



JIAXING GAS
GROUP CO., LTD.*

嘉興市燃氣集團股份有限公司

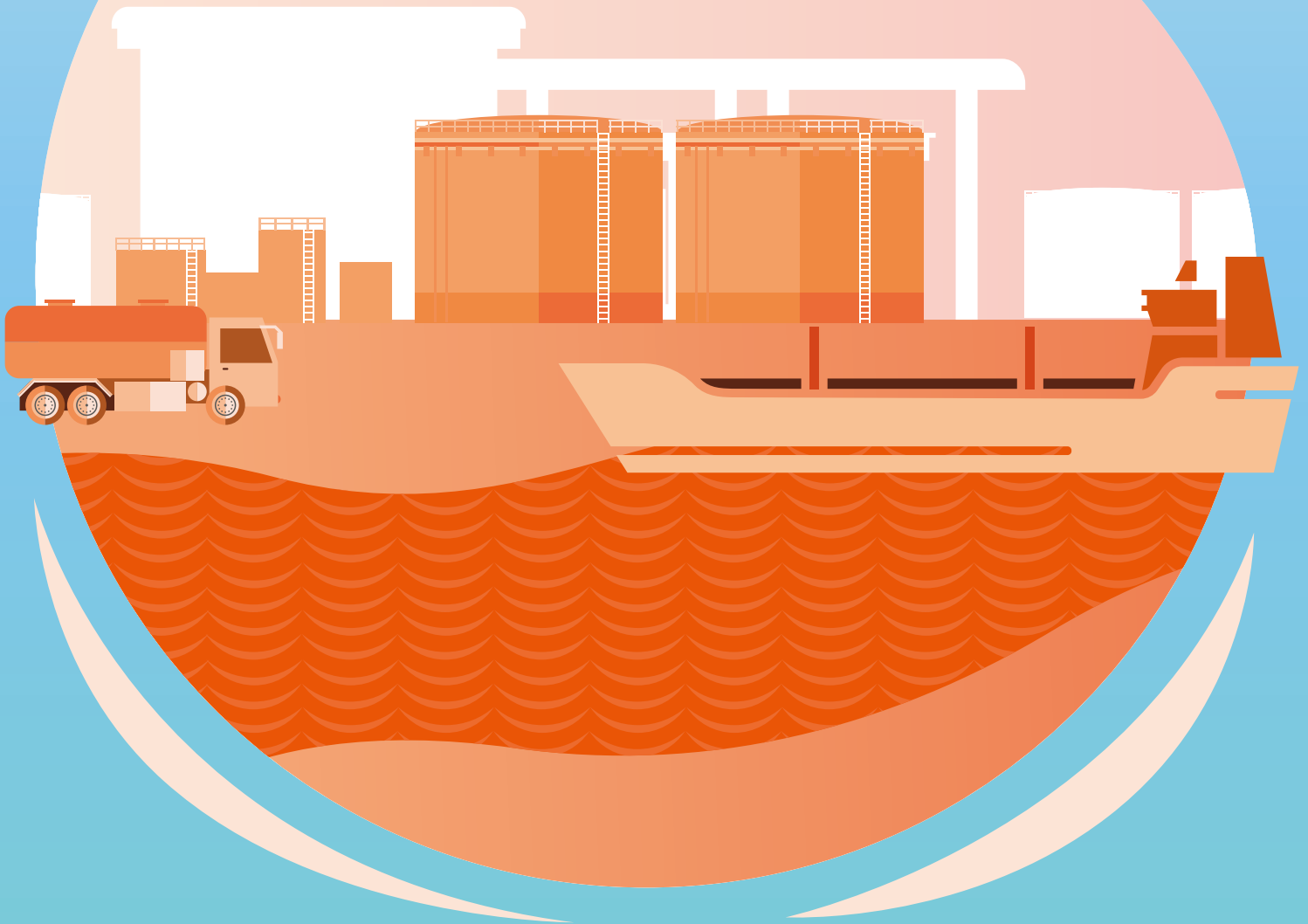
(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 9908

2023

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT**

** For identification purposes only*



CONTENTS

2	ABOUT THE REPORT
3	DIRECTORS' STATEMENT
4	MESSAGE FROM THE MANAGEMENT
6	ABOUT US
6	Business Overview
7	Industry Participation
7	Honorary Award
8	I. ESG MANAGEMENT
8	1.1 ESG Governance
9	1.2 Communication with Stakeholders
11	1.3 Materiality Assessment
13	II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION
13	2.1 Corporate Governance
14	2.2 Strengthen Risk Control
18	2.3 Promote the Construction of Integrity
19	2.4 Deepen Responsible Procurement
21	III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS
21	3.1 Stable Cornerstone of Safety
33	3.2 Safe Communities
37	3.3 Stable Gas Supply
40	3.4 Innovation-driven Development
43	3.5 High-quality Customer Service
49	IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET
49	4.1 Addressing with Climate Change
61	4.2 Ecological Protection
66	4.3 Efficient Resource Utilization
69	V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE
69	5.1 Retaining Talents with Attractive Remuneration
73	5.2 Retaining Talents with Career Prospect
78	5.3 Retaining Talents with Caring Relationship
82	VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY
82	6.1 Growth Together as guided by Party Building
86	6.2 Caring about People's Livelihood and Supporting Our Community
88	6.3 Donating with Love to Relieve Disaster Victims
89	6.4 Tree Planting for a Greener Planet
90	APPENDIX: HONG KONG STOCK EXCHANGE ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDELINES CONTENT INDEX

ABOUT THE REPORT

OVERVIEW

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

This report covers the ESG performance of the Group for the financial year from 1 January 2023 to 31 December 2023 (hereinafter referred to as the “**Reporting Period**”).

BASIS OF PREPARATION

This report has been prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “**Guide**”) as set out in Appendix C2 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) and based on the principles of “Materiality”, “Quantitative”, “Balance” and “Consistency”. And this report refers to the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

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

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

Balance: This report strives to achieve objective, fair and truthful disclosure and reflection of the Group’s performance of responsibilities in the environmental and social fields in 2023.

Consistency: We follow a consistent approach for disclosure statistics and maintain the same disclosure statistics for this report in respect of information previously disclosed in the Report for last year.

The content of this report is determined in accordance with a systematic procedure. The process includes identifying key stakeholders, identifying and ranking key ESG-related issues, determining the boundaries of ESG reports, collecting relevant materials and data, compiling reports based on the data, and reviewing the information and data contained in the report.

REPORTING SCOPE AND BOUNDARY

The policies, statements and data disclosed in this report cover the Group and its subsidiaries, and the scope of the Report is consistent with the 2023 Annual Report published on the same day.

DATA SOURCE

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

RELEASING FORMAT

This report is published in both Chinese and English. Where the English content conflicts with the Chinese content, the Chinese one shall prevail. Readers and stakeholders may access this report on the website of Jiaxing Gas (www.jxrqgs.com) and the Hong Kong Stock Exchange (www.hkexnews.hk).

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

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

As a leading pipeline natural gas (“**PNG**”) operator and based on stable and practical operating strategy, the Group strengthens its ability to secure gas supply, assists in the healthy and safe development of the industry and puts sustainability goals into practice in line with the industry trend and market dynamics. We adhere to the principle of low-carbon and green development as we accelerate our business structure optimization and upgrade and transformation, enhance competitive advantage, enrich carbon neutrality service businesses related to new energy, build a new environment for high-quality development and demonstrate our corporate social responsibilities and mission to meet the new needs of other stakeholders and the society for a better life. During the Reporting Period, the Group conducted survey on internal and external stakeholders, and based on the survey findings, we analyzed and assessed the materiality of topics to identify material ESG topics and provide reference for the Group’s ESG strategy as the focus of our work.

In 2023, the Group has prioritized the following ESG issues: corporate governance, gas safety & security, integrity and anti-corruption, employee health and safety, customer rights protection, employee rights and benefits, sustainable development governance, risk and crisis management and information security and privacy protection. The Group focuses on the above issues in daily work and pays attention to the improvement of relevant performance. Going forward, we will listen to the expectations and demands of various stakeholders, and in response we improve our operating and management capability and adjust sustainable development strategy in time to create a better future for the Group’s sustainable development.

This report discloses in detail the progress and achievements of Jiaxing Gas in ESG work in 2023 and was submitted by the ESG cross-department working group, considered and approved by the Board on 25 March 2024. All directors of the Board guarantee that the contents of this report do not contain any false records, misleading statements or material omissions and assume individual and joint responsibility for the truthfulness, accuracy and completeness of its contents.

MESSAGE FROM THE MANAGEMENT

In 2023, Jiaxing Gas continued to adhere to its mission of “developing pipeline gas supply and improving urban quality” (發展管道供氣、提高城市品位). The Company has strengthened the building of a team of talent under the Party’s leadership, promoted digital-driven intellectual gas construction, and leveraged its market leadership to accelerate user expansion. We have strengthened in-depth cooperation to win support from multiple parties, taken measures to improve the Company’s business management system, and promoted the healthy and safe development of the industry.

We are fully aware of our responsibility for sustainable development while achieving sustainable growth of the Company’s principal activity of urban gas supply. We will closely integrate ESG concepts with the Company’s strategic decisions, business operations and management. We actively practise the policy of “guaranteed gas supplies, quality services, intelligent innovation, green development and public services” in our daily business development, both for the Company’s long-term development and for society’s high-quality green development.

Guaranteed gas supplies. The safe and stable supply of gas is our greatest social responsibility to people’s livelihoods. Jiaxing Gas implements a safety responsibilities system for all employees to promote gas supply safety in a concrete and effective way. We attach importance to employees’ safety education and training. By organizing publicity and education activities and emergency drills, and through upholding a strong sense of red lines and bottom lines, the Company deploys, inspects and assesses work safety in alignment with its overall business development. We have been improving the level of safety management of urban gas supplies and continue to carry out the investigation and rectification of hidden hazards, safety supervision and inspection, assessment of work safety goals, accident prevention, and emergency response improvements. We have built a solid “firewall” of gas safety by building a wide network of households, industrial and commercial users, enterprises, schools, villages and communities for the conduct of safety inspections, safety lectures, gas safety publicity and general gas services. These activities aim to prevent and mitigate significant risks at their source, and to maintain the safety of people’s lives and property and the stability of society.

Quality services. Jiaxing Gas puts users at the core of our corporate values, and has implemented the service philosophy of “dedicated service, sincerity and warmth; smile, and joint construction of a harmonious society” (竭誠服務、真誠溫暖人心；微笑傳遞、共鑄和諧社會). Providing high-quality and efficient service, Jiaxing Gas enhances its users’ sense of fulfilment, well-being and safety. We take timely measures to root out user problems, perform safety inspections of gas equipment and facilities, carry out publicity and educational campaigns about gas use safety, and strive to ensure user safety and prevent accidents. The Company has developed and adopted a business management system, self-service machines, an “online business hall”, and other service platforms to significantly improve the efficiency of our services in relation to people’s livelihoods, to further optimize the business environment, and to improve user satisfaction.

Intelligent innovation. Jiaxing Gas has accelerated its digital transformation. We have increased investments in digital construction and initiated a succession of hardware and equipment digitalization with the aim of consolidating the safety foundation and improve our work efficiency, the business environment and our service quality. The Company continues to promote the construction of the information system and an integrated platform for scheduling. We have achieved an all-round intelligent security service management system based on “one network, one database, one platform” (一網一庫一平台), which fundamentally covers key control points such as LNG and LPG storage and distribution stations, the monitoring of the pipeline network under simultaneous construction, pipeline inspections, and other daily safety management processes. This helps build an intellectual gas system empowering safety management with advanced technologies and enhancing the ability to guarantee gas supply safety.

Green development. Jiaxing Gas is active in its response to the national calls for energy conservation and emissions reduction by incorporating the concept of green development into its corporate social responsibility system. This promotes a green office, comprehensively manages climate change risks, and aims for the green and safe supply of gas. The Company ensures that environmental protection efforts are practical and effective, and that its work contributes to the early achievement of the carbon peak and carbon neutrality (“**double carbon**”) goals. Apart from the growing sales of natural gas, the Company continues to broaden the sources of gas supplies and expand the market. We aim to diversify our lines of business, for example, by continuing to promote the landing of LNG projects, through comprehensive energy transformation, and with charging pile services. In addition to the great progress we have already made, we are shifting our focus towards the entire gas industry by actively participating in seminars and conferences organized by the China Gas Association, the Zhejiang Gas Association and the Jiaxing Gas Association, providing advice and suggestions for the development of the local and national gas industry to ensure the “voice of Jiaxing Gas” is heard.

Public services. Jiaxing Gas has always put “society at our heart” in the Company’s daily operations. Adhering to the core corporate value of being “virtuous, upright and committed” (厚德以正、擔當有為), Jiaxing Gas has initiated various public service activities including donations, pairing its staff members with the elderly in the community, and voluntary gas safety inspections. These initiatives allow us to fulfil our corporate social responsibilities, demonstrate our care and build a positive society through our small, good deeds, with our actions being highly recognized by national and local authorities. In recent years, the Company has won the honorary titles “National Civilized Unit”, “Gold Award of Red Cross Philanthropist & Meritorious Service” and “Model Unit of Corporate Culture Construction in Zhejiang province”.

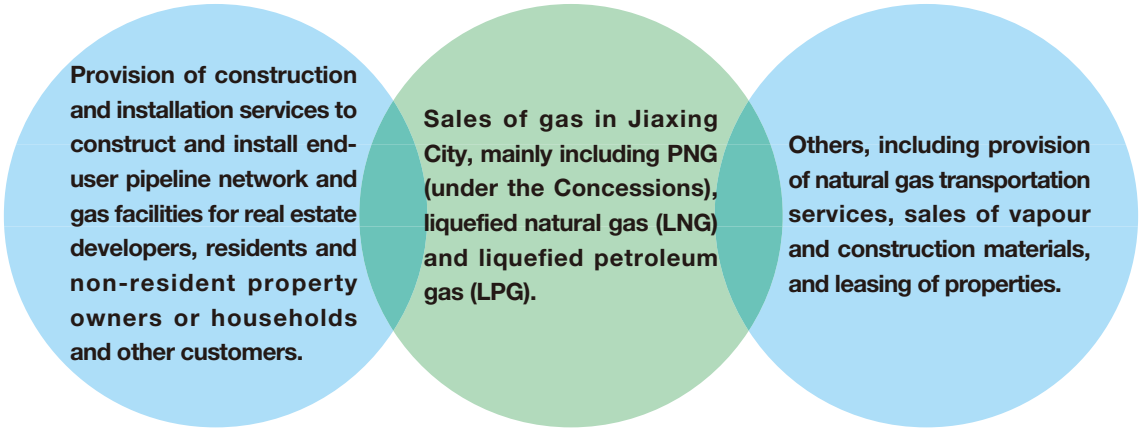
Going forward, the Group will focus on the developmental trends in the industry, anchoring the direction of our long-term progress and implementing ESG management in our daily operations. By adhering to the development principle of “being pragmatic and truth-seeking, pioneering and enterprising” (務實求真、開拓進取), we aim to empower the safe development of urban gas supplies through the innovative integration of technology and services. We will also strive to innovate and expand the application of clean energies and focus on the journey towards green, sustainable and high-quality development.

ABOUT US

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

BUSINESS OVERVIEW

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



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

INDUSTRY PARTICIPATION

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

HONORARY AWARD

In 2023, we won many honors and awards, which is the spur for the continuous progress of Jiaying Gas.

Award time	Awards	
2023	2023 A-level "Contract abiding and Creditworthy" Unit of Zhejiang Province	
2023	"Outstanding Counters" of Zhejiang Provincial Department of Construction	

I. ESG MANAGEMENT

Jiaxing Gas actively incorporates the concept of sustainable development into the Group’s strategic management, firmly rooted in every aspect of the business value chain, and keeps up with national strategic decisions and the implementation direction of the “dual carbon” target. We strive to implement energy conservation, emission reduction and carbon reduction work with a strong sense of responsibility and mission, and takes into account the economic growth of enterprises, the coordinated development of nature and society as we perform our social responsibilities. The Group adheres to the corporate philosophy of “safe gas supply, civilized service, standardized management and user satisfaction”, improves the enterprise management mechanisms and the quality of operation management and persists in building diversified communication mechanisms. We establish close contacts with stakeholders and maintain regular communication with them through various channels and methods to understand the demands and expectations of them regarding the Company’s environmental, social, and corporate governance aspects. We continuously create value for society, promote the continuous improvement of the environment, society, and governance work of the Group, and assist in the sustainable development of the Group.

1.1 ESG GOVERNANCE

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

The Board	Decision-making on the Group’s ESG strategy and annual work plan; Evaluate ESG performance and review ESG reports; Listen to the report of ESG cross-department working group
ESG Management – ESG cross departmental working group	Coordinate cooperation among various departments of the Company; Supervise and inspect ESG performance and related work progress; Regularly report to the Board and provide suggestions to improve the Group’s ESG performance
ESG Execution Level – Functional departments and subsidiaries	Responsible for ESG related specific work landing and implementation

Table: ESG Management Structure

1.2 COMMUNICATION WITH STAKEHOLDERS

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

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



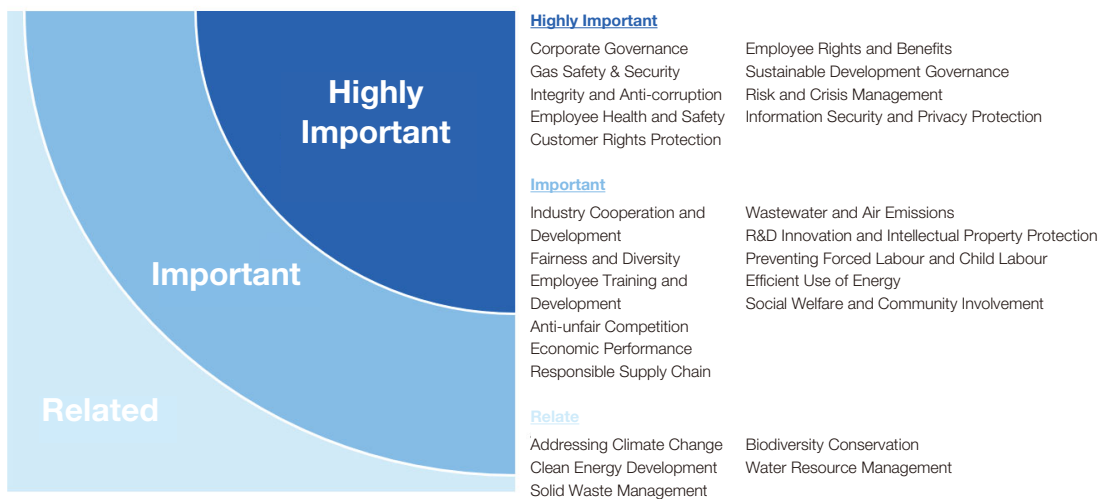
I. ESG MANAGEMENT

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

1.3 MATERIALITY ASSESSMENT

This year, we comprehensively considered national macroeconomic policy guidance, capital market focus, related standards of sustainable development report related standards, and excellent peer benchmarking analysis, based on the current development status and focus of the Company's efforts during the Reporting Period, and selected 25 topics to form the topic library. In 2023, we continued to deepen communication with internal and external stakeholders, collecting their views on ESG issues through questionnaires, conducting importance analysis and ranking from the two dimensions of importance to stakeholders and importance to business management, identifying important ESG issues for the Group, and disclosing them in the report.

