2024 Environmental, Social and Governance Report



(Incorporated in the Bermuda with limited liability)
 (於百慕達注册成立之有限公司)
 Stock Code 股份代號 :2886

CONTENT

ABOUT THE REPORT

1.1	Scope of the Report	03
1.2	Basis of Preparation	03
1.3	Reporting Statement	03
1.4	Reporting Feedback	03



2.1	Corporate Profile
2.2	Honours Achieved

04

06

08

SUSTAINABLE 03 DEVELOPMENT MANAGEMENT 3.1 Board Statement

3.2 ESG Governance Structure	09
3.3 Stakeholder Communication	10
3.4 Materiality Analysis	10

SAFEGUARDING 04 LUCID WATERS AND **LUSH MOUNTAINS THROUGH GREEN** DEVELOPMENT

4.1	Climate Change Tackling	14
4.2	Emission Management Enhancement	19
	Greenhouse Gas Emission Reduction	19
	Control of Air Pollutants	20
	Solid Waste Disposal	21
	4.3 Optimize Resource Utilisation	23
	Office Resource Conservation	23
	Energy Conservation and	
	Consumption Reduction in Operation an	id
	Construction	25
4.4	Environment Compliance	26

HARMONY AND WIN-05WIN DEVELOPMENT **TO BUILD A BETTER** SOCIETY

5.1	Product Quality Assurance	30
	Stable Gas Supply and Quality Assurance	е
	Product Innovation and Leading Role of	
	Standards	30
	Intellectual Property and Advertising	32
	Complaint Management and Service	
	Enhancement	33
5.2	Caring for Employee Growth	33
	Protecting Employees' Rights and	
	Interests	35
	Advocating for Employee Caring	35
	Supporting Coordinated Development	37
5.3	Commitment to Safety	40
	Safety Management System	41
	Maintaining Occupational Health	41
	Ensuring Work Safety	43
5.4	Giving Back to the Society	44
	Maintain Gas Safety in Communities	46
	Addressing Concerns in Rural Areas	46
	Through Practical Measures	47



02 **ABOUT THE GROUP**



BUILDING SOLID FOUNDATION OF GOVERNANCE TOWARDS A SUSTAINABLE FUTURE

6.1	Improving Risk Prevention and Control	
	Capabilities	50
6.2	Anti-Unfair Competition	52
6.3	Privacy Protection and Information	
	Security	53
6.4	Creating a Culture of Integrity	54
6.5	Sustainable Supply Chain Management	56

THE GROUP'S ESG PERFORMANCE DATA

58

0

6

LAWS AND REGULATIONS WHICH HAVE A SIGNIFICANT IMPACT ON THE GROUP

64

SEHK'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX

ABOUT THE REPORT

Binhai Investment Company Limited (Stock Code: 02886), hereinafter referred to as the "Company", together with its subsidiaries, is collectively referred to as "the Group", "we" or "Binhai Investment", hereby officially publishes the 2024 Environmental, Social and Governance Report (hereinafter referred to as the "Report"), to reflect the Group's latest progress and achievements of sustainable development. The Report addresses the material Environmental, Social and Governance ("ESG") issues that stakeholders concern about, and provides a public and transparent disclosure of the Group's ESG strategy, practice and performance in detail, etc. It is recommended that the Report be read in conjunction with the Group's Annual Report, in particular the "Corporate Governance Report" contained within, for a comprehensive overview of the Group's performance in sustainable development.

11:40



1.1 Scope of the Report

The Group's core businesses include the construction of gas pipelines, gas pipeline installation, sales of piped natural gas and pipeline transportation of natural gas, and these are primarily based in Tianjin, Beijing, Hebei Province, Shandong Province, Jiangsu Province, Jiangsi Province, Hunan Province, Hainan Province, Zhejiang Province and Guangdong Province. Currently, the Group owns 40 gas project companies. Unless otherwise stated, the Report contains information pertaining to the Group's direct operations in the Chinese mainland, which include the head office in Tianjin and subsidiaries in various provinces and cities. Unless otherwise stated, the information and data disclosed in the Report covers the period from 1 January 2024 to 31 December 2024 (the "Reporting Period"). Unless otherwise stated, all amounts disclosed in the Report are denominated in Renminbi ("RMB").

Ē	

1.2 Basis of Preparation

The Group has prepared the Report in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix 27 (the "Code") to the Main Board Listing Rules issued by the Stock Exchange of Hong Kong Limited ("SEHK"), and complies with the mandatory disclosure requirements and "Comply or Explain" provisions therein. The report is prepared based on the four reporting principles outlined in the Code: materiality, quantification, balance, and consistency, with specific explanations as follows: -**Materiality:** The identification and assessment of material issues disclosed in the Report are detailed in MATERIALITY ANALYSIS.

-Quantification: The calculation of emissions and energy consumption disclosed in the Report can be found in THE GROUP'S ESG PERFORMANCE DATA.
 -Balance: The Report presents the Group's performance in an unbiased manner, avoiding selections, omissions or presentation formats that may inappropriately influence the decisions or judgements by the report reader, and objectively demonstrates the Group's ESG performance and management status.
 -Consistency: The disclosure and statistical methodologies used in the Report are generally consistent with those used in previous years. Changes in key performance indicators, statistical methodologies or any other relevant factors that affect meaningful comparisons are disclosed in THE GROUP'S ESG PERFORMANCE DATA.

U	

1.3 Reporting Statement

Disclosures in the Report are strictly based on the Group's internal documents and statistics. The Board of Directors (the "Board") of the Group is responsible for the reliability, authenticity, objectivity and completeness of the information. The Report is published in Traditional Chinese and English. Should there be any discrepancies between the two versions, the Traditional Chinese version shall prevail. Should there be any inconsistency between the Report and the Annual Report, the final statements in the Annual Report shall prevail.



1.4 Reporting Feedback

From an environmental point of view, the Report is published in electronic form, which is available on the website of the HKEX (https://www.hkexnews.hk) and the Group's official website (www. binhaiinv. com). For any further information on environmental, social and governance aspects, please refer to the Group's official website (www.binhaiinv.com). The Group looks forward to receiving your valuable comments and feedback, and this may be directed to: prd@binhaiinv.com.

ABOUT THE GROUP

Corporate Profile

Will a

During the Reporting Period

The Group has cumulatively served residential . end-users

2.42 million

(İİ)

{@}}

During the year

The Group had recorded a total sales volume of natural gas

2.515 billion cubic metres

Reducing carbon dioxide (CO₂)

3,570 thousand tonnes



The Group has cumulatively served non-residential end-users

20,000

That can replace coal





Reducing sulphur dioxide (SO₂)

3,340 thousand tonnes

60 thousand tonnes



Honours Achieved

• 2024.05

Tianjin TEDA Binhai Clean Energy Group Company Limited, a subsidiary of the Group (hereinafter referred to as "Tianjin Company"), was honoured as one of the "Top 100 Leading Technology Enterprises in Tianjin".

2024.07

Tianjin Bintou Xinzhi Technology Company Limited, a subsidiary of the Group, (hereinafter referred to as " Bintou Xinzhi ") successfully applied for the title of "Tianjin Eagle Enterprise".

2024.10

A R&D project entitled "Research on Non-Residential Gas Safety Intelligent Service Platform" of Tianjin Company, was awarded the "Excellence Award for Quality Improvement Project" and the third prize of the Tianjin sub-competition themed "Data Element X Competition".

2024.11

The Group was awarded the "ESG100 Environmental Stewardship Award" at the "Greater Bay Area Listed Companies ESG100 Green Development Awards Ceremony".

2024.12

The Group was awarded the "Annual Information Disclosure Award" at the 9th Gelonghui Global Investment Carnival 2025 "Golden Grid Award" Annual Excellent Company Selection Event.

2024.12

The Group was awarded the "Best Infrastructure and Public Utilities Company" and the "Best ESG Company" at the "9th Zhitong Financial Capital Market Annual Conference and Listed Company Award Ceremony".









SUSTAINABLE DEVELOPMENT MANAGEMENT

Board Statement





The Group's Board of Directors attaches great importance to ESG management and has established a Top-to-Bottom ESG management system. The ESG management system is taken charge of by the Board, organised by management, and implemented by departments and subsidiaries. The Board, as the highest decision-making body, has set up an ESG Reporting Leading Group and an ESG Reporting Working Group from the top down. The Leading Group, composed of management, is responsible for formulating and supervising the ESG strategy, while the Working Group, composed of staff from relevant departments, is responsible for implementing sustainability-related work, and reporting to the Leading Group and the Board on a regular basis. The Board regularly hears and reviews reports on the progress of ESG efforts, and gives guidance and adjustments to ESG work guidelines. Management is responsible for implementing the ESG strategy and objectives, and regularly reports to the Board on major matters related to ESG work.

The Group attaches great importance to the materiality assessment of ESG issues, and optimises the mechanism through which stakeholders are involved in communication. This enables the Group to accurately identify, effectively assess and appropriately manage key ESG issues, and conduct a comparative analysis of these issues with the assessment results of previous years for differences. The specific assessment process and results are detailed in SUSTAINABLE DEVELOPMENT MANAGEMENT of the Report and thoroughly reviewed by the Board.

