safety and stability of gas supply.

## 5. SAFETY

### Sustainable Supplier Management System

In order to handle supplier management issues in a proper manner, the Group has a dedicated management structure, comprising the Group's material suppliers management leading team, material suppliers management execution team and material suppliers tender evaluation team. We have formulated the "Tender Management System for Projects and Materials" (《工程及物資招標管理制度》) and the "Material Suppliers Shortlisting Process" (《物資供應商入圍流程》) to standardise the entire tendering process in accordance with the "Bidding Law of the People's Republic of China" (《中華人民共和國招投標法》), the "Regulation on the Implementation of the Bidding Law of the People's Republic of China" (《中華人民共和國招投標法實施條例》), the "Provisions on Engineering Projects Which Must Be Subject to Bidding" (《必須招標的工程項目規定》) and other national laws and regulations related to the tendering of projects and materials.

To ensure the quality of our suppliers, we require that suppliers shall be subject to prequalification check to prove that their financial status, sales performance and after-sales service are satisfied in the past three years, and there is no violation of laws and regulations on environmental protection, labor protection and occupational health and hygiene, or record of receiving complaints about employees' human rights and working conditions. The bidding method is divided into open tender and invitation to tender. The entire bidding process is carried out by the project and materials tender leading team, execution team and tender evaluation committee. The Group has established a comprehensive list of materials suppliers and a series of "Evaluation Criteria for Selecting Materials Suppliers" (《選擇物資供應商的評審標準》), which set forth all materials suppliers are required to pass qualification examinations and provide production license certificates and environment, quality, safety, and other certifications to prove their qualifications, while some suppliers are also subject to onsite inspection, sampling and testing. Our criteria for evaluating and selecting materials suppliers include quality control systems, control of raw materials or outsourced parts and production site management. In addition, suppliers are also required to sign the "Supplier Integrity Commitment" (《供應商廉潔承諾書》), in which suppliers undertake that they will strictly comply with the relevant laws and regulations as well as the requirements on integrity practices, in order to ensure the standardisation and integrity of procurement and bidding activities and prevent and contain the occurrence of illegal and disciplinary matters at source. We incorporate environmental factors into our suppliers' considerations and require them to provide environmental management system certifications. Suppliers are encouraged to set up sound environmental management systems to manage the environmental risks involved in their production and develop corresponding management measures. The qualification reviews in aspects of environment, quality management and occupational health and safety management system, and the requirements for suppliers to sign the Supplier Integrity Commitment are beneficial for us to manage and reduce supply chain-related risks.

We are committed to fair competition. After passing the qualification examination, the tender evaluation committee, comprising representatives of the bidder or its appointed tender agent familiar with the relevant business, as well as experts in technical and economic aspects, will evaluate and compare all tenders, recuse themselves from the committee with financial interests or relatives of the bidder, and make every effort to avoid any illegal interference in the tender bidding activities. Throughout the process, we have been upholding the principles of openness, fairness, impartiality, honesty and credibility.

Beijing Gas Blue Sky recognises the importance of transparency of the tendering system. Therefore, we have assigned the tender execution team and the project management department to be responsible for promoting the tendering management system and training so that all parties concerned can have a better understanding of our tendering system and its obligations and responsibilities.

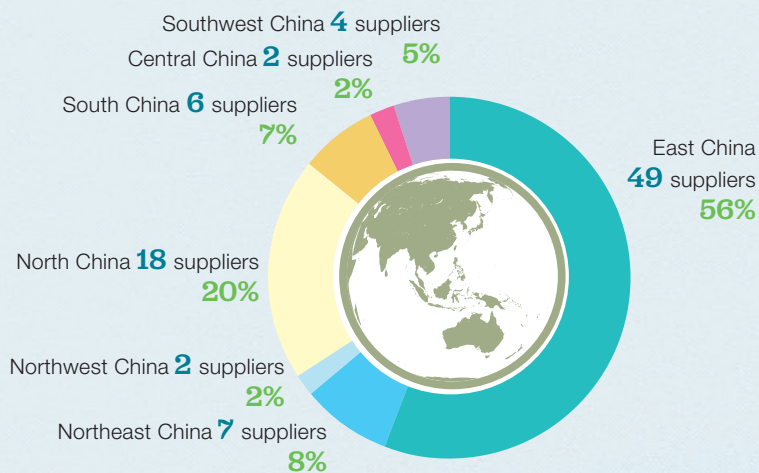


## 5. SAFETY

Meanwhile, we strive to encourage suppliers to supply more environmentally friendly products or services. In addition to requiring them to obtain ISO14001 Environmental Management System certification, we are also reviewing the supplier management measures and consider to further encourage suppliers to use environmentally friendly products or services.

The Group has a regular supplier assessment and evaluation mechanism to monitor the quality of supply from our suppliers. In addition to the supplier acceptance evaluation on each delivery, the supplier execution team also organises an annual assessment and evaluation of materials suppliers as one of the important reference criteria for subsequent cooperation and tender selection. The supplier execution team will also conduct on-site visits to a certain number of shortlisted suppliers on a sampling basis from time to time to assess whether their management standards and technical capabilities can be continuously maintained. Suppliers with unsatisfactory performance will be classified as “suspended”, “locked up”, “withdrawn”, “disqualified” or “blacklisted” according to the Group’s assessment and sampling results.

During the Year, we engaged a total of 88 suppliers, which were all located in the PRC, and implemented the above systems and principles, with the following geographical distribution:



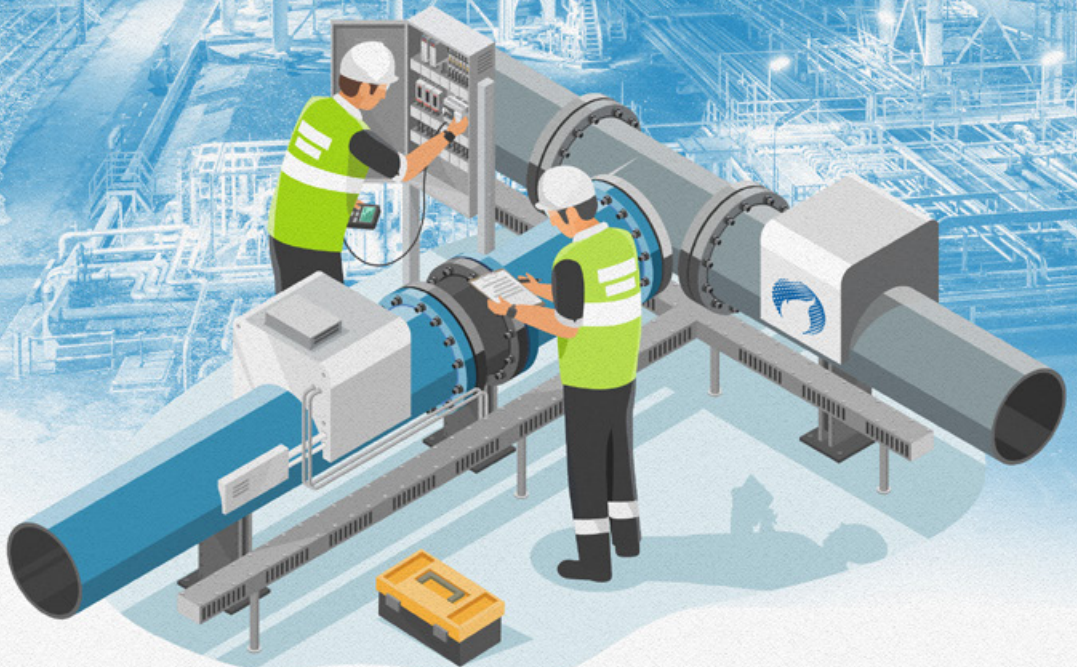
### Case Study : Stable Supply Chain of Gas Sources to Provide Strong Support to Business Operation

In December 2023, the special general meeting of the Company passed the natural gas master agreement. The agreement provides the Company with a stable and reliable supply of gas sources. The Group’s purchase of natural gas from Beijing Gas Group (Tianjin)\* (北京燃氣集團(天津)) could provide the Group with a stable and alternative source of natural gas, providing strong support to the daily operation of the Company’s gas business. The Group will keep optimising its gas sources by leveraging advantages in gas source from the controlling shareholder, and will adjust its gas procurement strategy in response to changes in the times so that the Group may acquire stable and high quality gas sources continuously.





# 06 SERVICES





## 6. SERVICES

### 6.1 CUSTOMER-ORIENTED SERVICE

Beijing Gas Blue Sky adheres to the customer-oriented principle and is committed to providing customers with high-quality services. It always upholds the service concept of “providing wholehearted services and winning customers with professional expertise, warmth and passion”. In order to regulate the basic service standards of the Group’s customer service centre and the service responsibilities of each position, we have formulated the “Customer Service Standards of Beijing Gas Blue Sky” (《北京燃氣藍天客戶服務規範》). With regard to customer complaints, our “Guidelines on Handling User Complaints of Beijing Gas Blue Sky” (《北京燃氣藍天用戶投訴處理流程指引》) define clear process and provide guidelines.

Valuable feedback from customers is fundamental to our continuous improvement. We listen carefully to our customers. Customers who have queries with our products, marketing, services or pricing factors can file complaints by phone or through the Group’s website. Upon receipt of the complaints, the relevant employee or department should complete the “User Complaint Record” (《用戶投訴記錄》) and pass such customers’ feedback to the complaint management department. The management department will promptly start the investigation for any substantiated complaint and arrange to solve the user’s problems and requirements within 3 days after the complaint is substantiated. By means of personal interviews, data review, on-site inspections, etc., the staff responsible for handling complaints will conduct detailed investigations, analyse and obtain a real and objective cause analysis and conclusion, while the responsible unit and person concerned will also propose improvement directions for continuous improvement in service quality, which will be included in the performance appraisal of departments and employees to carry out reward and punishment measures. Parties to a complaint are entitled to appeal to the Company. If the parties are not satisfied with the outcome of the complaint, we will accept the complaint and deal with it in an appropriate manner. During the Year, no significant complaints in relation to products and services were received by the reportable business segment.

The Group focuses on the provision of high quality customer services and regards continuous improvement and enhancement in the quality of customer services as our responsibility. Good customer services can not only collect information on service supervision and evaluation as well as customer needs, but also achieve the purposes of customer care. Our “Repeat Customers Administrative Measures of Beijing Gas Blue Sky” (《北京燃氣藍天客戶回訪管理辦法》) standardise the job tasks of dealing with repeat customers. The return visit management department at each level is also required to devise an annual return visit work plan each year and submit it to the service management committee for approval and documentation. We will collect customers’ different opinions by telephone or through sampling questionnaires to understand customers’ evaluation of our service quality and satisfaction. Customer opinions will be used as the basis for assessing the service performance of the departments or positions concerned. Beijing Gas Blue Sky will continue to promote customer service brand building and constant service improvement, further explore customer needs, and improve service quality and efficiency.

## 6. SERVICES

### Responsible Marketing

In the course of brand marketing and market promotion, the Group strictly complies with the laws and regulations in relation to health and safety, advertising, labelling and privacy issues relating to products and services, including but not limited to the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Patent Law of the People’s Republic of China” (《中華人民共和國專利法》), the “Advertising Law of the People’s Republic of China” (《中華人民共和國廣告法》) and the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests” (《中華人民共和國消費者權益保護法》). We have also put in place a comprehensive system to regulate the Group’s advertising and marketing practices. Our “Administrative Measures on Advertising, Marketing and Publicity of Beijing Gas Blue Sky” (《北京燃氣藍天廣告營銷宣傳管理辦法》) and the corresponding “Advertising Application Process for Project Companies of Beijing Gas Blue Sky” (《北京燃氣藍天項目公司廣告宣傳申請流程》) clearly define various advertising-related systems, tools, rules and methods. We are also responsible for monitoring the implementation of the enterprises to fully fulfil our responsibilities in advertising and product labelling. During the Year, there were no cases of noncompliance in relation to health and safety, advertising, labelling and privacy matters relating to products and services that had a material impact on the Group’s operations.

### Optimisation of the Exchange of Services Between the Government and Enterprises

Good cooperation between the government and enterprises is an important foundation for stable and compliant operation, as well as an important guarantee for long-term and stable development of enterprises. Maintaining a good service relationship between the government and enterprises is conducive to enhancing the Company’s corporate image. The enhancement in the cooperation between the government and enterprises can not only lay a solid foundation for the Company’s long-term development, but also achieve a useful exploration for the Company to develop a new model of business cooperation in the future.



## 6. SERVICES

### Case Study : Participation in the 2023 Qianhai Global Investment Promotion and Talent Acquisition Conference to Expand Cooperation between the Government and Enterprises

In the second year of the “Comprehensive Deepening of the Reform and Opening-up Plan for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone” (《全面深化前海深港現代服務業合作區改革開放方案》) officially promulgated by the Central Committee of the Communist Party of China and the State Council, in order to continue to deepen the spirit of reform and opening up of Qianhai and promote the latest situation of Qianhai’s “policy to expand the zone” and the reform of the business environment, the Authority of Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone of Shenzhen organised the 2023 Qianhai Global Investment Promotion and Talent Acquisition Conference and the 10th Annual Shenzhen-Hong Kong Talent Cooperation Conference in November 2023 at the Qianhai International Convention Center. In order to implement the strategic decision-making and deployment on the high-quality development of natural gas of the Shenzhen Municipal Party Committee and Municipal Government, and to build Shenzhen into a natural gas trading hub city with international influence, Shenzhen Beiran Energy Co., Ltd. (“Shenzhen Beiran”), a wholly-owned subsidiary of Beijing Gas Blue Sky, was one of the earlier batch of enterprises to join the Qianhai Gas Cluster as a key investment promotion unit in the Qianhai Shenzhen-Hong Kong Cooperation Zone in Shenzhen. In May 2023, it officially signed a contract and started its business in the same month. In July 2023, it formally stationed in the Qianhai Natural Gas Cluster. The entry of Shenzhen Beiran received strong support from the Commercial Department of Qianhai Authority, Construction and Investment Company, Enterprise Service Centre, Development and Reform Bureau and other units, demonstrating the harmonious cooperation between the government and enterprises and the smooth commencement of business.



## 6. SERVICES

### Case Study : Participation in the 26th Beijing-Hong Kong Economic Cooperation Symposium to Realise the Mutual Benefits of Beijing and Hong Kong

On 29 November 2023, the Company participated in the Beijing-Hong Kong Economic Cooperation Symposium jointly organised by the People's Government of Beijing Municipality and the Hong Kong Special Administrative Region. The Company especially contacted and met with the Bank of East Asia, new energy companies and other companies. This event laid a foundation for the Company to further expand and deepen the exchanges and cooperation in key areas of Beijing and Hong Kong, and realise great mutual benefits and win-win situation between Beijing and Hong Kong.