2023 Materiality Metrics of ESG Issues of Jiaxing Gas



I. ESG MANAGEMENT

Response to the results of the materiality assessment in this Report

Category	Issues	2023			2022		Response of this report
		Issue Ranking	Importance	Ranking Changes	Ranking		
Governance	Corporate Governance	1	Highly important	–	Highly important	Corporate Governance	
Social	Gas Safety & Security	2		↑	Highly important	Stable Cornerstone of Safety Safe Communities Stable Gas Supply	
Governance	Integrity and Anti-corruption	3		–	Highly important	Promote the Construction of Integrity	
Social	Employee Health and Safety	3		↑	Highly important	Stable Cornerstone of Safety	
Social	Customer Rights Protection	5		↑	Highly important	Improve Service Quality	
Social	Employee Rights and Benefits	6		↑	Highly important	Retaining Talents with Attractive Remuneration	
Governance	Sustainable Development Governance	7		↓	Highly important	ESG Governance	
Governance	Risk and Crisis Management	8		↓	Highly important	Strengthen Risk Control	
Social	Information Security and Privacy Protection	9		–	Highly important	Protect Information Security	
Social	Industry Cooperation and Development	10	Important	↑	Important	Promoting Industry Development	
Social	Fairness and Diversity	11		↑	Important	Equal Employment Opportunity	
Social	Employee Training and Development	12		–	Important	Retaining Talents with Career Prospect	
Governance	Anti-unfair Competition	13		↑	Important	Promote the Construction of Integrity	
Governance	Economic Performance	13		↓	Highly important	Directors' Statement	
Social	Responsible Supply Chain	15		↓	Highly important	Deepen Responsible Procurement	
Environment	Wastewater and Air Emissions	16		↑	Important	Emission Management	
Social	R&D Innovation and Intellectual Property Protection	17		↑	Important	Innovation-driven Development	
Social	Preventing Forced Labour and Child Labour	18		–	Important	Equal Employment Opportunity	
Environment	Efficient Use of Energy	19		↓	Related	Efficient Resource Utilization	
Social	Social Welfare and Community Involvement	19		↑	Related	Harmonious Community and Inclusive Society	
Environment	Addressing Climate Change	21	Related	↓	Important	Addressing with Climate Change	
Environment	Clean Energy Development	22		↓	Important	Comprehensive Energy Transformation	
Environment	Solid Waste Management	23		↓	Important	Emission Management	
Environment	Biodiversity Conservation	23		↑	Related	Environmental Mitigation	
Environment	Water Resource Management	25		↓	Important	Water Resources Management	

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

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

President Xi Jinping of the People's Republic of China has regarded "Law-abiding operation is a major principle that any enterprise must abide by. Only by operating in accordance with the law and regulations can enterprises achieve stability and success." A man is only as good as his word, and so is an enterprise and even a country. As an important pillar of the market economy, credit is the cornerstone of high-quality and efficient operation for enterprises. Jiaxing Gas insists on doing our business with integrity, raising awareness of corporate responsibility and rule-abiding awareness, and anchors the overall requirements of compliance system with high-quality development, and solidifies the entire chain of compliance system with systematic thinking. We attach great importance to risk management and continuously establish and improve a risk control system to cope with the constantly changing market environment. We are also committed to establishing mutually beneficial and amicable cooperation relationship with our suppliers, so as to create a sustainable supply chain and ensure the steady development of the Group in the right direction.

2.1 CORPORATE GOVERNANCE

Jiaxing Gas adheres to the corporate philosophy of "safe gas supply, civilized service, standardized management and user satisfaction" while integrating our corporate social responsibilities with the strategy of corporate development and enhancing the robustness and effectiveness of corporate governance to pursue common prosperity of the enterprise and the society. We comply with the requirements of laws and regulations related to group governance, such as the Company Law of the People's Republic of China and the Hong Kong Stock Exchange Listing Rules, and have established an internal compliance system with a complete framework, clear logic, and complete system to ensure the good operation of enterprises, safeguard shareholder rights and protect the interests of investors.

The Board is the decision-making body for the operation and management of the Company, consisting of three specialized committees: the audit committee, the remuneration committee, and the nomination committee, serving as the supervisory and executive body in the governance structure. The Board provides guidance to the Company's management directly or through specialized committees, is responsible for formulating corporate development strategies, supervising group operations, and making reasonable risk decisions. The specialized committees are responsible for the daily operation of the Group and oversee the implementation of relevant decisions by the Board.

With respect to Board diversity, the Group adheres to the relevant provisions of the revised Corporate Governance Code of the Stock Exchange and adheres to the board diversity policy of the Board of Directors in the ESG diversification policy. Based on the business model and specific needs of the Group, we strive to promote the diversification, specialization, and balance of the Board from multiple perspectives such as gender, age, region, cultural background, educational background, professional qualifications, and industry experience, to effectively improve the decision-making level, comprehensive governance ability, and insight ability of the Board and lay the foundation for the stable development of the enterprise. The directors of the Group have rich industry experience and are proficient in the field of pipeline natural gas business. At the same time, they also have professional abilities in management and strategic development, finance, and accounting.

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

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

2.2 STRENGTHEN RISK CONTROL

We continue to lay a solid foundation for comprehensive risk management, adhere to a prudent and prudent risk management philosophy, and optimize the strength of enterprise risk identification and control. The Group actively promotes the establishment and continuous improvement of an effective comprehensive risk prevention and control system to address various internal and external risk factors. A risk identification and management team is established to evaluate, rectify, and supervise the Group's risks based on business and operational realities, ensuring the stability and sustainability of operations. At the same time, we establish a supervision and inspection mechanism, risk management assessment indicators and standards, regularly assess the risk management situation of each department, and incorporate risk management into the performance evaluation of the Group's monthly and annual assessments, motivating employees to actively participate in risk management, improving the Group's risk prevention and management level, and ensuring the stable operation and sustainable development of the Group.



Figure: Risk monitoring and inspection mechanism

We comprehensively identify the internal and external risks faced by the Company, further refine potential risk issues in daily operations, identify and evaluate risk points including operational risks, supply chain risks, price risks, compliance risks, health, safety and environmental risks, and financial risks, and carry out major hazard assessment and relevant emergency plans for various risk points, minimize the possibility of risk occurrence, continuously optimize and adjust risk management strategies and methods, improve the pertinence and effectiveness of risk management, and safeguard the healthy development of the Group. During the Reporting Period, the Group identified the following risks and took measures in response:

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

Risk type	Risk points	Countermeasures
Operational risk	Risk of water pressure test	<ul style="list-style-type: none"> Take safe and effective fixing and protection measures for the pressure testing pipeline and components before the hydrostatic test Conduct pressure tests on each pipeline circuit during the water pressure test, using each set of water distributors and collectors as a unit When there is a possibility of pipeline freezing in winter, reliable anti freezing measures should be taken. After the pressure test is completed, the water inside the pipeline should be blown clean and dried in a timely manner
	CNG business shrinkage risk	<ul style="list-style-type: none"> Actively layout and explore new energy businesses, including bus hydrogenation and charging station installation
	Construction quality risks	<ul style="list-style-type: none"> Improve and implement the engineering supervision system, attach importance to the supervision and management of the construction process, and strictly follow relevant quality and industry standards for construction
	Risk of Road Pipeline Crossing Construction	<ul style="list-style-type: none"> Conduct on-site surveys in advance to understand the geological conditions and distribution of underground pipelines in the construction area, and clarify construction plans, safety measures, and emergency plans
	Old equipment operation risks	<ul style="list-style-type: none"> Increase investment in safety, purchase advanced and practical technical equipment to improve the safe operation level of pipeline networks, and continuously improve emergency response technology in case of emergencies

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

Risk type	Risk points	Countermeasures
Supply chain risk	Risk of tight gas supply	<ul style="list-style-type: none"> Expand diversified gas source channels to increase supply, develop emergency plans for group supply assurance, optimize supply and demand structure and management strategies, and fully guarantee natural gas supply
Price Risk	Upstream gas price increase	<ul style="list-style-type: none"> Actively communicating with the government to strive for gas source prices and forming a positive interactive model Expanding the market and striving for users to increase gas consumption scale to reduce enterprise losses
Compliance Risk	Dangerous Goods Risk (LNG\LPG\CNG)	<ul style="list-style-type: none"> Develop special risk emergency plans, strengthen personnel safety education and emergency response skills training, in order to master various emergency response measures
	Social and livelihood risks	<ul style="list-style-type: none"> Strengthen the construction of gas pipelines and emergency gas storage facilities, carry out gas source supplementation and gas equipment inspection and maintenance work

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

Risk type	Risk points	Countermeasures
Environmental risks	Risk of transportation due to adverse weather conditions	<ul style="list-style-type: none"> • Pay close attention to weather trends, collect relevant information, and timely convey and remind relevant personnel • Carry out a comprehensive inspection before departure, and pay attention to observing various situations during the departure process • Develop special plans and strengthen emergency training to enhance the ability to respond quickly and handle various emergencies properly
Health and safety risks	High altitude operation risks	<ul style="list-style-type: none"> • Strengthen safety education and strictly implement safety operating procedures for high-altitude operations • Wear high-altitude ropes, safety belts, and helmets according to regulations, and regularly inspect and replace safety protective tools • Implement the approval process and system for high-altitude operations, conduct warning and isolation in the area below high-altitude operations, and assign a dedicated person to be responsible for warning work to prevent accidents caused by falling objects from high altitude
	Equipment lifting risk	<ul style="list-style-type: none"> • Define the construction operation radius on site, set up warning tapes, and assign dedicated personnel to command the operation
	Construction electricity risk	<ul style="list-style-type: none"> • Carry out education and training on electrical safety for construction personnel, ensuring that all relevant personnel have the necessary knowledge • Implement the situation of certified electricians on duty, strictly prohibit workers from connecting electricity without authorization and using electricity in violation of regulations • Strengthen electricity inspection work on construction sites
	Traffic accident risk	<ul style="list-style-type: none"> • Strictly abide by the Road Traffic Safety Law, do not exceed the speed limit, do not run red lights, and conduct annual vehicle and driver's license inspections according to the prescribed time
Financial risk	Exchange rate risks	<ul style="list-style-type: none"> • Establish a sound exchange rate risk management policy and system for the Group, prudently arrange and optimize the monetary structure of assets and liabilities

In 2023, the Group was not subject to significant risk events.

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

2.3 PROMOTE THE CONSTRUCTION OF INTEGRITY

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

The Group has incorporated fraud risk assessment into enterprise risk identification and assessment, continuously strengthening internal audit supervision, and promoting anti fraud systems, procedures, and related measures through various forms to ensure the legality and compliance of the Company’s various businesses and reduce fraud risks. We actively promote anti fraud education and publicity, carry out legal and regulatory education, and integrity education. We require management to lead by example and abide by the Company’s various systems, advocate for employees to resist the temptation of improper interests, and always maintain integrity, self-discipline, and self reflection. We standardize the construction of procedural systems, focusing on strengthening process supervision of key links, key areas, important positions, and risk monitoring points in production and operation management, and promptly correcting and improving potential risks and problems discovered. In addition, we insist on signing anti money laundering agreements with every partner, actively conveying the Group’s concept and practice of integrity to various stakeholders, and making the concept of integrity deeply rooted in people’s hearts.

In terms of anti-corruption, Jiaxing Gas will combine integrity and self-discipline with corporate legal education, and take multiple measures: Actively promote the signing of annual anti-corruption commitments; Convene an online publicity meeting on anti-corruption and promoting integrity, with the branch secretary taking the lead in giving party lectures; Integrate integrity and self-discipline with cultural quality education for party members and cadres. Party members shall hold special meetings on anti-corruption from time to time, and hold an annual organizational life meeting to criticize and self-criticize based on their own cases and actual work; Organize a party class on integrity and integrity every six months, watch anti-corruption education warning videos, and conduct self-criticism to continuously enhance employees’ awareness of integrity. The Party members and cadres of the Jiaxing Gangqu Natural Gas, a subsidiary of the Group, actively participated in the education activities with the theme “Self-improvement to be Virtuous and Law-abiding” in the Southern Suburb Prison of the Zhejiang Provincial Law and Discipline Education Base (浙江省法紀教育基地南郊監獄). Young cadres were mobilized to host the themed discussion “political and moral ethics” to guide employees in developing good morality and ethics, strict discipline and compliance with law, as well as integrity and honesty.

During the Reporting Period, the Group provided a total of 618 hours of anti-corruption training for employees.

II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

Jiaxing Gas encourages employees or external third parties to report unethical and dishonest behaviors that occur during the operation of the Group through channels such as email and physical mail. After receiving the report, we will approve and initiate the project within three to five working days, and after multiple investigations, we will provide feedback within the specified time based on factors such as whether the report is genuine and the severity of the content. The Group stresses the importance of protecting whistle-blowers. We keep the information of whistle-blowers in strict confidence, control the scope of informed parties on a “need-to-know” basis, and any forms of obstruction, discrimination and retaliation are strictly prohibited to protect the legitimate rights and interests of a whistle-blower. We will intervene in time to protect a whistle-blower when he/she has become the subject of retaliation, and any retaliatory act will be subject to severe punishment in accordance with the regulations, disciplines and laws. We will reward the whistleblower for verifying the authenticity of the reported content and recovering losses for the Group.

2.4 DEEPEN RESPONSIBLE PROCUREMENT

Jiaxing Gas actively deepens the construction of a stable and sustainable supply chain, committed to creating value for customers and providing safe, reliable, and efficient gas services. The Group strictly complies with the Tendering and Bidding Law of the People’s Republic of China, formulates and requires all suppliers to comply with system documents such as the Regulations on Material Procurement Management, the Regulations on Service Project Management, and the Regulations on Engineering Construction Management, and improves comprehensive and multi-dimensional supply chain processes and procurement mechanisms. Based on the Supplier Admission and Evaluation Process in the Qualified Supplier Evaluation Measures, we reasonably select qualified suppliers, establish long-term cooperative relationships with reliable suppliers, provide corresponding training and guidance to suppliers, and create a transparent, high-quality and cost-effective procurement environment.

To systematically standardize the procurement management of the Group’s materials and strengthen supplier risk control, we actively carry out ESG risk identification and evaluation before supplier admission, achieving cost reduction and efficiency improvement, enhancing competitiveness and risk management capabilities. We comprehensively review and evaluate supply chain risks, including qualification certificates, reputation, product quality, supply capacity, and litigation situation. In order to meet the requirements for corporate credit strength, we take into account certification certificates and qualifications for quality/environment/occupational health and safety management systems, and further standardize cooperation with suppliers in finance, operation, and ESG related aspects.

According to internal systems such as Supplier Performance Assessment Method, Basic Information Registration Form of Inspected Suppliers, Supplier Site Inspection Score Summary, Supplier Site Inspection Regulations, and Non conforming Material Control Procedure, Jiaxing Gas conducts annual inspections of suppliers by the evaluation team to further improve the standardization and standardization level of procurement work:

- Data review: The procurement department requires suppliers to provide materials such as business license, qualification certificate, product certification certificate, quality assurance system certification, explanation of enterprise scale and after-sales service situation, performance situation, etc. for review;



II. COMPLIANCE GOVERNANCE WITH STEADY OPERATION

- On site inspection: Conduct on-site review of the supplier's production scale, production process, implementation of quality control system, especially the incoming inspection of raw materials and finished product inspection. Focus on identifying the causes of quality problems and implementing improvement measures. On site inspection is applicable for situations where serious quality issues are discovered during the initial review, installation and operation process, frequent quality issues occur, and regular inspections of bulk or critical material suppliers.

The frequency of on-site inspections should be no less than once every two years for measuring equipment, and no less than once every three years for other key equipment materials. The specific inspection time limit shall be determined by the qualified material supplier review team. The inspection team usually consists of 3 to 5 people, consisting of qualified supplier evaluation team, user department, and Party member supervision personnel.

To ensure the fairness and compliance of on-site inspections, the Group has formulated the "Requirements for the Integrity and Self-discipline of Members of the Supplier Inspection Team" to regulate members of the inspection team to exercise the rights of on-site inspection, perform inspectors' obligations, and safeguard the interests of the Group and suppliers in good faith. Members of the inspection team are required to strictly observe inspection discipline and keep evaluations secret; they are not allowed to disclose information related to the inspection and evaluation. They should strictly implement the avoidance system during evaluation to ensure there is no conflict of interest with suppliers. They should not contact suppliers in private, or accept monetary or other benefits from suppliers, intermediaries or other interested parties. The team should analyze, review and compare suppliers objectively and impartially, strictly in accordance with the evaluation standards, methods and procedures specified for on-site inspections. Members of the inspection team in violation of the relevant national laws and regulations and the above provisions will be subject to punishments depending on the severity of violation.

We conduct a comprehensive acceptance, recording, and storage of the purchased materials, and return or exchange non-conforming materials based on their acceptance and usage. To strictly control material quality, if a supplier is identified as unqualified during the inspection process, we will cancel the corresponding supplier qualification to ensure the stability and sustainable development of the supply chain. In addition, when purchasing materials, the Group will choose more environmentally friendly materials through comprehensive comparison.

During the Reporting Period, Jiaxing Gas partnered with 23 new suppliers; terminated cooperation with 17 suppliers. The number of suppliers in Chinese Mainland is 115, among which 89 were suppliers from Zhejiang province, 26 were from other provinces. The Group have conducted periodic performance evaluations covering ESG factors to 100% suppliers. The product and service suppliers of Jiaxing Gas were located in China to control supply chain risks, improve the stability and efficiency of supply, and drive the growth of local suppliers and the development of the industry and the region.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Jiaxing Gas adheres to a service philosophy of “safe gas supply, civilized service, standardized management and user satisfaction” by shouldering the responsibility of guaranteeing national energy security. The Company continues to meet the diverse energy needs of society, comprehensively implements a standardized management system of work safety, and strictly implements a top-down responsibility system of work safety. By firmly entrenching the “lifeline” of urban safety, we fully guarantee safe and reliable gas supplies and gas safety in communities. With a higher standard of urban gas safety management and an advanced ability for technological research and innovation, along with intelligent upgrades, we provide customers with services that are more convenient, efficient and of higher quality to improve people’s livelihoods.

3.1 STABLE CORNERSTONE OF SAFETY

Jiaxing Gas coordinates development and safety risk control and management by implementing the systematic, standardized and scientific transformation of the safety management system, reinforcing the concept of work safety and the awareness of risk prevention and control, vigorously promoting the screening, identification and prevention of safety risks, and striving to build a fence of work safety. The Company continuously optimizes the allocation of human resources to create the best organizational efficiency. The optimization also aims to ensure employees’ health and the safety of lives and property, it effectively consolidates the foundation of work safety and builds a line of defense for work safety. Jiaxing Gas has been strengthening and improving its production scheduling and a pattern of joined up management is formed to ensure that all processes are linked, smoothly connected, and operate safely, and that potential hazards are identified and eliminated in a timely manner. The Company’s gas supply capacity has been further optimized and the ability to identify safety risks and prevent accidents improved.



III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Youth-led Work Safety Campaign – Jiaxing Gas' Maintenance Department won the honorary title of the Work Safety Model Post in Jiaxing

In December 2023, the maintenance team of Jiaxing Gas Group's Maintenance Department won the title "2023 Youth Work Safety Model Post in Jiaxing". The title was jointly awarded by Jiaxing Municipal Committee of the Communist Youth League and Jiaxing Emergency Management Bureau. The maintenance team of the Maintenance Department is mainly responsible for the maintenance, hot work, replacement and release, valve maintenance, emergency repair and other work of the natural gas pressure regulator in Jiaxing. Through team meetings each morning and regular departmental meetings, the team studies and strengthens safety awareness. It stages activities for work safety month, actively participates in emergency evacuation drills and fire drills, hosts knowledge contests, organizes safety publicity, and finally creates a strong atmosphere of work safety to fully demonstrate the importance of work safety to the front line.



Photo: Activities of the maintenance team of Jiaxing Gas Maintenance Department

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.1.1 Deepen Safe Operation

Jiaxing Gas strictly complies with the Work Safety Law of the People's Republic of China. On this basis, Jiaxing Gas has formulated a series of systems, including the Work Safety Responsibility System and Target Assessment Management System, the Work Safety Supervision and Inspection Regulations, the Dangerous Operation Site Management Regulations, and the Regulations on Work Safety Education and Training, the Work Safety Cost Guarantee System, the Regular Meeting System for Production and Work Safety, and the Regulations on Standardization of Safe and Civilized Construction. The Group has further improved its production safety responsibility system. In 2023, in accordance with the Guiding Opinions on Comprehensively Implementing Responsibilities on Work Safety Sites issued by the Office of the Work Safety Commission of Zhejiang Province, the Group incorporated the "six dos", "six shoulds" and "six musts" into the responsibilities of personnel involved in the work safety responsibility system. The responsibilities of the Trade Union and employees at all posts are increased. It is further clarified that the Engineering Department has supervisory and management responsibilities for the pre-assessment of the construction unit's occupational disease hazards. The office administration is responsible for providing employees with information related to occupational diseases when signing contracts with employees, while designated personnel from the Safety and Quality Supervision Department are responsible for regular and daily monitoring of occupational disease hazards.