In 2024, the Board integrated the management of climate-related issues into the existing responsibilities of the Risk Management Committee. In the area of ESG risk management, the Group has fully integrated ESG risk management into its daily risk management system. The Risk Management Committee actively collaborates with all divisions and subsidiaries to identify and prevent material ESG risks and opportunities that the Group may face in the area of climate change. To ensure the Group's operational compliance, the Risk Management Committee continuously monitors domestic and international ESG policy developments and formulates forward-looking and practical ESG goals and strategies based on the Group's actual operational situation. To effectively manage ESG risks, the Risk Management Committee has also established a scientific management framework to oversee the implementation of risk management throughout the process and report regularly to the Board.

The Group has developed and implemented effective strategies to maintain a balance between its achievement of business objectives and its environmental and social impact, so as to promote sustainable development. The Board regularly reviews and evaluates the Group's ESG strategy to ensure that it is well aligned with the Group's overall development strategy. During the reporting year, the Group set environmental targets closely related to its business operations, while comprehensively reviewed the achievement in the previous year. The environmental targets setting and the results of the review are detailed in GREEN DEVELOPMENT of the Report and reviewed and discussed by the Board.

The progress and effectiveness of the Group's ESG efforts in 2024 are disclosed in detail in the Report, and are formally reviewed and approved by the Board on March 21, 2025.

ESG Governance Structure

The Group has established a top-down ESG governance framework, with the Board of Directors as the highest decision-making body. Under the Board, there are the Risk Management Committee, the ESG Leadership Working Group and the ESG Execution Working Group, which report regularly to the Board on the progress of their work. The Board is responsible for determining and overseeing all policies and mechanisms related to environmental, social and governance (ESG) within the Group. The Risk Management Committee is responsible for identifying material ESG risks and opportunities in areas such as climate change, employee health and safety, and business ethics, formulating objectives, policies and frameworks, and overseeing their implementation. To further enhance the risk management capabilities of the committee members, the Group also provides regular training on climate risk and other related topics. The two ESG working groups have different responsibilities. The ESG Leadership Working Group, chaired by the Managing Director and comprising members of senior management, is responsible for leading and overseeing the implementation and management of ESG issues. The ESG Execution Working Group, chaired by the Office of the Board of Directors and comprising key personnel from relevant departments, is responsible for establishing and improving ESG management standards and processes, integrating and reporting information, driving ESG practice projects, supporting ESG promotion and training, and communicating with stakeholders.

Responsible for leading and overseeing the implementation and management of ESG issues.

In July 2024, the Group invited professional institutes to conduct special training for ESG management and executive members in accordance with the three-year special work programme for ESG capacity enhancement approved by the Board, intending to raise the Group's ESG management capabilities. The training focused on interpreting requirements of SEHK's ESG Code which has come into effect, thus clarifying the specific areas where the Group needs to strengthen its management efforts and tools.

The Group takes into account factors such as gender, age, educational background, professional experience, skills, and industry experience to ensure the diversity of Board members. As at the end of December 2024, the Group's Board consisted of 10 members, of whom one was female, bringing a more detailed and stable female perspective to the Board. In addition, to promote the sustainable development and protect the rights and interests of the Group and its shareholders, the Group has established a risk management and governance system and incorporated ESG factors into the system. The Group's management actively communicates with various departments to identify significant risks, assesses the probability of occurrence and the impacts of significant risks, and formulates targeted risk response strategies and specific measures.





Stakeholder Communication

Stakeholder engagement is an important part of ESG management and daily operation of the Group, which helps the Group to examine potential ESG risks and opportunities. Through understanding the stakeholders' expectations and ESG issues they concern, the Group is able to formulate a refined strategy and make adjustments accordingly. The key stakeholders identified by the Group and the corresponding communication methods are as follows:

Key stakeholders	Communication methods
Shareholders, investors or Professional Investment Institutes	Annual Reports, Interim Reports, Public Announcements, Press Releases, Annual Shareholders' Meetings, Individual and Group Meetings
Regulatory Bodies, Policy-Making Institutions, Professional Associations or Chambers of Commerce	Government Meetings, Regulations, Assessments, Site Visits
Customers	Customer Meetings, Customer Satisfaction Surveys
Employees	Group and Departmental Meetings, Annual Staff Meetings, Internal Mails
Suppliers and Other Partners	Business Partner Meetings, Seminars, Site Visits
News Media	Press Releases, Interviews and Announcements
Non-Profit Organisations, Public Charity or Community Organisations	Media Conferences, Charitable Activities, Donations, Interviews
Directors, Supervisors, Senior Management	Board Meetings, Office Meetings and other Internal Group Meetings, Questionnaires



The Most Important Material Issues Stakeholders Care About			
Environmental	Social	Governance	
Clean Energy Use	Talent Development and Management	Safe and Stable Gas Supply	
Energy Efficiency	Career Development of Employees	High Quality Products and Services	
Environmental Protection at Construction Sites	Occupational Health and Safety	Supplier selection and management	
Addressing Climate Change	Protection of Employee Rights and Benefits	Anti-Corruption	
Pollutant and Waste Management	Diverse Welfare Policies	ESG Board's Oversight	
Greenhouse Gas Emissions		ESG Risk Management	
Dual Carbon Strategy		Independent Innovation and Industry Leadership	

In the following chapters, the Group will highlight the Group's management and performance on above ESG material issues to address the concerns of key stakeholders and to help the Group review its own sustainability status.

Materiality Analysis

In 2024, the Group comprehensively considered the main business, operating environment, business strategies and requirements of key stakeholders. Based on the ESG material issues, key issues of concern to the Hong Kong Stock Exchange, industry benchmarking analysis, the Sustainability Accounting Standards Board's ("SASB") Oil and Gas - Midstream industry reference standards, and the GRI Standards developed by the Global Reporting Initiative (GRI), the Group identified the key ESG management issues for this year.

Binhai Investment took active actions to collect and understand the concerns and feedback of stakeholders on the Group's key ESG issues through in-depth review, exchange and seminar, and other forms. The Group made detailed statistical analysis on the impact and importance of all key issues with respect to the external stakeholders and the Group. The results of the material issues survey was obtained as shown in the matrix below.

SAFEGUARDING LUCID WATERS AND **LUSH MOUNTAINS THROUGH GREEN** DEVELOPMENT

At Binhai Investment, we adhere to the development concept of "lucid waters and lush mountains are invaluable assets", and with the version of "striving to be the advocate and operator for integrated energy in China", we accelerate the research and layout of integrated energy and intelligent energy, and continue to promote and deliver high-quality clean energy services to our customers. The Group incorporates the identification, assessment and response to climate change risks and opportunities into daily operations. While strictly controlling the emission of pollutants from its own operations and management processes, the Group has been vigorously promoting the use of clean energy such as natural gas, waste heat from sewage and geothermal heat to the community, thereby further promoting the conservation and efficient utilisation of resources, and fostering the green and healthy development of the Group.







Robal Constant

Optimize Resource Utilisation





d

Environment Compliance

Climate Change Tackling

Climate change is a common challenge for all mankind. The Group is well aware that extreme weather and policy changes caused by climate change will bring both risks and opportunities to business operations. Therefore, the Group has integrated climate change risks and opportunities into its overall risk management process. With reference to the recommendations of the Task Force on Climate-Related Financial Disclosures ("TCFD"), we collect climate-related risks and opportunities that may affect our business in a systematic way, analyse their root causes, associations and potential impacts in depth, and develop response strategies. On this basis, we form a list of climate-related risks and opportunities and a risk control matrix to provide science-based guidance on our management of and response to such risks and opportunities.

With reference to the recommendations of TCFD

Management and response work

At the governance level

>>>

>>>

The Group has integrated the oversight and management of the response to climate change into the ESG governance structure, with the Board as the highest decision-making body. The Group has also incorporated the management of climate-related issues into the existing Risk Management Committee's terms of reference.

The Risk Management Committee is responsible for: identifying the Group's material ESG risks and opportunities, including climate change issues; formulating ESG objectives, strategies and frameworks based on the Group's actual situation, and overseeing the implementation; paying ongoing attention to ESG-related policies and monitoring compliance, and reporting to the Board on a regular basis.

In addition, the Group conducts two thematic training sessions per year on managing the risks and opportunities of climate change to enhance the professional knowledge and capacity of those charged with governance.

Going forward, the Group will continue to set climate targets that are closely linked to its business, include them into the scope of the Board's annual review, and link them to performance evaluations.

At the strategic level

The Group follows the framework for analysing climate-related risks and opportunities recommended by the TCFD, and draws on the best practices of its peers to conduct an in-depth analysis of the industry.

These efforts are aimed at systematically preparing the list of climate-related risks and opportunities. Meanwhile, the Group has convened key business units and functions in thematic seminars to gain a comprehensive understanding of the current management state of climate-related risks and opportunities, and to discuss management's assessment opinions in depth.

At present, the Group has identified a number of climate-related risks and opportunities, and will continue to analyse their specific impact on the Group's business models and value chains.