### Proactive participation in industry summits and seminars

Beijing Gas Blue Sky continued the promotion of green transformation to highlight the development of new energy. On 15 December 2023, the Company participated in the “Road to EcoCity – The Environmental Technology Forum of Hong Kong, China 2023”, jointly organised by Eco City Foundation and Hong Kong Youth and Tertiary Students Association, featuring with Beijing Enterprises Holdings Limited as the sole strategic partner. The first forum was held in 2022 with the topic “Focus on Dual Carbon Targets, Practice Green Development” while the topic of 2023 forum was “Promoting Waste-to-Energy and Leading a Green Lifestyle”. In the forum, the development direction and strategy of disposal and recycling of municipal solid waste in the world and in Hong Kong, as well as the opportunities and challenges of green circular economy development were the focus topics to be studied and discussed. By participating in these events, the Company has enhanced its communication with state-owned enterprises listed in Hong Kong, improving the knowledge of the Company on the development of the industry, and enhancing its capability for enterprise smart energy business.





## 6.2 PRACTICING SOCIAL RESPONSIBILITY

With the service philosophy and sense of mission of “winning customers with warmth”, Beijing Gas Blue Sky has been actively fulfilling its social responsibility, focusing on public welfare, and considering social contribution as an important part of its sustainable development strategy. We have formulated the Policy on Community Commitment, Sponsorship and Donation (《社區參與、贊助及捐贈政策》), which will be reviewed every three years to ensure that it can keep abreast with changes in business and the external environment, in an effort to contribute to society and promote the development of public welfare undertakings through various means, such as continuously working on project investment and construction and indirectly advancing local infrastructure construction.

### Case Study : “Filial Piety Comes First” Elderly Caring Activity on the Double Ninth Festival

Beijing Gas Blue Sky cares about all sectors of society and emphasises the culture of respecting and caring for the elderly. During the Year on the Double Ninth Festival, Beijing Gas Group (Teng County) Co., Ltd\* (北京燃氣集團滕縣有限公司, “Guangxi Teng County Co.”), a project company of the Group, actively assisted the People’s Government of Tangbu Town in Teng County in organising the elderly caring activity. On this special day of the Double Ninth Festival, we took practical actions to encourage inheritance, promote the culture of filial piety, actively fulfil our social responsibility, and instil positive energy.



As a responsible natural gas supplier, Beijing Gas Blue Sky always emphasises on public safety. We understand that gas safety requires not only our professional skills, but also the cooperation of the public. With the passion and mission to bring gas safety to the society, Beijing Gas Blue Sky spares no effort in advocating gas safety.

### Case Study : Extending Gas Safety Knowledge on Campus

In order to teach students the knowledge of gas safety and enhance their awareness of gas safety, Guangxi Teng County Co. visited schools to launch the “Learning from Lei Feng with Original Aspiration, Gas Safety on Campus” activity, guiding students to learn from the spirit of Lei Feng and work together to build a safe and sound living environment. Beijing Gas Blue Sky has always been committed to extending the knowledge of gas safety, with the aim of enabling the public to use gas safely.



## 6. SERVICES

### Enhancing the Services for Basic Users

The Group has established good service awareness and brand awareness for industrial, commercial and residential users. Each city gas project company of the Group has updated its social service commitment, provided 24-hour convenient services, and improved the service hours and processing time for construction, acceptance and complaint handling, with a view to comprehensively enhancing service quality and service efficiency.



Organizing colleagues of Hong Kong Office to participate in volunteers activities of The Hong Kong Chinese Enterprises Association



Youth volunteers of Guangxi Teng County Co. organised the "Winter Warming Campaign"

#### Case Study : Safety Promotion Day and Consultation Activity

Beijing Gas Blue Sky is committed to raising the safety awareness among the public. Guangxi Teng County Co. organised a safety promotion and consultation activity themed "Everyone Concerns About Safety and Responds to Emergencies" to enable the public to understand production safety, fire safety, gas safety and other aspects of knowledge, and strive to help all sectors of the society acquire the basic knowledge on safety.





## 6. SERVICES

### 6.3 SMART ENERGY

Under the national “dual carbon” policy and the national energy development strategy, the market is increasingly inclined to the use of new energy sources and low-carbon technologies, driving the rapid development trend of renewable energy, low-carbon energy and new energy supply systems. Beijing Gas Blue Sky continues to identify market opportunities in an active manner and has been working on improving the Company’s overall competitiveness. We are striving to balance and diversify our investments in addition to traditional natural gas projects, with a view to developing new businesses concerning various energy combination, low carbon technologies, energy digitisation and intelligence, and optimisation of traditional energy sources, thereby enhancing the Group’s core competitiveness in the energy industry, creating new growth points in the Group’s business, and increasing its overall value in the long term.

In order to accelerate the development of the new energy business and strengthen the professional management of the new energy business, we have newly established a dedicated new energy business preparation team during the Year, which is responsible for researching the industry and business model of the new energy business, carrying out project management work such as preliminary surveys, feasibility analysis, and supervision of the implementation process of the potential new business projects, identifying potential opportunities for new projects along the new energy industry chain, as well as managing the technology research and development. The new energy business preparation team will organise and formulate the development plan of the Company’s new energy business, and manage and monitor the production and operation of the new energy projects after commissioning to ensure the sustainable development of our new energy business.

In addition to adjustments in organisational structure, the Group will also actively seek market opportunities through various means such as internal growth and acquisitions to support the Group’s business transformation in terms of energy solutions design and technology. Beijing Gas Blue Sky is determined to promote more clean energy and new energy cooperation projects, accelerate the construction of a new energy business system, facilitate the Company’s deployment and strategic implementation in the dual carbon market, and carry out in-depth cooperation with relevant organisations or enterprises in clean energy, including signing agreements of intent on industry-university-research cooperation with institutions of higher learning, actively exploring the cooperation model between universities and enterprises, jointly constructing an innovation system for industry-university-research alliances, and working together on the research of new energy, in an attempt to enhance the role of clean energy in energy transformation.

## 6. SERVICES

### Case Study : Strong Alliance with Strategic Partners to Actively Develop New Energy

In order to promote the development of the new energy business, Beijing Gas Blue Sky signed a strategic cooperation framework agreement with Beijing Guoneng Guoyuan Energy Technology Co., Ltd\* (北京國能國源能源科技有限公司) on 14 June 2023, which establishes a comprehensive and long-term partnership between both parties under the principle of “complementary advantages, strong alliance and win-win cooperation”. Both parties will give full play to their market influence and brand effect in their respective fields, regions and industries, and carry out relevant cooperation projects in the fields of new energy, light asset business, technology research and development, including but not limited to distributed photovoltaic, centralised photovoltaic, county-wide photovoltaic, customer-side electrochemical energy storage, comprehensive services of energy saving and consumption reduction, market-based electricity trading, virtual power plant/peaking auxiliary services, carbon emission trading, electricity costs optimisation, technology research and development, etc. In the future, we expect to seek more cooperation in different ways in the field of new energy to jointly promote the development of green energy and further enhance the Company’s economic benefits and social benefits.



A strategic cooperation framework agreement was signed between Beijing Gas Blue Sky and Beijing Guoneng Guoyuan Energy Technology Co., Ltd\* (北京國能國源能源科技有限公司)



## 6. SERVICES

### Case Study : Macro Development of Diversified Energy Strategic Deployment and Expansion of the Integrated Energy and New Energy Businesses

Beijing Gas Blue Sky announced that on 19 December 2023, Shenzhen Huaran Energy Co., Ltd.\* (深圳華然能源有限公司, the Purchaser), an indirect wholly-owned subsidiary of the Company, entered into an agreement with Tractebel Engineering S.A. (the Vendor), for the sale and purchase of the sale equity interest, at a total consideration of RMB41,650,000 (equivalent to approximately HKD45,737,064) subject to the terms and conditions as set out in the agreement, representing 49% of the entire equity interests in the target.

It is reported that the acquired target, namely Beijing United Energy Engineering & Technology Company Limited\* (北京優奈特能源工程技術有限公司), is an enterprise in the technology space that is principally engaged in the planning, designing and consulting of gas, heat, comprehensive energy utilisation and new energy power generation projects. The target has comprehensive business qualifications, with more than 20 industry and professional qualifications for its business, including qualifications in gas power, new energy power generation, engineering supervision and general contracting of municipal public works. In recent years, the target has undertaken more than 40 research projects for enterprises and governments, and conducted research in various disciplines such as energy-saving technology, green energy and comprehensive energy utilisation technology, smart energy technology, urban gas planning technology, natural gas storage and peaking technology, natural gas transmission and distribution technology, and natural gas application technology.



Participation in national, industry, local, group and corporate standardisation works  
**30 items**



Current patents  
**20 items**

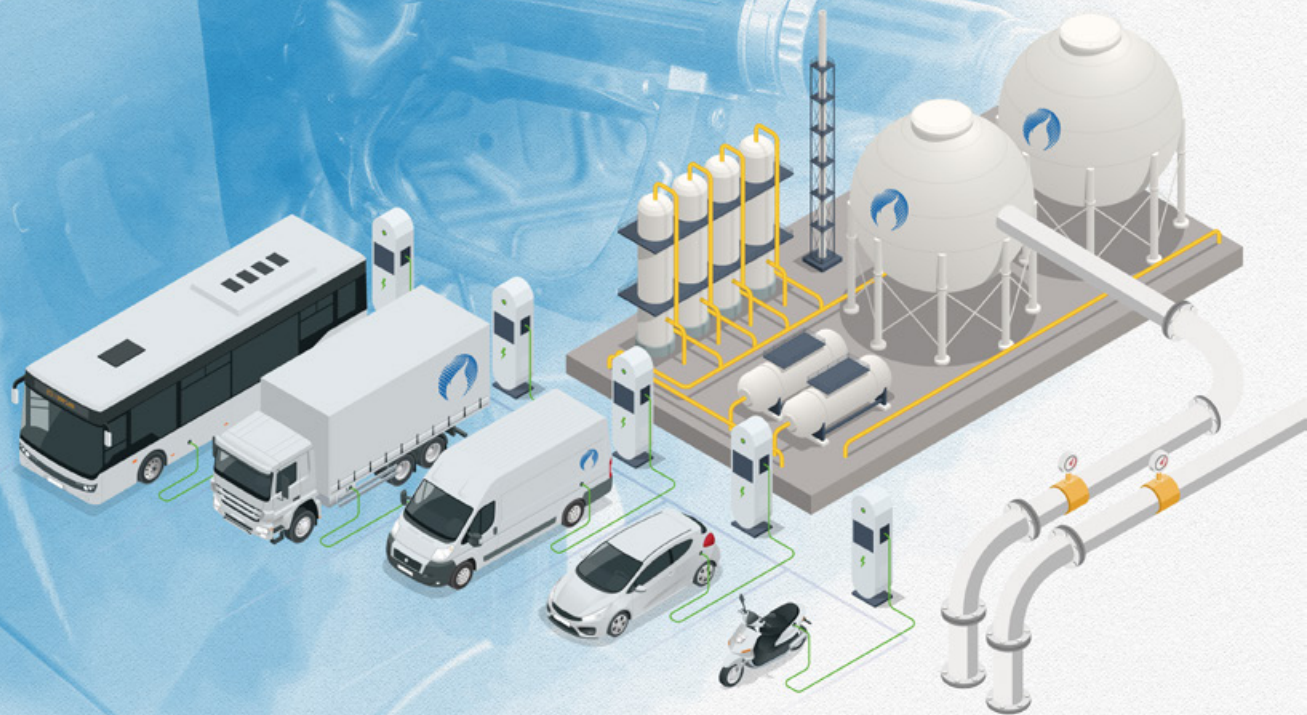


In December 2023, the management team of Beijing Gas Blue Sky engaged investors to conduct the respective roadshow in Beijing



07

INCREASING  
EFFICIENCY





### 7.1 STRENGTHENING OUR EMPLOYMENT SYSTEM

#### Fair and Compliant Talent Management

Brilliant talents are the cornerstone of the Company's prosperity and steady development. Beijing Gas Blue Sky treasures its employees and is committed to creating a comfortable working environment with equal opportunities for them. We support the career development of our employees by providing them with diverse growing opportunities and constructive training, aiming to cultivate brilliant talents for the Company.

With a fair and compliant employment system in place, Beijing Gas Blue Sky insists on hiring in accordance with the applicable laws and regulations. We maintain employment contracts with all our employees based on legality, fairness, and good faith so as to protect their legitimate rights and interests. We have compiled internal guidebooks such as the "Staff Handbook", "Staff Recruitment Management Guidelines", and "Administrative Measures for External Recruitment and Introduction" based on our own situations, aiming to standardize the procedures for hiring, dismissal, compensation and benefits, performance management, training and development, which have played a crucial role in standardizing the recruitment principles and procedures for our external recruitment and introduction, and ensure that our HR management processes such as recruitment and dismissal are in perfect compliance with the "Labour Law of the People's Republic of China", the "Labour Contract Law of the People's Republic of China" and the relevant provincial and municipal laws and regulations in the PRC, as well as Hong Kong's Employment Ordinance, Employees' Compensation Ordinance, and Mandatory Provident Fund Schemes Ordinance. In each year, each department is to raise its hiring requests according to its specific needs, enabling our HR Department to formulate the "Annual Recruitment and Introduction Plan of Beijing Gas Blue Sky" in line with the Company's strategic development and management of talents, and helping us build a talent echelon and optimize our talent structure. In addition, we are highly concerned about the legal rights and interests of our dispatched employees, for which we have particularly formulated the "Management Measures for Dispatched Employees" as an effort to establish a unified and standardized management mechanism and improve our management process, which covers recruitment, compensation and benefits, training, and performance appraisal and management, employment renewal, return and termination of dispatch.

The Company strictly prohibits hiring of child labor, for which we have formulated policies and regulations such as the "Administrative Provisions on the Prohibition of Using Child Labor and Underage Workers". We exercise strict identification and screening during the recruitment process, and regularly review the profiles of new employees. Should any violations be spotted, the relevant employment will be terminated immediately, as a symbol of our resolute stance against the employment of child labour. We also determinedly oppose and strive to put an end to forced labor, for which we have clearly defined working hours for our employees and required them to strictly follow those requirements for attendance and taking leave. During the Year, the Company had no records of violation in relation to the employment of child labor or forced labor.