The Group attaches great importance to safety management and has established a work safety committee with an office under it. At the same time, in order to further strengthen the organizational leadership and implementation of safety production work, each subordinate investment company shall establish or adjust a safety production leadership group as required, clarify the division of responsibilities, and regularly report safety work to the Office of the Group Safety Committee. In addition, we regularly hold quarterly and annual production safety meetings to review the completion of production safety indicators, rectification of major hidden hazards and work safety supervision and assessment of each department and subsidiary, to continuously strengthen the implementation of safety responsibilities, improve the safety control system, and guarantee the effective implementation of work safety-related measures.

The Group is accelerating digital empowerment, building a security management system platform, and using digital technology to assist in efficient internal management of the Group, actively promoting modernization of enterprise management. We integrate the entire process of security management through the use of OA digital platform, achieving comprehensive real-time control of personnel and equipment management, environment, work process, etc., significantly reducing security risks. The system comprehensively manages various safety issues such as safety supervision, labor protection requisition, equipment maintenance, hidden danger rectification, emergency management, and accident investigation. In 2023, a new instrument management module was added, and a reminder function for instrument expiration calibration and verification was added. This helps the management to timely supervise and monitor the implementation of safety management and related information of various projects, thereby making correct decisions.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The Group highly values business safety, regularly standardizes its safe production, consolidates the basic work for work safety, and effectively improves emergency management capability. The Group has passed the ISO9001 quality management system certification and holds the second level certificate of safety production standardization. Through safety assessment and evaluation, we constantly urge our employees to raise their awareness of safety and ensure their ability to perform safety-related work. The Group conducts monthly, quarterly, and annual assessments, improves the assessment mechanism, and includes indicators such as the number of safety accidents, leakage detection rate, rectification rate, and the number of company level emergency plan drills to achieve precise accountability and differentiated accountability, further promoting the effective implementation of safety responsibilities for all employees. In addition, we innovated the assessment method, assessed the headquarters and departments of the Group in the form of monthly self-evaluation and spot check, stipulated the assessment objectives, assessment contents, assessment procedures and work disciplines, set up a reward mechanism, and selected the annual advanced middle level, annual exemplary individual, exemplary individual in safety production, advanced departments in safety production and other honorary titles to give additional salary rewards, To fully mobilize the enthusiasm of all staff to participate in safety production work and promote safety production work to a new level. This is conducive to establishing advanced safety models for enterprises, making the concept of safety production deeply rooted in people's hearts and guiding various departments and employees to actively practice it. During the Reporting Period, the Group actively promoted inspections of key security areas, pipeline quality, hazardous sources, and facility safety, conducted inspections and rectifications at any time, reduced safety risks and hidden dangers, strictly adhered to the bottom line of production and operation safety, and made every effort to ensure a stable and positive safety production situation.

Jiaxing Gas attaches great importance to enterprise safety education and training, as well as safety culture construction. It actively promotes safety concepts and effectively enhances the safety responsibility awareness and ability of all employees. We have established a sound institutional system, conducted systematic and scientific safety management, education and training, formulated the Work Safety Training System, and organized various safety training and education activities such as safety situation education and gas use safety training according to the annual safety education and training plan, covering all in-service employees. The Group adopts a diversified approach to provide targeted and distinctive training to different departments of the enterprise, including “strengthening red line awareness” for decision-makers, “strengthening control ability” for execution, and “observing safety discipline” for operation. The specific training content covers accident warning education, safety legal education, emergency plans, construction safety regulations, identification of operational risks, equipment safety management, fire safety, and other aspects. It is of great significance to accelerate the improvement and enhancement of weak links in safety management, enhance employee accident prevention capabilities, and strengthen safety supervision of relevant units. We strictly implement the annual training plan. In order to ensure the effectiveness of the training, we conduct post evaluation and real-time tracking of trainees through written or operational assessments, and comprehensively strengthen the safety awareness of internal employees. We actively organize a series of activities related to Safety Production Month, including safety speech competitions, safety knowledge competitions, employee photography competitions, and hazard investigation and control accident warning education and learning. During the Reporting Period, we integrated the theme of the 2023 work safety month, highlighted the key points of gas inspection and rectification into publicity materials for distribution, and organized training on operating procedures for confined space operations. The Company organized the 12th “Jiaxing Gas Cup” Fire Prevention Games, “Middle-level Cadres on Safety” Lecture, “Inspection Skills” contest and other activities to raise employees’ awareness of risk, responsibility and safety, and prevent safety accidents.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The 12th “Jiaxing Gas Cup” Fire Prevention Games themed “Safety and Emergency, Everyone’s Concern”

On 20 June 2023, the 12th “Jiaxing Gas Cup” Fire Prevention Games was held in Majiabang energy station, with a total of 10 teams and 60 athletes participating in the games. The games were carefully designed for athletes to compete with their fire fighting skills, such as spraying water using a fire hose, putting out gas tank fire, wearing fire fighting clothing, and wearing the five point aerial rope. The games aimed to improve employees’ ability to “understand four things and know four points” and make use of emergency equipment by means of education and entertainment. Fire safety is a long-term critical task. By constantly improving employees’ level of fire fighting practice, we can better ensure the Company’s safe and stable development.



Photo: Fire Prevention Games

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

During the Reporting Period, Jiaxing Gas invested RMB55.041 million in work safety; organized 316 internal and external safety training sessions, with 6,364.8 training hours and a total of 3,279 participants. The rectification rate of hazards reached 100%, and 21 company-level drills for comprehensive emergency plans were implemented in 2023.

In terms of gas supply facilities and pipeline network inspections, we formulated the Operation Guide to Inspection of Gas Facilities in Use, the Operation Guide to Inspection for Simultaneous Construction and the Rules on Pipe Network Inspection. The Group has solidly carried out risk and hazard investigation and rectification, strengthened precise efforts, focused on key areas, comprehensively investigated, scientifically evaluated, and rectified gas safety risks and major hazards. We scientifically determine the scope and standards of updates and renovations, and make immediate improvements to major problems and hidden dangers. We use a smart gas comprehensive management platform to empower high-quality operations. We aim to achieve the goal of improving quality and efficiency, digitizing gas safety management, and achieving refined, dynamic, and intelligent management of multiple links such as production, operation, and service processes, in order to comprehensively improve the level of safe operation and management of gas pipeline networks through a diversified approach to reduce operational risks. During the Reporting Period, we newly developed the “Management System for the Operation of Gas Pipeline Network” to clarify the requirements for the notification of any planned gas shutdown 48 hours in advance, and timely notification to users for them to take precautionary measures in case of emergency gas shutdown.

In 2023, according to the implementation plan and requirements of Jiaxing City for town gas safety inspection and rectification, and in line with the Company’s safety operation in practice, we formulated the “Implementation Plan of JiaXing Gas Group Co., Ltd. for Gas Safety Special Rectification Action”, and set up seven special inspection teams to carry out supervisory work. Issues identified during the inspection were reported to the responsible personnel for rectification to ensure the Company’s stable operations and work safety. We also promoted the town gas special rectification initiative by investigating hidden hazards, replacing the old gas pipeline network, evaluating the risk to old residential areas, and regularly inspecting medium pressure pipelines to ensure the safety and stability of gas use.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The Group conducts scientific management of pipeline network safety, continuously carries out intelligent transformation, safety risk assessment, safety inspection and other measures for pipeline network and construction:

Intelligent transformation of pipeline network and construction

- We comprehensively investigated the safety condition of the old pipeline network, renewed and novated buried steel pipes with poor safety conditions, and completed a total of about 9.4km of old gas pipeline renovation in 2023 to improve the living environment and gas safety.

Security risk assessment

- We carried out special rectification actions for residential gas water heater safety hazards, distributed the notice of rectification of hidden hazards and promptly informed residents to rectify.
- We have investigated and counted potential corrosion hazards in indoor gas risers, as well as potential hazards in indoor risers and steel plastic conversion. We renovated a total of 3,177 indoor risers and horizontal roof pipes in 2023 to effectively eliminate safety hazards for residents.

Seminar on the Risk of Hidden Hazards

On 12 December 2023, the Group held a seminar on the identification of hidden hazards and risks in its 2023 meter reading and inspection work. The inspection and meter reading personnel summarized and analyzed the pipeline corrosion, maintenance and alteration issues identified during the safety inspection process, and proposed reasonable suggestions. The manager of the Customer Service Department reported the implementation of the investigation and rectification of hidden hazards in 2023. The Safety Director further emphasized the importance of closed-loop management and implementation of hidden hazard rectification. The Deputy Secretary of the Party Branch commented and provided guidance on the investigation of hidden hazards and risks. Meanwhile, the chairman of the Board conveyed the spirit of the National Training Course on Implementing the Responsibilities of Work Safety Entities in the Town Gas Sector. Employees were required to raise their safety awareness, perform inspections in a practical and detailed way, use information technology to classify and number hidden hazards, and do a good job in the closed-loop management of hidden hazards.



Photo: Seminar on 2023 meter reading and inspection work

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Safety inspection

- The Group has been promoting safety inspections on a regular basis, including self-inspection of safety management and fire control, inspection of gas supply safety and gas pipeline network, and civilized construction management for comprehensive prevention of various risks and accidents.
- In strict compliance with the requirements of safety technical specifications, we regularly perform the installation supervision and inspection, and regular inspection of the municipal gas pressure pipeline. The Company establishes and improves the platform for comprehensive management information of gas facilities, enriches the underlying information and data of gas facilities, ensures the mapping of low-pressure pipeline networks, updates the working map in real time and improves the operating efficiency and safety performance of gas pipelines and facilities.
- We have focused on setting up a special group to carry out the inspection and rectification of leak hazards in pipelines in use. By replacing former gas leak detectors with digital leak detectors, we aim to detect hidden hazards more accurately and efficiently, accelerate the progress of hazard rectification for comprehensive and thorough elimination of pipeline safety hazards.
- We have set up a company-level account of major hidden hazards. They are major hidden hazard identified during daily operations which should be rectified but are difficult to rectify. We have identified them as company-level major hidden hazards and are focusing our efforts to rectify them.
- The Company has been strengthening the safety management and monitoring measures for third-party construction by actively summing up the previous experience and third-party construction, and adopting diverse methods to prevent damage by third parties, including increased on-site monitoring personnel, on-site image recording equipment, on-site inspection frequency, on-site temporary warning signs, on-site construction confirmation records and publicity materials for key posts.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Comprehensive Inspections to Eliminate Hidden Safety Hazards

Jiaxing Gas is committed to the policy of “safety first, prevention orientation and comprehensive governance”, and takes multiple measures to stage safety inspections, publicity campaigns and the duty system to ensure safe operations and the stable supply of gas during festival periods.

From 13 to 18 January 2023, the chairman of the Board of Jiaxing Gas led members of the Company’s Work Safety Leading Group to inspect the municipal gas pipeline network, gas stations, commercial complex users, and other key areas. For the hidden hazards and issues identified, relevant departments and units are required to take rectification actions immediately, and the Group’s Safety and Quality Supervision Department keeps a close watch on the supervision and follow-up to ensure the closed-loop rectification of hidden hazards.



Photo: Safety inspection

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Gas Supply Safety to Safeguard the Asian Games

To further strengthen guaranteed gas services for the Asian Games and ensure the safe operation of town gas during the Games, Jiaxing Gangqu Natural Gas rigorously implemented the special action for gas safety rectification. In this context, fire safety compliance inspections and rectifications were staged at gas stations, covering all sites and units using bottled LPG in the port area. We worked with relevant departments to form a special inspection team to comprehensively inspect key gas pipelines and ancillary equipment in the port area. Meanwhile, gas pipelines and gas valves along the road were also inspected to identify hidden safety hazards, and the implementation of control measures targeting simultaneous third-party construction was also inspected. The Company spared no effort to safeguard the Asian Games in a concerted and meticulous manner.



Photo: Special action for gas safety rectification

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.1.2 Guarding Occupational Health

Jiaxing Gas attaches great importance to the health and safety of its employees, and implements the local laws and regulations such as the Occupational Disease Prevention and Control Act of the People's Republic of China, the Regulations on the Administration of Occupational Health at Workplaces, and the Code of Practice for Selection of Personal Protective Equipment. On this basis, internal documents such as the Occupational Health Management System, the Regulations on the Management of Labour Protection Products, the Management Methods for Work-related Injuries and the Emergency Rescue Plan for Occupational Hazardous Accidents have been formulated and strictly observed. We strengthen the construction of enterprise occupational health and safety system, clarify the occupational health and safety management objectives, enhance employees' awareness of occupational protection, continuously improve the working environment and conditions of employees, and perform the responsibility of enterprises to protect the physical and mental health of employees.

In terms of occupational health management, we establish and improve occupational health files and guardianship files for effective protection of employees' rights and interests to occupational health. We provide basic medical and health services, annual health check-ups for employees and special medical check-ups for female employees, raising employees' health awareness and self-care abilities, so that employees have better health and more positive attitude towards their work. The Group attaches importance to employee safety and health education and conducts occupational health education and training for all new employees to ensure the relevance and effectiveness of occupational health training. By staging various forms of education activities on occupational health and safety, and enabling employees to interactively experience occupational hazards in person, employees' awareness and ability of occupational health is maintained and promoted. In addition, we strengthened the publicity of occupational health, and formulated publicity contents based on our production characteristics, including summer heat protection and road dust protection, etc., to prevent and control the risk of occupational diseases and work-related diseases. During the process of daily work inspections, the Group requires the leader of the operations team to explain the requirements for the use of labor protection equipment on that day, and examine the compliance of the equipment in use and the mental state of the operators on duty.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The Group provides a working environment and conditions that meet national occupational health standards and hygiene requirements. We regularly test for possible harmful factors in the workplace every year and take effective control measures in a timely manner. In 2023, the Company's main hazard of occupational disease across the production processes is noise. According to the Occupational Exposure Limits for Hazardous Agents in the Workplace Part 2: Physical Agents (GBZ2.2-2007), the exposure limit for noise is 85dB, with the maximum level of noise recorded by the Company in actual operation being 74.3dB, which falls below the threshold for determining occupational diseases. In addition, we provide employees with a wide range of reliable safety measures to protect their lives. In daily operations, such as during LNG filling operations, we provide our employees with uniform labour protection clothing, helmets, goggles, gloves and other protective gears and require employees to wear them in compliance to ensure that their lives and health are not damaged. In road and underground operations, we take necessary protective measures such as dust control, noise prevention, poison prevention and ventilation to prevent the occurrence of occupational diseases. For road-related operations, we monitor the noise of typical road sections and pay attention to employees' hearing health. In terms of extreme weather protection, we pay attention to the temperature monitoring on the construction site to avoid the health risks arising out of high or low temperature environments. We actively control hazards of occupational diseases and take comprehensive management measures, covering both individual protection and health management, with the aim of improving the working environment and conditions, and effectively protecting the health of our employees.

During the Reporting Period, Jiaxing Gas organized physical examinations for a total of 408 employees, with a coverage rate of 100%; Jiaxing Gas was not subject to fatal work-related accidents; the number of work-related deaths for three consecutive years was 0, and the work-related death rate was 0%; the number of working days lost due to work-related injuries was 172 days.

Cooling Visits to Employees Working at High Temperature to Prevent Heatstroke and Safeguard Health

In the heat of summer, a leading group of Jiaxing Gas paid personal visits to its subsidiaries, LNG stations and gas construction sites in July 2023 to distribute heatstroke prevention drugs, cold drinks, towels and other supplies to front-line outdoor employees. Employees were given advice to take effective heatstroke prevention measures, take proper rests and strike a balance between work and rest for the effective protection of their health.



Photo: Front-line visit to bring cooling supplies at high temperature

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.2 SAFE COMMUNITIES

City gas pipeline construction is an important livelihood project and development project, which is of great significance in promoting urban renewal and meeting the needs of the people for a better life. Gas safety concerns thousands of households, and Jiaxing Gas always puts ensuring the safety of people's lives and property as the top priority. It comprehensively enhances its safety prevention capabilities, formulates and implements institutional documents such as the Rules on Indoor Safety Inspection for Resident Users, the Rules on Management of Residential Meter Reading and Charge, the Rules on Management of Indoor Installation of Gas Facilities for Residents, the Operation Guide for Safety Inspection of Public Building Owner Users, the Operation Guide for Meter Reading for Public Building Owner Users, Rules on Management of Public Building Owner Users and the Operation Guide for Cross-construction of Public Building Owner Users to prevent the occurrence of various safety hazards. We put people first, starting from ensuring the safety of people's lives and property, focus on key areas, renovate gas pipelines with safety hazards, regularly carry out gas equipment safety inspections for residential and public construction users, completely eliminate safety hazards, and promote the safe and sustainable development of municipal infrastructure. To ensure safe and stable gas supply during holidays, company leaders lead a team to conduct special inspections on gas supply stations, gas pipelines, and gas users before holidays such as New Year's Day, Spring Festival, May Day, and National Day. They effectively focus on safety production work, identify prominent problems and weak links in the work, and set a rectification period to solve them in a timely manner to prevent potential safety risks. We tailor measures to local conditions, starting from local conditions, and targeting safety hazards in urban pipelines, clarify goals and tasks, and scientifically determine the scope and standards of updates and renovations. We focus on cultivating and strengthening the safety awareness and prevention ability of community residents, providing targeted safety training and publicity to different users, and posting safety tips and circular stickers for indoor gas use during household inspections and publicity, fully ensuring the safe and stable supply of gas for people's livelihood. We also actively carried out publicity activities such as industrial and commercial users' training and exchange meetings on safe gas use, and safety production publicity into old communities. We widely pushed gas safety tips in the form of official account, and issued safety publicity materials to residents at the same time of security inspection, so as to enhance the community's awareness of the safe use of gas.



Photo: Gas Use Safety Tip Round Sticker

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS



Photo: Cartoon picture of gas safety science popularization

The Group actively promotes the entry of natural gas supporting facilities into old residential areas in various townships, to achieve a change from bottled liquefied gas to natural gas, reduce energy consumption intensity and gas safety risk factors and ensure gas safety for residents. We continuously strengthen the quality management of engineering construction, improve the cleanliness of newly built pipelines through quality management, actively respond to the rectification of safety hazards, improve pipeline safety level, and effectively resolve major safety risks.

In addition, the Group and its subsidiaries have promoted the planning of special rectification actions. Targeting the users in the port area, we carried out a full coverage investigation on pipeline and bottled LNG of industrial and public building owner users. Detailed statistics on the “stove, tube, bottle, valve (灶管瓶阀)”, alarms and other potential problems were generated. We conducted household safety inspections on the pipeline and bottled LNG residential users according to the plan, promoted the replacement with corrugated pipes, and ensured the safety and reliability of gas use through timely identification and elimination of potential safety hazards.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

In 2023, Jiaxing Gas organized 8 training lectures for industrial and commercial users and 19 community gas safety promotion activities; the completion rate of safety inspection by Jiaxing Gas for resident users reached 100%, of which the indoor safety inspection rate was 79.36%, while the remaining inspection work was carried out by infrared scanning or on-site visits, thus achieving full coverage of safety inspection; Jiaxing Gas conducted 9,035 safety inspections for industrial and commercial users, thus achieving a coverage rate of 100%.

Since 2018, Jiaxing has been rectifying the hidden hazards of gas water heaters in urban areas. The responsible authority has incorporated the rectification into the scope of grid management by establishing a three-tier management network and stepped up the support for rectification. The Group has also been actively working with authorities in proceeding with the relevant work. In 2023, 139 households were scheduled for rectification. As of 31 December 2023, 109 households have completed the rectification, and 30 household accounts have been closed. All the hidden hazards have been rectified. Jiaxing Gas will continue to track and pay attention to the closed household users, following the official ending of the special rectification actions to eliminate the safety hazards of gas water heaters in Jiaxing.