Climate-related risks and how they affect business models and value chains, as well as strategies for responding

Risk Categories	Major Climate Risks	Impact on Business	Impact Cycle ¹	Impact on Finance	Responses
Acute Physical Risk	Rainstorms and Floods	Rainstorms and floods can influence the progress of project development and personnel safety, and are particularly prone to cause gas leakage accidents, affecting normal gas supply. Rainstorms and floods may damage pipelines, equipment and facilities, and increase the cost of assets with maintenance and replacement. Widespread waterlogging caused by rainstorms may disrupt services (gas supply and transport), reducing operating income.	Medium- term, Long-term	Operating cost ↑ Revenue ↓	The Contingency Plan for Natural Disaster Risks has been formulated. The Group regularly purchases emergency materials, and provides safety training and emergency exercises to staff. The Safety Management Regulations for Construction has been formulated. The Group has built a ring pipeline network with using firmer facilities and pipes to enhance the ability to cope with adverse weather conditions. The Group conducts preliminary risk assessments for major projects, and adopts targeted preventive and control measures. Before the onset of natural disasters, conduct a specialized safety inspection of the weak links in gas equipment and facilities. Timely inspect the drainage system and electrical equipment at the construction site to prevent accidents caused by equipment being exposed to water. The Group's fixed assets are insured, so as to minimise the damage by natural disasters.
	Geological Disasters Such as Ground Collapse, Earthquake, Landslide and Debris Flow	Geological disasters may influence the progress of project development and delay delivery. Geological disasters may threaten personal safety of employees in the area. Geological disasters may cause physical damage to gas equipment and facilities, and increase the cost of assets with maintenance and replacement.	Medium-term, Long-term	Operating cost ↑ Revenue ↓	The Group conducts preliminary risk assessments for major projects, and adopts targeted preventive and control measures. The Contingency Plan for Natural Disaster Risks has been formulated. The Group regularly purchases emergency materials, and provides safety training and emergency exercises to staff. The Group's fixed assets are insured, so as to minimise the damage by natural disasters. The Group closely monitors the hillside and road conditions during the rainy season, and pays attention to foundation construction to improve its bearing capacity.
Chronic Physical Risks	Cold Winters	Cold winters can lead to a drastic increase in the gas use by heatseeking customers, which causes significant pressure to maintain contingency gas supply during heating seasons. High- priced gas may need to be purchased in case of a gap. Cold winters can easily cause "ice blockage" to the pressure regulating facilities, damaging equipment and facilities. Cold winters can cause frozen soil, which may lift buried pipelines, increasing safety hazards and expenditures of pipeline network retrofit against freezing.	Medium- term, Long-term	Operating cost ↑ Revenue ↓	The Group connects the natural gas pipeline networks to first-hand gas sources, increases the construction of LNG storage and peak shaving facilities, and enhances the ability to maintain contingency gas supply. The Group actively promotes the signing of the Natural Gas Storage and Peaking Shaving Cooperation Agreement with the upstream gas units, ensuring its supply capacity during the heating season to ensure that downstream customers can safely and smoothly use gas. The contingency plans for heating seasons and emergency plans for safety operations in winter have been formulated. The Group installs insulation equipment. The dehumidification process is standardised to increase the temperature of the natural gas, reduce the water dew point of the natural gas and control the quality of the gas sources. In the early stage of pipeline operation, the key equipment is drained on a regular basis, and the filter element is replaced. The Group appropriately increase the operating pressure of the branch pipeline.
	Sea Level Rise	Sea level rise may result in inland migration from coastal cities, affecting the market layout. Sea level rise may lead to risks such as erosion of pipelines and equipment in coastal areas by seawater, and may cause land subsidence and flood disasters.	Medium- term, Long-term	Operating cost ↑ Revenue ↓	The Group continuously monitors the rise in sea levels, and conducts research on risk prevention and emergency response. The Group undertakes reinforcement design against floods and tides for critical facilities or adaptive renovation for existing facilities in coastal areas to withstand sea erosion and flooding.







BINHAI INVESTMENT COMPANY LIMITED

Environmental, Social and Governance Report 2024

Risk Categories	Major Climate Risks	Impact on Business	Impact Cycle ¹	Impact on Finance	Responses
Transition Risks	Uncertainty in Weather Forecast	Uncertainty in weather forecast may cause excess or shortage of gas supply indicators, and may result in the Group bearing the liability for breach of the "take-or- pay" contract with upstream gas supply enterprises or the risk of purchasing high-priced gas.	Medium- term, Long-term	Operating cost ↑ Revenue ↓	Contingency plans for heat supply seasons have been formulated, and are regularly updated. The Group optimises the gas procurement strategy, and actively liaises with the upstream gas providers to maximise the benefits from the use of gas supply indicators.
	Introduction of Climate-Related Policies	As the dual-carbon policy leads to an increase in the use of renewable clean energy, a portion of natural gas is replaced by electricity, resulting in a drop in sales. As the country restricts the use of fossil fuels, the Group needs to adjust its energy mix and develop renewable energy sources to achieve higher energy saving and emissions reduction targets. Tightening carbon emissions allowances or a carbon tax may increase operating costs and strategic risks. Tightening of laws and regulations has increased the cost of monitoring and disclosing gas data in China, making the Group more susceptible to compliance risks related to information disclosure.	Short-term	Operating cost ↑ Revenue ↓	The Group closely monitor changes in regulations and policies to ensure its operational strategies comply with relevant requirements. The Group enhances its climate resilience and builds advanced gas storage and peaking shaving facilities. The Group strengthens green capacity and talent cultivation, and enhances training on climate risk and low-carbon construction for front-line workers.
	Changes in Market Demand	As customers' demand for gas operational safety and emergency response capability is increasing thus the Group should raise investments in infrastructure construction and training of practitioners. Market demand for low-carbon energy-saving solutions rises, reducing the attractiveness of gas-only services and therefore putting the Group at a potential competitive disadvantage compared to its competitors.	Medium- term, Long-term	Operating cost ↑ Revenue ↓	The Group increases its investments in residential gas safety and develops new IoT safety devices. The Group enhances its capacity of integrated energy research and development to progressively provide integrated renewable energy services (cooling, heating, steam, electricity, renewable energy, photovoltaic and energy storage).
	Trends in Technical Transformation	Increase in demand for new energy projects, necessitating additional investment in research on new types of clean energy (e.g. hydrogen blending in natural gas pipelines). Energy-saving and carbon- reducing technological modifications may increase input costs, such as increased demand for research, development and optimisation of underground monitoring equipment.	Medium- term, Long-term	Operating cost ↑	The Group explores green finance channels to acquire more financial support, and actively seeks strategic cooperation with external organisations for mutual benefits. The Group lays out cutting-edge low-carbon technologies such as energy storage, geothermal heat and biogas utilisation, and applies hydrogen energy technology, such as technology of hydrogen blending in natural gas pipelines. The Group explores intelligent and digital technological innovation, such as researching and developing downhole monitoring equipment, to improve production and operation efficiency.
	Increased Concerns from Stakeholders	The advancement of low-carbon transition may increase pressure on the Group's operation, including public opinion pressure from investors, customers and the broader society. If the Group fails to align with the dual-carbon trend and respond to stakeholders' concerns, it may damage its reputation and brand image, thereby losing its competitive advantage.	Medium-term	Revenue ↓	The Group plans the implementation path for a green and low-carbon transition, reviewing the process of emissions reduction and disclosing the information to the public annually.

1 Taking into account core business planning, the timeframe for low-carbon social development goals, and climate-related disclosure standards, we have set the impact periods as within 3 years after the end of the reporting period, including 10 years (medium-term), and more than 10 years after the end of the reporting period (long-term), in order to reasonably assess the impact of climate on the company's business development over different time periods.

Climate-related opportunities and how they affect business models and value chains, as well as strategies for responding

While addressing climate-related risks, the Group will explore climate-related opportunities based on the principal business and operating processes, and identify relevant opportunities to further promote the sustainable development of the industry.