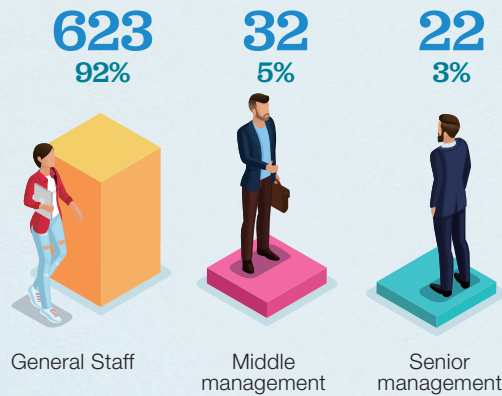
## 7. INCREASING EFFICIENCY

### Providing Equal Employment Opportunities

Beijing Gas Blue Sky insists on providing equal opportunities to every job applicant. We observe “fair competition, merit-based employment and dedication to providing fair employment opportunities” as our recruitment principles. We select and recruit candidates based solely on their abilities, conduct, education, professional qualifications and work experience. We strongly oppose and will not tolerate any discrimination on gender, race, religion, skin colour, disability, age, and marital status, for which we have compiled and implemented internal guiding documents such as the “Staff Recruitment Management Provisions of Beijing Gas Blue Sky” (《北京燃氣藍天員工招聘管理規定》).

As of December 31, 2023, we had a total of 677 employees, including 67 new employees, which are classified by gender, age group, region, and rank as follows:

#### Number of employees by rank



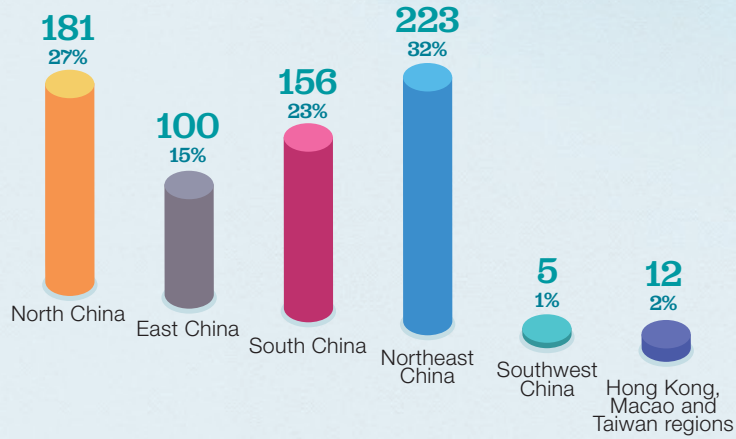
#### Number of employees by gender



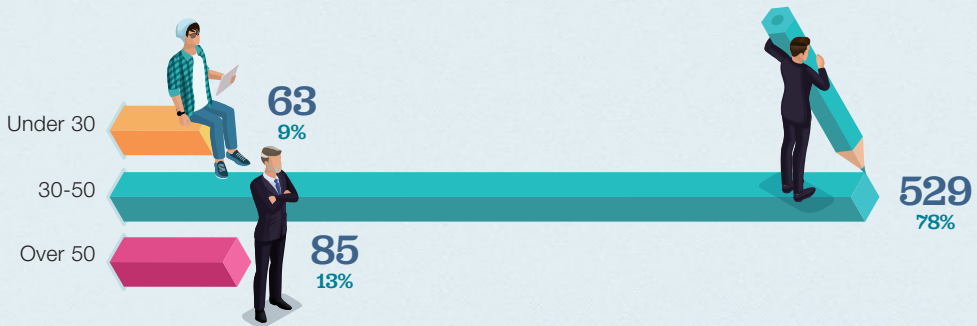


## 7. INCREASING EFFICIENCY

### Number of employees by region ^



### Number of employees by age group



^ North China: Beijing, Shanxi Province, Hebei Province; East China: Zhejiang Province, Anhui Province, Shanghai, Shandong Province, Jiangsu Province; South China: Guangdong Province, Hainan Province, Guangxi Zhuang Autonomous Region; Northeast China: Jilin Province, Liaoning Province; Southwest China: Guizhou Province; Hong Kong, Macao and Taiwan Regions: Hong Kong

## 7. INCREASING EFFICIENCY

### **Diverse and Harmonious Working Environment**

The Group attaches remarkable importance to the diversity of its employees and strives to foster a diverse and inclusive corporate culture, aiming to create an equal, diverse, harmonious and inclusive working environment for its employees. During the recruitment process, we screen candidates based on their ability and character, rather than gender, race, creed, skin colour, disability, age, and marital status. In addition to employee diversity, we firmly believe that the diversity of our Board members is another key element to achieve sustainable and balanced development of the Company.

In order to create and maintain an inclusive and collaborative workplace environment, Beijing Gas Blue Sky will not tolerate and will ruthlessly crack down on all types of harassment or discrimination. We have developed a highly effective reporting process, through which our employees who have suffered harassment or discrimination will be able to directly complain to their direct supervisors. If the complaints are related to their direct supervisors or department heads, they can go directly to the next higher level until the cases are properly dealt with and their legitimate rights and interests are justly protected. The Company will do its best to keep all the complaints and related information strictly confidential, and make every effort to safeguard the legitimate rights and interests of its employees.

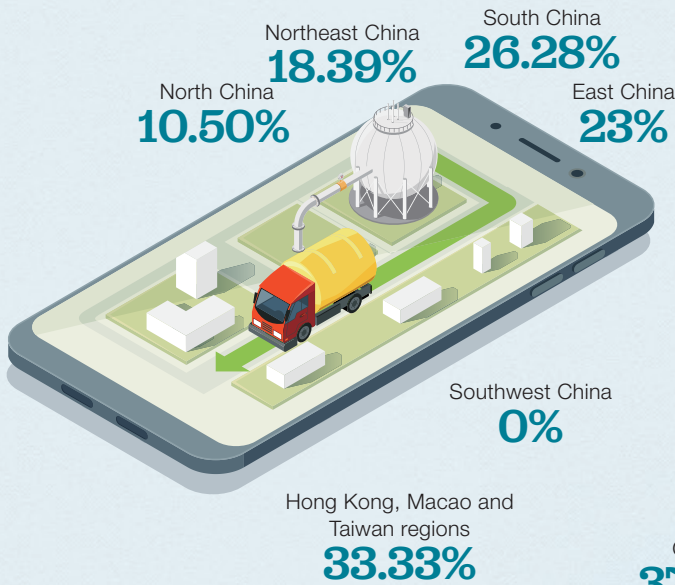


## 7. INCREASING EFFICIENCY

The Company also constantly monitors its employee turnover rate, and will analyse and summarise the reasons therefor and make instant efforts to improve. The resignation procedures are clearly stated in our “Staff Handbook”, according to which our Human Resources Management Department is to arrange face-to-face interviews with the resigned employees and be responsible for satisfactory settlement of their compensation. During the Year, our employee turnover rate was approximately 18.91%.

Total employee turnover rate<sup>1,2</sup> **18.91%**

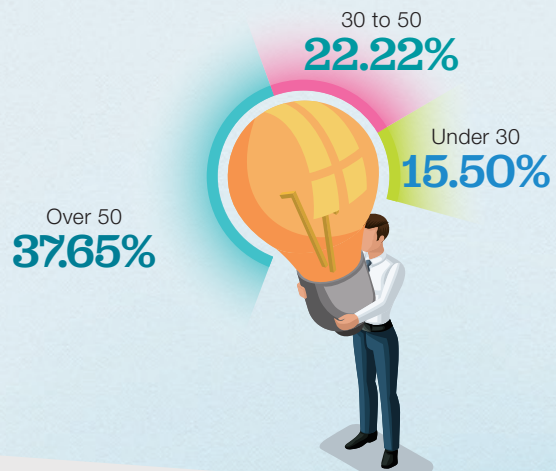
Employee turnover rate by region<sup>2\*</sup>



Employee turnover rate by gender<sup>2</sup>



Employee turnover rate by age group<sup>2</sup>



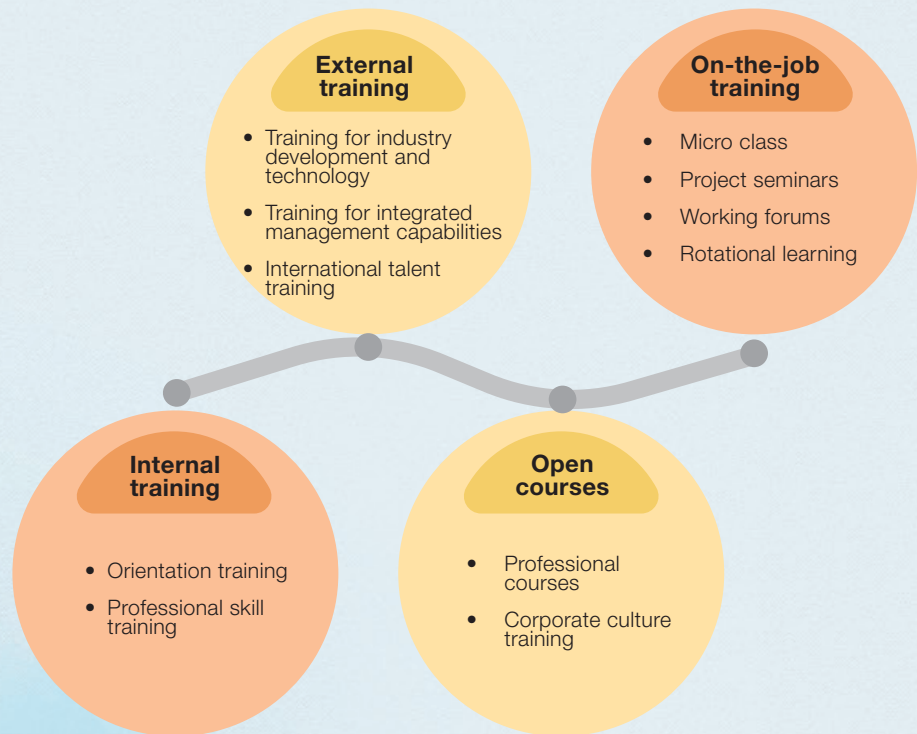
<sup>1</sup> Employee turnover rate = number of staff lost ÷ number of staff at the end of the Year × 100%

<sup>2</sup> Employee turnover rate by category = number of staff in the category ÷ total number of staff in the category × 100%

## 7. INCREASING EFFICIENCY

### Optimizing Our Talent Cultivation System

The Group cares sincerely about the career development of its employees and always encourages and supports them to develop and enhance their professional abilities. In order to improve their work performance and support their career development, we provide our employees with regular training. We have formulated the “Training Management Regulations of Beijing Gas Blue Sky”, which clearly defines the purpose and plan of the training, division of responsibilities, assessment of training performance, etc. A wide range of training in various forms, both online and offline, are available to our employees, including training for new employees and for the general staff, training for internal trainers, training for talent echelon, inner-department training, and training for dispatched staff, etc. After the training, we will test the trainees with what they have learned, aiming to evaluate the effectiveness of the training provided, and adequately practise the follow-up principle.



We will continue to provide various training for our employees, including topic sharing and practical courses, and invite professionals to our premises to give lectures on safe production, alerts on occupation-related crimes, management practices, language learning and other subjects, making consistent efforts to build a platform of talent training and communication for our employees.

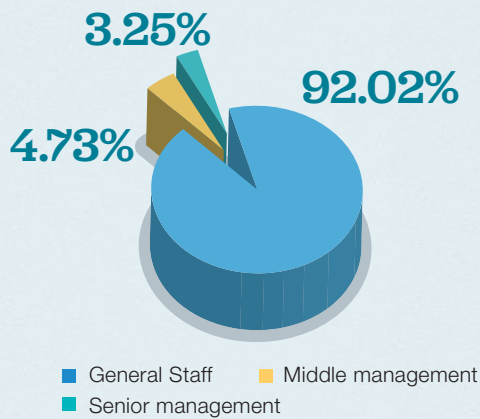
As an effort to ensure our employees have a deep understanding of the Group’s policies, during the Year, we organized both online and offline training on the Group’s safety management system, service procurement management system, gas engineering project specifications, etc., which is conducive to the implementation of the Company’s regulatory systems. Meanwhile, we have also input the relevant national laws and regulations into our internal OA system, aiming to help our employees build up their basic legal knowledge.



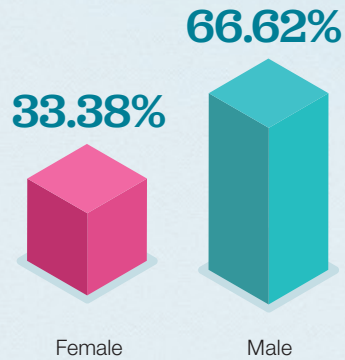
## 7. INCREASING EFFICIENCY

During the Year, the Company organized a total of 66 learning exchange sessions at the corporate level, with a total number of 4,026 participants. The statistics of training for the year are as follows:

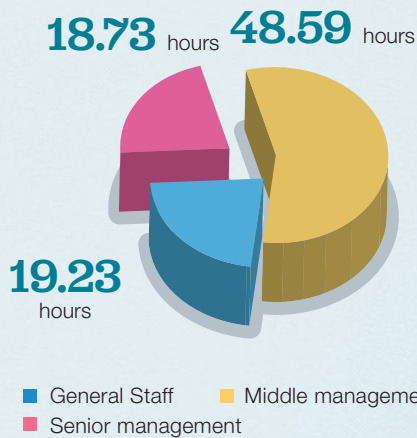
**Percentage of trained employees by employee category<sup>3</sup>**



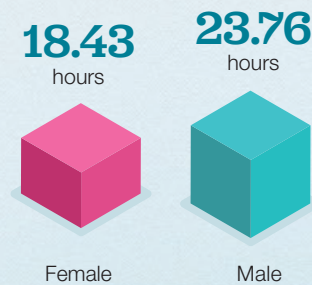
**Percentage of trained employees by gender<sup>3</sup>**



**Average training hours for trained employees by employee category**



**Average training hours for trained employees by gender<sup>4</sup>**



<sup>3</sup> Percentage of employees trained = trained employees in this category ÷ total number of trained employees × 100%

<sup>4</sup> Average training hours for trained employees = total number of training hours of employees in the category ÷ number of employees in the category

## 7. INCREASING EFFICIENCY

### Fair and Equal Promotion Opportunities

The Group also attaches notable significance to the long-term development of its employees, aiming to create a fair, just and open competition mechanism within the Company, and spark the initiative of its employees while continuing to improve their qualifications and capabilities. We have formulated the “Employee Promotion Administrative Measures of Beijing Gas Blue Sky”, which sets out the Company’s employee promotion processes, clarifies the conditions, types and times for employee promotion, as well as application management and promotion procedures, aiming to help us establish a sound and feasible promotion mechanism.