Training and Exchange Meeting on Gas Use Safety themed “Paying Attention to Gas Safety and Promoting Development Together” for Industrial and Commercial Users

On 25 November 2023, Jiaxing Gas held a training and exchange meeting on gas use safety for industrial and commercial users. The meeting aimed to conduct in-depth exchanges with industrial and commercial users, and explain the skills and methods of gas use safety to user representatives, including the characteristics of gas, correct use of gas facilities, common hidden hazards and rectification, identification of gas leakages, and emergency responses. The participants took part in the on-site an consultation and exchange of the problems encountered when using gas, and shared their experiences and practices. The Group will continue to take multiple measures, maintain communication with users and work together with them to create a safer and more efficient gas use environment for corporate production and socio-economic development.



Photo: Training and exchange meeting on gas use safety for industrial and commercial users

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Since March 2023, the Group and its subsidiaries have been organizing and staging diverse forms of publicity on gas use safety. Town gas safety trainings were carried out for grid-based community workers, social security officers, and gas safety administrators in the education and medical industries. Three large-scale publicity campaigns, including gas safety on campus and safe gas use in communities, were staged to deliver systematic training on gas knowledge, common gas safety hazards, and gas use safety.

Publicity Campaigns to Explain and Keep Safety Practices in Mind

The Group circulated its message on gas use precautions during the Spring Festival to users via the WeChat official account, message reminders, publicity materials and many other methods. Volunteers visited communities to explain gas safety knowledge, distribute safety brochures, and host interesting and award-winning Q&As on hidden hazards. The initiatives aimed to improve the public's understanding of gas safety knowledge, prevent gas safety accidents, and protect thousands of households in the use of gas.



Photo: Publicity of knowledge about gas use safety

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.3 STABLE GAS SUPPLY

Jiaxing Gas is committed to ensuring the safe and stable supply of gas, providing quality services with multiple measures to protect urban gas safety. We strictly comply with the Regulations on the Administration of Urban Gas and the Technical Regulations on Safety of Operation, Maintenance and Emergency Repair of Urban Gas Facilities. We have established the LNG business department, and integrated and enabled the complementation between piped gas and LNG trade for common development. This is conducive to improving the utilization rate of natural gas pipelines, further strengthening the competitiveness of the Group's gas source resources, promoting diversified gas supply, enhancing natural gas security capabilities, and ensuring stable and orderly gas consumption for people's livelihoods. In addition, the winter natural gas market has repeatedly encountered difficulties in ensuring supply, and we actively prepare contingency plans, adhere to the principle of benefiting the people, and strictly sell gas at the prices set by the provincial and municipal development and reform departments. At the same time, we proactively communicate with upstream and downstream enterprises, coordinate with multiple parties to ensure sufficient supply of natural gas, and make every effort to ensure emergency gas supply.

We continuously improve the emergency response capabilities for gas pipeline accidents, strengthen the emergency support capabilities for gas, consolidate the foundation of gas safety management, and improve the safety and reliability of gas supply pipelines. The Group strictly complies with relevant regulations and industry requirements and has formulated the Emergency Response and Rescue Management System and Gas Emergency Repair Management System. We have issued 1 comprehensive emergency plan, 6 special emergency plans, and 21 on-site disposal plans, including Comprehensive Emergency Plan for Sudden Accidents (Incidents), Emergency Plan for Counter Terrorism and Riot Prevention, Emergency Response Plan for Leakage of Low Temperature Valves in LNG Stations, Regulations on Maintenance and Management of Pipeline Networks, Regulations on the Management of Personnel from Outside Vehicles at Dangerous Goods Stations, Special Emergency Plan for T3 Station Supply Outage and Emergency Plan for T4, T5 Regulator Abnormalities Leading to Supply Outage., etc. The comprehensive plan is the programmatic document of the Group's emergency response system, which specifies the emergency response policy, emergency organization, responsibilities, risk level classification criteria and corresponding response procedures, and provides the guiding principles and overall framework for each special plan. Specialized emergency plans are emergency response plans for specific emergencies, including work safety accidents, natural disasters, public health incidents, social security incidents and other aspects, continuously improving emergency response capabilities. Based on the business reality, we have further summarized the on-site disposal plan to effectively control the safety risks of the field station operation to ensure the continuous and stable improvement of the safety production situation. During the Reporting Period, we strictly implemented relevant management systems and operating procedures, regularly conducted and organized comprehensive emergency drills, and carried out emergency rescue drills including road hazardous cargo transportation accidents, gas cylinder transportation accidents, field station refuelling fires and leaks, and road medium pressure pipeline damage and leaks, etc. After each drill, we optimized and upgraded emergency drill plans based on the actual possible situation, so as to ensure the safety and stability of gas supply and improve the user satisfaction rate.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

To improve gas quality, the Group's Engineering and Technology Department has strengthened the environmental management of construction sites when handling steel pipes and PE pipes. The Department checks each section of the pipes before welding to ensure that there are no foreign matters and impurities in the pipe. Each welded junction is processed in advance to ensure the welding quality and the cleanliness of the pipe orifice. When the pipeline system construction is completed, the pipeline will be thoroughly cleansed and tested with a dry towel or white paper.

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

❖ Gas supply guarantee

- ✓ City fuel customers have a rapid increase in gas demand during winter, so we make preparations for the organization of gas sources in advance. We anticipate peak and valley gas consumption, coordinate upstream gas sources and promptly carry out LNG replenishment, to effectively solve the problem of peak and valley gas consumption, and make every effort to ensure smooth heating gas supply for people's livelihoods.

❖ Gas emergency repair

- ✓ We closely monitor climate change and changes in the supply and demand situation, and prepare in advance for emergency situations such as personnel, materials, and vehicles. We strengthen emergency duty, ensure a 24-hour duty system, and ensure that in the event of an emergency, we arrive at the fault site as soon as possible for repair and maintenance.

❖ Gas leakage treatment

- ✓ We strengthen gas safety inspections in densely populated areas such as street side restaurants and commercial complexes. And we focus on inspecting interface leaks, alarm devices, and ventilation conditions, and increasing inspection frequency to identify hidden dangers;
- ✓ We fully install IoT meters for remote monitoring and control among newly installed users, to achieve three-dimensional, intuitive, and digital urban gas pipeline networks. We update and renovate old pipeline networks, enhance their risk monitoring and warning capabilities, to reduce gas leaks and improve the safe operation level of urban gas pipelines.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Drill for a Gas Leakage Emergency

On 6 January 2023, Jiaxing Gas staged a drill for a gas leakage emergency. Upon receiving the 110 call, the Group's hotline center immediately sent on-duty emergency maintenance personnel to check, with the emergency rescue plan being immediately launched upon an accident being confirmed. The command group sent remote commands from the monitoring and command center. The affected area was quickly confirmed via location confirmation of the inspection system, the pressure monitoring of the SCADA system, the explosion analysis of the GIS system and other digital means, then an emergency repair plan was formulated. The emergency repair team, the alert and evacuation team, the technical support team, and the logistics and publicity team also staged the drill according to the plan.

This drill tested Xincheng LNG Station's capability to guarantee supply during emergencies for Xincheng Town, verifying the agility and effectiveness of the explosion analysis function of the GIS system in assisting decision-making under emergency conditions. Collaboration between various teams was strengthened to achieve the expected objectives of the drill and make it a complete success.



Photo: Drill for a gas leakage emergency

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.4 INNOVATION-DRIVEN DEVELOPMENT

Jiaying Gas always adheres to the principle that technology is the primary productive force, talent is the primary resource, and innovation is the primary driving force. We continue to improve our innovation system, adapt to industry development trends and market orientation, strengthen investment and intensity in scientific and technological innovation research and development, increase the implementation of scientific and technological projects, and continuously enhance our competitiveness, thereby enhancing the level of technological innovation and promoting industrial technological progress. The Group strictly complies with the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China and improves innovation system protection. We have formulated the Implementation and Reward Measures for Management, Technology, and Safety Innovation Projects. We are good at inspiring employees to innovate and create vitality, encouraging them to actively participate in innovative activities in management systems and technology research and development, and encouraging the construction of innovative teams. We create a strong atmosphere of team innovation and daring to try, committed to providing customers with more efficient and high-quality services. At the same time, the Group adheres to deep cooperation between industry, academia, research and application, and focuses on the transformation and commercialization path of scientific and technological achievements. We actively implement patented technology, do a good job in filing patented products, take patent application as the guide, promote the transformation of high-value patents, and promote the effective transformation of patents in the product and industry ends.

3.4.1 Breakthrough in Research and Development Innovation

Jiaying Gas encourages and supports research on gas related science and technology, actively promotes the use of new technologies, processes, and products that are safe, environmentally friendly, energy-saving, and efficient. We increase investment in security measures reasonably and improve the level of the Group's security facilities and equipment. We have established and continuously improved a scientifically applicable and standardized full chain innovation incubation system, established a leadership selection group for management, technology, and safety innovation projects, studied and improved implementation plans for management, technology, and safety innovation projects, and continuously standardized the review process for innovation project initiation, key nodes, and progress of innovation projects. We incubate and provide technical support throughout the entire process, actively promote the breadth and depth of the Group's innovation work, establish a sound science and technology innovation incentive policy, establish innovation reward methods, provide financial subsidies for excellent innovation achievements, and continue to promote the transformation of innovation project achievements. We continuously stimulate employees' innovation awareness, potential, and vitality, and strive to connect the entire chain of intellectual property creation, application, protection, and management, making technological innovation truly the first driving force for high-quality development.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The Group continued to improve its management capability for pipeline network safety information, and completed the upgrade of the GIS system with full business capabilities, from pipeline network field mapping to back-end map editing. At the same time, we participated in the development of Jiaxing's local standards – intelligent technical standards for pressure regulator boxes – and independently issued unified Internet of Things (IoT) smart meter communication technical standards and procurement technical standards, enabling the Group to freely select meter manufacturers that meet the standards. Subsidiaries of the Group carried out the design and development of Jiaxing Gangqu “Smart Gas” platform, and promoted the deployment and construction of the GIS system and inspection system for the gas pipeline network, and completed the construction of the information center, line laying, and equipment installation. Later, we will speed up the system data entry and improvement, system connection, integrated display and other functions, and plan to put them into use in 2024. The platform aims to improve the efficiency of gas pipeline network management, and effectively support the development of other businesses.

3.4.2 Protection of Intellectual Property Rights

Jiaxing Gas adheres to the principle of respecting and protecting intellectual property rights, increases the protection of intellectual property rights, safeguards its legitimate rights and interests, and protects the achievements of others from infringement, effectively reducing the operational risks of the Group and encouraging innovation. We strictly comply with the requirements of relevant laws and regulations on intellectual property protection, including the Patent Law of the People's Republic of China, the Trademark Law of the People's Republic of China, Measures on Utilizing Intellectual Property Rights to Assist the Innovative Development of Specialized and New SMEs. We regularly revise and improve the intellectual property management measures, continuously enhance the level of intellectual property creation and application management, provide a rich source of high-quality intellectual property for the Group's continuous output, and better enhance the Group's innovation and development capabilities, increase momentum, improve quality, and optimize efficiency.



III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.4.3 Promoting Industry Development

To deepen exchange and cooperation in the gas industry, the Company has close cooperation with industry partners and other stakeholders, with the aim of promoting improvement through learning, reaching consensus in exchange, improving the quality and efficiency of the Group's business operations, and encouraging industry collaboration for win-win development.

Closer Exchange and Cooperation with Towngas China to Jointly Promote Development

On 14 April 2023, a delegation from Suzhou Towngas visited Jiaying Gas for a learning and exchange session. The two parties discussed and shared experiences in corporate management, business expansion, protection of gas pipeline network, interconnection of low pressure gas pipeline, talent training, and cultivation of a corporate culture. Peer companies learn from each other by borrowing advanced experience, so that all companies can give full play to their respective advantages, strengthen cooperation in informatization and digital innovation, jointly seek development in technological innovation and new energy business transformation, and work together to improve the safety of city gas operation and management, and promote the sustainable development of the gas industry.



Photo: Learning from and exchange with peer companies

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.5 HIGH-QUALITY CUSTOMER SERVICE

Jiaxing Gas is committed to improving the efficiency of user service work, improving service quality and efficiency through multiple approaches, innovating and optimizing the service experience. We implement the philosophy of “service creates value, service wins respect, service builds brand”, continuously improve customer service processes and systems with the Group’s technical advantages. We value customers’ suggestions and feedback. To meet and exceed customers’ expectations, we actively arrange for user satisfaction surveys, improve the complaint handling mechanism, stage complaint return visits to quickly and efficiently respond to users’ needs to promote the innovation, transformation and upgrading of service models, safeguard information security, customers’ privacy rights and interests, reduce risks, and serve customers by providing better services and user experience.

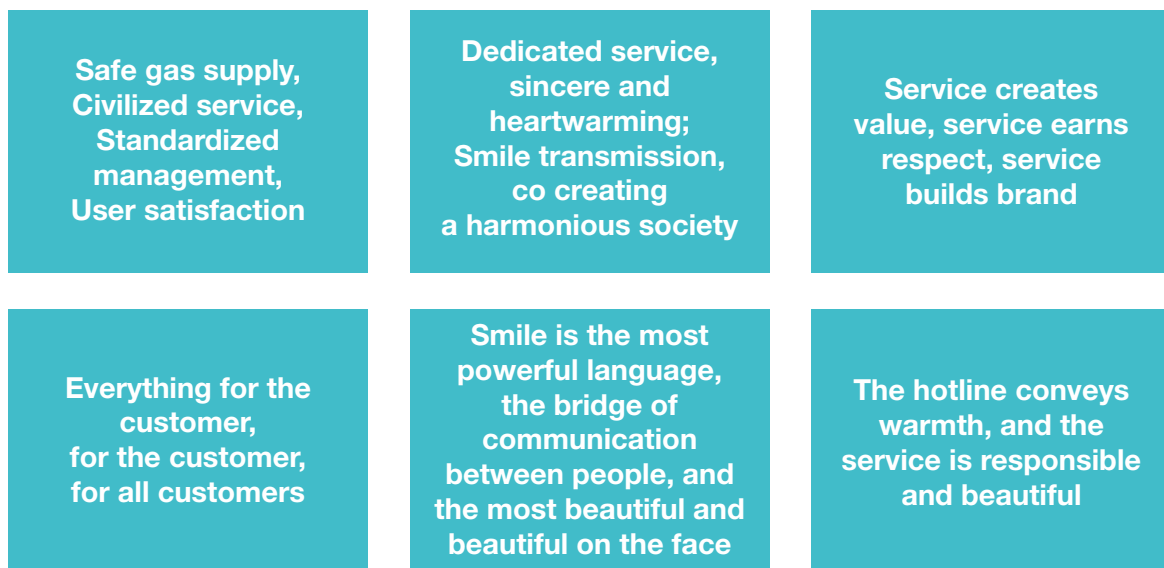


Diagram: Service Philosophy

The Group takes customers as the core, integrates lean and digital business processing, and starts from details to create a high-quality communication system for customers, providing diversified service channels. The Group empowers innovation with technology and has completed the integration with various levels of government platform systems, including the energy monitoring platform of the Provincial Energy Monitoring Center, the insensitivity monitoring platform of the Provincial Development and Reform Commission’s business environment, and the safety online platform of the Provincial Department of Construction. This has opened up information channels for data sharing, effectively assisting the execution of the Group’s business work and improving the essential safety level. We attach importance to the digitalization and informatization of our business, constantly break through ourselves, create a new business card of “Smart Gas”, open up and optimize diversified and convenient online services, including the online business hall of “Jiaxing Gas” public account, the Zhejiang Li Office, the government affairs network and the customer service consultation and repair hotline, to help users to do business at home. In terms of offline services, we have set up multiple branches in different regions, with a



III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

total of 28 main service branches including the gas group business hall and the comprehensive service window of the government service center, creating a new engine for the vigorous development of the Group and meeting the new needs of the people for a better life. The Group is building a new situation of high-quality development for the Group. We select customer service personnel in accordance with the requirements of the service management system, focus on training customer service personnel, and provide customers with higher quality, professional, and reassuring services. In 2023, we organized customer service personnel to participate in the National Gas Industry Vocational Skills Competition to improve their skills. We require customer service personnel to actively adopt customer needs and opinions, timely propose complete and effective solutions, effectively solve problems, ensure the service quality and level of the team, and continuously improve customer satisfaction.

3.5.1 Improve Service Quality

We take customer satisfaction as our pursuit direction and quickly and efficiently respond to user needs. Jiaxing Gas has established and improved systems including the Service Standard for Employees from Customer Service Department, the Management Rules on Gas Supply Service for Residents, the Rule on Handling Complaints from “Three Channels”, and Regulations on User Satisfaction Evaluation, so as to truly solve problems for customers, constantly optimize customer experience.

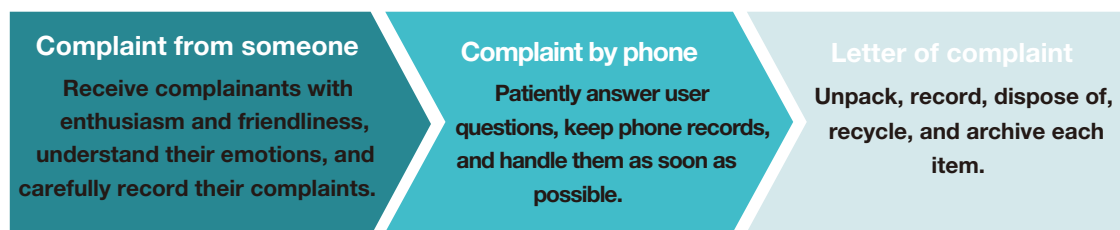


Diagram: Handling Standard for Complaints from the “Three Channels”

We attach great importance to any form of feedback, suggestions or complaints from customers. We quickly respond to customer complaints, assist customers in investigation and disposal, register the complainant’s name, telephone number, main content of the complaint, proposed opinions, processing results, and return visit results, and provide timely feedback and implementation in accordance with the requirements such as time limits for complaint processing and ways to resolve disputes as stipulated in the Regulations on Handling Complaints from the “Three Channels”, to ensure the accuracy and effectiveness of customer complaint handling. Jiaxing Gas actively conducts customer satisfaction surveys and complaint return visits. We conduct satisfaction surveys of different types of customers including residential users, industrial and commercial users and customers with projects under construction. We also conduct surveys of the satisfaction of complaining customers as to implement corresponding rectification measures, so as to effectively solve the problems of customers and provide customers with high-quality products and services. In 2023, we received a total of 5 effective complaints and our effective handling rate of customer complaints was 100%, and the user satisfaction rate reached 100%.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.5.2 Innovative Service Model

Innovation is the most important quality in our business operations, Jiaxing Gas values innovative service concepts, strengthens its capability in technological innovation, promotes the in-depth application of a new generation of information technology in the gas management, drives digitalization, and creates a new image and brand value of “smart gas”. In 2023, Jiaxing Gas achieved fully-digitalized management and control of civil gas safety inspections. It adopted handheld meters and safety inspection equipment with stable signals. With smooth operation and easy traceability, the meter reading and inspection became more rapid and efficient, and work standardization and upgrades were accelerated. We can now provide all our services online. By optimizing the reservation process for meter installation and burner ignition, we have broadened the business scope of the online business hall. Newly added functions such as inquiries, payment, deposits and updates of contact information for non-residents have helped improve work efficiency, the business environment, and service quality, demonstrating the Group’s social responsibilities and mission in meeting the emerging needs of Jiaxing people for a better life. Meanwhile, the business hall launched a self-service machine covering services of water, electricity, gas and other utilities. The machine provides 11 gas-related services, such as account opening, customer information updates, bills printing, gas fee payments, invoicing, meter installation applications, etc. In this way, the business hall provides standardized, refined, thoughtful and intelligent services that are more convenient and beneficial to the people. In addition, we have been optimizing local functions of the business system. To provide customer services of higher quality, we have completed the development of the online shopping mall.