Major Climate- Related Opportunities	Impact	Impact Cycle	Impact on Finance	Responses
Trends in Low-Carbon Transition of the Oil and Gas Industry	As the global energy transition deepens, the substitution of natural gas for coal and other high-carbon emission energy sources speeds up significantly, promoting the continuous growth of natural gas sales. The complementarity of renewable energy and natural gas and the synergy of heat, electricity and gas accelerates, increasing revenue from and profits in the main business.	Medium-term	Reve∩ue ↑	On the basis of vigorously cultivating the main business of natural gas, we comprehensively optimise the upstream and downstream industrial chain, accelerate the research on integrated energy and intelligent energ layout, promote integrated energy construction among downstream industrial and commercial businesses, schools, shopping malls and other complexes, provide integrated low-carbon solutions, and accelerate the low-carbon development of the industrial chain.
Users' Concern and Demand for Energy Saving and Carbon Reduction	With the growing awareness of energy saving and carbon reduction among enterprises and individual users, in addition to providing high-quality natural gas supply services, the Group will more probably explore and expand the integrated energy business and provide integrated solutions.	Medium-term	Revenue ↑	 Develop enhanced value-added services, provide customers with analyses of energy and gas use and expand business scope. Develop an energy control system platform to serve the enterprise itself and its customers, and assist loca governments in building enterprise energy consumption management platforms. Explore diversified energy solutions and businesses beyond the gas field, and gradually expand into the commercial and industrial business development of contract energy management.
Green Finance Types and Policies Are Gradually Diversifying	Green finance instruments (e.g. sustainability- linked bonds and green loans) can be used for renewable energy business development, clean transport, green building, and other fields, providing the Group with diversified financing channels. The use of green finance allows the Group to effectively reduce the cost of capital for projects, and improve the economic efficiency and return on investment of projects. Active participation in the green finance market can enhance the Group's reputation and market competitiveness in sustainability.	Medium-term	Financial expenses ↓	Actively explore and apply a range of green financing solutions to secure funding for its new energy research and development, as well as the transition towards integrated energy services.
Low-Carbon Digital & Intelligent Technology Innovation	The Chinese government has introduced policies to promote the robust development of renewable energies, and the demand for research and development of new energy projects increases. The weight of digital intelligence in corporate energy and carbon management continues to grow, and the demand for research and development of underground monitoring equipment increases. Digital and intelligent transition to improve the efficiency of resource deployment (e.g. designing and optimising transport scheduling routes) can help save costs and improve energy management efficiency.	Short-term, Medium-term	Revenue ↑	Upgrade intelligent operation and management methor to conduct data prediction on energy consumption and equipment load, and comprehensively improve in energy consumption profiling, energy consumption benchmarking, energy consumption judgement, energy efficiency enhancement, operation and maintenance, etc. Formulate integrated energy-saving and efficiency- improving optimisation solutions to create an intelliger energy efficiency engine for customers, and empower the safe, low-carbon and high-efficiency development of the whole industrial chain. Work with the government on data analysis and access to build an urban intelligent platform for local network
Low-Carbon Development of Industrial Chain	As the greening and low-carbon trends in the energy consumption industry chain becomes increasingly prominent, more service opportunities are emerging in the energy and carbon business sector. Actively responding to the national strategy, local governments expect to build a demonstrative green and low-carbon industry chain, which creates potential for the Group to increase its operating revenue and profits.	Medium-term	Revenue ↑	Expand the integrated energy business to provide customers with diversified and low-carbon energy solutions. Enhance investment in innovation and research and development for low-carbon energy technologies.

BINHAI INVESTMENT COMPANY LIMITED Environmental, Social and Governance Report 2024

>>>

>>>

At the risk management level

The Group follows the TCFD framework to systematically analyse the potential impact of climate-related risks on its core business and to integrate climate risk management into its daily management system.

At the same time, the Group assesses physical and transition risks to optimise management measures and identify opportunities arising from climate changes in alignment with the distinctive features of the business.

Furthermore, the Group also attaches great importance to the impact of climate risks and opportunities and has established a comprehensive process for identifying, assessing, prioritising and monitoring such risks.

Annually, Binhai Investment determines key climate risks and opportunities by conducting industry analysis, internal seminars and expert consultation, and prioritizes them utilizing risk assessment tools according to their probability, severity, and relevance to the business.

The Board is responsible for overseeing the climate risk assessment, ensuring the effectiveness of ESG risk management and internal oversight systems, as well as developing strategies to manage material climate risks.

In the future, the Group will work with third parties to conduct climate change scenario analysis, thereby identifying and assessing significant physical risks, significant transition risks and climate opportunities under future climate scenarios. Besides, the Group will also invest more resources in high-risk areas for effective risk management and control.

At the metrics and targets level

The Group has set energy saving and emission reduction targets to monitor and manage climate-related risks to minimise the negative impact of climate change factors on business operations in a timely manner.

Specific targets and metrics data are detailed in OPTIMIZE RESOURCE UTILISATION

To seize the opportunity and implement the dual-carbon target, the Group has set up a preparatory working group to drive forward the development of the integrated energy business (including research on hydrogen, photovoltaic and other clean energy) to meet the energy-saving needs of different users for integrated energy systems as well as their demand for clean energy.

The Group actively builds a natural gas resource pools, participates in the construction of direct gas source connections to natural gas transmission pipelines, and promotes coal-to-gas conversion projects.

This enables the continuous optimization of the gas source structure, enhances the efficiency of natural gas utilisation, and increases the utilisation rate of the natural gas pipeline networks in the cities where it operates.

The Group has signed a strategic cooperation agreement with Huaneng Power Plant, jointly discuss the application scenarios and industrial collaboration for different types of new energy, focusing on cooperation opportunities in new energy fields such as photovoltaic and wind power.

In addition, the Group signed a cooperation agreement on technology research, development and service with the North China Municipal Engineering Design & Research Institute, aiming to collaboratively establish a new model of quality control research and service innovation for urban gas facilities.



Emission Management Enhancement

Greenhouse

Gas Emission

The Group has effectively

reduced the volume of

methane escape by

estimating the gas

onsumption in th

area in advance

θ

losing the valv

in advance to educe the pipelir

storage capacity

0

using the non

interruptible

upply technology

Reduction

Under the guidance of China's dual-carbon target, the Group actively fulfils its corporate responsibility and lays out for energy transition. In this process, the Group actively engages in emissions governance: in terms of greenhouse gas emissions reduction, carbon emissions are reduced through the online digital platform and the replacement of equipment and facilities; in terms of air pollutant governance, strict emission standards are adopted to improve air quality; in terms of solid waste disposal, a comprehensive system of sorting, collection and recycling is built to achieve waste reduction and recycling. During the Reporting Period, there were no instances of non-compliance associated with the above-mentioned issues within the Group.

The Group strictly complies with national laws and regulations such as the Environmental Protection Law of the People's Republic of China and the Law of the People's Republic of China on Environmental Impact Assessment, and has formulated internal policies such as the Regulations on the Management of the Official Vehicle to reduce greenhouse gas emissions. During the Reporting Period, the Group's greenhouse gas emissions were mainly attributable to the



The Group has launched a vehicle IoT management platform, which conducts unified testing and management of various vehicle operation indexes, such as driving routes, mileage, vehicle fuel consumption and parking locations. Based on comprehensive data analysis, the Group is gradually phasing out obsolete vehicles with low environmental ratings, high breakdown rates and high fuel consumption, and continuously optimising drivers' driving habits to reduce unnecessary vehicle usage.



The Group has strengthened the operation management over stations, enhanced the maintenance and inspection, and installed gas alarms indoors. Meanwhile, the Group has comprehensively upgraded the safety monitoring system and alarm devices in various scenarios to realise real-time monitoring of methane leakage at the stations and the safety of pipeline networks and ancillary facilities, so as to ensure the safe operation of stations and pipeline network facilities as well as the safety of users.

the valves in advance to reduce the pipeline storage capacity, and using the non-interruptible supply technology.

for more detailed practice.





To reduce greenhouse gas emissions in the process of official vehicle use

To reduce the escape of methane in the production process

During the year, in response to and implementation of the Implementation Plan for Urban Gas Pipeline Aging, Renovation and Transformation (2022-2025) issued by the General Office of the State Council, the Group stepped up efforts to renovate aged pipeline networks and renew equipment and facilities. To reduce gas escape during the construction process, the Group has effectively reduced the volume of methane escape by estimating the gas consumption in the area in advance, closing

The Group also reduces carbon emissions by conserving various resources, recycling and reuse of materials, and minimizing energy consumption. Please refer to OPTIMIZE RESCOURCE UTILISATION

Control of Air Pollutants

The Group strictly complies with national laws and regulations such as the Law of the People's *Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Law of the* People's Republic of China on Promoting Clean Production and has formulated internal policies such as the Management Regulations for Construction, Measures for Construction Supervision and Safety Management Regulations for Construction to ensure environmental compliance during the vehicle driving process and the construction process.

The Group's air pollutant emissions include



and they are mainly from vehicles operation, natural gas usage and the dust generated during the construction of pipelines. To reduce the emission of air pollutants, the Group has taken a number of measures:

Strengthening the management of vehicles, requiring drivers to maintain their vehicles and drive scientifically in accordance with relevant provisions:

Actively phasing out and replacing <u>a</u> the old vehicles with new energy vehicles (NEVs)

Meanwhile, the Group has introduced the Measures for the Administration of Subsidies for Official Travel, which establishes travel office subsidies for non-official vehicles to encourage employees on business trips to use public transportation, thereby reducing tailpipe emissions from traditional fuel-powered vehicles.

To reduce air pollutants generated in the construction of the gas pipeline network, the Group works with PipeChina and other partners to carry out natural gas pipeline transmission operations, so that multiple gas sources can be accessible from a single source point, thereby reducing the installation of pipelines and the environmental impact from the source. In addition, each of the Group's subsidiaries has implemented environmental protection requirements in strict accordance with policies related to engineering construction, in a bid to reduce air pollutants during the construction process

as required to keep the site clean.

Supervision and inspection of construction quality and progress

The Group strictly supervises and inspects the third-party construction unit to safeguard that the construction quality and progress meet the standards, guarantee safe and civilised construction practices, and minimise negative impacts on the local environment as much as possible.

Environmental management of construction

sites

Effective measures are taken to cover earth, sand gravel and other dustprone materials at the construction site.