Furthermore, in order to evaluate our employees’ work performance, set annual targets for them and determine the number and identification of candidates for promotions based on their performance, we have adopted semi-annual and annual performance appraisals. The Group has also formulated the “Employee Compensation and Performance Administrative Measures (Trial)” to streamline its performance management. Under the guidance of its remuneration and promotion principle stressing on job value and performance orientation, the Group continues to implement and improve its performance management system and deepen its guiding thoughts on performance assessment. Appraisals are to be completed by the employee’s supervisors and reviewed and approved by the senior management. We do hope that our employees can apply their talent in undertaking greater responsibilities and projects, so that they can grow stronger and faster.

### Improving Our Remuneration Structure

Beijing Gas Blue Sky sincerely appreciates the efforts of each and every one of its employees and is committed to providing decent returns to them for their contribution. Therefore, we are striving to build a strategically sound and inspiring compensation system. Our “Employee Compensation and Performance Administrative Measures (Trial)” has fully illustrated the principles of fairness, balance, motivation and legitimacy in determining the remuneration for our employees, in accordance with which we determine the ranks of our employees based on their positions, experience, abilities, knowledge, authorization and responsibilities and ensure that they receive the proper remuneration packages they deserve.

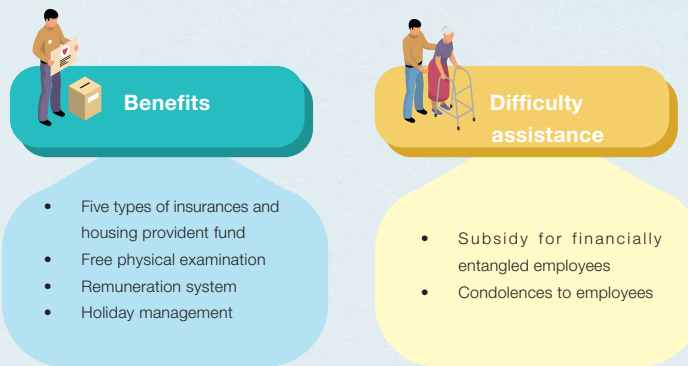
### Caring about Our Employees’ Welfare and Benefits

The Group follows the people-oriented management philosophy during the course of its operations, sincerely cares about the needs of its employees, and is striving to getting more and better welfare and benefits for each of them. We strictly comply with national and internal regulations such as the “Social Insurance and Housing Provident Fund Management System (Trial)” and have been paying for the social insurances and housing provident fund for all our employees; we set out the detailed salary management provisions in our Remuneration Management System and manage holidays and vacations in accordance with the “Staff Handbook”. In addition to statutory holidays, our employees are entitled to paid leaves such as wedding leave, maternity leave, funeral leave and carer’s leave, as well as holiday gifts or holiday allowances during traditional holidays such as Spring Festival and Mid-Autumn Festival. We also take care of the physical and mental health of our employees and provide a number of medical benefits such as free physical examinations.



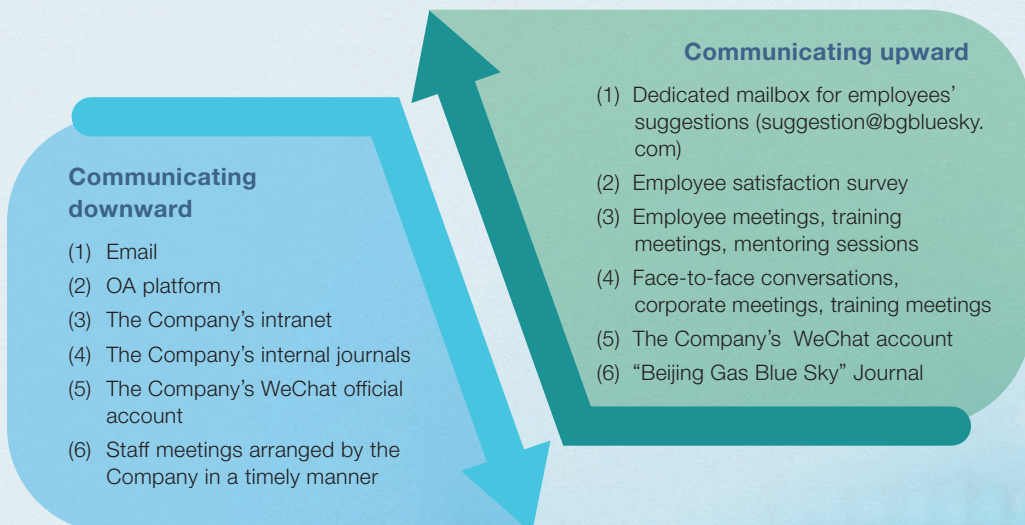
## 7. INCREASING EFFICIENCY

Beijing Gas Blue Sky regards every one of its employees as a valuable asset of the Company. We provide instant assistance and support to our employees and their families facing various difficulties, with great sincerity to help them solve their imminent problems, aiming to build them a warm and caring working environment that reflects our humanistic care. We have formulated the “Administrative Measures on Employee Hardship Allowance and Consolation” to further our assistance to those in need. In order to protect the legitimate rights and interests of our female employees, we have formulated the “Measures for Special Labor Protection of Female Employees” in the hope of providing them with agreeable working environment and conditions, and striving to reduce and solve their special difficulties at work caused by their physiological characteristics. During the Year, the Company provided assistance to 6 employees with a total amount of RMB3,800 and HKD1,000.



### Listening to Our Employees' Hearts

Beijing Gas Blue Sky values and is willing to listen to its employees' voices, looks forward to maintaining close contact with them via open communication, and strives to foster harmonious relationships among them. The Group has established multiple channels for communication, complaining and reporting, through which we broadcast the news about the development of the Company and our employees can have a clear understanding of our goals, important activities, policies and workflow, market trends, personnel changes, recreational activities. We encourage our employees to proactively communicate with the Company and welcome all kinds of suggestions and opinions. Our employees can raise their proposals to the Company on jointly creating long-term value. We will listen carefully to and seriously consider their appeals and strive relentlessly to protect their legitimate rights and interests.

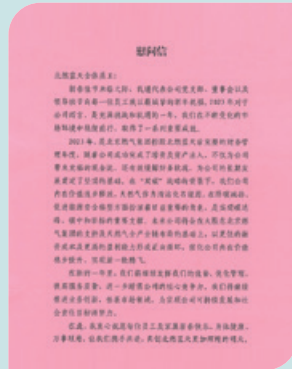


## 7. INCREASING EFFICIENCY

### Case Study : Condolence letter from the Chairman of the Board to employees

Beijing Gas Blue Sky places great importance on communication with its employees. The management keeps listening to the voices of the employees and shares updates on the Company's progress, annual summaries, and future prospects with our employees through various means, including letters. We look forward to maintaining close interaction with our employees, fostering their loyalty and sense of belonging with the Company, and working together to contribute to our future prosperity and development.

Lunar New Year greeting letter to employees from the Chairman of the Company



### Enriching Employee Life

Maintaining a work-life balance is essential for the physical and mental health of our employees. Beijing Gas Blue Sky aims to create a harmonious and friendly work environment, as well as foster a relaxed and enjoyable atmosphere, therefore, we organize various recreational and visitation activities that bring our employees together, allowing them to get to know each other better, enhancing their loyalty and sense of belonging to the Company, and strengthening the cohesion of the Company as a whole.



## 7. INCREASING EFFICIENCY

### 7.2 ACHIEVING GREEN DEVELOPMENT

With the robust development of China's economy, the market demand for energy is increasing. The Chinese government has set a Dual Carbon target and put forward a series of coal-to-gas policies that promote a clean, low-carbon and diversified transformation of the energy system to avoid reliance on conventional fossil energy resources such as coal and oil and reduce carbon emissions. As a clean energy operator, Beijing Gas Blue Sky works hard on providing innovative and diversified clean energy solutions in line with the national environmental policy to promote the transformation of China's energy structure from high-carbon to low-carbon. Bearing the idea of "harmonious coexistence of energy and the environment" in mind, the Group strives to enhance its environmental management capabilities and implement green operation models that save energy and reduce emissions to alleviate the environmental impact of production and operation, as well as mitigate and address climate change.

During the Year, we have set environmental targets in our ongoing efforts to persistently improve our sustainability performance:



We have maintained a vigilant approach to the environmental impacts of our operations. During the Year, due to the enlarged scale of business operation following the business expansion and the completion of acquisition of the city gas project located in Teng County, Guangxi, the Group's electricity consumption, water consumption and volume of non-hazardous waste increased slightly, resulting in a slight corresponding increase in greenhouse gas emissions. Looking ahead, we will continue to review our business chain and seek initiatives to reduce emissions in an active way, and will establish measurable targets that take into account current trends and our unique operating environment to formulate more comprehensive short-term, medium-term, and long-term environmental goals.

## 7. INCREASING EFFICIENCY

### Improving the Environmental Management System

Beijing Gas Blue Sky places a strong emphasis on environmental protection in strict compliance with the environmental protection laws and regulations in relation to the disposal of sewage, waste gas, pollution and wastes in various regions, including but not limited to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》), the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), the Law of the People's Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》), the Law of the People's Republic of China on Promoting Clean Production (《中華人民共和國清潔生產促進法》) and the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》). In addition, the Group pays the environmental protection tax in accordance with the Law of the People's Republic of China on Environmental Protection Tax and operates safely under the environmental regulations of the PRC.

All natural gas projects of the Group are carried out under the national standard GB 17820-2018, pursuant to which the sulfur dioxide emission per cubic meter of residential natural gas combustion shall not be more than 920 milligrams, so as to help alleviate domestic air pollution.

During the Year, the Group did not violate any PRC environmental laws or regulations that had a material impact on the Group's operations, and there were no material fines, non-monetary penalties and litigation in relation to environmental violations, as well as the design and operation of all facilities also comply with the standards relating to environmental protection standards in the PRC.

### Environmental Impact Management of Construction Projects

The Group acknowledges that construction projects can generate environmental pollution, including air, water, and soil contamination, therefore, we have formulated the Administrative Measures on the "Three Simultaneous" in Construction Projects (《建設項目「三同時」管理辦法》) in accordance with laws and regulations including, amongst others, the Technical Specification of Dust and Poison Control for City Gas Industry (《城鎮燃氣行業防塵防毒技術規範》), the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Regulations on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) to ensure that the construction projects meet the requirements of relevant national laws and regulations on environmental protection. In respect of construction projects with significant impacts on the environment and natural resources in the vicinity may occur during construction, including new construction, alteration and expansion projects in relation to gas production and supply as well as technical transformation, introduction and construction projects, we promote the "Three Simultaneous" principle, which requires the construction of pollution prevention facilities in the project must be designed, constructed and put into use in production simultaneously with the main body of the project. We also incorporate the construction of environmental protection facilities into construction contracts, prepare environmental protection chapters according to environmental protection design specifications, set aside and implement investment budget for the construction of measures to prevent environmental pollution and ecological damage and environmental protection facilities.

We are committed to reducing damage to natural ecological resources such as the atmosphere, water and organisms, and protecting the human landscape. We commissioned technical units with corresponding qualifications to conduct an environmental impact assessment on construction projects and prepare an environmental impact report and an environmental impact form in accordance with the existing List of Systematic Management on Construction Projects Impact Assessment (《建設項目環境影響評價分類管理名錄》). Environmental assessments and inspections are conducted prior to the construction of urban pipeline networks and refuelling stations, to investigate the negative impacts of the projects on the operating sites, while proposing corresponding mitigation or alternative solutions, striving to minimize the environmental impact.



## 7. INCREASING EFFICIENCY

In addition to construction projects, emergencies such as chemical spills, leaks and fires also have negative impacts on the surrounding environment. To prevent the occurrence of accidents and mitigate their impacts, we have formulated the Comprehensive Emergency Plans for Production Safety Accidents (《生產安全事故綜合應急預案》), which provides guidelines for responding to emergencies. It is required that the emergency state can be lifted only when the impact of the emergency on society, the environment and economic losses are minimized. Furthermore, we have formulated detailed guidelines to prevent accidents such as chemical leaks. For example, in odorant management, we have established the Guidelines for Odorant Safety Management (Trial Implementation) (《加臭劑安全管理指引(試行)》), which explicitly outlines various leak prevention measures and the procedures for emergency response and disposal, aiming to prevent accidents to the best of our abilities.

### Actively Promoting Clean Energy

The Group is convinced that environmental protection can only be effectively enhanced with the collective efforts of every member. Therefore, we place great importance on cultivating environmental protection awareness among our employees. We not only promote the use of compressed natural gas (CNG) as fuel for our office and vehicles, and the use of gas-fired boilers for production and domestic use, promoting clean energy from daily life, but also arranges environmental protection-related training for our employees to develop their working capability, and motivate them to always bear in mind the responsibility of environmental protection in performing their duties, thus improving the overall performance of the Group. We also organize regular environmental activities, including environmental awards, environmental quizzes and environmental education exhibitions, etc., as a means to disseminate environmental information to all employees and encourage employees at all levels to promote environmental protection, actively engage in environmental protection and practice environmental habits in their daily lives.

#### Case Study : Beijing Gas Blue Sky's

#### Participation in “Hong Kong Green Day” Recognized by Environmental Protection Organizations

Every year, the 5th of June is the United Nations “World Environment Day”, which is also the “Hong Kong Green Day”. In response to this event for 2023, Beijing Gas Blue Sky has participated in the Green Pledge of “Hong Kong Green Day” to demonstrate our concern for environmental protection and our determination to make a green commitment to the environment, which received recognition and gratitude from the Green Council, an environmental protection organization. Beijing Gas Blue Sky is committed to contributing to the sustainable development of the planet, promoting green concepts and working together to promote the sustainable development of Hong Kong.



## 7. INCREASING EFFICIENCY

### Energy Use and Efficiency

In strict compliance with the Regulation on Energy Conservation in Civil Buildings (Draft) (《民用建築節能條例(草案)》), Beijing Gas Blue Sky is dedicated to seeking ways to save energy and reduce emissions, striving to improve the efficiency of resource use and integrating environmental protection concepts into its operations to achieve the goal of efficient use of resources. In our daily operations, the reportable segments use direct energy including petrol, diesel and LNG, while the indirect energy used is mainly electricity.