Through the government’s “One-stop Counter” platform, the Group has built 27 government service outlets throughout the city. With a smart phone, users can process 20 gas-related service requests, such as “gas account opening”, “gas volume inquiry” and “gas fee payment”, with only one click. In 2023, new functions for prepaid fee and non-resident status inquiries were added to the online business hall. We also improved the micro business hall for users of meter reading and IoT meters, Alipay online payment recharges, invoice acceptance, and other functions. We continue to proceed with the “business environment” and “one-stop only” service reform, maintaining a water and gas service platform at the provincial level, a platform for sensorless monitoring and the smart gas safety, and file a system that collects the national medium and long-term contracts, saving people and enterprises from the trouble of travelling back and forth. Our water and gas meter installation system has been linked to the OA system, and online services are promoted via Jiaxing Gas WeChat official account. During the Reporting Period, 24,318 new residential users launched the online business hall, with a total of 61,684 new orders being processed.



III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The Group continues to work with the government to proceed with the “coal to gas” and the “bottled gas to pipe gas” projects, and has initiated the first “one-stop” door-to-door service in Jiaxing. The Company also simplified the installation procedures for natural gas pipelines in catering premises through full cooperation with community and street offices, on-site visits, publicity and briefings, on-site survey, centralized contract signing, and unified handling. The “bottled gas to pipe gas” project has been in progress for more than two years, a total of 450 contracts have been signed and more than RMB3 million of construction costs has been reduced or waived.

Exchange and Mutual Learning to Promote Development and Collaboration

On 3 August 2023, a delegation from Municipal Garden Center of Sanmen County and China Resources Gas in Sanmen visited Jiaxing Gas. The parties engaged in extensive and in-depth discussions on how to proceed with the “bottled gas to pipe gas” project, and learned from each other’s experience and practices in a concerted effort to transform and upgrade the urban energy structure.



Photo: Visit, learning and exchange

The Jiaxing Gas Customer Service Department aims to create “Outstanding Counters” at the provincial level. These counters are responsible for processing business requests for communities and towns, serving special groups such as the elderly and those with mobility impairment by providing services downstairs or door-to-door. We aim to provide gas counter services that are more standardized and convenient. Our service quality is further improved by identifying and making up gaps and weaknesses. We identify our unique features and advantages, then translate them to our strengths and finally the keys to success. We have rolled out phased optimization from individuals and teams to departments. To make publicity campaigns more effective, we create an environment that encourages excellence across departments and the Company, with users as the first witnesses and first beneficiaries of our publicity initiatives.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Launching Outstanding Counters to Serve Thousands of Households

In 2023, Jiaxing Gas initiated the campaign “Launching Outstanding Counters and Striving to be a Service Pioneer”. Through the launch of “outstanding counters” and based on our commitment to user satisfaction and continuous optimization of the business environment, Jiaxing Gas regards the service counter as the forefront of serving the government, enterprises and the public. We aim to build a model counter of government services with Jiaxing Gas characteristics that are standardized, convenient and of integrity. The gas service counter of Jiaxing Gas has won the National Civilized Unit, the National Women Civilization Post, and other honors. From the important starting point of “outstanding counters”, Jiaxing Gas has been prioritizing “serving the people” and increasing the Company’s economic benefits, social benefits and spiritual culture from various perspectives and dimensions.



Photo: Jiaxing Gas launching outstanding counters

Meanwhile, based on the principle of consumer experience as our top priority, Jiaxing Gas Home Living (嘉燃舒适生活家) provides consumers with one-stop replacement service for wall-mounted boilers, comprehensive heating solutions to match use scenarios and professional one-stop exclusive services for delivery, installation, dismantling, and recycling. The services aim to create a win-win opportunity for users, products, brands, and channels to achieve cross-sector development.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.5.3 Protect Information Security

Jiaxing Gas attaches great importance to customer information security, regards protecting customer information as an important management task, strictly complies with relevant laws and regulations, and has formulated the Information Security Management Policy for Industrial Control System, the Rules on the Use and Management of Office Computers, Management Measures for Public Data Sharing and Information Security Management System. We have established detailed specifications for a series of processes such as device management, permission management, and password protection. We use diversified methods such as encryption, upgrading, and updating of hardware to strengthen the protection of customer information and privacy, ensuring that customer privacy information is protected to the greatest extent possible. We have signed relevant confidentiality agreements with frontline service personnel, including inspectors and customer service personnel, and have clarified the confidentiality requirements for user information in the Employee Confidentiality Agreement and Confidentiality Management System, ensuring the security of group information and customer privacy, and minimizing the harm caused by information security emergencies. We provide training related to information security and privacy protection for new employees, and during the Reporting Period, we held quarterly training related to information security for employees from all departments to enhance employee awareness of information security and crisis response capabilities.

In terms of collecting and preserving customer information, the Group has reduced the amount of paper archives and promoted electronic storage of customer information, achieving a leap from paper-based to digital archive management. The electronic data of user archives is obtained through data sharing through the provincial big data center.

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

The Group continues to promote information security construction and carries out a series of measures to enhance the self-protection ability of information security:

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

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

The green and low carbon philosophy is vital for integrating our pursuit of high-quality development with ecological conservation and environmental protection initiatives to promote people's livelihood and well-being. Jiaxing Gas incorporates the philosophy of green development into its social responsibility system, and actively assumes its social responsibilities by forging a green and low-carbon development pattern. To actively respond to the national call for energy conservation and emission reduction, the Group takes multiple energy conservation and emission reduction measures to promote its green transformation and sustainable development. It also actively addresses climate-related challenges by strengthening the identification of climate risks, and optimizing climate risk prevention and control measures. The Group insists on the ecology first principle, and attaches equal importance to development and ecological conservation, aiming to promote the construction of an environment-friendly society. On its way to the market, the Group consciously carries out the philosophy of "Ecology First, Green Growth" in its business operations, practices the green and low carbon concept and contributes to building a beautiful China by promoting the harmonious co-existence between humanity and nature.

4.1 ADDRESSING WITH CLIMATE CHANGE

Facing the increasing challenges from global climate change, the human society needs to address the major issue of identifying and dealing with climate risks. Tackling climate change is vital, not only for the long-term development of the Chinese nation, but also for building a human community with a shared future. To this end, a key to addressing global climate change is reducing greenhouse gas (GHG) emissions. As the largest developing country, China has played an active role in climate governance, by fully implementing the climate change agreements reached under the United Nations Framework Convention on Climate Change and the Paris Agreement, and promoting the smooth realization of the goals under these agreements. China has been strengthening its policies to address climate change. For example, it continues to implement the policy system containing carbon peaking, carbon neutrality and "1+N", and has achieved positive results. It also vigorously promotes the joint construction of a fair, reasonable and win-win global climate governance system, showcasing China's wisdom and strength in innovative solutions for global climate governance. As a local leader in the gas industry, Jiaxing Gas, unswervingly follows the green and low-carbon path to high-quality development. It focuses on realizing the national dual carbon (i.e., carbon peaking and carbon neutrality) goal and vigorously reduces carbon emissions by fully embracing green operations. It steps up investments in comprehensive energy, charging piles, hydrogen refueling stations and other business lines facilitating clean energy development and utilization, to support the national strategic deployment of dual carbon goal, and make substantial contributions to mitigating and adapting to climate changes. As a responsible enterprise, it responds actively to tackle climate change, by building a robust ecosystem and promoting sustainable and high-quality development.

4.1.1 Climate Risk Management

Jiaxing Gas actively responds to national strategies and government policies, strictly follows relevant guidelines or policies such as the National 14th Five-Year Plan and China's National Climate Change Programme, closely follows the new trends of policies related to achieving the national dual carbon goals, and grasps the new direction of standards. We actively carry out climate risk and opportunity identification, effectively develop comprehensive energy services, promote energy transformation, empower green development, comply with the trend of low-carbon transformation in the future gas industry, and promote green and low-carbon economic and social development. The Group attaches great importance to the management of climate change and elaborates on our new progress, achievements, and future directions in addressing climate change based on governance, strategy, risk management, indicators, and goals.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Governance

The Group has established an ESG governance structure. A Cross-department ESG working group is established to manage and implement ESG-related work in order to fully integrate climate change responses into corporate governance. The Board is responsible for assessing climate-related risks and opportunities, entrusting the ESG cross-departmental working group with ESG management. The goal is to identify and study the impact of climate change on the Company's business activities and to support the Board of Directors in monitoring this issue (see the "I. ESG Management" section of this report). We have considered the framework and recommendations of the G20 Financial Stability Board's Task Force on Climate-related Financial Disclosures ("TCFD") and comprehensively examine the interactions between climate change and the city gas industry. We proactively identify and address climate change related risks and potential opportunities, thus effectively enhancing the Group's adaptability and response capabilities in the context of climate change.

Strategy

The Group has been deeply engaged in the clean energy field for over two-decades. By coordinating climate-related risk management with business development, the Group focuses on green and low-carbon development to promote green energy transformation and strives to expand green natural gas business via active engagement in the new energy market. It also optimizes the deployment of LNG projects and projects regarding comprehensive energy transformation, to follow the global energy transformation trend and enhance its capability regarding sustainable and stable energy supply as well as risk management and control. To better meet the requirements for new energy development and regional peak shaving, the Group adapts to local conditions by preferring development of distributed energy and other comprehensive energy supply projects and service stations, which facilitates the implementation of energy integration strategy in the Yangtze River Delta and clean energy strategy for urban clusters in the Yangtze River Delta put forward by Jiaying City. Such a move also reflects the Group's active assumption of its green development responsibilities in the transformation to a new phase of high-quality energy development.

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

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Risk Category		Climate Related Risks	Measure
Physical risk	Acute risk	<ul style="list-style-type: none"> With the further intensification of global warming in the future, the frequency, intensity, and impact range of extreme weather events such as heavy rainfall and typhoons may increase. The operating pipeline network and gas supply equipment and facilities of the Group may be damaged, affecting the stability of gas supply, threatening the safety of employees and customers, and may lead to business interruption risks and increased costs of equipment replacement/maintenance; Major extreme weather events (such as extreme heat and cold weather) not only increase the operating costs of temperature control for the Group, but also easily increase the health and safety risks for employees, leading to employee safety accidents and affecting the productivity of the Group. 	<ul style="list-style-type: none"> Jiaxing Gas has gradually improved its emergency response plans for various extreme weather events, including typhoon emergency response plans, flood prevention emergency response plans, lightning protection emergency response plans, high-temperature emergency response plans, and cold prevention emergency response plans. It has established an emergency special team to proactively investigate and take measures to reduce related risks, enhance the Group's emergency supply capacity, and ensure the safe and stable supply of gas in extreme weather events; Jiaxing Gas continues to improve the construction of smart pipeline networks, enhance the level of digitalization, improve the safety risk control system, conduct regular risk assessments, cover pipeline monitoring, pipeline operation and maintenance, and safety risk detection, in order to achieve stable operation of relevant gas supply equipment in extreme weather conditions; Jiaxing Gas has implemented disaster prevention measures in key areas such as gas storage facilities and pipelines, using stronger facilities and pipes, preparing fixed cables, fixed piles and other materials in advance, and raising flood control and flood prevention steps to improve its ability to resist natural disasters, effectively prevent and reduce disasters, and ensure the continuity of gas supply operation;

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Risk Category	Climate Related Risks	Measure
<p>Chronic risk</p>	<ul style="list-style-type: none"> • Long term climate pattern changes such as rising sea levels or sustained high temperatures may cause floods, damage existing operating pipelines and equipment facilities, or increase summer cooling demand, leading to increased operating and maintenance costs for gas stations. 	<ul style="list-style-type: none"> • Jiaxing Gas conducts occupational health examinations for frontline employees, strengthens high-temperature protection, prepares heatstroke prevention and cooling equipment, conducts employee heatstroke prevention safety training, improves working conditions and working environment, adds necessary ventilation or cooling equipment in high-temperature workplaces, scientifically and reasonably arranges outdoor work hours, and ensures personnel safety. • Jiaxing Gas carries out relevant prevention and emergency research, plans to introduce and use more disaster resistant gas supply facilities, effectively utilize digital technology, combine geographic information, meteorological conditions, and equipment characteristics, through comprehensive, multi-level, and multi time scale early warning, timely display safety hazards, achieve real-time online monitoring of the pipeline network, do a good job in resource matching, and fully guarantee the gas demand of people's livelihood users.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Risk Category	Climate Related Risks	Measure
Transition risk Policy and legal risks	<ul style="list-style-type: none"> • With the continuous introduction of carbon emission related policies and the tightening of regulation, regulatory authorities will strengthen greenhouse gas emission disclosure requirements, which may increase disclosure costs and compliance risks for enterprises. There may be risks of being held accountable and taking regulatory measures due to non-compliance with policies or laws; • The changes in government or industry support and subsidy policies will affect the natural gas distributed energy system projects operated by the Group, bring new challenges to the development of new energy projects, and affect the Group's daily operations. If the government reduces or cancels subsidies for promoting urban gas business in the future, the Group's cost expenditures will increase. 	<ul style="list-style-type: none"> • Jiaxing Gas plans to actively promote the implementation of energy-saving and carbon reduction measures by the Group, accelerate low-carbon transformation, build a smart gas pipeline network, reduce traditional operations, in order to reduce further optimize the Group's carbon emissions situation, and improve the accuracy of disclosed information to ensure compliance with laws and regulations; • Jiaxing Gas seizes the opportunity of national low-carbon energy transformation, develops the clean energy industry, accelerates the layout of comprehensive energy business, continuously deepens and expands the application of distributed and renewable energy, and promotes the optimization and transformation of energy structure.



IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Risk Category	Climate Related Risks	Measure
<p>Technical risk</p>	<ul style="list-style-type: none"> In the process of achieving green and low-carbon transformation, green technologies are constantly innovating and iterating, and R&D innovation requires additional technological costs, leading to risks of increased capital investment and R&D expenses. The continuous improvement of technology provides more development possibilities for other low emission environmentally friendly energy sources, gradually phasing out existing natural gas, leading to a decrease in demand for the Group's existing products and services, affecting the Company's revenue, and fierce market competition. If the Group cannot timely follow up on the adoption of new energy sources or technologies, it may be affected. 	<ul style="list-style-type: none"> Jiaxing Gas carries out new technology research and application with higher requirements, continuously promotes technological innovation and upgrading, continuously optimizes and upgrades existing processes and equipment, converts innovation capabilities into development momentum, improves operational strategies around key technologies of smart gas and gas safety, enhances the ability to respond to technological risks, and enhances market competitiveness; In response to the trend of low-carbon energy development, the Group actively explores the comprehensive operation mode of clean energy, empowers through intelligent transformation, innovates project development models and advanced technologies to cope with fierce market competition, and helps promote the low-carbon and energy-saving process of the industry.
<p>Market risk</p>	<ul style="list-style-type: none"> With the guidance of policies and the market, the supply and demand structure of the market and customer behavior may change, and natural gas may not meet market demand, thereby reducing the enthusiasm for natural gas selection, leading to the Group's business facing related market production and operation risks. 	<ul style="list-style-type: none"> Jiaxing Gas regards climate change as a key issue, communicates and exchanges with stakeholders through diverse means, actively responds to the expectations and demands of various stakeholders, pays attention to terminal demand, optimizes service quality, expands value-added business, actively develops green and low-carbon technologies and products, meets market demand, provides energy-saving and low-carbon energy supply solutions for customers, and improves social and environmental benefits.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Risk Category	Climate Related Risks	Measure
<p>Reputational risk</p>	<ul style="list-style-type: none"> Stakeholders are increasingly concerned about sustainable development and climate change. If the Group fails to effectively carry out low-carbon transformation work to meet stakeholder expectations, or engages in related violations or insufficient information disclosure, it may damage the Group's reputation and have a negative impact, resulting in customer loss and revenue decline. 	<ul style="list-style-type: none"> Jiaxing Gas adheres to the concept of green development, practices low-carbon production, implements the energy-saving and environmental protection regulations formulated by the Group, achieves annual self inspection and review of relevant performance, continuously closely tracks the sustainable development trend of the industry, adjusts the Group's goals and plans in combination with industry trends and policy guidance, continuously improves the disclosure of environmental information of the Company, enhances the confidence of stakeholders in the Company, promotes high-quality development and low-carbon transformation of the Group, and creates a sustainable and strong enterprise with strong climate change response capabilities.

Risk Management

To manage its climate-related risks, the Group focuses on the identification and evaluation of physical risks and transition risks and actively seizes the potential opportunities for growth to enhance the Group's resilience and competitiveness. We incorporate climate-related risk considerations into our ESG and risk management framework and take measures to enhance our ability to mitigate climate-related risks and explore relevant opportunities by taking account of business conditions and market dynamics. We enhance the energy continuity management, promote the reduction of pollutants and GHG emission, and continue to improve the relevant risk management and target setting system. We also fully utilize the advanced technology and research achievements to carry out low carbon technology R&D projects, aiming to promote the integrated energy development by incorporating natural gas into the existing green energy portfolio. All these measures have tremendously enhanced the Group's energy safety, promoted its transformation to sustainable and low-carbon development through optimized management, and helped us mitigate and adapt to climate change.



IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Indicators and targets

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

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

Indicator	Unit	2023	2022
Scope 1: Direct greenhouse gas emissions ³	Ton of carbon dioxide	623	642
Scope 2: Indirect greenhouse gas emissions	Ton of carbon dioxide	1,308	1,127
Total greenhouse gas emissions	Ton of carbon dioxide	1,931	1,769
Greenhouse gas emission intensity ⁴	Ton of carbon dioxide/100 million m ³ of gas sold	274.29	252.35

¹ Direct GHG emissions are based on Appendix 4 of the China Energy Statistics Yearbook 2020, GHG Protocol, and the Energy Statistics Workbook (Energy Department, National Bureau of Statistics, 2010). Indirect GHG emissions are calculated based on the national grid emission factors in the Notice on Doing a Good Job in the Management of Greenhouse Gas Emission Reports for Some Key Industry Enterprises from 2023 to 2025 issued by the Ministry of Ecology and Environment of the People's Republic of China.

² GHG emissions data do not include GHG emissions from the steam sales business (natural gas integrated energy business), which will emit 17,568 tonnes of GHG in 2023, with a GHG emissions intensity of 0.29 tonnes of CO₂ equivalent/MWh of steam production. 2022 GHG emissions from this business will be 15,617 tonnes, with a GHG emissions intensity of 0.27 tonnes of CO₂ equivalent/MWh of steam production. CO₂-equivalent/MWh of steam production.

³ The data have discounted and accounted for methane emissions due to third-party damage in 2023 (4,057 standard cubic meters) based on the global warming potential of methane.

⁴ The increase of greenhouse gas emission intensity is mainly due to the increase of purchased electricity in 2023.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

4.1.2 Fulfilment of Green Operation

Green operation of enterprises is a vivid practice of ecological civilization construction and an inevitable requirement for implementing the concept of green development. Jiaxing Gas continuously improves its energy-saving and environmental protection system, actively promotes new green office methods, and promotes energy and resource conservation and recycling. We advocate for employees to establish environmental awareness of carbon reduction, cultivate frugal habits, and actively carry out various green office practices. We encourage employees to start from the details of production and life and strive to transform green into a foundation for survival and development, so that employees can effectively collaborate with the Group's green development goals, make green work and green life a conscious action of all employees, and accelerate the construction of environmentally friendly enterprises.

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

- Promote electricity saving: Strengthen the management of electricity conservation, turn on office appliances as needed, and turn them off as soon as people leave; Reasonably adjust the opening and closing time of the air conditioning, set the air conditioning temperature in compliance, and do not exceed 20°C in winter and 26°C in summer to save electricity to the maximum extent.
- Go easy with paper: Continuously promote paperless office and publicity, fully utilize digital office systems to replace paper documents for file transmission and storage; Do not print unless necessary. When printing paper files, carefully proofread them in advance to reduce the frequency of repeated printing and improve the management of double-sided printing on the printer.
- Promote green travel: Advocate low-carbon commuting and low-carbon travel, and stipulate that except for emergency repair vehicles, gas operation vehicles, construction vehicles, and office vehicles, other departments shall not be equipped with buses; Using new energy emergency repair service vehicles to better leverage the promoting effect of energy conservation, carbon reduction, and efficiency enhancement on the dual carbon goals; Place low-carbon travel billboards in the business hall to encourage employees to become practitioners of green and low-carbon living.
- Cultivate frugality awareness: We conduct personnel operation training based on business types, improve the pertinence and effectiveness of training, strengthen employees' awareness of energy conservation and environmental protection, avoid energy losses caused by improper operation, and make positive contributions to resource conservation and comprehensive utilization.