A dust online monitoring system is installed, with barriers being set up

- The construction site is equipped with spray facilities, automatic vehicle washing equipment at the entrance and exit, and hardened ground.
- Besides, effective dust prevention measures such as road spraying by special personnel are also implemented.
- Vehicles transporting sand or soil are required to seal loads to prevent leakage and spillage, and dispose of them at designated points in accordance with the requirements of local authorities.

Use of environmental protection equipment

In construction operation process, the Group strictly use machinery and equipment that comply with relevant environmental monitoring requirements for exhaust emissions, and gives priority to the use of equipment and vehicles powered by clean energy to reduce tail gas emissions

Solid Waste Disposal

The proportion of the Group's

replaced by LED lightings

The generation of electronic

equipment reduced by

The generation of waste

batteries decreased by

waste from the obsolete office

reached

mercury-containing light tubes

measures:





reducing the generation of waste.

achieve them:

Promote the use of LED lightings **Reduce the** generation of electronic waste office equipment Promote the use

of rechargeable equipment

> Optimise consumables management

In 2024, the proportion of the Group's mercury-containing light tubes replaced by LED lightings reached 60%, the generation of electronic waste from the obsolete office equipment reduced by 8%, and the generation of waste batteries decreased by 19%. The paper-based printing consumables were uniformly supplied, handled, and scientifically recycled by suppliers. With such achievements, the Group's goals for the previous year have been successfully achieved. Going forward, the Group will continue to be guided by the above targets and to implement waste reduction initiatives.



20



The Group strictly complies with national laws and regulations such as the Law of the People's Republic of China on Prevention and Control of Pollution by Solid Waste, the Standards for Pollution Control of Hazardous Waste Storage, the National Hazardous Waste List, the Soil Pollution Prevention and Control Law of the People's Republic of China and the Law of the People's Republic of China on Soil and Water Conservation, to promote the effective disposal of solid waste.

The hazardous solid waste generated by the Group in the course of operation and office mainly includes odorant waste drums, electronic waste, discarded batteries, mercury-containing light tubes and ink cartridges. To ensure proper disposal of these wastes, the Group has taken the following



Ink cartridges:

Recycled by suppliers for unified recycling or handled by the garbage disposal units.

Electronic waste, discarded batteries, mercury-containing light tubes:

Handled by the garbage disposal units.

Moreover, to reduce the generation of odorant waste drums

the Group has adopted intelligent odorant equipment, which is linked with the natural gas flow in real time, so as to determine an appropriate amount of odorant liquid added. Additionally, the Group regularly monitors the odorant concentration of the pipeline network and user terminals to prevent any unnecessary odorant use, thus effectively

The Group sets up waste reduction targets and takes steps to

 Gradually replace all of the existing mercury-containing light tubes with LED lightings in the renovation of office spaces within 5 years.

- · Require those in charge to maintain office equipment scientifically. • Apply for approval of the disposal of assets.
- Promote the exchange of old office equipment for new ones at a discount
- · Launch a pilot project of rental of office equipment.

Reduce the use of batteries and the generation of waste batteries.

· Gradually promote the unified management of printing consumables, with unified supply and scientific recycling of waste consumables by suppliers.

BINHAI INVESTMENT COMPANY LIMITED

Environmental, Social and Governance Report 2024

The Group's non-hazardous waste generated during natural gas pipeline connection works, subsequent maintenance activities and daily office operations mainly include scrap instrumentation, waste pipelines, and office wastepaper, as well as domestic garbage. To effectively manage these wastes, the Group formulates a plan for the replacement of overdue metres and pipeline networks with potential hazards at the beginning of each year. Necessary actions are taken in accordance with the plan, and the progress of the plan is tracked on a regular basis.



before being handed over to a professional third party for disposal.



after the natural gas in the pipelines has been completely replaced with nitrogen or water, they will be disposed of properly along with valve wells and other items. If necessary, they should be sealed or dismantled to ensure safety.

The Group has taken several measures to ensure efficient use of resources and environmental protection in its gas pipeline connection work. Specifically,



the surplus soil generated from earthwork construction process must be backfilled on-site, while the residual soil and waste slag generated from other procedures shall be entrusted to qualified third parties designated by the local municipal and environmental protection authorities for disposal.

What's more, the Group has established a material inventory ledger, strictly requiring construction units to return materials in accordance with relevant regulations to avoid waste.



Additionally, we actively recycle and utilise waste materials, such as supports welded from casings and angle steels, to further enhance the recycling rate of resources.

The Group also actively implements electronic signature and continuously promotes the use of digital documents and cloud storage to minimise the use of paper document and the generation of wastepaper.



Optimize Resource Utilisation

Office Resource Conservation The Group complies with the Energy Conservation Law of the People's Republic of China and continues to promote the optimal development, utilisation and rational allocation of energy resources. The Group's resource consumption primarily stems from the use of electricity, natural gas and vehicle fuel. Among these, externally purchased natural gas constitutes the primary energy consumption, while the main water usage is attributed to office water and a minimal amount of industrial water. During the Reporting Period, the Group encountered no significant difficulties in sourcing suitable water supplies.

The Group has established the Guidance on the Standardisation of Office Premises and has implemented a series of energy-saving renovations for the facilities in the office areas. We promote the use of green raw materials in the construction and renovation of office premises, so that we can minimise energy consumption after meeting the energy needs at office. We encourage employees to conserve water and electricity in their daily work and reduce unnecessary resource consumption. Besides, we strictly monitor the costs of



through annual and monthly expense budgeting. At the same time, the Group formulates annual and monthly expense plans and enforces strict controls, rewarding or penalizing concerned units based on cost achievement through assessment measures.

Implement water conservation initiatives to reduce the water consumption

The Group's resource consumption primarily stems from



0



the use of vehicle fuel

Reduce power consumption and improve energy efficiency





The Group vigorously advocates water and electricity conservation, promotes the recyclable resources utilisation, and establishes a green office system. In response to these four targets, the Group has taken corresponding measures:

- Arrange for maintenance personnel to regular inspect water metre readings and conduct concealed pipe leakage tests
- Prioritise the selection of water-saving devices in renovation, remodelling and maintenance work, such as installing water-saving valves and automatic faucet shut-offs
- Advocate water saving through emails, posters, intranet and memos placed in toilets and organise water conservation training
- Prioritise the use of LED lightings and electrical equipment with low energy consumption; optimise data centre equipment and operations, use virtualisation technology on a large scale to reduce the purchase and operation of physical servers
- Require employees to turn off non-operational electronic devices and office air-conditioning in a timely manner
- Adopt the Central Control and Monitoring System (CCMS) and the Building Management System (BMS), and install independently controllable lighting switches in different lighting zones
- · In terms of heating, ventilation and air conditioning control system, install variable speed drives as well as pumps and fan system that can be adjusted according to actual demand
- Maximise the use of rooftop photovoltaics to replace purchased electricity with clean energy
- Encourage green travel and actively promote the procurement of new energy vehicles to reduce the frequency of fuel vehicle use in daily operations; provide subsidiaries with electric bicycles that meet national standards for their daily travel needs, further reducing energy consumption and greenhouse gas emissions

BINHAI INVESTMENT COMPANY LIMITED

Environmental, Social and Governance Report 2024

Adopt clean energy technologies for synergistic economic and environmental development The Huaming office building of the Group's R&D centre has implemented a distributed photovoltaic project on its roof, with a total installed capacity of 47.52kW. It was officially connected to the grid on July 7, 2023, achieving self-consumption of generated power and feeding surplus electricity into the grid. Throughout the year 2024, the photovoltaic power station generated a total of 58,014.8 kWh of electricity, of which 32,712.8 kWh was consumed internally and 25,302 kWh was fed into the grid.

Implement waste recovery measures to promote resource recycling

• Implement a wastepaper recycling programme:

The Group sets up designated paper recycling bins in offices, encourages employees to properly sort and deposit wastepaper. The collected paper is regularly sent to recycling facilities for sustainable reuse

• Encourage employees to use recycled paper:

The Group purchases some recycled paper for printing and other office needs

• Build a green printing system:

The Group cooperates with manufacturers of leading digital and information technology products for the introduction of new equipment that recycles wastepaper to replace outdated machinery with high paper waste rates. In doing so, the Group increases paper recycling rates, reduces waste and improper disposal of resources, and reduces greenhouse gas emissions.

Implement informatisation system software to establish a green office system

• Build a diversified video conferencing system:

• Create a professional informatisation platform:

vouchers.

The Group has established cooperative relationships with several leading video conferencing hardware and software suppliers to introduce an electronic office platform that achieves a close connection between departments, companies, and hierarchical cooperative units. By doing so, the Group ensures the compatibility and efficient interoperability of multiple video conferencing channels at home and abroad, thus reducing the frequency of business trips and promoting a greener and more efficient office model.

The Group has teamed up with several informatisation suppliers

to create an informatisation platform that covers administrative

other areas. At the same time, the Group continuously advance

for the comprehensive aggregation and analysis of information,

thereby reducing the use of paper documents, reports and

management, financial management, production management and

data compatibility across different platforms, utilizing big data tools



Photos of the Video Conferencing Scene

Binhai Investment's Informatisation Office Platform

In 2024, the Group reduced water consumption by 2% and reduced electricity consumption by 7% compared to the previous year. In terms of waste management, through paper waste recycling activities, the Group improved its overall waste recycling performance. With such achievements, the Group realised its targets set in the previous year. In the future, we will continue to be guided by the above targets and persistently pursue resource conservation, energy efficiency, and carbon reduction.