We have compiled a series of guidelines on environmental protection management to continuously monitor energy use and changes, and to formulate corresponding measures, strengthen energy measurement management and statistics, improve energy consumption statistics and energy utilization analysis systems, and establish original energy records and statistical ledgers that help collect energy source information for energy management. In consideration of data management, we are planning to adopt a cloud-based data management platform to improve the efficiency of data collection, and to compare the data of the same period of the previous year to monitor energy usage. In addition, separate meters for production electricity consumption and household electricity consumption are encouraged to use in stations. Advanced and energy-saving models shall be adopted for equipment with large power consumption, and be well maintained to ensure proper operation and high efficiency. The person in charge of the station should also continuously monitor power consumption, regularly compile statistics and conduct comparative analysis based on past power consumption. In order to avoid wasting paper, electricity, water resources, etc., we currently assign the administration department to conduct office patrol to review resource usage and eliminate any form of waste.

Energy consumption <sup>5, 6</sup>	Unit	Year 2023
Direct energy	MWh	2,885
Indirect energy	MWh	2,346
Total energy consumption	MWh	5,231
Intensity	MWh/ten thousand HKD revenue <sup>7</sup>	0.0243

<sup>5</sup> All KPIs in the environmental category cover the Group's offices in Beijing, Hong Kong, Shenzhen, and the following subsidiaries: Hainan Xinyuan\* (海南鑫元), Anhui Zhengweili\* (安徽正威力), Songyuan Beijing Gas Blue Sky\* (松原北藍) (formerly known as Jilin Songyuan\* (吉林松原)), Zhejiang Boxin\* (浙江博信), Shanxi Minsheng\* (山西民生), Liaoning Benxi Co.\* (遼寧本溪公司), Guizhou Liupanshui Co.\* (貴州六盤水公司), Guangdong Xinte\* (廣東鑫特), Hainan Hongdefeng\* (海南宏德豐), Yongji Minsheng\* (永濟民生), Shanghai Wanxing\* (上海萬興), Zhejiang Bochen\* (浙江博臣), Huainan Bochen\* (淮南博臣), Huainan Dingzhong\* (淮南鼎中), Shenzhen Beiran (深圳北燃), Taian Sunco\* (泰安順馳), Changling Taiping Minsheng\* (長嶺太平民生) and Guangxi Teng Country Co.\* (廣西藤縣公司).


<sup>6</sup> Due to business expansion and integration efforts in the Year, the scope of environmental data collection has been updated. During the Year, the Group has completed the acquisition of the Urban Gas Project in Teng County, Guangxi, which has been included in disclosure scope of this Report. Additionally, we have deregistered four project companies, namely Huzhou Bochen\* (湖州博臣), Anhui Beiran\* (安徽北燃), Ningbo Beilun\* (寧波北侖), and Bojia Energy\* (博迦能源) and therefore they are not included in the disclosure scope of this Report. Furthermore, as Bochen Huineng\* (博臣匯能) was also deregistered after the reporting year, it is not included in the environmental data scope for the Year. Moreover, as our data collection processes have become more mature, the environmental data scope has expanded to include the Changling Taiping Minsheng\* (長嶺太平民生) Project Company, ensuring more comprehensive data collection.

<sup>7</sup> During the Year, the revenue of the Group was approximately HKD2,150,300,000, which was also used to calculate other intensity data.




## 7. INCREASING EFFICIENCY

The voices of our employees are highly valued, and we always encourage them to react to the Company's environmental initiatives and adopt various energy saving and energy management measures in our daily operations to minimize the negative impact on the environment. Measures are listed below:




**Energy conservation management**

- Strictly implement energy conservation policies and systems, conduct regular energy conservation inspections, promptly record and follow up with any problems;
- Carry out energy conservation education and make completion of the relevant training one of the conditions for taking up the position of operating energy consuming equipment;
- Establish energy management and energy conservation mechanisms and corresponding incentive and punishment mechanisms, and require all employees to participate; and
- Conduct heating and energy saving in accordance with relevant national regulations, including setting air conditioning temperatures at reasonable levels and using centralized heating or cooling to reduce unnecessary energy consumption.




**Energy conservation for production**

- Set up log books for major energy consuming equipment and make a comparison on a monthly or quarterly basis, so as to formulate control measures;
- Make regular inspection and maintenance of energy-consuming equipment for production to maintain their energy efficiency; and
- Arrange repair timely after an unusual condition is discovered.



**Building energy conservation**

- Promote effective lighting management such as using LED lights to replace traditional incandescent lights;
- Conduct air conditioning management such as regularly cleansing the air conditioning system to improve usage efficiency; and
- Try to purchase electric equipment with an energy efficiency of level 2 or above.



**Transportation energy conservation**

- Make regular maintenance and repair to maintain an optimum energy efficiency state for vehicles;
- Promote car sharing practice;
- Develop a good driving habit to avoid any fuel consumption due to abrupt acceleration or deceleration;
- Minimize energy consumption in vehicle use, including reducing unnecessary vehicle use, reducing the number of vehicles, develop a good driving habit, etc.; and
- Purchase and use vehicles that meet environmental protection requirements.

## 7. INCREASING EFFICIENCY

### Water Efficiency and Management

The Group's water supply is sourced from the municipal water supply system. There was no issue in sourcing water during the Year. Beijing Gas Blue Sky places great importance on water conservation. We analyze water consumption and establish water conservation measures taking into account domestic water and production water are measured separately for analysis and measurement.

Water consumption data	Unit	Year 2023
Total water consumption	Cubic meters	17,963
Intensity	Cubic meter/ten thousand HKD revenue	0.0835

We adopt a number of water-saving measures. Adopt water-saving processes and technologies in the construction and operation of our stations to achieve various effects, including water saving at CNG filling stations, water saving at LNG direct supply stations, and water saving in the cleaning of transportation vehicles in strict accordance with the relevant national water conservation regulations. In the office, we use water-saving taps and install water limiting switches and automatic switches to save water. At the same time, we also strive to cultivate water-saving awareness among our employees, keep educating employees on water conservation, and encourage employees to report water leakage to the Group. In addition, we develop monitoring and maintenance plans to ensure that water pipes are in good condition.

To prevent water pollution, we not only use environmental-friendly cleaning products, but also installed related equipment at our facilities to recycle water resources. For example, Songyuan Beijing Gas Blue Sky installed wastewater reuse facilities; and employees at Hainan Xinyuan reused most of the wastewater generated from cleansing activities to flush the toilet.



## 7. INCREASING EFFICIENCY

### Emissions Management

Beijing Gas Blue Sky is concerned about air pollution. We strictly manage the sources of pollutants, and remove as much air pollutants as possible by isolating, diluting, filtering, and ventilating them from buildings with the ventilation system. In respect of project operation and construction, we use the equipment and processes that meet national standards to reduce unnecessary energy consumption and achieve emission reduction in accordance with the Materials Supplier Management System (《物資供應商管理制度》) and the Engineering and Material Tender Management System (《工程及物資招標管理制度》). In addition, smoking is strictly prohibited in the Group's buildings and premises at all times. An appropriate number of the "No Smoking" sign has been posted on all office premises and vehicles to indicate that smoking is not permitted in such locations.

As a clean energy operator, we use natural gas that allows fewer emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matters (PM) compared with traditional fossil fuels such as coal and petroleum. The main sources of emissions involved in operations include emissions from the use of vehicles, generators and fossil fuels-fired boilers.

Type of exhaust gas	Unit	Year 2023
NOx	kg	2,393.6
SOx	kg	1.2
PM	kg	75.5

Vehicles are one of the main sources of emissions during our operations. The Group is concerned about carbon emissions in transportation. We hold key qualification certificates such as the Road Transport Operation Permit (《道路運營許可證》) for all of our transport vehicles. With excellent technical equipment, and more economical and reasonable operation scale, we are able to ensure better economic and environmental protection effects.

In addition, as natural gas leakage also causes additional carbon emissions and environmental losses, the Group has actively adopted advanced meters in hundreds of thousands of natural gas pipeline users, which not only greatly reduces the risk of natural gas leakage, but also enhances economic efficiency.

## 7. INCREASING EFFICIENCY

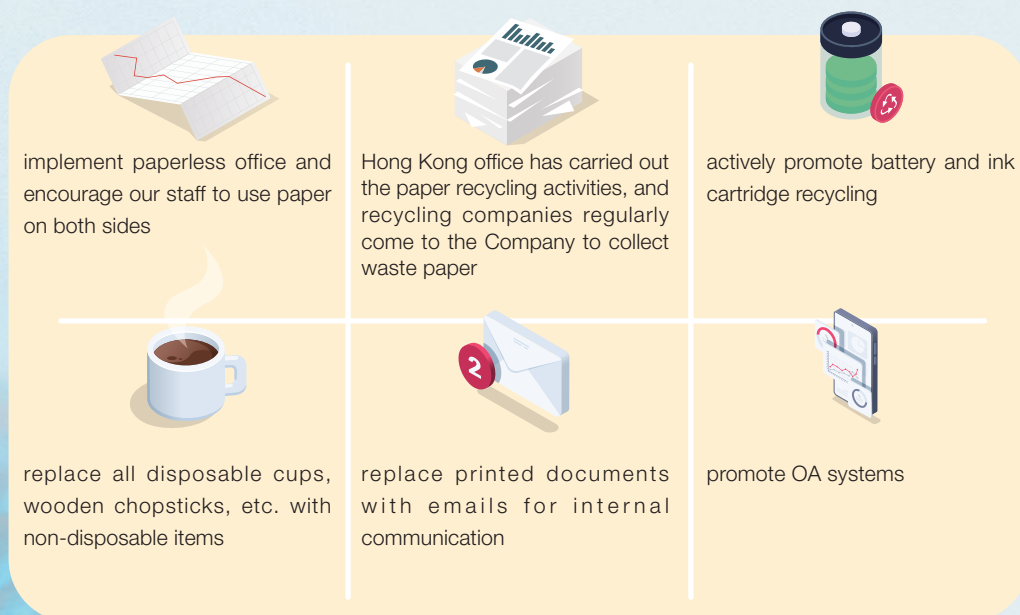
The Group's greenhouse gas (GHG) emissions (Scope 1) are primarily generated from equipment owned or controlled by the business segments, namely diesel fuel consumed by generators, natural gas consumed by boilers, gasoline, diesel fuel and CNG consumed by vehicles, while GHG emissions (Scope 2) are generated from electricity consumption by the Group.

GHG emissions	Unit	Year 2023
Scope 1	tCO <sub>2</sub> e	1,240
Scope 2	tCO <sub>2</sub> e	1,338
Total GHG emissions (Scopes 1 & 2)	tCO <sub>2</sub> e	2,578
GHG emissions per ten thousand HKD (Scopes 1 & 2)	tCO <sub>2</sub> e/ten thousand HKD revenue	0.0120

Beijing Gas Blue Sky adheres to environmental protection and continues to promote GHG emission reduction by implementing various initiatives and measures, for example, carrying out the tree planting plan in the vicinity of the factory in Songyuan, Jilin Province.

### Waste Management

Beijing Gas Blue Sky always ensures the proper disposal of waste, and is committed to improving the solid waste management and encouraging the recycling of waste products. Our wastes mainly come from office wastes and household wastes. Our waste management measures are as follows:





## 7. INCREASING EFFICIENCY

During the Year, hazardous wastes generated from the reportable business segments were computers, waste ink cartridges and waste toner boxes, which were properly disposed of according to law; and the total amount of non-hazardous wastes was approximately 16 tonnes.

### Case Study : Beijing Gas Blue Sky continues to promote the construction of green office

Beijing Gas Blue Sky understands that green operation is an important driving force for sustainable development, so we continue to promote various green office activities. Since the Year, the Company has carried out paper recycling activities, and recycling companies regularly come to the Company to deliver the collected paper to the recycling center, which has received positive response and support from employees, and has been recognized and thanked by environmental protection organizations. In addition, the Company also actively promotes the recycling of batteries and ink cartridges and conducts waste sorting and recycling activities in office to enhance employees' environmental awareness and help them develop good waste sorting habits. Waste sorting and recycling can not only reduce unnecessary waste generation, but also recycle resources,



contributing to the reduction of GHG and the protection of the earth's forest resources. Looking ahead, the Group will continue to care about environmental protection issues, continue to promote energy conservation, water conservation, waste reduction, paper reduction and green innovation concepts, strive to practice green living, create more shared value for the society, and continue to contribute to a green earth.

## 7. INCREASING EFFICIENCY

Non-hazardous waste generation data	Unit	Year 2023
Total discharge of non-hazardous waste	Tonnes	16
Intensity	Tonne/ten thousand HKD revenue	0.000073

Hazardous waste generation data	Unit	Year 2023
Waste ink cartridges, waste toner cartridges	Pieces	175

Hazardous waste intensity	Unit	Year 2023
Waste ink cartridges, waste toner cartridges	Piece/ten thousand HKD revenue	0.0008

After the waste is collected in a centralized manner, we will first sort the recyclable and non-recyclable waste and store it temporarily. Materials such as plastic bottles and waste paper will be recycled, while nonrecyclable and non-hazardous waste will be handed over to the municipal waste unit for disposal; hazardous waste from gas stations will be loaded into hazardous waste containers and labeled with hazardous waste identification signs, and forwarded to qualified recyclers for further processing. For utilization, storage, transportation and disposal of solid waste, measures must be taken to prevent waste scattering, run-off or leakage and to prevent environmental pollution. It is strictly forbidden to dump, discard, stack or scatter solid waste without authorization to avoid any land pollution.

### Wastewater Discharge

The Group's wastewater is mainly generated from domestic wastewater, wastewater from stations and construction sites, etc. During the Year, the total wastewater discharge of the reportable business segments was approximately 5,116 tonnes.

We have strict management requirements for the wastewater discharged by the Group. We have introduced the Environmental Factors Identification and Evaluation Procedures in the relevant guidelines for environmental management to guide our employees to effectively identify wastewater discharge generated during production and perform supervision in accordance with the relevant regulations. Employees are strictly prohibited from discharging oil, acid, lye or highly toxic waste liquids into water bodies, or clean vehicles and containers that contained oil or toxic pollutants in water bodies. Our domestic sewage is treated and discharged into the municipal sewerage system, and all sewage treatment processes are ensured to meet the requirements of the local environmental regulatory authorities.



## 7. INCREASING EFFICIENCY

### 7.3 RESPONDING TO CLIMATE CHANGE

As an energy operator, we have been working tirelessly to promote the use of clean energy, reduce carbon emissions, and mitigate climate change and its impacts. In view of the impacts of climate change on our operation sites, supply chain and the Group's operations, the Group has deliberately included "responding to climate change" as a factor in its risk management assessment.