To improve the efficiency of natural gas utilization and expand new space for natural gas development, we are accelerating the application of advanced energy technologies, developing and applying natural gas distributed energy systems. We actively optimize the energy structure, improve comprehensive utilization efficiency through multi-level energy utilization, optimize long-distance transmission methods, reduce energy losses, effectively reduce carbon emissions caused by energy use, and further improve power supply reliability through coordinated and complementary development with traditional power grids.

Protecting the ecological environment is protecting productivity. To alleviate the pressure of production activities on nature, it is necessary for enterprises to actively apply advanced technologies in the production process, continuously improve the depth, breadth, and accuracy of resource utilization, and effectively reduce material and energy consumption.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

During the Reporting Period, Jiaxing Gas actively carried out energy-saving, emission reduction, and environmental protection technology transformation, using a total of 74,000 kWh of renewable energy, accounting for 3.23% of the total electricity consumption. Among them, the rooftop photovoltaic power station of the Qingchi Hotel Energy Station project uses 38,000 kWh of renewable energy, effectively replacing traditional energy.

4.1.3 Methane Emission Management

Gas is the staple energy supply for cities and one of the important public utilities. Gas pipeline network is vital for cities to maintain safety in daily operations, as gas safety is essential for the public's personal and property safety and the smooth construction and development of cities. Jiaxing Gas strictly controls methane emissions, and attaches great importance to issues regarding methane leakage and escape. It strictly complies with and carries out the requirements of multiple national gas inspection and test standards such as the Stationary Source Emission – Determination of Total Hydrocarbons, Methane and Non-methane Hydrocarbons and the Ambient Air – Determination of Total Hydrocarbons, Methane and Non-methane Hydrocarbons, to promote the smooth implementation of methane emission management in an all-around manner. It actively promotes the standardized measurement of methane concentration for relevant operation parts, strengthens the optimization, upgrading and supervision of liquid unloading and gas storage process, and improves the measures on transportation and storage management, to prevent and reduce the methane leakage frequency, and avoid adverse effects on the environment. It also formulates various emergency plans to enhance its emergence management and response capabilities. Jiaxing Gas monitors methane emissions and leakage in all processes, and improves relevant measures and engaged facilities and devices to reduce the gas loss and escape rate. Such efforts help facilitate the compliance management of methane emissions, maintenance of ecological and environmental balance by reducing GHG emissions, and promote the smooth realization of dual carbon goal.

Methane Emission Management Process:

- For liquefied natural gas (LNG) of different sources, we follow relevant guidelines to carry out liquid inflow and outflow operations, and control the liquid level to prevent excessive liquid inflow.
- We empty storage tanks to regularly check the tank vacuity, and maintain proper temperature and sufficient space above the liquid surface to ensure safety.
- We improve and refine project plans, and try to use the existing valve heads at the access points or near the opening, to minimize the existing pipelines controlled by the existing main control valves and by-pass valves.
- All storage tanks of the LNG station are equipped with field instruments and SCADA (Supervisory Control and Data Acquisition) systems, i.e., data acquisition and monitoring control systems, which inspect and check field and system data every two hours. Meanwhile, they are equipped with automatic pressure regulators for BOG (Boil-off Gas, referred to as BOG), safety valves and last manual discharge valve.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

- Optimize vehicle structure design and slightly elevate the front end of the vehicle storage tank to facilitate the unloading of liquid and reduce the methane loss.
- Regularly test the pressure of methane emission pipes to ensure the stability of the pressure in the pipes.
- In construction operations involving natural gas displacement emissions, the optimal number and location of release points are selected based on pipeline distribution drawings and site conditions, and emissions are carried out strictly in accordance with operating regulations and testing requirements. The gas concentration at the discharge outlet is standardized and tested to ensure the safety of natural gas emissions operations.

Table: Energy Use Performance⁵

Indicator	Unit	2023	2022
Gasoline consumption	Liter	175,543	182,100
Diesel oil consumption	Liter	62,692	67,869
Natural gas consumption	Standard m ³	20,850	21,732
Purchased electricity ⁶	kWh'000	2,309,127	1,939,988
Total comprehensive energy consumption	kWh'000	4,708,192	4,458,690
Comprehensive energy consumption density	kWh/100 million m ³ of gas sold	668,733	636,047

⁵ The data does not include the steam sales business (natural gas comprehensive energy business). In 2023, the natural gas usage of this business was 8,019,866 standard cubic meters, the purchased electricity was 206,209 kWh, the energy consumption was 10,692 tonnes of standard coal, and the energy consumption density was 0.18 tonnes of standard coal/megawatt hour steam production. In 2022, the natural gas usage of this business is 7,129,396 standard cubic meters, the purchased electricity is 189,913 kWh, the energy consumption is 9,505 tonnes of standard coal, and the energy consumption density is 0.19 tonnes of standard coal/megawatt hour steam production.

⁶ In 2022, the use of purchased electricity decreased compared with that during normal business operation. In 2023, the use of purchased electricity increased due to the gradual restoration of normal business operation.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

4.1.4 Comprehensive Energy Transformation

Jiaxing Gas actively carries out comprehensive energy transformation while deepening its engagement in urban gas operation, to promote its energy upgrading and forge itself into a “dual carbon” benchmark player. It also makes intensive efforts to tailor its energy mix and transformation methods, by seizing the opportunity of kinetic energy iteration to promote the high-quality growth of its hydrogen business. The Group actively gets in touch with relevant government departments and hydrogen energy enterprises to seek relevant supports, and to explore more cooperation opportunities in the local and neighboring counties and cities. It participates in the planning, construction and operation management of Jiaxing Hydrogen Fueling Station, expands channels and gas sources to enhance its energy supply capability. It also focuses on innovation empowerment, quality and efficiency improvement, and enhances inputs into hydrogen energy industry, to promote the healthy, orderly and sustainable development of its hydrogen energy business.

Jiaxing Gas also actively engages itself in the charging pile sector. In July 2022, the Group jointly established Jiaxing Jiaran Ganghua Transportation Technology Co., Ltd. (“**Jiaran Ganghua**”) with Jiangsu Ganghua and Tongxiang Ganghua, to fully leverage our local advantage and expand our access to quality sites and premium customers. With the construction and operation of public fast charging stations as a strategic priority, Jiaran Ganghua focuses on constructing fast charging stations in hotels, commercial complexes, public parking lots and other sites. It also expands the market of special charging stations for logistics, sanitation and plant parks, to promote the popularity of electric vehicles and the transformation of energy mix. During the Reporting Period, Jiaran Ganghua has built a total of 9 charging stations and 90 charging piles (62 for fast charging and 28 trickle charging), with a total installed power of 3,616kw.

Gangshan Road Comprehensive Energy Station officially put into operation

The Gangshan Road Comprehensive Energy Station, a vehicle charging station in Jiaxing City was officially put into use on 18 April 2023. The project was designed by using 35MPa hydrogen fueling process, with a fueling volume of 1,000kg/d, which can meet the daily hydrogen demand of 100 buses or 60 trucks.

The station boasts a vehicle charging power of 400kw, equipped with six fast charging terminals. The average power of a single charging gun is 66.6kw, enabling a new energy vehicle to run over 150km after 20-minute charging.

The station offers three types of charging services, namely CNG, hydrogen and electricity, providing users with comprehensive, safe and efficient energy supply, and promoting the nation to achieve dual carbon goal. As Jiaxing’s first comprehensive energy station integrating hydrogenation, gas filling and charging services, the station marks a step forward in promoting the application of hydrogen energy in Jiaxing, and lays a solid foundation for the application of hydrogen energy in hydrogen bus, hydrogen logistics and other fields.



Photo: Gangshan Road Comprehensive Energy Station

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

4.2 ECOLOGICAL PROTECTION

Taking forward ecological conservation is the Chinese nation's basic tactics for sustainable development and a key social topic concerning people's livelihood and well-being. A robust ecosystem is vital for civilization and the harmonious co-existence between humanity and nature, which is one of the key features of the modernization with Chinese characteristics. The Group fully implements President Xi Jinping's ecological conservation spirit and bears in mind the goal of high-quality development in its commitment to carrying out ecological conservation throughout its production and operation. It actively introduces green and low-carbon new technologies to reduce pollutant emissions during its operations, so as to embrace "green operation" and accelerate the transformation to green and low-carbon development. The green development featured with ecological protection is the "defining feature" of the new era, and is vital for respecting the natural law and promoting the harmonious co-existence between humanity and nature. The Group firmly adheres to the concept of socialist ecological civilization in promoting a new pattern of modernization featuring the harmonious co-existence between humanity and nature. It actively explores and summarizes leading practices, promotes the construction of ecological civilization as well as ecological and cultural environment protection, and unswervingly guards our planet by adopting green and low-carbon energy development strategy.

4.2.1 Emission Management

Jiaxing Gas actively practices the new concept of green development, advocates green, low-carbon, and sustainable production and lifestyle, and promotes low-carbon economic development and ecological civilization construction. We strictly adhere to relevant environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, the Emergency Preparedness and Response Control Procedure and the National Catalogue of Hazardous Wastes. We formulate and implement action plans for pollutant control, upgrade and transform pollution control facilities, promote the energy efficiency improvement of new facilities, promote deep pollution control, and improve quality and efficiency. On this basis, the Group has established an environmental protection responsibility system, an environmental monitoring system (including daily environmental monitoring system, emergency monitoring system and monitoring management system) and a solid waste management system. We combine the actual operation to control the total emissions of waste and pollutants, accelerate green and low-carbon development, promote structural optimization and adjustment, and improve environmental governance level, becoming a benchmark enterprise for emission control in the gas industry.

The Group adheres to the concept of green environmental protection, continuously strengthens source emission control, and has achieved important results. In 2023, the Group was not subject to any material environmental protection accidents and was not subject to any claim arising out of material breach of relevant permits and environmental protection requirements; was not subject to any material claim by customers or residents in the operating area as a result of the violation of relevant environmental protection requirements. This has effectively enhanced the reputation and influence of the Group, making green development of the enterprise a reality.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

To minimize problems caused by environmental pollution, Jiaxing Gas is committed to green development and shared prosperity in a robust ecosystem by actively improving the current ecological environment. Based on the actual circumstances of Jiaxing Gas, we have formulated the Management Rules on Three Simultaneities for Safety Facilities, under which, environmental protection facilities shall be designed, constructed and put into use at the same pace for that of the underlying project. In addition, these facilities shall also meet the requirements of the approved environmental impact assessment reports/forms. We have also improved relevant emergency prevention measures and treatment procedures for environmental pollutants mainly involved in our daily operations, such as waste water, exhaust gas, solid waste and noise. The Group tries to create an “accurate, scientific and effective” ecological environment supervision system, by improving the structure, integrity and synergy of emergency management. It builds a mechanism to detect ecological environment problems through extensive data collection, scientific research and judgment, timely discovery and accurate traceability, to ensure the legality and compliance of hazardous waste management, and minimize the threat of waste to the ecological environment and human health by preventing soil, water, atmosphere contamination.

Waste Water	Exhaust gas	Solid waste	Noise
<ul style="list-style-type: none"> ➢ We strive to honor the bottom line of compliance and promote a highly efficient sewage management mechanism. We strictly comply with the wastewater discharge standards by recycling condensate water in factories to reduce the energy consumption of boilers while mitigating noise and air pollution. By improving the quality of boiler feed water and decreasing the amount of boiler blowdown, we can reduce the heat loss of boilers and refill water in a timely manner, so as to reduce the discharge of waste water. ➢ We fully implement the low-emission initiative, by adopting the low nitrogen transformation technology to reduce nitrogen oxide emissions, avoiding environmental contamination caused by waste water. 	<ul style="list-style-type: none"> ➢ For the nitrogen oxides from combustion in boilers, we replace burners with low nitrogen ones, promote the low nitrogen combustion transformation, and optimize boiler operation to control the combustion temperature in boilers, so as to meet the relevant emission requirements before discharging exhaust gas. ➢ During operation, we take exhaust gas collection measures to improve the collection efficiency, and minimize the amount of residual exhaust gas discharged into the atmosphere by the dispenser, so as to minimize the impact of exhaust gas on the surrounding atmospheric environment. 	<ul style="list-style-type: none"> ➢ We engage qualified hazardous waste collectors for professional collection, transportation and treatment of odorant waste bins and other hazardous waste, and maintain relevant records. ➢ All departments are required to classify waste, with non-hazardous waste being regularly transported and disposed of in a timely manner by a third party. ➢ Retired vehicles shall be scrapped according to relevant regulations. 	<ul style="list-style-type: none"> ➢ Noise reduction facilities are installed to prevent noise pollution during construction.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

In 2023, in terms of gas pipeline construction, the Group's Engineering Department strengthened the management of pipe jacking construction for long-distance gas pipeline network:

- Reduce excavation and adopt fully enclosed barriers around the construction site;
- Take environmental protection measures for the mud tanks throughout the entire process, and use special mud trucks to avoid mud leakage or spill during transportation;
- Strengthen project management and improve the quality and safety during the construction process, by reducing rework and re-transfer of materials, and reducing the utilization rate of gasoline generators and air compressors.

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

Table: Waste Discharge Performance

Indicator		Unit	2023	2022
Wastewater	Total sewage discharge	Tonnes	12,881.84	12,335.64
Waste gas ⁷	Total nitrogen oxide emissions	Tonnes	14.21	12.65
	Total sulphur dioxide emissions	Tonnes	1.45	1.29
	Total emissions of smoke and dust	Tonnes	1.91	1.70
Solid waste	Total hazardous waste discharge ⁸	Tonnes	–	–
	Hazardous waste discharge intensity	Tonnes/Billion cubic meters of gas sales	–	–
	Total non-hazardous waste discharge	Tonnes	48.84	46.38
	Office and household waste	Tonnes	36.64	34.28
	Food waste	Tonnes	12.20	12.00
	PE waste pipes	Tonnes	–	0.10
	Harmless waste discharge density	Tonnes/Billion cubic meters of gas sales	6.94	6.62

⁷ The main reason for the increase in exhaust emissions in 2023 is due to the increase in the use of natural gas in the steam sales business (natural gas integrated energy business).

⁸ The main hazardous solid waste generated in 2021 is waste engine oil from engine oil replacement for the maintenance of gas-fired generating units; There is no oil replacement in 2022 and 2023, so there is no hazardous waste emission.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

4.2.2 Environmental Mitigation

Jiaying Gas pursues green production methods, adheres to ecological priority and green development, continuously strengthens efforts in biodiversity protection and habitat restoration, and promotes harmonious coexistence between humans and nature. In strict accordance with laws and regulations including the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Environmental Impact Assessment, the Regulation on the Administration of Environmental Protection in Construction Projects and the Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects. We effectively supervise all the operation links of each project, and integrate biodiversity protection with production and construction throughout the entire project cycle. The Group takes the biodiversity conservation factor as the core consideration in selecting project construction sites, and enhances its environmental impact assessment. It continuously promotes the biodiversity conservation by following current trends, and taking innovative measures, and has achieved remarkable results in gradually reducing the interference and damage caused by the project construction and subsequent operation to the land or wildlife habitat. The Group also promotes a diversified, stable and sustainable ecosystem to explore for a win-win path towards ecological conservation and enterprise development.

Jiaying Gas adheres to the path of green and low-carbon development, and implements the concept of green and low-carbon planning, green design and green construction management to promote the construction of a low-carbon, resilient and sponge city. Based on the all-process "Six in One" environmental management framework consisting of regional environmental assessment, plan environmental assessment, project environmental assessment, supervision and enforcement, discharge permission, and green inspection, we always incorporate the green and low carbon considerations into each part of the whole project construction process covering site selection, design, construction and operation. We strictly abide by environmental management requirements and norms to support people's livelihood, respect the indigenous people, local culture and folk customs, and protect the interest of resident around the construction sites. We also take special protection measures to reduce potential conflicts and achieve green development by minimizing the impact of project construction and operation on local community residents and their living environment.

In selecting project sites, we communicate with the government in a timely manner and conduct extensive surveys on users in advance, to enable timely and transparent communications. We also provide clear description regarding project overview, time schedule, expected impacts, and update such information regularly during the project period. In addition, we also solicit for opinions and demands from the residents around the operation site in various forms. In the project design phase, we plan for the construction in populous area by strictly following the urban planning requirements. For example, we take measures to minimize pipe ullage after the heating pipe network is put into operation while reducing the distance between the central area and the main large users of the newly constructed heat supply piping network.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

Planning and site selection:

- Carry out environmental impact assessments to identify the main environmental impact factors and the generation and expected discharge of the relevant pollutants, for defining proposed measures;
- According to the requirements of Code for Urban Gas Design and other codes, we stay away from ecological protection areas such as water sources, wetlands, and wildlife habitats when selecting construction sites for the project. Based on the actual situation, we adopt various protection measures such as pipe jacking construction and excavation operations to reduce or avoid environmental impacts;
- In the project construction design, take into full consideration of the vegetation distribution and growth on the land, so as to protect the balance of the original land ecosystem to the maximum extent.

The Group actively enhances its sense of responsibility for ecological environment protection. During the project construction period, we strictly implement the mandatory provisions of environmental impact assessment and national design depth requirements and standard specifications, and take corresponding measures to reduce the impact of project construction on the surrounding environment, such as requiring the construction team to control noise, dust, arrange construction time reasonably, and avoid night work, and entrust qualified units to issue corresponding environmental and safety assessment reports. Upon the completion of the construction project, we will perform pipeline blowing, intensity test, tightness test and environmental impact assessment and acceptance in accordance with the relevant provisions of the Norms on Construction and Acceptance of Urban Gas Transmission and Distribution Project (CJJ 33), minimizing risks to the greatest extent possible to ensure the safety of the project and reduce its impact on the surrounding natural ecology.

Construction:

- Reasonably arrange the construction season according to the local climate situation, do a good job in ecological protection, scientifically utilize water and soil resources to improve the ecological environment, use green fences to prevent dust diffusion, protect the local agricultural ecology, vegetation, and the survival environment of rare and endangered animals, and enhance the stability of the ecosystem;
- Develop strict construction plans and implement them accurately. Based on the content of the environmental impact assessment report, effectively control environmental impact factors and manage pollutants such as noise, dust, exhaust gas, and wastewater emissions generated during construction, reducing the impact of project construction on the surrounding environment;
- Strengthen the management of the working environment on the construction site, strictly adhere to operating norms and procedures, and control the width of the construction work zone. Based on the differences in the surrounding environment of the pipeline, we actively adopt non excavation construction methods such as directional drilling and pipe jacking for pipeline construction. Combining the vegetation, terrain, and underground level along the line, we reasonably determine the burial depth of the pipeline. In the mechanical excavation operation of the green belt, we use clinker tracks to reduce damage to animals, plants, and land, and protect the balance of the ecosystem;
- Strengthen the fully enclosed enclosure of the work pit and cover the exposed soil with a green net;

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

- All PE pipe welding machines and tools are uniformly replaced with fully automatic ones, so as to visualize the welding process and further improve the operation quality;
- Use no diesel generators during the construction process if unnecessary and try more with electric supply;
- Timely clean up and classify the waste generated during the construction process, mix finish, curing agent and thinner in the paint at a reasonable proportion to reduce dripping. After construction, compact the backfill, and clear away construction wastes in a timely manner, so as to reduce the ecological impact.

The Group solicits for suggestions and demands from surrounding residents and establish an effective feedback mechanism by conducting regular questionnaire surveys targeting local community residents and the public, takes timely improvement measures to minimize the impact of project construction on the normal living order in local communities, and to allay the concerns of surrounding residents and citizens to ensure the quality and safety of the project. In addition, we stress the importance of safety production by organizing training activities on natural gas safety, self-protection skills and emergency measures on a regular basis, and carrying out various interacting activities such as classes open to kids to improve our community relations.