In 2024, the Group held a total of more than 1,400 offsite meetings using the video conferencing system. This has improved work efficiency while effectively reducing the frequency of business travel and achieving a green and low-carbon office environment.

Since 2020, the Group has been gradually equipping its 12 subsidiaries with electric bicycles that meet the national standard in their daily work. By the end of 2024, the Group had procured around 50 electric bicycles to reduce energy consumption and greenhouse gas emissions by enabling employees to use them for daily short-distance official trips and patrol work.

Energy Conservation and Consumption Reduction in Operation and Construction

In the course of its operations, the Group's resource consumption is primarily derived from water used in engineering construction and gas used by boilers in pressure-regulating skids during the winter season.

To minimize water usage in engineering, we spray water on walls during construction and collect the used water for follow-up plastering. In the concretes curing process, the Group strictly adheres to design requirements to water resource wastage. In addition, the Group has stopped purchasing and leasing green plants for the office areas at its headquarters to reduce non- beneficial water consumption.

In the construction project of the Daqinjiamen Station in Zhaoyuan Binhai, Zhaoyuan TEDA Gas Company Limited, a subsidiary of the Group, adheres to the concept of green construction. Through refined management and technological innovation, the Company systematically promotes water conservation measures to achieve efficient water use and sustainable development.

Construction The Resource Utilization of

Water

Management in

Utilization of Rainwater and Wastewater

the municipal water supply. In response to the wastewater generated during the construction process, such as equipment rinse water and water used for pipeline pressure testing, the Group has constructed a vehicle wash platform and storage pond to centrally collect and dispose wastewater. The treated wastewater that meets standards is reused in construction, significantly improving the recycling rate of water resources.

Optimisation of Greening Irrigation

pon the

To reduce natural gas consumption during business operation, the Group strictly controls the boiler outlet water temperature under the premise of ensuring that the natural gas temperature at the pressure regulating outlet is above the water dew point. And the Group systematically adjusts the start-stop operation of boilers to improve resource utilisation and reduce energy consumption.



When constructing retaining and boundary walls, strict adherence is maintained to the designed mortar mix ratio. Water consumption is precisely controlled by the weighing method to ensure exact matching to the construction requirements, thereby avoiding water wastage. The project team has optimised the layout of the construction water usage, directing the construction water in a straight line from the water source to the construction site, reducing the length of the water pipe, minimising water loss during transport and improving the efficiency of water resource utilization.

The Group has assigned dedicated personnel to manage the daily operation of water-using equipment, posted water conservation signs, and conducted water usage training for construction workers to strengthen their water conservation awareness, thereby eliminating unnecessary water consumption at the source.

Given the nature of the rainy season, the project team has dug drainage channels and collection pits on site to effectively collect rainwater, which is used to replace tap water in the construction process, reducing reliance on the municipal water supply.

Drought-tolerant vegetation is planted in the green areas within the construction site, and rainwater collected from collection pits and storage ponds or treated wastewater is used for irrigation. This has further reduced the use of freshwater and achieved graded water usage.

Environment Compliance

Committed to achieving a harmonious symbiosis between business development and environmental protection, the Group has closely followed the national dual carbon strategy and established a comprehensive environmental policy and resource management framework. Meanwhile, the Group has also emphasised internal environmental education and actively implemented environmental protection initiatives.

The Group complies with national laws and regulations such as the *Measures for the Administration of Urban Gas*, the *Regulations on the Administration of Urban Gas*, the *Noise Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China* and the *Emission Standard of Environment Noise for Boundary of Construction Site* and has formulated internal policies such as the *Management Regulations for Construction*, the *Measures for Construction Supervision*, the *Safety Management Regulations for Construction* and the *Acceptance Management Regulations for Construction* to ensure environmental compliance during the construction process.

Dust control:

Construction site management:

The construction site is closed or isolated and dust prevention measures are taken; throwing construction waste from heights is strictly prohibited and wet cleaning methods are used for site sweeping.

• Vehicle and equipment management:

Construction transport vehicles and earth-moving equipment must be cleaned of mud and dust before leaving the site. Vehicles prone to dust pollution must be properly enclosed and spilling or leaking of materials is strictly prohibited.

• Material storage:

Bulk cement and other fine-grained materials that tend to create dust should be stored indoors wherever possible. If stored outdoors, measures such as enclosures and covers should be implemented.

Wastewater disposal:

• Settling tank installation:

The tank is for the disposal wastewater from mixers, canteen sewage, etc., to ensure that the wastewater meets the standards for discharge. Domestic sewage is centrally treated by the third-party water company and the environmental sanitation department.

Rainwater management:

Rainwater is discharged to the sewer after prin backfilling.

Noise control

Noise management in construction:

The Group's subsidiaries strictly adhere to construction noise control requirements. We supervise and inspect the implementation of noise control by third-party construction units. Construction takes place during normal working hours whenever possible. When construction occurs at night, we strictly control noise decibels, prohibit vehicles from honking when entering or leaving residential areas, and minimise noise when loading and unloading materials.

Special period management:

During special periods such as the senior high school entrance examination and the college entrance examination, construction will be suspended in accordance with local government requirements to avoid noise and environmental pollution.

Equipment and personnel management:

The Group uses low-noise equipment and installs enclosed noise reduction sheds for high-noise machinery. The Group also strives to minimise the noise generated by people and to raise awareness among construction workers to prevent noise nuisance. Additionally, the Group strictly controls the timing of noisy operations. In special circumstances where continuous work is required, the Group takes measures to reduce noise.

Sanitation management:

Establishment of policies:

The Group has established and improved hygiene management and long-term cleaning policies, and implemented various health and disease prevention measures.

• Facility management:

The construction site is equipped with flush toilets and bathrooms that meet hygiene standards, and there are designated staff for management.





Rainwater is discharged to the sewer after primary sedimentation, and hazardous waste is not used for earthwork

BINHAI INVESTMENT COMPANY LIMITED Environmental, Social and Governance Report 2024

The year 2024 marks a pivotal juncture in the implementation of the "14th Five-Year Plan". Guided by the main objectives set for the period, the Group is steadfastly navigating the path of specialized industry refinement, diversified expansion, and comprehensive transformation. To fulfil its duty of a stateowned enterprise, the Group continued to focus on the provision of high-quality products and services and improve its safety management capabilities and, at the same time, strived to help employees to grow and give back to the society.







Commitment to Safety







HARMONY **AND WIN-WIN DEVELOPMENT TO BUILD A BETTER** SOCIETY

Product Quality Assurance

The Group always focuses on product quality and puts stable gas supply in the first place. We strictly control the quality of natural gas and continue to increase research and development investment to promote innovation. At the same time, we offer a variety of complaint channels for our users to ensure provision of high-quality products and services. The Group complies with the *Law of the People's Republic of China on Product Quality*, the *Three Guarantees Regulation of the People's Republic of China*, the *Consumer Rights Protection Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China* and other laws and regulations. To fully guarantee the quality of its products, the Group has purchased product liability insurance for all its products, underwritten by a professional insurance company. This year, the Group has not identified any violations or non-compliances relates to the health and safety, advertising and labelling of its products and services.

Stable Gas Supply and Quality Assurance

The Group follows laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Regulations on the Administration of Urban Gas*, the *Project Code for Gas Engineering* and the *Technical Specification for Gas Alarm and Control System*. During the Reporting Period, there have been no instances in the Group's sold or shipped products that necessitated a recall due to safety and health concerns.



As at the end of the Reporting Period, the SCADA system stations built by the Group reached

127

In the wave of digital transformation, the Group is active in promoting intelligent construction. The Group uses the intelligent IoT hardware in several scenarios, including 24-hour cloud platform leak monitoring equipment, and gas leak valve well detection and pressure regulation units. The Group also supports management in decision making through a large screen displaying integrated information from ERP, operation, GIS, inspection and security inspection systems and body-worn camera. The Group is also committed to building an intelligent management system to ensure the safe and efficient deployment of the pipeline network and the safe operations, and 11 SCADA system stations are under construction. During the Reporting Period, the Group completed the reconstruction of 12 SCADA system stations, which effectively enhanced the deployment capability of the pipeline network and enhanced the safety guarantee capability of the gas transmission system.

In terms of product quality control, the Group continuously improves product quality by producing standardised construction videos and holding construction quality assessment activities to ensure that each project meets high quality standards. In 2024, the Group produced a total of 14 standardised construction videos and held 2 construction quality assessment activities.

Case

Holding Quality Assessment Activities

In 2024, the Group held two construction quality assessment activities across more than 20 core subsidiaries. By organising cross-checks among subsidiaries, the Group actively embraced the philosophy of "promoting learning through competition and driving action through learning". The Group conducted a rigorous assessment and quality evaluation on key personnel of participating units, recognizing the 2024 Quality Engineering Award, Employee Practical Excellence Award, and Employee Theoretical Excellence Award, and recognized the winners.