Beijing Gas Blue Sky is highly concerned about the impacts of climate change on its business and operations. During the Year, the Company has identified and assessed climate change risks and opportunities, and plans to further refine the corresponding measures in the future. The identified risks and opportunities as well as feasible countermeasures are set out in the following table:



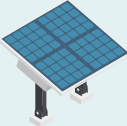

Risk Level	Risk Description	Potential Consequences	Corresponding Countermeasures
Intermediate	Physical climate risk (e.g. coastal floods, extreme heat, wildfires, cyclones, water scarcity)	<ul style="list-style-type: none"> <li>In the event of severe and extreme weather, the office may need to be temporarily closed.</li> <li>Extreme weather can cause employee injury or death.</li> <li>The office is in power outage due to weather.</li> </ul>	<ul style="list-style-type: none"> <li>Continuously improve the emergency response mechanism for natural disasters and formulate emergency response plans for natural disasters.</li> <li>Review and identify asset damage that may be caused by extreme weather, and purchase the necessary insurance.</li> <li>Keep electronic version of relevant documents for backup and the backup data storage center shall be located off-site.</li> </ul>

## 7. INCREASING EFFICIENCY

Risk Level	Risk Description	Potential Consequences	Corresponding Countermeasures
Intermediate	Policy and legal risk	<ul style="list-style-type: none"> <li>• Failure to meet strict requirements may result in penalties for non-compliance.</li> <li>• Investment amount is subject to stricter ESG standards.</li> <li>• Lost orders and reduced revenue due to insufficient disclosure of carbon neutrality targets and data.</li> <li>• Changes in the structure of energy use may lead to an increase in operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Continuously track the latest climate change laws and regulations and integrate them into management strategies.</li> <li>• Increase investment in the development of low-carbon emission reduction technologies and projects.</li> </ul>
Intermediate	Market risk (e.g. market and customer preference for renewable energy)	<ul style="list-style-type: none"> <li>• Increased customer demand for the use of renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>• Pay close attention to the market demand for low-carbon and green energy, and meet the needs of consumers in a timely manner.</li> </ul>
Intermediate	Reputational risk (e.g. poor performance in addressing climate change and sustainability)	<ul style="list-style-type: none"> <li>• Undermine existing cooperation arrangements or weaken ability to attract new partners.</li> <li>• Loss of competitive advantage over competitors with better sustainable performance.</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose the Company's GHG emission data in ESG reports and efforts made in terms of green operations to maintain a good corporate image.</li> <li>• Communicate with stakeholders to explain the sustainability initiatives implemented by the Group.</li> </ul>



## 7. INCREASING EFFICIENCY

Climate-related Opportunities	Potential Benefits	Realization of Opportunity Measures
 <p><b>Energy-saving technology and equipment applications</b></p>	<p>By adopting low-energy consumption equipment and developing energy-efficient process and technologies, we can improve the energy efficiency of business operations and thus reduce operating costs.</p>	<p>Continuously pay attention to the development of low-energy consumption equipment and energy-saving process and technology in the market, and adopt new technologies in a timely manner to strengthen technical exchanges with peers.</p>
 <p><b>Development of natural gas business</b></p>	<p>In the process of China's "dual carbon" goals, the market tends to use clean energy. As a cleaner energy source, natural gas still has huge room in the energy market in the short to medium term, which can increase potential operating income.</p>	<p>Actively expand sources of natural gas supply.</p>
 <p><b>Transition opportunities for renewable energy</b></p>	<p>National policies vigorously promote the use of new energy, encourage low-carbon transformation of enterprises, and provide low-carbon business opportunities. Expanding low-carbon business opportunities such as new energy projects and expanding business types can increase potential revenue.</p>	<p>Continuously review the existing energy structure, actively explore the possibility of adopting renewable energy, and actively expand the development and use of clean energy and green power procurement.</p>
 <p><b>Green finance</b></p>	<p>Under the call of the national "3060 dual carbon goals", investors are increasingly inclined to buy green and low-carbon investment products, and the green bond issuance market is becoming increasingly stable. With the help of green financial instruments, the Company can increase potential funds and improve the resilience of the capital chain.</p>	<p>Actively explore the application of more environment-friendly technologies to meet the green transformation and low-carbon needs of more stakeholders.</p>

## 7. INCREASING EFFICIENCY

### Case Study : The first sustainability linked loan obtained by Beijing Gas Blue Sky

In February 2024, Beijing Gas Blue Sky Holdings Limited has successfully entered into its first sustainability linked loan.

Against the backdrop of expanding and strengthening green finance at present, to gain more support of green finance services, Beijing Gas Blue Sky has attached great importance to green financing and kept reviewing the feasibility of various green finance products. While promoting its development, the Company also increased investment in sustainable development. After the signing of strategic framework agreement between Beijing Gas Group Co., Ltd., substantial shareholder of the Company, and The Bank of East Asia (China) Limited at the Beijing-Hong Kong conference held at the end of 2023, Beijing Branch of The Bank of East Asia (China) Limited will provide such loan to Beijing Gas Blue Sky. The maximum amount of such loan is RMB200 million with terms of agreement made in accordance with “Sustainable Development Financing Principles”: Sustainability-Linked Loan Principles which were jointly published by Asia Pacific Loan Market Association (APLMA), Loan Market Association (LMA) and Loan, Syndication and Trade Association (LSTA) in relation to Sustainable Development Financing Principles in February 2023.

The signing of loan agreement not only optimized the financial structure of the Company, but also clearly demonstrated Beijing Gas Blue Sky’s commitment to sustainable development, green transformation and corporate development.

### Future Prospect

In order to monitor the performance and development trend of the Group in sustainable development at a macro level, and continue to strive for excellence and tirelessly strive for progress, Beijing Gas Blue Sky will actively discuss various plans, deeply explore the advantages and disadvantages of the Company in terms of ESG. We will continue to deepen and improve the relevant systems and measures, and explore potential opportunities including green finance under the green and low carbon trend. For example, in order to further improve the ESG data management system, we are planning to set up a comprehensive ESG cloud data information management platform to regularly collect ESG-related data, and track and supervise the sustainable development of the Group through data analysis and artificial intelligence technology as well as horizontal and vertical comparisons of ESG performance.



# 08 COMPLIANCE





## 8. COMPLIANCE

### 8.1 RISK MANAGEMENT

As an integrated natural gas provider and operator focusing on the midstream and downstream development of the natural gas industry chain, we offer a diverse and comprehensive business that exposes each operating segment to varying degrees of risk. We value the stakeholders' interests and has consistently exerted efforts to avoid any significant risk to our stable business development that may lead to loss of stakeholders' interests. The Group has compiled the Comprehensive Risk Management Provisions (《全面風險管理規定》) to establish a sound and comprehensive risk management system in accordance with the relevant laws and regulations of the PRC taking into account the actual business conditions of Beijing Gas Blue Sky. In our daily production and operation activities, we implement the basic process of risk management and collect, identify and evaluate potential risks in advance to develop and implement risk management strategies and solutions. In addition, we continuously monitor and improve the entire closed-loop risk management process to avoid different risks as much as possible.

#### Sound Corporate Governance

A good corporate governance structure system is key to the resilient development of the Company. Beijing Gas Blue Sky has a sound governance structure. The Board established a development strategy for the Company by setting and reviewing the strategic direction of the Group's business and management performance, establishing and implementing an effective risk assessment, control and management framework, as well as formulating the corporate governance policies and practices, and reviewing such policies and practices in a timely manner.

#### *Effectiveness of the Board of Beijing Gas Blue Sky*

##### Board independence

- The Board consists of three independent non-executive Directors, representing 38% of number of Directors.
- The position of chairman of the Board and chief executive officer (CEO) are held by different individuals. The chairman takes lead of the Board to ensure the operation of the Board, while the chief executive officer (CEO) is responsible for business, operation and daily management of the Group.
- The Company confirms that each independent non-executive Director complies with the independence guidelines under Rule 3.13 of the Listing Rules.

##### Board diversity

- The "Board Members Diversity Policy" has been developed.
- The Board members are appointed based on merit to ensure they provide balanced skills, experience and diverse perspectives required by the Group.
- When nominating candidates, the Nomination Committee takes multiple factors into consideration, including but not limited to gender, age, cultural and educational background, professional experience, skills, expertise and length of service.
- The Nomination Committee conducts regular reviews on the implementation of the Board diversity.

##### Board involvement

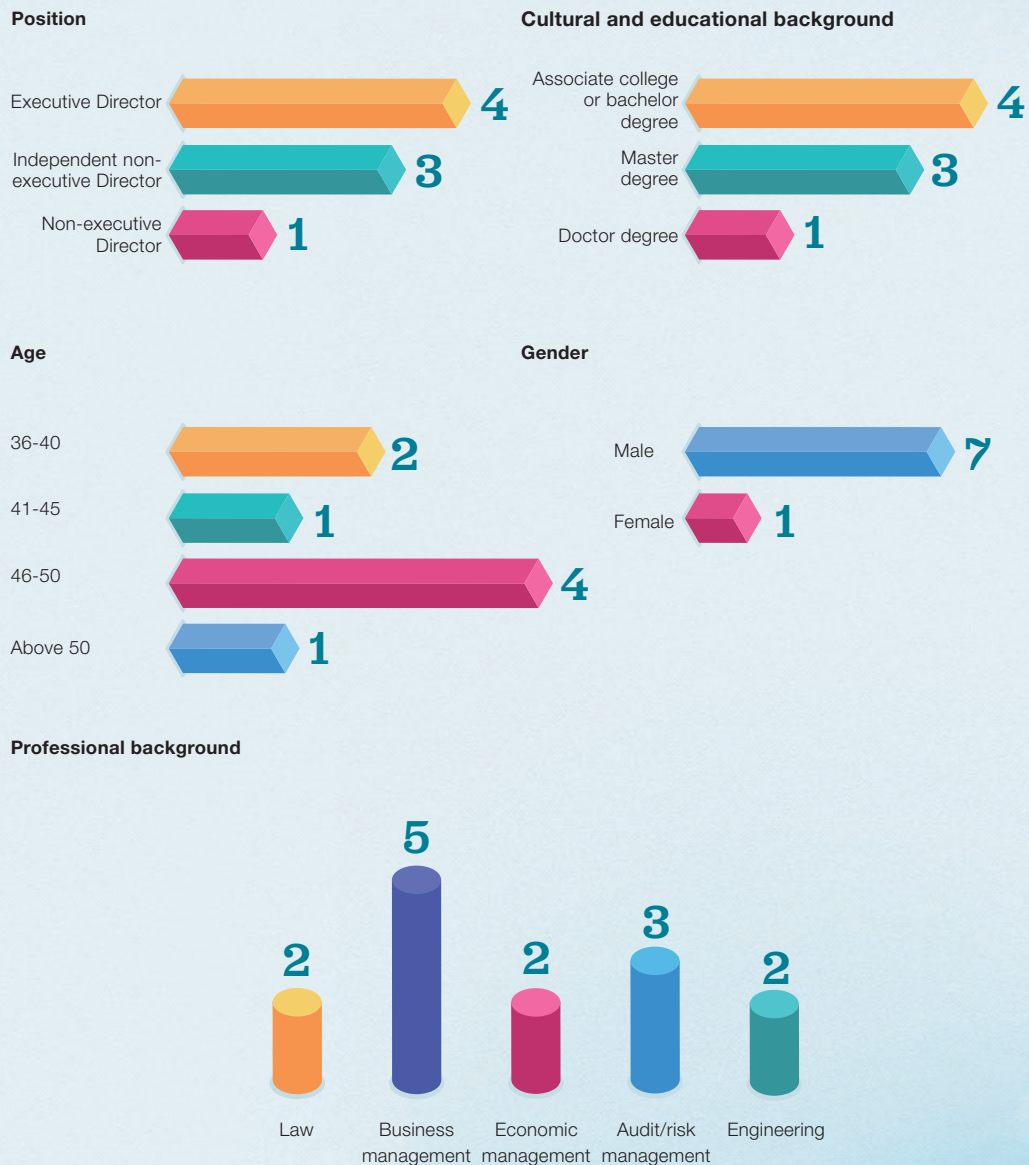
- A total of four Board meetings were held in 2023.
- Organisation of the training on the ESG issues for the Directors.



## 8. COMPLIANCE

We have formulated the “Board Members Diversity Policy” as a token of our position to uphold the principle of “meritocracy”. In order to achieve diversity, the Company takes many factors into account when considering the composition of the Board, including but not limited to gender, age, cultural and educational background and professional background, and will prioritize the benefits of diversity of the board based on objective criteria.

### Data Showing Diversity of the Board of Beijing Gas Blue Sky\*



\* Data as at 27 March 2024

## 8. COMPLIANCE

### Sound Risk Management System

On the premise of maintaining its operating activities in strict compliance with laws and regulations, Beijing Gas Blue Sky has constantly improved and enhanced the risk management system, which aimed at controlling risks to an appropriate extent that is compatible with Beijing Gas Blue Sky's strategic objectives and operational management goals and enhancing the efficiency and effectiveness of operational management. We aim to achieve risk control with reliable and timely internal and external information communication by taking no systematic and disruptive risk events as the baseline.

In order to effectively control the operating risks, we have established "Three Lines of Defence in Risk Management" under the leadership of the Board and carry out functional division for each line of defence to ensure the efficient and effective risk management.



The procedure for risk assessment is as follows:





## 8. COMPLIANCE

We assist the Board in identifying the Group's significant safety risks, including ESG-related risks such as product safety, through the comprehensive risk management mechanism. We have formulated countermeasures in response to identified risks to promote the sustainable and high-quality development of the business. For details, please refer to the section headed "Corporate Governance Report" in the annual report for the Year. The Compliance Committee has been given authority by the Group to identify, assess, review, and manage major ESG-related risks and opportunities. The Board will also establish and supervise the ESG risk management and internal control system and improve the ESG risk management system continuously in order to identify risks in a timely manner and formulate corresponding measures, thus enhancing the Group's risk management capacities steadily.

### Case Study : Establishment of the Leading Group for the Construction of Legal Corporate Governance

In order to effectively strengthen the organization and leadership function in the Group's development of rule-of-law system and promote the smooth implementation of various construction work in corporate rule-of-law system development, we have established a leading group dedicatedly for the development of the Company's corporate rule-of-law system, which is responsible for making strategic deployment for the development of corporate rule-of-law systems of state-owned enterprises, and for reviewing the Company's work programs for rule-of-law system development and its annual rule-of-law work plans and for supervising the advancement and implementation thereof. We are committed to comprehensively improving the Company's corporate governance capability in accordance with law and implement the operational philosophy of decision-making, operations and management in accordance with law.