In 2023, the Group and its subsidiaries carried out several projects, such as the medium pressure gas pipeline renovation project, steel gas pipeline renovation project, relocation and renovation of underground tunnel gas pipelines, gas pipeline renovation for farmers' self-built houses. During the construction of such projects, we well considered the surrounding natural environment, geological conditions and residents' gas demand, etc. into our scientific design and planning. We also cooperated with the transportation authorities in orderly traffic guidance during the construction process, and strengthened communication with residents by timely responding to their concerns and doubts, so as to ensure the gas use safety and stable gas supply.

4.3 EFFICIENT RESOURCE UTILIZATION

Building a resource-saving and environmentally friendly society is a major strategic task for China's economic and social development. Jiaxing Gas comprehensively promotes the efficient utilization of resources and accelerates the formation of a green production and lifestyle. The Group actively responds to the national call for energy conservation and emission reduction in daily operations, strives to build energy-saving and environmentally friendly enterprises, standardizes and actively carries out resource management measures, and improves energy conservation and emission reduction policy mechanisms. We strictly abide by relevant regulations such as the Energy Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China, and explore the green development path of building resource-saving and environmentally friendly enterprises. We attach great importance to scientific energy utilization, actively achieve resource conservation, environmental protection, and ecological conservation, comprehensively improve resource utilization efficiency through multiple measures, strictly manage water resources, strengthen rigid constraints, promote digital office, fully leverage the synergistic effect of reducing resource consumption and carbon reduction, and truly achieve green and low-carbon development of energy security.

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

4.3.1 Water Resources Management

Water is the source of life, the necessity of production, and the foundation of ecology. The construction of water ecological civilization is closely related to the country's economic and social development and ecological civilization construction, and is a strategic resource that determines sustainable development. Jiaxing Gas has placed water resource conservation in a prominent position in its enterprise development, strictly implementing relevant laws and regulations such as the Water Law of the People's Republic of China, taking multiple measures and promoting systematically to strengthen the research and development of key water-saving technologies. We comprehensively improve the level of water resource conservation and intensive utilization, achieve sustainable utilization of water resources, actively build water-saving gas enterprises, and become industry leaders.

Jiaxing Gas attaches great importance to water-saving work and has no problems in obtaining water that is fit for purpose and using water sources. The main water resource consumption is generated during office and boiler operation. We have established and continuously improved a water-saving water supervision mechanism, strictly implemented dual control management of total quantity and intensity, strengthened water conservation inspections in daily operations, and accurately handled on-site leakage and leakage. At the same time, through the application of condensate water recycling technology, we have improved the level of water resource intensive conservation and utilization, and promoted green and high-quality development.

The Group will gradually establish and improve a management system, consolidate the foundation of water management, deepen excellent water management, control water efficiency goals, and promote the effective implementation of strategies. We strictly implement control over the total amount and intensity of water use, strengthen rigid constraints on water use plan indicators and strictly implement them, and promote the widespread use of water-saving appliances in various water use points; Efforts should be made to promote and educate on precise water conservation, and comprehensively enhance employees' awareness of water conservation; Regularly conduct internal water inspections, assessments, and evaluations, implement a water use inspection system, and be able to adhere to the system.

Table: Water Resources Utilization Performance

Indicator	Unit	2023	2022
Total water consumption	Tonnes	67,160	59,356
Water use intensity	Tonnes/RMB1 million of revenue	22.72	17.13

IV. PROMOTING GREEN DEVELOPMENT TO CARE FOR OUR PLANET

4.3.2 Digital Office

The Group will integrate the concept of conservation into every aspect of office work, using digital office platforms as a secure tool carrier, empowering collaboration and management within the Group with technology, accelerating the promotion of digital management and implementing digital transformation, gradually replacing traditional paper printing with digital files, and moving towards the goal of “paperless” office work. In 2023, we will continue to optimize our digital office system, take multiple measures, set multiple management goals and measures, promote the construction of office informatization, promote electronic and paperless office, reduce the consumption of disposable office supplies, and comprehensively promote the Group’s new journey of green and low-carbon development.

Green office

- Paperless document approval: Promote digital office by using electronic protocols, introducing electronic signatures, supporting self-service and mobile online signing, saving office time, and improving work efficiency;
- Attendance management automation: Gradually establish a systematic management process for attendance management, personnel files, and training, automatically synchronize data with the performance appraisal system, and efficiently complete automated attendance work;
- Electronicization of conference materials: Conference related documents and materials are converted into electronic format, projected and displayed through PPT and other means, achieving paperless office work, reducing energy consumption, and promoting green environmental protection;
- Standardization of business documents: To achieve “archive data”, unify the electronic archive management system for process documents, sending and receiving documents, regulations, audio-visual data, drawings, etc. in the business. Some business reports can be filled in, generated, circulated, and reported through the report system software, meeting the requirements of electronic file and electronic archive management, improving the efficiency and accuracy of business file storage;
- Online meetings and training: Promote the use of online video conferences and training, eliminate gatherings, adhere to energy conservation and emission reduction, reduce travel demand, and reduce energy consumption.

Green service

- Platformization of core business: Actively promote online business halls and telephone application channels. The online business hall relies on the WeChat platform to achieve online functions such as gas survey, account opening, side meter, security inspection, and complaints, making it convenient for customers to handle business online, optimizing intermediate links, solving problems around them, and improving work efficiency;
- Digitization of document results: Notify customers of meter reading results through SMS or WeChat, replacing paper documents, making it convenient for customers to quickly obtain documents and save data for a long time;
- Service tracking informatization: Mobile inspection handheld devices replace traditional paper service notebooks to improve the accuracy and convenience of recording.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

We cherish our people as the cornerstone of our commercial success, and the backbone for achieving sustainable development. Therefore, we value each and every employee's contribution and efforts to our steady progress toward prosperity. We standardize our employment by fully protecting employees' rights and interests, and attach importance to establishing a sound talent training and management system, aiming to create a platform for our people to realize their self-worth and career development. We promote our transformation to high-quality development by aligning employees' growth with the Group's prosperity.

5.1 RETAINING TALENTS WITH ATTRACTIVE REMUNERATION

5.1.1 Equal Employment Opportunity

Jiaxing Gas always adheres to the people-oriented and people first principle, and takes the needs and interests of our people as the starting point and objective of everything we do. We strictly implementing the national and local laws and regulations as well as labor policies and employment requirements, including but not limited to the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, etc. Jiaxing Gas has formulated and improved internal rules, including the Rules on Management of Recruitment and Employment, the Rules on Recognition of Qualifications of Employees, the Handbook on Rights and Interests of Employees, the Rules on Management of Employees Attendance, and the Rules on Management of Employees Leaves, which stipulate clear rules on employment, dismissal, working hours and holidays of employees and provide institutional guarantee for safeguarding the basic rights and interests of employees, protecting employee rights and interests to stimulate the staff's creative vitality and promote the healthy development of the enterprise.

Recruitment management

We have established a comprehensive recruitment system, to acquire excellent talents through campus recruitment, employee referral, online recruitment, and large recruitment fairs organized by relevant authorities, based on phased recruitment plans formulated by the HR Department in line with our development strategies and the requirements of different departments. The overall recruitment process includes interviews by front-line departments, preliminary and reexaminations for high-level talents, group meetings and discussions. We have no restrictions on gender, household registration of candidates to ensure fairness, justice and openness in our recruitment, by fully adopting the principle of equal opportunity throughout the recruitment process. We have developed a sound remuneration system and diversified promotion channels, and operates in strict accordance with national laws and regulations, to maintain upbeat working spirit and harmonious labor relations.

We continuously improve our recruitment process. After interviewing and evaluating candidates, we will notify all qualified candidates for pre-employment medical examination, employment approval and signature of labour contracts, ensure that everyone is treated fairly in terms of recruitment, hiring, wages, treatment, training opportunities, job placement, promotions, disciplinary action, dismissal, etc. We respect differences, encourage diversity and enhance inclusiveness, and firmly oppose any forms of restriction and discrimination on the grounds of gender, age, educational background and religious belief, etc., so as to ensure that the Group is full of vitality and is committed to a diverse, inclusive and equitable work environment.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Employment rules

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

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

Jiaxing Gas is committed to establishing an ideal working environment that protects human rights and safeguards the best interests of its employees. When new employees join the Group, we further confirm and check their ID information by sending information registration forms and employment approval forms, strictly screen the employee's identity information, and carefully audit and process it in accordance with national laws and regulations. In accordance with national laws and the Group's rules, any violation found will be treated seriously and in a timely manner to prevent the use of child labour from the source, contributing to the universalization of social security. To prevent forced labour, the Group does not restrict employees' personal freedom or forces labour to work by collecting deposits, detaining documents, making threats, etc as to fully prohibit forced or compulsory labour. When employees leave, we will not impose any restrictions on their choice of new jobs for any reason or through any means. The Group has zero tolerance for child and forced labour to fully protect the rights and interests of its employees. In 2023, the Group was not involved in any illegal activities including child labour and forced labour.

Rights to holidays and leaves

We value the welfare and security of our employees and strictly implement the national statutory regulations on holidays and leaves, employees are entitled to national statutory holidays, annual leave, maternity leave, marriage leave, etc. We have stipulated and improved the Rules on Management of Employees Leaves to regulate the management and approval procedures for employees to take leaves, emphasize the protection of human rights and protect employees' rights to have rest days, promoting the healthy and sustainable development of enterprise.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

We have achieved a balanced male-to-female ratio and provided equal employment opportunities for employees of different ages. As at the end of the Reporting Period, we had a total of 408 full-time employees, including 53 new employees, in mainland China; the overall turnover rate was 2.86%, representing an decrease of 5.5% as compared with 2022. Summaries of the Company's employees by gender, age, region, and position level are as follows:

Category	Metric	Unit	2023	2022
	Total headcount	Persons	408	367
By gender	Male	Persons	296	270
	Female	Persons	112	97
By age group	25 or below	Persons	4	4
	25 to 30 (including 25)	Persons	53	53
	30 to 40 (including 30)	Persons	161	150
By region	Above 40 (including 40)	Persons	190	160
	Jiaying, Zhejiang Province	Persons	330	297
	Outside Jiaying, Zhejiang Province	Persons	78	70
By position level	Senior management	Persons	8	8
	Middle management	Persons	59	60
	General staff	Persons	341	299

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

Category	Metric	Unit	2023	2022
By gender	Male	%	1.99	8.00
	Female	%	5.08	1.00
By age group	25 or below	%	0.00	0.20
	25 to 30 (including 25)	%	5.36	1.20
	30 to 40 (including 30)	%	3.01	3.70
	Above 40 (including 40)	%	2.06	3.90
By region	Jiaying, Zhejiang Province	%	3.23	6.00
	Outside Jiaying, Zhejiang Province	%	1.27	3.00

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.1.2 Compensation and Benefits

We value our employees, and strictly comply with the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Provisions on Minimum Salary Threshold of the People's Republic of China, and other laws and regulations related to the protection of employment compensation and benefits. We keep improving the performance appraisal and salary distribution system, and pay five insurance and one funds stipulated by social insurance system for our employees on time. In addition to legal compliance, we are attentive to employees' needs, and work continuously to improve working conditions, the quality of cultural, living and logistics support, and provide various benefits to make our employees happier and have a higher degree of satisfaction:

- Visits to employees working on sites at high temperature to send heatstroke prevention and cooling supplies to front-line employees.
- We care about our employees' health, and regularly provide them with benefits including labour insurance benefits. Each year, we organize physical examinations for all employees and female employees.
- We pay attention to employees' mental health and arranged stress relief lectures for employees.
- We care about female employees and organize the Commendation Meeting for Excellent Female Employees on the International Women's Day, as well as recreational and cultural activities such as flower arrangement activity to timely deliver welfare and care in women's holidays (e.g. Women's Day, Mother's Day).
- We also provide holiday-related benefits, such as festival allowance and in-kind benefits (including agricultural products, fruits, holiday gifts).
- We organize employee birthday parties each quarter.
- We visit and distribute benefits to retired staff representatives and veteran party representatives.

“Delivering Caring Message in Year-end Visits” – Trade Union of Jiaxing Gangqu Natural Gas visited disadvantaged staff with comforts

On 18 January 2023, the Trade Union of Jiaxing Gangqu Natural Gas carried out activity of “Delivering Caring Message in Year-end Visits” to visit the needy employees with comforting money, rice, oil and other daily necessities, as well as best wishes, aiming to encourage them to pursue a better life with positive attitude, and honor themselves to be members of the big family of Jiaxing Gangqu Natural Gas.



Photo: Visiting needy employees to celebrate the Spring Festival

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2 RETAINING TALENTS WITH CAREER PROSPECT

Staff is the key driving force, as well as valuable asset and wealth for our sustainable development. Jiaxing Gas continues to improve its training system, by strengthening the incentive mechanism, and providing smooth development path. We are committed to deepening talent development through constantly optimized staff training system, assessment mechanism, promotion channels, professional title review, etc. We elaborately create development blueprints for all our people in line with their positions and actual needs, so as to integrating their personal achievements into our business development. We encourage our people to “unleash their potential to the fullest extent”, and constantly upscale our talent pool to fuel our high-quality development non-stop.

5.2.1 Integrated Training System

The Group resolutely implement the strategy of strengthening enterprises with talents and attaches great importance to the construction of professional capacity of our employees, acceleration of the cultivation of talents and is committed to building a talent team with core competitiveness. We have developed and improved detailed regulations on the training and compliance management of professional and technical personnel through internal regulations such as the Regulations on the Management of Employee Training. To give full play to the main role of vocational skills training in enterprises and create a favorable environment for talent development, we encouraged employees to learn on their own, and gradually realized the transformation of professional and technical personnel from skill management to job value management, boosting high-quality development of enterprise.

Talent is the most valuable capital of the enterprise, we firmly believe that employees should be subject to lifelong learning as training and education is also an investment. The Group’s Human Resources Department identifies, discusses and analyses training needs according to the Annual Training Requirement Form, lays down and implements the Annual Training Plan each year. The Plan specifies the departments responsible for the training, training modules, posts, content, attendance, time, form, standards and estimated funds to fully promote employees’ professional development and build the cornerstone of high-quality development. In order to evaluate employee training, utilize the positive incentive role of talent evaluation, and guarantee training quality, we have also developed nine documents to record training quality, including the Training Report and Training Evaluation Form to ensure continuous improvement of training content and quality of training.

The Group diligently promotes various trainings covering safety production, professional learning, team building, healthy living and regular training and other contents through a combination of lecture and experiential channels. Our trainings aim to enable all employees to enroll on their own and carry out learning in batches as needed, improve their comprehensive capabilities, and unleash their potential in their respective posts.

In 2023, the Group organized staff to study typical indoor accident cases and attend training on security inspection skills. Such training included training on basics for security inspection in resident buildings, and training on hydrogen refueling station process and operation safety management. Such training activities were designed to equip employees with necessary knowledge and skills to perform their daily duties under higher standards and stricter requirements with more practical measures, and to further improve their safety awareness and duty performance.

As at the end of the Reporting Period, all employees of Jiaxing Gas received training provided by the Group, a total of 11,112 hours and an average of 27.24 hours per employee were spent on training respectively.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Category	Metric	Unit	2023	2022
Average training duration by gender	Male	Hours	26.66	25.18
	Female	Hours	28.77	24.63
Average training duration by position level	Senior management	Hours	43.37	34.50
	Middle management	Hours	27.29	22.97
	General staff	Hours	26.85	25.20

Lecture on “Middle Managers’ Insights into Safety”

On 1 June 2023, Jiaxing Gas held a lecture on “Middle Managers’ Insights into Safety” in the morning. During the activities, nine middle-level managers of the Group shared their insights and safety management experience around the pain points regarding safety management within their respective business lines by analyzing typical cases. They also suggested to organize education and training activities on safety publicity, in light of our production and operation features, to lay a solid foundation for the further improvement of our people’s safety awareness and safety operation skills.



Photo: the lecture on “Middle Managers’ Insights into Safety”

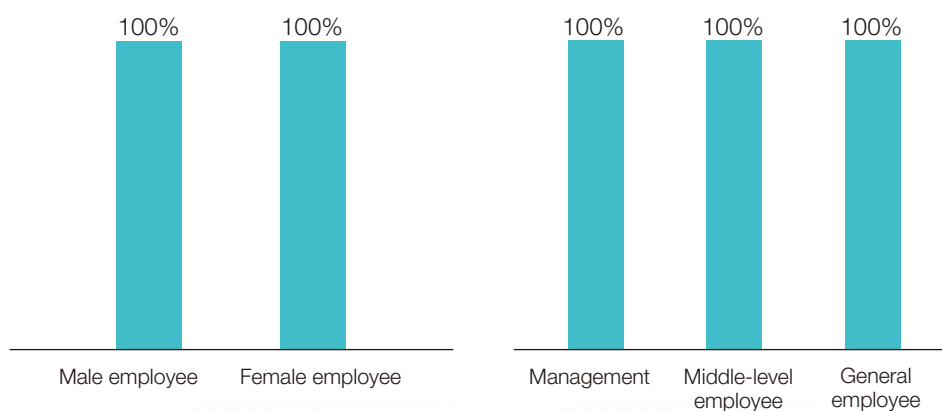


Chart: Percentage of Jiaxing Gas Employees Trained in 2023

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2.2 Fair Performance Appraisal

Jiaxing Gas pays attention to employees' lifelong development and the talents cultivation while cultivating, introducing and utilizing talents in all aspects, cementing the foundation of talent management. To test how well employees have learnt during the course, the Group has established a diversified course learning evaluation method based on the cultivation of innovative talents as well as an assessment system for employees at different levels, and conducts regular assessments based on bi-annual and annual indicators to strengthen positive feedback and promote continuous improvement of training courses. We continue to improve evaluation mechanisms, comprehensively assess the professional quality of our employees, on the basis of which the assessment results are summarized and regularly submitted to the Group leadership for review, in order to determine the future development policy of each department and subsequent training plans, continuously energizing the Group's high-quality development.

Production safety and management responsibilities are two key components of Jiaxing Gas' operation and we are committed to ensuring gas safety. Therefore, the Group actively carried out annual performance appraisal from the two perspectives. Based on job responsibilities and quality objectives of each department, we comprehensively evaluated employees' morality, ability, diligence and performance as a practical basis for job promotion, salary adjustment, rewards and penalties, strengthening positive incentives to effectively motivate employees and increase their motivation to work. During the Reporting Period, 100% of the Group's employees were covered under the performance appraisal system to optimize an environment that encourages fair competition to support the Group's develop in a high-quality manner.

5.2.3 Smooth Career Path

Jiaxing Gas strengthens assessment and allocation of positive incentives, persists in providing a clear path for employee promotion and a policy for performance incentives. The Group further strengthen the rigid application of assessment results, the establishment of multiple sequential parallel promotion channels. Based on the guiding principle of "stabilizing the team, leading the development, starting the system and optimizing the allocation", we have been strengthening the career development and management system, and further deepening the reform of the Group's personnel system. The Group fully respecting the value of talents and emphasizing their development, and strictly continuously built a career development management policy and system, improved the employee promotion system, further deepened the reform of the personnel system of the Group, transformed the single career promotion model only linked with administrative ranks, established a team comprising old, middle-aged and young employees, and ensured that employees can obtain clear career development paths and fair promotion during their terms of office, and trained a team of high-quality professional and technical personnel to ensure the sustainable development of talents in the Group.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

To provide employees with more flexibility for career development and to ensure that competition is fair and open, the Group goes through a regular mechanism of job promotion and pay grade increase every year. We improve the relevant management and assessment methods, and provide all formal employees on duty with development channels in both professional and technical and administrative directions. When making decisions on job promotion, we arrange annual competitions for middle-level management posts, and professional and technical posts to open a path for career development, allowing grass-roots cadres to display their talents and realize their career aspirations. When making decisions on pay grade increase, we increase salaries of employees and middle-level management every year to improve compensation and benefits and enhance employees' sense of fulfilment and well-being, further enhance work performance and promote high-quality development of the enterprise. In addition, as to improve employee motivation and stimulates the innovative vitality of the enterprise, we organize our employees to participate in skills competition every year, and winners will be given priority over their peers when being reviewed for the qualifications to get awards, transfers and job promotions at the end of each year. We will continue to establish a scientific and sound path for career development and organize internal competitions every year to provide employees with channels to promote to administrative management posts, and professional and technical posts. Skilled personnel also have career development within the Group and are expected to grow into experts as well. In 2023, the Group promoted fifteen employees, among whom seven were female employees and eight were male employees.