Awards for Project Quality Assessment Activities

"Taiyuejia" Leads the Way in Product Quality Assurance

The Group deepened its transformation and made remarkable progress, particularly in the area of value-added services. In August 2024, the Group officially launched its own value-added service brand "Taiyuejia" through the brand conference. With the core concept of "peace of mind, joyful living, premium quality", Taiyuejia is committed to creating highly reputable and cost-effective gas appliances, alarms and other value-added service products for gas projects. At the same time, the Group has taken the lead in setting up a special emergency product management task force to define the conditions and criteria for product recalls. The Group has also fully implemented a "one item, one code" traceability system, which allows batches of defective products to be traced. This effectively ensures the feasibility and efficiency of recall actions.







• 0





During the year, the Group has not encountered any instances of product recalls.



"Taiyuejia" Brand Conference Site

Product Innovation and Leading Role of **Standards**

To regulate and effectively promote research and development activities, and to stimulate innovation potential and creativity, the Group has established a complete innovative system consisting of relevant regulations and safeguard measures for overall managing R&D personnel and projects. The Group has also issued three incentive policies to promote innovation, including the Management Measures for Scientific and Technological Innovation Rewards, the Measures for R&D Project Rewards and the Implementation Rules for R&D Investment Assessment.

During the year, the Group continued to cooperate with other outstanding universities, scientific research institutes and enterprises to comprehensively promoting technological innovation, performance transformation, digital and intelligent transformation, and the efficient implementation of integrated energy solutions.

We have signed strategic industry-university-research cooperation agreements with Tianjin Chengjian University, and developed collectors and pressure monitoring projects with China Tietong Telecommunications Corporation Tianjin Branch. The Group's Tianjin company, recognized as a Tianjin Enterprise Technology Centre and a leading enterprise in Tianjin, once again passed the qualification assessments for R&D platforms such as the Postdoctoral Research Station in 2024. Bintou Xinzhi was successfully certified as a "National Hi-Tech Enterprise" and a "National Science and Technology-based Small and Medium Enterprise". It was included in the fifth batch of National Science and Technology-based SMEs of Tianjin in 2024 and in the list of Tianjin's eagle enterprises. Hainan Teda New Energy Company Limited, a wholly-owned subsidiary of the Group, entered into a technology research, development and service cooperation agreement with North China Municipal Engineering Design & Research Institute Co., Ltd. They jointly embarked on the research and development of quality control technology for urban gas facilities, as well as cooperated on related services. This partnership established a mutually beneficial collaboration between the Institute and the Company, fostering a virtuous circle of mutual promotion and co-development between specialities and industries.

Case



Certificate of Honour for Tianjin Sub-Competition Themed "Data Element X Competition" 2024



The 26th China International Gas & Heating Technology and Equipment Exhibition Site

Non-Residential Gas Safety Intelligent Service Platform to Promote Intelligent **Gas Safety Management**

• 0

In September 2024, the Tianjin Company won the third prize of the Tianjin sub-competition themed "Data Element X Competition" with its non-residential gas safety intelligent service platform project, and was also honoured with an Excellence Award for Quality Improvement Projects in Tianjin Binhai New Area. The implementation of the non-residential gas safety intelligent service platform is crucial for advancing the scientific management and safety development of urban gas. It also contributes to the establishment of a comprehensive and tiered public safety system for cities. This award means that the Group is highly recognised for its digital and intelligent transformation and technological innovation-led development. It further motivates the Group to continue deepening digital and intelligent innovation to empower production and to lead future development through technological innovation.

Introduce Innovative Solution for Intelligent Safety Monitoring

At the "26th China International Gas & Heating Technology and Equipment Exhibition" held in October 2024, the Group, in collaboration with its strategic partner, showcased for the first time innovative products and solutions independently developed by Bintou Xinzhi, including intelligent manhole covers, data collectors and integrated pressure-leakage machines. Among these, the integrated pressure-leakage machine effectively fills the technological gap in the field of synchronized transmission for gas leak monitoring and data monitoring. These new products integrate technologies such as the IoT, cloud computing, Big Data and AI to ensure real-time, accurate and round-the-clock monitoring for the safe operation of gas utilities. These new products have been widely adopted by subsidiaries of the Group. They have also attracted much attention and high praise from many industry professionals for their efficient performance at the exhibition.

The Group actively participates in preparation of standards and leverages its expertise to guide the healthy development of the gas industry. In November 2024, the Group contributed to drafting and officially launching the Technical Specification for Load Analysis in Comprehensive Energy Planning and Design as a group standard. This standard provides guidelines for load analysis during the planning and design phase of comprehensive energy projects. It is applicable to various scenarios, including buildings and industrial parks, and fills the gap in technical standards for multi-scenario computer modelling. This move significantly strengthens Binhai Investment's industrial influence in the comprehensive energy sector.

Intellectual **Property and Advertising**

information about relevant products and services. rights.

To enhance our brand influence, the Group implements promotional measures through multichannel and online-offline integration.



Offline ₫¥)

products and services.

Complaint Management and Service Enhancement

As part of the continuous improvement of the quality of customer service, the Group has formulated the Management Measures for Customer Service and the Customer Service Handbook. In addition, the Group also continually develops and improves a complaint management mechanism to respond to and resolve customer complaints in a prompt, effective, fair and reasonable manner. To better serve customers and address their concerns promptly, the Group provides a variety of convenient complaint channels for customers. The Group provides on-site customer service to clients at government service halls, customer service hall windows and regional government administrative office centres. At the same time, the Group actively promotes, optimises and deploys a variety of online complaint channels, including complaint hotlines, 12345 government service platform, cloud customer service system, service hotlines and call centres. Among these, the call centre established by the Tianjin company offers customers efficient and one-stop service via telephone, ranging from inquiries, repair reporting, appointment scheduling, complaints and emergency incident handling, through the implementation of standardized and uniform management of call centre personnel. This has greatly improved customer convenience and further increased customer satisfaction.







The Group strictly complies with relevant laws and regulations such as the Patent Law of the People's Republic of China, the Copyright Law of the People's Republic of China, the Advertising Law of the People's Republic of China, the Trademark Law of the People's Republic of China, and the E-Commerce Law of the People's Republic of China. We avoid infringing the intellectual property rights of others and clarify ownership of intellectual property rights. We also protect the property rights and interests of ourselves and our partners. To further strengthen the management of intellectual property rights, the Group has formulated the Management Regulations on Software Legalisation and other internal policies to guide our daily work, which stipulates the main responsible unit for protecting intellectual property rights, and specifies relevant responsibilities of software budgeting, purchasing and using units, to enhance employees' awareness of respecting and protecting intellectual property rights. In addition, we avoid infringing or being infringed by others in our day-to-day promotional activities and provide customers with truthful, complete and timely

By the end of 2024, Bintou Xinzhi had accumulated 25 intellectual property rights, and Tianjin Clean Energy Company Limited, a subsidiary of Binhai Investment, had completed a total of 53 research and development projects and owned 101 intellectual property rights. Among these, several independently developed products had been promoted and used within the Group.

In our cooperation with scientific research institutes, universities or other external institutions, we require the partners to use genuine software to process data, and ensure the results provided are original and strictly prohibit any acts of plagiarism or infringement. The cooperation agreement specifies the attribution of intellectual property rights, the authorship right of the first right holder, the first inventor and others, the entities that can be used to apply for high-tech enterprise certification, and the entities bearing the costs of applying for and maintaining intellectual property

> We utilize platforms such as WeChat Official Account, TV advertisements, video accounts, and live streaming to disseminate information.

We place advertisements and posters in customer service halls, during home safety inspections, and at community promotional events.

Ensuring that the content is authentic and credible, to comprehensively promote our group's

BINHAI INVESTMENT COMPANY LIMITED Environmental, Social and Governance Report 2024

The Group classifies customer complaints into three categories based on the subject: Repair and Replacement, Non-Business Issues and Service Attitude, and handles them differently as below:

Complaint category	Processing method
Repair and Replacement	 Each subsidiary will assign maintenance workers to contact customers for replacement testing It must be 100% solved properly
Non-Business Issues	 Inform customers to contact the manufacturer For user complaints about delayed gas supply due to the housedecoration on their own, customer service staff explain the reason.issue a rectification notice, and contact relevant colleagues to sendpromotional materials to customers It must be 100% solved properly
Service Attitude	Subsidiaries confirm the complaints and then take actions

The Group also classifies complaints into general complaints and major and urgent complaints based on their severity, and requires instant acceptance and handling of major and urgent complaints. Major and urgent complaints include the following:



Upon receipt of customer complaints, the customer service staff should immediately create relevant work orders and assign them to relevant personnel to deal with according to the subject of the complaints. Meanwhile, the customer service staff should record in detail the processor and the results of the complaint. For all complaints yet to be closed, the relevant staff shall follow up on them by category. Heads of responsible departments shall be notified to handle and follow up on the complaints that have not been resolved beyond the prescribed time limit. The Group rigorously monitors the implementation of relevant complaint resolution measures. In cases where false reporting, concealment, or failure to address customer complaints as required leads to significant repercussions, the responsible parties will be penalized in accordance with the relevant rules and regulations.