## 8. COMPLIANCE

### Sound Internal Audit System

Beijing Gas Blue Sky aims to promote a higher level of internal control, establish a scientific and effective internal supervision system, thus further improving corporate governance. We have formulated the “Management System for Internal Audit Work” to promote the systematization and standardization of internal audit and supervision, improve the quality of internal audit work, improve operation management and avoid risks in accordance with the relevant laws and regulations including, amongst others, the Audit Law of the People’s Republic of China (《中華人民共和國審計法》), the Regulation on the Implementation of the Audit Law of the People’s Republic of China (《中華人民共和國審計法實施條例》), the Regulations of the National Audit Office on Internal Auditing (《審計署關於內部審計工作的規定》) and the Rules for Internal Auditing of the People’s Republic of China (《中國內部審計準則》).

During the Year, in order to further strengthen the corporate rule-of-law system development and compliance management, improve the risk control system and enhance the Company’s operational compliance level comprehensively on an ongoing basis, we have incorporated the original compliance functions of the audit and supervision department into the legal affairs department, and changed the legal affairs department into the legal compliance department, and added into it functions of compliance management, corporate rule-of-law system development, legal risk prevention, conduct and behavior related complaints, information disclosure and tendering management. The legal compliance department is responsible for formulating and implementing corporate compliance management work plans, establishing a compliance management system, and organizing self-examination of illegal operations and investments. The Audit Committee has been given authority by the Board to guide, evaluate and supervise the audit, investigation and evaluation improvement work of the audit and supervision department. The Compliance Committee, established by the resolution of the Board, is mainly responsible for formulating and monitoring the Group’s policies and practices for compliance with legal and regulatory requirements. Through the integration and improvement of departmental functions, the Audit Committee is fully responsible for the prevention and management of legal risks, ensuring the realization of the Company’s strategic objectives and promoting the Company’s sustainable, stable and healthy development.



### 8.2 BUSINESS ETHICS

Integrity, self-discipline, and compliance with laws and regulations are important cornerstones of Beijing Gas Blue Sky's fundamental growth. We abide by the code of business conduct, carry out lawful operations and create a cultural atmosphere of integrity and honesty in strict compliance with laws and regulations such as the Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》), the Supervision Law of the People's Republic of China (《中華人民共和國監察法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》), and Hong Kong's Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong), Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, Companies Ordinance, Securities and Futures Ordinance, and Code on Takeovers and Mergers and Share Buy-backs.

#### Anti-corruption

Beijing Gas Blue Sky steadily implements the integrity building system and continues to carry out anti-corruption measures. We have formulated the Rules of the General Committee of the Communist Party of China on Issuing the Measures on Integrity Practice of Employees with Business Discretions (《中共總支部委員會關於印發有業務處置權員工廉潔從業若干規定》) and the Implementation Rules of the General Committee of the Communist Party of China on Issuing of the Measures on the Implementation of the Main Responsibility of the Party Organization and the Supervisory Responsibility of the Discipline Inspection Institution for the Implementation of the Party Integrity Construction Responsibility System (《中共總支部委員會關於印發關於落實黨風廉政建設責任制黨組織主體責任和紀檢組織監督責任的實施細則》) in accordance with the Code of Integrity and Self-discipline (《廉潔自律準則》) and the Regulations on Internal Oversight (《黨內監督條例》) to prohibit any violation of integrity discipline, the use of power for personal gain, corruption and bribery, corruption and decadence, etc. The discipline inspection institution conducts regular supervision and inspection, strengthen the integrity inspection and reports regularly to the party organization at the same level and to the higher-level discipline inspection institution. It has zero tolerance for corruption and bribery and strives to create a good anti-corruption atmosphere.

Beijing Gas Blue Sky adheres to the concept of anti-corruption and advocating and cultivating integrity. In order to create a corporate culture of integrity and compliance with laws and regulations, and maintain an honest and integrity business environment, we continue to strengthen anti-corruption, advocacy and cultivation integrity education and training, including various forms of anti-corruption publicity, education and training to achieve the organic combination of integrity education and professional training. For example, we have carried out occupational crime risk warning and anti-fraud training, which includes the concept of occupational crimes, types, its constitution and typical case analyses to warn against the relevant employees and eliminate any corruption and fraud in order to strengthen the professional awareness of middle and senior employees on anti-fraud, anti-money laundering and other aspects. In 2023, our Directors received a total of 28 hours of anti-corruption training, and our employees received a total of 84 hours of training to promote a concept of "everyone shall be responsible for integrity building" and deepen the construction of integrity. During the Year, we did not have any corruption proceedings.

## 8. COMPLIANCE

### Strict Discipline Inspection Whistleblowing Mechanism

As a group that advocates integrity, we uphold the highest standards of openness, integrity and accountability and has formulated the Whistleblower Policy (《舉報政策》), which provides comprehensive whistleblowing channels and guidelines. Whistleblowers may report by the following methods when any employee or third party is suspected of serious fraud, malpractice, violation or misconduct.

E-mail for reports: [jjjian@bgbluesky.com](mailto:jjjian@bgbluesky.com)  
Mailbox for reports: 3/F, Tower 5, Jiaobao Center,  
59 Huagong Road, Chaoyang District, Beijing  
Beijing Gas Blue Sky Audit and Supervision Department



The Group encourages and assists whistleblowers to disclose possible fraud, corruption, bribery and other serious malpractices inside and outside the Company, and strictly keeps whistleblowers' information confidentially. We are committed to protecting the privacy and interests of whistleblowers. We also protect them from unfair dismissal, harm or unreasonable disciplinary action to resolutely prevent retaliation even if the allegations are not substantiated. The Audit and Supervision Department is responsible for monitoring and implementing the normal operation of the Whistleblower Policy, while the Compliance Committee is responsible for monitoring and reviewing the effectiveness of the Whistleblower Policy and the actions taken as a result of whistleblower investigations.

### Compliance Training and Education

The Group adheres to laws and regulations in every aspect of its operations. In order to implements the concept of legal and compliant operations and regulate and reduce the risk of impact on the business of Beijing Gas Blue Sky and its affiliated investment enterprises due to changes in laws and regulations in the course of operation, we actively enhance the legal awareness and consciousness of our employees and have put forward the Administrative Measures for Training, Publicity and Implementation of Laws and Regulations (《法律法規培訓、宣貫和落實管理辦法》), which standardizes the understanding, training, publicity and implementation of Beijing Gas Blue Sky on the changes and updates of laws, regulations, legal standards and relevant policies and implements works on management. The legal compliance department regularly organizes training on basic knowledge of laws and regulations and assesses or surveys the completion rate of employees' enhanced awareness of laws and regulations and other laws as well as its effectiveness by means of online questionnaires or other forms. Any updates to laws and regulations will be announced and published via emails or in the regulation section of our internal portal.



## 8. COMPLIANCE

### Case Study : Organization of Training on “Connected Persons” under the Listing Rules

In order to further strengthen the listing compliance management of Beijing Gas Blue Sky, we organized and conducted training on “connected persons” under the Listing Rules. The training explained the definitions of “connected transactions” and “connected persons”, and also provided cases of disciplinary sanctions related to connected transactions, deepening relevant employees’ understanding of the Listing Rules and enhancing employees’ awareness of listing compliance more effectively.

### Case Study : Organization of Compliance Training on the Importance of Corporate Internal Controls for the Directors and the Employees

Beijing Gas Blue Sky attaches great importance to compliance work and accordingly invited internal control consultants to provide online and offline training to the Directors, the management team and the employees of the Company. The training not only introduced the internal control-related requirements of the Hong Kong Listing Rules and the connection between corporate governance and the ESG, but also explained the risk management and internal control systems and the Whistleblower Policy and systems, and explained the risk assessment, control and supervision of the COSO internal control framework. The training is designed to promote all employees to continuously improve their compliance level from work details, and always remember to strictly abide by relevant laws and regulations.

### Case Study : Organization of Centralized Study and Training on the Company’s Illegal Operation and Investment Accountability System



In order to further standardize operation and investment activities and achieve the preservation and appreciation of state-owned assets, Beijing Gas Blue Sky organized system study and training on the Company’s illegal operation and investment accountability system for the Company’s management team, middle management at the headquarters and members of all affiliated units. The training, focused on the core content of the system and integrated with warning education cases, is aimed to clarify to decision-making bodies at all levels the accountability system

and working mechanism of Beijing Gas Blue Sky against illegal operation and investment, so as to ensure that the accountability for illegal operation and investment is rule-based, standardized and orderly, guiding employees to develop an awareness of responsibility and risk, thus effectively improving the operational compliance level of Beijing Gas Blue Sky.

## 8. COMPLIANCE

### Network Security and Data Management

Beijing Gas Blue Sky attaches great importance to network security and proper data management. In order to continuously strengthen and standardize informatization building for improving efficiency and management levels, the Company has formulated relevant internal documents such as the Information Security Management Regulations (《信息化安全管理規定》) and the Operation Guidelines for Data Backup and Disaster Recovery Contingency Plan (《數據備份及災難恢復應急預案作業指引》), which established a management mechanism for information technology management with unified management, segmented responsibility, joint collaboration and individual accountability, and clarified the division of labor and responsibilities for information management, server room management, computer and network equipment management, information system management, network security management, data security management, etc.

To ensure network and data security, Beijing Gas Blue Sky has enabled the IPv6 protocol to connect to the network and standalone servers during the year. As IPv6 uses end-to-end data transmission encryption, man-in-the-middle attacks (MITM) can be greatly reduced, and the use of a dedicated server can reduce the influence of other users on the shared server and eliminate unknown security risks, and at the same time, it can monitor the signs of DDoS attacks, improve website security and optimize the speed and performance of the website. We will continue to invest in network security and reinforce the network of our information technology system in order to continuously improve the standard of our network security. During the Year, the Group also conducted annual network security attack and defense drills and was on duty to monitor network security and report daily on the operation of the business system, successfully completing the network security protection with zero security incident to safeguard the network information security requirements and business management needs of the Company.

#### Case Study Concerned About Mailbox Network Security Protection

The Group is always concerned about the current situation and trend of network security. In early 2023, we observed frequent activities from overseas hacker groups, which attempted to steal sensitive information by means of attacks and counterfeiting, etc. Therefore, we have specially reminded each of our subsidiaries to strengthen their own network security protection, organize the investigation of network security risks, security reinforcement, monitoring and handling of the mail system in order to strictly prevent all kinds of network attacks, and enhance the protection strategy of the mail system to block all kinds of malicious mails and malware programs, and encourage the strengthening of employees' education on network security and confidentiality to enhance their awareness of security precautions. The Company prohibits the storage and transmission of classified and sensitive contents in mailboxes, so as to strictly prevent the occurrence of incidents of loss and leakage of confidentiality.



## 8. COMPLIANCE

In addition to the optimization of computer networks and servers, the Group has measures and regulations in place to prevent data leakage. The Group's confidential data stored in the Company are strictly prohibited from lending, and relevant computer files and data are encrypted to ensure all data including consumer information are properly protected. At the same time, we arrange specialized personnel to be responsible for backup management, check the data backup status of the system on a monthly basis to ensure that the data backup is completed properly to prevent data loss due to hardware failure, unexpected power failure, computer viruses, etc., and also explain data backup management and disaster recovery contingency plans to ensure reasonable storage of historical data and guarantee data security.

At the same time, we continued to carry out informatization exercises and implemented various systems and equipment optimization. During the Year, we optimized 102 process forms under 10 categories of the OA system, which effectively enhanced the management level and work efficiency of the Company. In addition, in order to enhance meeting efficiency and work efficiency, the Group completed the building of a multimedia conference system, and upgraded and replaced some old computer equipment to improve the work efficiency of office staff.



In addition, the Group opposes any infringement of the intellectual property rights of third parties and insists on the lawful use of operating systems, databases, tools and software used in the development, testing and operation environment of information system. In addition, we have stipulated in our staff handbook that any employee who infringes on the Company's intellectual property rights or supports, assists or facilitates such infringement by others will be regarded as a serious breach of regulations and will be subject to disciplinary action.

\* For identification purposes only

## APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Compliance operation	Hong Kong, China	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》)
		The Companies Ordinance (《公司條例》)
		Companies (Non-Hong Kong Companies) Regulation (《公司 (非香港公司) 規例》)
		Non-Hong Kong Companies (Disclosure of Company Name, Place of Incorporation and Members' Limited Liability) Regulation (《非香港公司 (披露公司名稱、成立為法團所在地方及成員的有限法律責任) 規例》)
		Inland Revenue Ordinance (《稅務條例》)
		Business Registration Ordinance (《商業登記條例》)
		The Securities and Futures Ordinance (《證券及期貨條例》)
		The Codes on Takeovers and Mergers and Share Buy-back (《公司收購、合併及股份購回守則》)
		The Prevention of Bribery Ordinance (《防止賄賂條例》)
		Mainland China
The Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)		
The Supervision Law of the People's Republic of China (《中華人民共和國監察法》)		
The Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》)		
Employment	Hong Kong, China	The Employment Ordinance (《僱傭條例》)
		The Employees' Compensation Ordinance (《僱員補償條例》)
		The Mandatory Provident Fund Schemes Ordinance (《強制性公積金計劃條例》)
Mainland China	Mainland China	The Labor Law of the People's Republic of China (《中華人民共和國勞動法》)



## APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Work environment and occupational health management	Hong Kong, China	The Occupational Safety and Health Ordinance (《職業安全及健康條例》)
	Mainland China	The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)
		The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)
		The Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》)
		The Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents (《生產安全事故報告和調查處理條例》)
		The Measures on Administrative Penalties against Illegal Acts Concerning Work Safety (《安全生產違法行為行政處罰辦法》)
		The Special Equipment Safety Law of the People's Republic of China (《中華人民共和國特種設備安全法》)
		The Regulations on Safety Supervision over Special Equipment (《特種設備安全監察條例》)
		The Administrative Regulations on the Work Safety of Construction Projects (《建設工程安全生產管理條例》)
		The Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》)
		The Road Traffic Safety Law of the People's Republic of China (《中華人民共和國道路交通安全法》)
		The Regulation of the People's Republic of China on Road Transport (《中華人民共和國道路運輸條例》)
		Administrative Measures for Business Permits for the Operation of Hazardous Chemicals (《危險化學品經營許可證管理辦法》)

## APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Product responsibility	Mainland China	The Oil and Natural Gas Pipeline Protection Law of the People's Republic of China (《中華人民共和國石油天然氣管道保護法》)
		The Urban Gas Management Regulations (《城鎮燃氣管理條例》)
		The Administrative Measures for the Franchise Operation of Municipal Public Utilities (《市政公用事業特許經營管理辦法》)
		The Administrative Measures for Infrastructure and Public Utilities Concession (《基礎設施和公用事業特許經營管理辦法》)
		The Administrative Measures for Verification of Working Measuring Instruments subject to Compulsory Verification (《強制檢定的工作計量器具檢定管理辦法》)
		The Price Law of the People's Republic of China (《中華人民共和國價格法》)
		The Measures for Hearings of Government Price Decisions (《政府價格決策聽證辦法》)
		The Central Pricing Catalogue (《中央定價目錄》)
		The Measures for the Supervision and Examination of Prices and Costs Formulated by the Government (《政府制定價格成本監審辦法》)
		The Measurement Law of the People's Republic of China (《中華人民共和國計量法》)
Intellectual property protection	Hong Kong, China	The Trade Marks Ordinance (《商標條例》)
		The Prevention of Copyright Piracy Ordinance (《防止盜用版權條例》)
		The Patents Ordinance (《專利條例》)
	Mainland China	The Patent Law of the People's Republic of China (《中華人民共和國專利法》)



## APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Emissions management	Mainland China	The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)
		The Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》)
		The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)
		The Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)
		The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)
		The Law of the People's Republic of China on Promoting Clean Production (《中華人民共和國清潔生產促進法》)
Resource usage	Mainland China	The Regulation on Energy Conservation in Civil Buildings (Draft) (《民用建築節能條例(草案)》)

# APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs	Strategies by Beijing Gas Blue Sky
 <p>1 NO POVERTY</p> <p>End poverty in all its forms everywhere</p>	<p>Beijing Gas Blue Sky upholds the service philosophy of “winning customers with warmth” and actively participates in social welfare services. We have formulated the Policy on Community Commitment, Sponsorship and Donation (《社區參與、贊助及捐贈政策》), committed to contributing to society and enthusiastically helping the disadvantaged and poor communities.</p>
 <p>2 ZERO HUNGER</p> <p>Achieve food security and end hunger and promote sustainable agriculture</p>	
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure and promote healthy lives and well-being for all at all ages</p>	<p>Beijing Gas Blue Sky cares about the physical and mental health of its employees, and promotes their awareness of health and wellness through various systems and a series of employee activities. We strive to create a safe and comfortable working environment for our employees.</p>
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p>We believe that employees of different levels and ages have equal opportunities for continuing education and lifelong learning. We provide internal and external training, on-the-job training, etc. to our employees in accordance with our internal Training Management Regulations of Beijing Gas Blue Sky (《北京燃氣藍天培訓管理規定》) to support their long-term learning and personal development in terms of skills and knowledge.</p>
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	<p>Beijing Gas Blue Sky adheres to the principle of equal employment and is committed to avoiding any form of discrimination in the recruitment and work process to ensure that female employees are given fair opportunities for promotion and personal career development. The proportion of female employees was 33.4% during the year.</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	<p>Understanding that construction projects may bring about water pollution, we have formulated the Administrative Measures on the “Three Simultaneous” in Construction Projects (《建設項目「三同時」管理辦法》) in order to meet the requirements of relevant national laws and regulations. Meanwhile, we strictly manage the discharge of sewage, domestic sewage will be discharged into the municipal sewage system after treatment, all sewage treatment procedures are in line with the requirements of environmental regulatory authorities, so that we can do our best to avoid water pollution and protect clean water resources.</p>



## APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

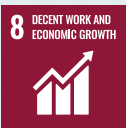
### SDGs

### Strategies by Beijing Gas Blue Sky



Ensure access to affordable, reliable, sustainable and modern energy for all

As a comprehensive clean energy supplier, Beijing Gas Blue Sky continues to explore and develop new energy projects with the aim of contributing to the low-carbon transformation of the society. During the Year, we signed strategic cooperation agreements with our strategic partners to actively develop new energy projects for a clean energy future.



Promote inclusive and sustainable economic growth and decent work for all

Beijing Gas Blue Sky cares about its employees and adheres to a people-oriented management philosophy, sticking to lawful employment, providing equal employment opportunities, and building an incentive salary system to provide employees with excellent welfare benefits.



Build resilient infrastructure, promote sustainable industrialization and foster innovation

The Group is committed to the development of new businesses such as energy digitization and intelligence as well as optimization of traditional energy. During the Year, we acquired project companies focusing on new energy business, which is conducting research in green energy and intelligent energy technologies to assist the Group in adopting and developing low-carbon technologies, and moving towards the transformation of energy digitization and intelligence.



Reduce inequality within and among countries

The gas pipeline networks of Beijing Gas Blue Sky is spread across a number of provinces, providing stable and reliable gas supply to different regions. In addition, we continue to promote project investment and construction, and indirectly facilitate the local infrastructure construction for natural gas construction projects, so as to achieve the social co-prosperity.



Make cities and countries inclusive, safe, resilient and sustainable





Beijing Gas Blue Sky is dedicated to providing a safe and stable gas supply. During the Year, we conducted safety inspections at 11 project companies, with a 99% completion rate of rectification of potential problems, striving to eliminate all potential problems in our gas pipeline network and working together to build sustainable cities and communities.



Promote green economy, ensure sustainable consumption and production patterns

We adhere to the principle of customer-oriented and listen carefully to customer needs. The customers can make a complaint by phone or through the Group's website if they have any problems, and we will start investigating and dealing with them immediately. We also have a customer return visit system to ensure high quality customer service and practice a responsible production mode.

## APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs	Strategies by Beijing Gas Blue Sky	
	<p>Perfect mitigation and adaptation actions to combat climate change and its impacts</p>	<p>As a clean energy operator, we not only provide natural gas as a cleaner energy source, but also actively develop new energy projects to reduce carbon emissions from energy use and help combat the climate crisis.</p>
	<p>Conserve and sustainably use the oceans and seas to ensure biodiversity and prevent environmental degradation</p>	<p>We strive to avoid damage to ecological resources. In accordance with the existing List of Systematic Management on Construction Projects Impact Assessment (《建設項目環境影響評價分類管理名錄》), we have commissioned technical units with corresponding qualifications to conduct an environmental impact assessment on construction projects in order to reduce the negative impacts on biodiversity.</p>
	<p>Protect and sustainable use of terrestrial ecosystems, ensure biodiversity and halt land degradation</p>	
	<p>Promote peaceful and inclusive societies, ensure equality in the administration of justice and build credible and inclusive systems</p>	<p>We attach great importance to operating in compliance with the law, strictly abide by the national laws and regulations on anti-corruption, anti-money laundering and anti-fraud, and have formulated a number of systems including Rules of the General Committee of the Communist Party of China on Issuing the Measures on Integrity Practice of Employees with Business Discretions (《中共總支部委員會關於印發有業務處置權員工廉潔從業若干規定》), to strictly prohibit any violation of the integrity discipline, the use of power for personal gain, corruption and bribery, corruption and degradation, etc. In 2023, the Group did not have any corruption, fraud and money laundering related proceedings.</p>
	<p>Build diverse partnerships for sustainable development</p>	<p>We are committed to working with our suppliers and other partners to build a responsible and sustainable supply chain, to minimize social and environmental risks along the supply chain and to ensure safe and reliable supply of natural gas.</p>



## APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
<b>A. Environmental Area</b>			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.2 Achieving Green Development
	A1.1	Types of emissions and respective emissions data.	7.2 Achieving Green Development
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and intensity.	7.2 Achieving Green Development
	A1.3	Total hazardous waste produced and intensity.	7.2 Achieving Green Development
	A1.4	Total non-hazardous waste produced and intensity.	7.2 Achieving Green Development
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	7.2 Achieving Green Development
	A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	7.2 Achieving Green Development
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Achieving Green Development
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total and intensity.	7.2 Achieving Green Development
	A2.2	Water consumption in total and intensity.	7.2 Achieving Green Development
	A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	7.2 Achieving Green Development
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	7.2 Achieving Green Development
	A2.5	Total packaging material used for finished products, and with reference to per unit produced.	Due to the nature of our business, no packaging materials have been used.

## APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	7.2 Achieving Green Development
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.2 Achieving Green Development
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.3 Responding to Climate Change
	A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	7.3 Responding to Climate Change
<b>B. Social Area</b>			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	7.1 Strengthening our Employment System
	B1.1	Total workforce by gender, employment type, age group and geographical region.	7.1 Strengthening our Employment System
	B1.2	Employee turnover rate by gender, age group and geographical region.	7.1 Strengthening our Employment System



## APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	5.2 Occupational Health
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Occupational Health
	B2.2	Lost days due to work injury.	5.2 Occupational Health
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2 Occupational Health
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.1 Strengthening our Employment System
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.1 Strengthening our Employment System
	B3.2	The average training hours completed per employee by gender and employee category.	7.1 Strengthening our Employment System
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.	7.1 Strengthening our Employment System
	B4.1	Description of measures to review employment practices to avoid child and forced Labor.	7.1 Strengthening our Employment System
	B4.2	Description of steps taken to eliminate such practices when discovered.	7.1 Strengthening our Employment System

## APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.3 Supply Chain Management
	B5.1	Number of suppliers by geographical region.	5.3 Supply Chain Management
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.3 Supply Chain Management
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.3 Supply Chain Management
	B5.4	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.3 Supply Chain Management
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	5.1 Safe and Quality Production 8.2 Business Ethics
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Safe and Quality Production
	B6.2	Number of products and service related complaints received and how they are dealt with.	6.1 Customer-oriented Services
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	8.2 Business Ethics
	B6.4	Description of quality assurance process and recall procedures.	5.1 Safe and Quality Production
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	8.2 Business Ethics	



## APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	8.2 Business Ethics
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	8.2 Business Ethics
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	8.2 Business Ethics
	B7.3	Description of anti-corruption training provided to directors and staff.	8.2 Business Ethics
B8: Community Investment	General Disclosure	Policies on community engagement to understand and the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.2 Practicing Social Responsibility
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sports).	6.2 Practicing Social Responsibility
	B8.2	Resources contributed to the focus area.	6.2 Practicing Social Responsibility

## APPENDIX IV: GRI CONTENT INDEX

**Instruction for Use** Beijing Gas Blue Sky Holdings Limited has reported the information cited in this GRI content index with reference to the GRI Standards, with the reporting period covering from 1 January 2023 to 31 December 2023.

**GRI 1 used** GRI 1: Foundation 2021

GRI Standard	Disclosure	Location in the Report
GRI 2: General Disclosures 2021	2-1 Organizational details	3. About Beijing Gas Blue Sky
	2-2 Entities included in the organization's sustainability reporting	1. About This Report
	2-3 Reporting period, frequency and contact point	1. About This Report
	2-4 Restatements of information	1. About This Report
	2-6 Activities, value chain and other business relationships	1. About This Report
	2-7 Employees	7.1 Strengthening our Employment System
	2-9 Governance structure and composition	4.2 Sustainability Management System
	2-10 Nomination and selection of the highest governance body	8.1 Risk Management/ 2023 Annual Report
	2-11 Chair of the highest governance body	8.1 Risk Management/ 2023 Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	4.2 Sustainability Management System
	2-13 Delegation of responsibility for managing impacts	4.2 Sustainability Management System
	2-14 Role of the highest governance body in sustainability reporting	4.2 Sustainability Management System
	2-15 Conflicts of interest	8.2 Business Ethics/ 2023 Annual Report
	2-16 Communication of critical concerns	7.1 Strengthening our Employment System
	2-17 Collective knowledge of the highest governance body	4.2 Sustainability Management System



## APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
	2-22 Statement on sustainable development strategy	4.2 Sustainability Management System
	2-26 Mechanisms for seeking advice and raising concerns	6.1 Customer-oriented Services 7.1 Strengthening our Employment System
	2-27 Compliance with laws and regulations	7.1 Strengthening our Employment System 7.2 Achieving Green Development 8.2 Business Ethics
	2-28 Membership associations	4.3 Communication with Stakeholders
	2-29 Approach to stakeholder engagement	4.3 Communication with Stakeholders
GRI 3: Material Topics 2021	3-1 Process to determine material topics	4.4 Materiality Assessment
	3-2 List of material topics	4.4 Materiality Assessment
	3-3 Management of material topics	4.4 Materiality Assessment
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report 2023
	201-2 Financial implications and other risks and opportunities due to climate change	7.3 Responding to Climate Change
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	8.2 Business Ethics
	205-3 Confirmed incidents of corruption and actions taken	8.2 Business Ethics

## APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 302: Energy 2016	302-1 Energy consumption within the organization	7.2 Achieving Green Development
	302-3 Energy intensity	7.2 Achieving Green Development
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	7.2 Achieving Green Development
	303-2 Management of water discharge-related impacts	7.2 Achieving Green Development
	303-3 Water withdrawal	7.2 Achieving Green Development In this Report, water withdrawal refers to 'water consumption', representing the amount of water we received from municipal services and directly used in our operations. The water resources for each project mainly sourced from the municipal water supply system of the city where it is located. Specific sources of water resources, such as surface water or groundwater, are not applicable.
	303-4 Water discharge	7.2 Achieving Green Development Wastewater generated from each project was transported to the municipal wastewater system of the city where it is located for discharge.
	303-5 Water consumption	7.2 Achieving Green Development



## APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	7.2 Achieving Green Development
	305-2 Energy indirect (Scope 2) GHG emissions	7.2 Achieving Green Development
	305-4 GHG emissions intensity	7.2 Achieving Green Development
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	7.2 Achieving Green Development
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	7.2 Achieving Green Development
	306-2 Management of significant waste-related impacts	7.2 Achieving Green Development
	306-3 Waste generated	7.2 Achieving Green Development
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.3 Supply Chain Management
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	7.1 Strengthening our Employment System
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.1 Strengthening our Employment System

## APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.1 Safe and Quality Production	
	403-2 Hazard identification, risk assessment, and incident investigation	5.2 Occupational Health	
	403-3 Occupational health services	5.1 Safe and Quality Production	
	403-5 Worker training on occupational health and safety	5.2 Occupational Health	
	403-6 Promotion of worker health	5.2 Occupational Health	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2 Occupational Health	
	403-9 Work-related injuries	5.2 Occupational Health	
	GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	7.1 Strengthening our Employment System
		404-2 Programs for upgrading employee skills and transition assistance programs	7.1 Strengthening our Employment System
404-3 Percentage of employees receiving regular performance and career development reviews		7.1 Strengthening our Employment System	



## APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.2 Sustainability Management System ..... 7.1 Strengthening our Employment System
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	7.1 Strengthening our Employment System
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.3 Supply Chain Management
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.1 Safe and Quality Production
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling ..... 417-2 Incidents of non-compliance concerning product and service information and labeling ..... 417-3 Incidents of non-compliance concerning marketing communications	6.1 Customer-oriented Services ..... 6.1 Customer-oriented Services ..... 6.1 Customer-oriented Services
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.1 Customer-oriented Services





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