Position Evaluation and Employment Process of Jiaxing Gas:

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

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Selecting competent and qualified talents via competition for posts

On 24 February 2023, Jiaxing Gas organized the 2023 annual competition for managerial and professional & technical posts. A total of 65 employees from all departments actively participated to demonstrate their abilities in front of the Group's leadership members and employee representatives. The candidates came up in turn to showcase their understanding of the post requirements, their vocational visions and plans, and their qualification and competence for the posts. After their speeches, leaders and staff representatives performed democratic assessment by voting. It is one of our traditions to select and motivate talents via internal competition. The democracy and competition mechanism enables qualified talents to outperform themselves at suitable posts, and helps us broaden our talent evaluation channels, so as to inspire the Group's innovation vitality for high-quality development, through organizational and talent support.



Photo: the competition for managerial and professional & technical posts

5.2.4 Improving Professional Competence

Talent cultivation and education is vital for promoting the Group's human resources development, and is the key to attracting talented professionals. The Group actively builds a strategic training system, by enhancing resources inputs into employee training with multiple incentives. We offer personalized training courses to promote our people's urge and enthusiasm to learn and practice, aiming to cultivate a diversified talent pool with versatile professionals for the Group. Incentive measures are vital for building a robust training system. To this end, we encourage our people to obtain professional titles through occupational certification, as a move to improve their professional competence and technical skills. We also grant annual subsidies to employees acquired professional titles on a regular basis, to fully unleash our development potentials. We also encourage employees to participate in major industry competition events, and cite winners with rewards of various forms, aiming to give full play to their strengths at suitable posts and retain quality talents by boosting their confidence and working efficiency.

Jiaxing Gas will comprehensively strengthen the Group's management system and process for titles so that it will become more professional, standard and organized, further enhancing governance effectiveness. We will provide channels and platforms for employees to obtain skill qualifications, and focus on improving employees' professional and leadership skills, so that the Group can cultivate professional and technical talents more effectively. These policies have acted as a major factor to motivate employees in their continued learning of professional skills and build the cornerstone for the Group's high-quality development. As at the end of the Reporting Period, the Group has conferred intermediate and junior titles and above to 331 employees.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

In 2023, our people actively participated in the “2023 Jiaxing Gas Industry Vocational Skills Selection Competition” and the “Selection Competition in Zhejiang of the Fifth National Gas Industry Vocational Skills Competition” (“燃气杯”第五屆全國燃氣行業職業技能競賽浙江省賽區選拔賽). In addition, we also organized four batches of employees to be assessed by vocational skills rating agencies.

Patrol inspection skills contest

On 14 June 2023, Jiaxing Gangqu Natural Gas participated in the first “Patrol Inspection Cup” patrol inspection skills contest organized by Jiaxing Gas, and won the team championship. The contest is mainly designed to test the gas workers’ skills in drawing pipe networks in local communities, their abilities to inspect and identify hidden dangers and their emergency response abilities. During the contest, contestants from Jiaxing Gangqu Natural Gas distinguished themselves with outstanding technical strength for the safe operation of pipe networks, and were highly recognized for their strong team spirit.



Photo: the patrol inspection skills contest

5.3 RETAINING TALENTS WITH CARING RELATIONSHIP

We believe that enterprises and employees belong to the same community with shared benefits, shared purpose and shared future, as employees’ growth is an indispensable part of enterprise development. Therefore, we are committed to pursuing high-quality development by improving our people’s sense of fulfilment. We care about our employees, attach importance to their sense of fulfilment, and strive to improve their sense of belonging, achievement and engagement, by creating a culture featuring warmth, harmony, equality, consideration, health and happiness for employees to integrate their achievement into the Group’s business development. To encourage free and frank communication, we have established an open communication channel for employees to voice their views and offer suggestions, so that we can forge ahead with joint efforts. We organize multifarious employee caring activities to promote work-life balance by meeting employees’ diversified leisure demands, so as to improve their mental and physical fitness. We also make efforts to promote enthusiasm, optimism and entrepreneur among employees, and enhance their sense of identity and belonging with Jiaxing Gas, laying a solid foundation for the Group’s high-quality development.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Visiting workers sticking to posts with gifts during the Spring Festival

On 22 January 2023, the first day of the Lunar New Year, Sun Lianqing, Chairman and General Manager of the Group, together with leadership members, visited frontline workers on duty. During their visits, representatives expressed their gratitude to those still sticking to their posts during the Spring Festival, and encouraged them to well perform their duties and assume their responsibilities, to ensure safe gas supply to households during the festival. Representatives also extended holiday greetings and expressed best wishes to all employees and their families on behalf of the leadership of the Company.



Photo: Visiting workers sticking to posts with gifts during the Spring Festival

5.3.1 Diverse and Liberal Communication

We cherish the voice of front-line and backbone employees as a key driving force for the Group's development, and encourage freedom of speech to solicit for employees' suggestions. We also conduct surveys on employees' actual needs and address practical issues in a liberal way, so as to inspire their creativity and spirit of ownership. We have built diversified communication channels and effective feedback mechanism, such as setting up suggestion boxes, to encourage all employees to provide suggestions and feedbacks, so as to promote the Group's development with joint efforts. We also ensure timely and accurate response to employees' feedbacks, by taking swift response and follow-up actions.

Each year, we organize exchange meetings between new and existing employees led by the chairman of the Board and leaders of the Party Branch. The human resources department conducts employee interviews for different job groups every six months, and further understands what employees think and feel by conducting seminars for young employees and departmental reunion meetings. We have set up the general manager's mailbox as a platform for listening to and discussing employees' ideas. The Group's subsidiaries are also maintaining communication with their employees in light of their own situation, for example, Jiaxing Gangqu Natural Gas has an employee chat room for team building and exchange meetings among young cadres. They collect employee opinions and suggestions and evaluate employee satisfaction every year, and the survey results for 2023 is 100%; use labour union as a major platform for communication and protection of employee rights and interests. There is also an effective labour union system to ensure that the labour union function properly.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.3.2 Multifarious Recreational Activities

We carry out recreational activities including visit to employees, team building and employee birthday parties from time to time to promote communication, exchange, cohesiveness and team spirit. The Group also attaches great importance to the physical and mental health of its employees, by creating a positive, harmonious and pleasant working environment for them. We have organized a series of diversified activities, including Baduanjin (a set of eight individual modules of refined movements with just the right amount of activity) training, to help employees relieve their work pressure and improve their physical fitness. Employees were also organized to attend the Prosperity Xiudian (Exhibition of Chinese Paintings of Past Dynasties), so that employees can cultivate their minds and broaden their vision by admiring delicate art pieces. Employees were also encouraged to participate in public welfare activities, such as the Nanhu Lake Charity Walk, to enhance their sense of social responsibilities.



Photo: Baduanjin Training



Photo: Nanhu Lake Charity Walk

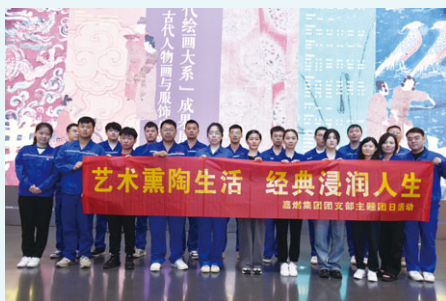


Photo: Attending the Prosperity Xiudian to admire classic art pieces



V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Paying tribute to “She Power” – Jiaxing Gas organized a series of activities for female staff on Women’s Day

We focus on enriching the leisure life of female employees, by improving their physical and mental health, and paying tribute to she power. To celebrate the International Women’s Day in 2023, Jiaxing Gas organized a variety of female-oriented activities, such as honoring female talents, flower arranging and other DIY activities. During the activities, female staff enjoyed their meaningful day by having fun together, and were inspired to showcase she power in the new era by assuming their responsibilities.



Photo: “Paying tribute to She Power” – Women’s Day activities

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

A harmonious community promotes the sustainable and healthy development of enterprises. While gearing up for its further expansion, Jiaxing Gas also focuses on meeting the public's practical needs. It incorporates its development into community prosperity and people's well-being, by bravely assuming its social responsibilities, and actively participating in public welfare activities. It continuously pays back to the society by playing its role in various aspects such as voluntary activities, rural revitalization, environmental protection, and education assistance, aiming to promoting social advancement with kindness and good deeds.

As guided by the Norms of JiaXing Gas Group Company Limited on the "Devotion and Care "Volunteer Services Management, the Group actively builds a volunteer team to serve the community, by strictly regulating the basic conditions for employees to become volunteers, the recruitment and team building methods, volunteers' rights, rewards and incentives, and service scope, etc. We encourage employees to participate in volunteer activities by providing smooth channels and strengthened support, so as to promote a harmonious society and enhance the public's sense of well-being through public welfare efforts.

During the Reporting Period, the Group and the co-construction units of the jurisdictions in which it operates have focused on practical matters relating to people's livelihood, including gas safety publicity, visits to the elderly, anti-fraud publicity, blood donation and other activities. We have carried out a total of 287 public welfare social programs, involving 1,399 participants.

6.1 GROWTH TOGETHER AS GUIDED BY PARTY BUILDING

Party building is vital for guiding our high-quality development. We constantly recruit Party members, and encourage them to fully demonstrate their vanguard and exemplary roles, so as to promote Party building while achieving enterprise development. The Group has always adhered to its original aspiration to serve the public, by actively fulfilling its social responsibilities. Through Party building and co-construction, paired assistance, and party building alliance in the Jiaxing Port Economic Development Zone, the Group promoted its business development ("火焰藍") as guided by the Party building ("黨建紅"), so as to chart a new path to high-quality development and common prosperity. The Group's subsidiaries carry out monthly learning sessions on a series themes, such as "Top Agenda" system, learning and implementing Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, and the "Eight Eight Strategy", to deepen employees' understanding and consensus on Party building through centralized learning, exchange and discussion. In 2023, the Group carried out a series of Party building activities. For example, the Party Branch visited needy households during the Spring Festival.

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

Jiaxing Gas has insisted on conducting safety publicity activities in rural areas for over 2 decades. We enhance the Party-Enterprise co-construction through artistic performances and safety publicity activities, to deliver caring messages to the gas users in rural areas, and make them feel safe and satisfied in using our gas supply services.

Conducting safety publicity in rural areas with diversified cultural activities

On 28 June 2023, Jiaxing Gas held a literary and artistic performance to celebrate the 102nd anniversary of the founding of the CPC on 1 July at the square near the party-mass service center of Xinmin Village. Literary and artistic backbones from Jiaxing Gas, Jiaxing Gas Association, Muhe Community and Xinmin Village entertained villagers with a variety of performances. In addition, we also conducted effective gas safety publicity activities through award-winning knowledge quiz on Jiaxing folk customs, gas safety and Party history, etc. We enhance the Party-Enterprise co-construction through artistic performances and safety publicity activities organized for the gas users in rural areas, and make them feel safe and satisfied in using our gas supply services.



Photo: the literary and artistic performance

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

New Power of Youth League Branch – Jiaxing Gas elected new leadership for the Youth League Branch

In the afternoon of 2 March 2023, the Youth League Branch of Jiaxing Gas held an election for new leadership at the staff training center. Five youth League members were elected as commissioners of the 9th Youth League Branch of Jiaxing Gas by select ballot for multi-candidate election. Our youngsters are committed to promoting the Group’s high-quality development, by making new breakthroughs in their in political literacy, learning ability, professional skills and spirit of innovation.



Photo: the General Election of the Youth League Branch

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

Patriotic education activity on “Saluting to Martyrs on Tomb Sweeping Day”

On 31 March 2023, the Party Branch and the Youth League Branch of Jiaxing Gangqu Natural Gas organized their members to participate in the patriotic education activity on “Saluting to Martyrs on Tomb Sweeping Day”. Party members and League members came to the Monument of Revolutionary Martyrs in Jiulong Mountain Cemetery in Zhapu on Tomb Sweeping Day, to pay a salute to the revolutionary martyrs, by observing silence for three minutes in front of the monument and reviewing the oath of joining the Party. This tomb sweeping activity inspired the Party and League members’ admiration for the revolutionary martyrs, as well as their determination to inherit and carry forward the martyrs’ revolutionary spirit in their striving for a brighter future of the gas industry in the Jiaxing Port Economic Development Zone.



Photo: the patriotic education activity on “Saluting to Martyrs on Tomb Sweeping Day”

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

6.2 CARING ABOUT PEOPLE'S LIVELIHOOD AND SUPPORTING OUR COMMUNITY

Jiaxing Gas always cares about people's livelihood, by focusing on the urgent needs and expectations of the masses, serving the people, undertaking duties and missions, to enhance people's well-being. We empower community governance with the power of the enterprise and firmly believes that symbiosis and common prosperity with the community is the cornerstone for the booming of its business. In 2023, Jiaxing Gas, as always, actively organized and carried out various activities to celebrate traditional festivals, to standardize city appearance with better hygiene conditions, and to promote gas safety publicity. It also conducted public welfare gas safety monitoring activities to actively fulfill social responsibilities and help achieve the common development of enterprises and communities.

Jiaxing Gas cheered up the disadvantaged to celebrate the Spring Festival

On 19 January 2023, volunteers from the Party Branch of Jiaxing Gas visited the disadvantaged villagers and the paired assistance households in Xinmin Village, Jiaxing City, with sincere blessings and comforting gifts. Volunteers delivered "blessing bags" filled with couplets, fu (福) character calligraphy and paper cutting for window decorations to the villagers, as well as rice, edible oil and other daily necessities to paired assistance households. By cheering up people in need during the Spring Festival, Jiaxing Gas fulfilled its corporate social responsibility with practical actions.



Photo: sending blessings to celebrate the Spring Festival

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

Celebrating the Lei Feng Memorial Day (5 March) with voluntary activities in Jiaxing

On 5 March, the Lei Feng Memorial Day, Jiaxing Gas volunteers carried on the spirit of dedication with practical actions, by carrying out a series of voluntary activities in local communities, to promote mutual growth and development. Those voluntary services included safety publicity activities, where volunteers popularized safe gas use norms and precautions, and resolve the doubts about gas use raised by citizens with professional and scientific explanations. Volunteers also joined hands with local community to carry out gas safety inspection for shops along the street, with detailed publicity materials on scientific gas use.



Photo: activities on celebrating the Lei Feng Memorial Day

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

Popularizing gas safety knowledge in campus

On 2 June 2023, volunteers from Jiaxing Gangqu Natural Gas visited Zhapu Primary School and delivered a lively and interesting lecture to pupils on gas use safety. Specifically, volunteers raised the children's awareness on the importance of safe production, briefed on the history of natural gas development, construction and common sense of gas use, and showcased gas meters, metal hoses and other instruments and equipment, so that children can learn more and master well the knowledge of safe gas use.



Photo: popularizing gas safety knowledge in campus

6.3 DONATING WITH LOVE TO RELIEVE DISASTER VICTIMS

Just like the saying goes, "Little drops of water make the mighty ocean". We believe that every voluntary effort counts in building a better world. We always adhere to a sense of responsibility for the society and deep concern for the people, by focusing on our own steady development, while giving back to the society with active engagement in social welfare and donation activities.

Donating with love to relieve disaster victims

On 18 December 2023, Jishishan County in Linxia Prefecture of Gansu Province was struck by an earthquake. As a model responsible enterprise, the Group took the initiative to contact relevant government departments for disaster relieving purpose. Relieving supplies (3,000 Jin (i.e., 1,500 kg) of quality rice) were carefully selected and packaged by our volunteers, and sent with our best wishes to the earthquake-stricken areas in Gansu Province. By extending a helping hand in time, the Group expressed its deep concern for the people in the disaster struck area and carried the spirit of solidarity and mutual assistance for the people across the country. Our timely assistance was highly appreciated by the disaster victims, making them feel warm and safe in a caring society.



Photo: relieving supply donations

VI. HARMONIOUS COMMUNITY AND INCLUSIVE SOCIETY

6.4 TREE PLANTING FOR A GREENER PLANET

As a promising season, spring always comes with fresh hope. Compulsory tree planting is one of the methods that work wonders to engage all social forces in ecological conservation, and a worth-advocating practice to build a green and beautiful China. Jiaxing Gas carries far President Xi Jinping's ecological conservation spirit in its active avocation for tree-planting and its contribution to building a beautiful China featured with harmonious co-existence between humanity and nature. In the spring of 2023, the Group continued to carry out compulsory tree planting activities, to enhance our people's sense of responsibility for afforestation to build a greener China.

Greeting spring by planting green hope

On 14 March 2023, the Party Branch of Jiaxing Gas carried out co-construction activities under Party building, organizing Party members and volunteers to plant trees in Zhongshan Community. Participants were highly engaged by working hard throughout the planting process, striving to become pioneers in ecological civilization construction. This tree planting activity was a practice of the green development philosophy, and part of our contribution to building a robust ecosystem in the Jiaxing Port Economic Development Zone.



Photo: volunteer tree planting

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

Environmental, Social and Governance Reporting Guide		Report Content
A. Environmental		
Aspect A1: Emissions		
General Disclosure		Promoting Green Development to Care for Our Planet – Addressing with Climate Change, Ecological Protection
A1.1	The types of emissions and respective emissions data.	Promoting Green Development to Care for Our Planet – Ecological Protection
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Green Development to Care for Our Planet – Addressing with Climate Change, Ecological Protection
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Green Development to Care for Our Planet – Ecological Protection
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Green Development to Care for Our Planet – Ecological Protection
A1.5	Description of emission target(s) set and steps taken to achieve them.	Promoting Green Development to Care for Our Planet – Addressing with Climate Change, Ecological Protection
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Promoting Green Development to Care for Our Planet – Addressing with Climate Change, Ecological Protection

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

Environmental, Social and Governance Reporting Guide		Report Content
Aspect A2: Use of Resources		
General Disclosure		Promoting Green Development to Care for Our Planet – Addressing with Climate Change, Efficient Resource Utilization
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Promoting Green Development to Care for Our Planet – Addressing with Climate Change Efficient Resource Utilization
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promoting Green Development to Care for Our Planet – Efficient Resource Utilization
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Promoting Green Development to Care for Our Planet – Addressing With Climate Change, Efficient Resource Utilization
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Promoting Green Development to Care for Our Planet – Efficient Resource Utilization
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of packaging materials for manufactured goods
Aspect A3: The Environment and Natural Resources		
General Disclosure		Promoting Green Development to Care for Our Planet – Efficient Resource Utilization, Ecological Protection
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Green Development to Care for Our Planet – Efficient Resource Utilization, Ecological Protection
Aspect A4: Climate Change		
General Disclosure		Promoting Green Development to Care for Our Planet – Addressing with 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.	Promoting Green Development to Care for Our Planet – Addressing with Climate Change



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

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

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

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

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

Environmental, Social and Governance Reporting Guide		Report Content
Aspect B6: Product Responsibility		
General Disclosure		Safe Gas Supply to Warm Thousands of Households As the Group's products and services do not involve extensive advertising and labeling, related policy has not been established in this regard
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable as the Group's product and service attributes do not involve product recalls
B6.2	Number of products and service related complaints received and how they are dealt with.	Safe Gas Supply to Warm Thousands of Households – High-quality Customer Service
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Safe Gas Supply to Warm Thousands of Households – Innovation-driven Development
B6.4	Description of quality assurance process and recall procedures.	Not applicable as the Group's product and service attributes do not involve product recalls
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safe Gas Supply to Warm Thousands of Households – High-quality Customer Service
Aspect B7: Anti-corruption		
General Disclosure		Compliance Governance with Steady Operation – Promote the Construction of Integrity
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Compliance Governance with Steady Operation – Promote the Construction of Integrity
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Compliance Governance with Steady Operation – Promote the Construction of Integrity
B7.3	Description of anti-corruption training provided to directors and staff.	Compliance Governance with Steady Operation – Promote the Construction of Integrity

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

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