In 2024, the total number of complaints received by the Group is

1.617

the customer satisfaction reached

Caring for Employee Growth

Protecting **Employees' Rights and** Interests

The Group always adheres to the people-oriented principle. We protect all the legitimate rights and interests of employees, and strive to provide them with a healthy and safe working environment and a comfortable and convenient living environment. The Group also sticks to the talent-driven development strategy and takes various measures to recruit and cultivate talents. We share with our employees the achievements of the development by building a broad career development platform and establishing a sound remuneration incentive mechanism.

The Group strictly complies with the Labour Law of the People's Republic of China and the Labour Contract Law of the People's Republic of China and acts in accordance with national laws and regulations which relate to compensation and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other benefits. Meanwhile, the Group has formulated a series of internal policies, including



creating a favourable working environment for each employee. The Group strictly complies with national laws and regulations regarding the prevention of child labour and forced labour, such as the Provisions on Prohibition of Child Labour, ensuring that any form of illegal employment practice is eliminated from the source. For employee recruitment and employment, the Group has established a rigorous review process. In addition to strictly verifying employees' identity, educational background, and other supporting documents, the Group also engages third-party auditor to conduct further reviews. This ensures the authenticity and accuracy of the information provided by every newly hired employee. During the process of signing employment contracts, the Group always upholds the principle of equality and voluntariness. In the event that any employee is found to have provided falsified documents or resumes, immediate measures will be taken to terminate the probation or employment of the employee. If misuse of child labour is detected, the Group will immediately stop the child's work, report to the local labour bureau without delay, and promptly contact the child's parents or legal guardians. Meanwhile, a health check will be arranged for the child. If the child concerned is found to be suffering from a disease, the Group will arrange the treatment first. During the Reporting Period, the Group did not have any non-compliance cases related to child labour or forced labour. On the basis of legal and compliant employment practices, the Group advocates a "fair and just, matching positions with talents" recruitment concept. During the talent selection, the Group is committed to creating a fair environment for competition and ensuring equal opportunities for all job candidates. Furthermore, the Group actively promotes diversity in workforce, and objects to any form of discrimination and differential treatment based on ethnicity, race, age, gender, marital status or religious beliefs.

To better integrate into local communities and drive regional economic development, the Group encourages its subsidiaries to prioritise the employment of local candidates, thereby driving local employment. This initiative has not only boosted local employment but also helped subsidiaries cultivate a good image of actively fulfilling their social responsibilities among local governments and the public, thus effectively enhancing their business reputation. This year, the proportion of local employees hired by the Group is approximately 93%.

This year, the proportion of local employees hired by the Group is approximately





The Group is highly concerned about the rights and interests of its employees and commits to

BINHAI INVESTMENT COMPANY LIMITED Environmental, Social and Governance Report 2024



In terms of workforce management

The Group also places emphasis on the work-life balance of its employees. The Group implements three types of working hour schemes including irregular, comprehensive and standardised working hour schemes according to the business characteristics, safety requirements and job requirements of subsidiaries, ensuring that employees' working hours are reasonable and compliant. Heads of each department of the Group coordinate and arrange all the tasks, strictly review the necessity and authenticity of overtime work for the employees, verify the effectiveness of overtime work, and eliminate unnecessary overtime work



In terms of leave management

The Group strictly complies with national laws and regulations. Employees are entitled to sick leave, personal leave, marriage leave, bereavement leave, maternity leave, work injury leave, annual leave and statutory holidays in accordance with the law. The Group makes reasonable arrangements for employees' leave without interfering with their work, so as to enable the employees to fully enjoy various paid leave benefits.



In terms of salary management

The Group has established a comprehensive remuneration system by integrating job responsibilities and employee performance, and adopted a uniform position and salary scale whilst considering employees' personal work experience, education, qualifications and other specific indicators relating to employees' abilities, as well as track record and work performance, to precisely determine salary standards.



In terms of welfare and benefits

The Group provides employees with reasonable and lawful welfare packages, including the five social insurances and the housing fund (endowment insurance, unemployment insurance, employment injury insurance, medical insurance, maternity insurance and housing provident fund), as well as bonuses and other incentives. At the end of each year, the Group conducts employee performance reviews. Based on the evaluation results, employees with outstanding performance are promoted or entitled to salary adjustments, and bonuses that match their individual performance are awarded.



To motivate the enthusiasm of directors, senior management and key employees, the Group has implemented a 10-year stock option plan starting from 2023, and has developed and optimized an online exercise platform. By the end of 2024, the Group had granted stock options to 137 incentivized individuals and conducted option assessments in accordance with the corresponding grant plans. In addition, to motivate the enthusiasm of directors, senior management, and key employees, the Group has implemented a ten-year stock option plan starting from 2023, and has developed and optimized an online exercise platform. By the end of 2024, the Group had granted stock options to 137 incentivized individuals and conducted option assessments in accordance with the corresponding grant plans. The Group will continue to scientifically and reasonably carry out the granting and assessment of stock options based on the development expectations of future performance, so as to further leverage the profound influence of the long-term talent incentive policy within the Group.



Advocating for Employee Caring

The Group meticulously planned

and successfully held a stress

training, attracting more than

relief and emotion management

participants





to ensure that employees have a healthy working environment and welfare protection. The Group has set up a labour union to protect the rights and interests of employees. A union committee for female employees has also been set up, which pays full attention to the issues of maternity, mother and child, and leaves of female employees, and grants maternity subsidies to employees. Simultaneously, a Labor Law Supervision Committee has been established to oversee and protect the legitimate rights and interests of employees in labour relations. To provide timely and effective assistance to employees in need, the Group has formulated measures for subsidies and assistance to such employees, allowing them to apply for tiered applications for financial support based on the amount required.

Case

To deeply care for the mental health of employees, enhance their resilience to stress, and help them achieve a balance between work and life, the Group meticulously planned and successfully held a stress relief and emotion management training, attracting more than 50 participants.

This training was conducted through offline physical classrooms and online live streaming to ensure that every employee could participate flexibly and enjoy professional and considerate psychological guidance. A renowned psychology expert in the industry was invited as the keynote speaker, bringing employees on a profound and practical journey of self-discovery. During the training, the instructor guided employees to deeply analyse the nature and classification of emotions, as well as their impact on work and life through vivid case studies and easy-to-understand explanations. This helped employees to genuinely master emotion regulation skills and enhance their psychological resilience, enabling them to face challenges in work and life with a more positive and healthier mindset.



Stress Relief and Emotion Management Training



The Group provides employees with comprehensive and generous statutory welfare benefits. In

Stress Relief and Emotion Management Training

Case

the Group conducted a combination of online and offline formats to conduct supplementary medical insurance training, reaching over



Medical Insurance Training

In 2024, to ensure that all employees fully benefit from the supplementary medical insurance, the Group conducted a combination of online and offline formats to conduct supplementary medical insurance training, reaching over 1,000 employees. During the training, experts from the insurance company patiently addressed questions related to the coverage scope and claims process encountered by employees when filing claims. They also shared practical experience to enhance employees' claims efficiency.



Supplementary Medical Insurance TrainingManagement Training

In 2024, the Group held a total of three staff meetings. Through organising these meetings, the Group communicates important matters such as significant work achievements, key work plans, and safety production deployment to all staff members. By establishing this timely and accurate information dissemination mechanism, the Group communicates the business overview, development priorities, and clarifies its strategic focuses and work priorities to all employees. At staff meetings, the Group also recognises and rewards outstanding employees, conveying the Group's acknowledgment of their efforts and contributions.

In 2024, the Group organised diverse employee care activities, providing a platform for employees to enjoy sports and foster friendships. This effectively enhanced their sense of happiness.

Case

"Autumn Lakeside Walk" Event

This event covered over



In November 2024, to enrich the healthy cultural life of employees, the Group, in conjunction with the labour union, organized the eighth "Lakeside Walk" and the fourth "Autumn Lakeside Walk" event, encouraging all employees to embrace nature and develop a healthy lifestyle. This event covered over 200 employees, not only allowing them to experience the joy of exercise and relieve work stress but also further enhancing friendships among colleagues.



"Autumn Lakeside Walk" Event

Spring Festival fun activities, covering approximately

employees

The number of female

event reached over

94.5 %

about

employees involved in this

people

with a participation rate of



Case



joyful atmosphere, and fully enjoy the festivities.



Fun Celebration Activities for Women's Day







2024 Spring Festival Fun Activities

In February 2024, to create a joyful and harmonious festive atmosphere, the Group organised Spring Festival fun activities, covering approximately 200 employees. Through various fun collaborative games, these activities further brought employees closer to each other and

2024 Spring Festival Fun Activities held by Labour Union

Fun Celebration Activities for Women's Day

In March 2024, to celebrate the upcoming International Women's Day and enrich the recreational life of female employees, the Group's joint labour association thoughtfully organised a fun celebration event for female workforce. The event featured a range of activities, including a strategic and intellectual game of Gomoku, an educational and entertaining shuttlecock kicking competition, and an artistic flower arrangement knowledge session. Each activity allowed female employees to showcase themselves in a relaxed and

The number of female employees involved in this event reached over 50, with a participation rate of about 94.5%. This event showcased the positive and dynamic spirit of everyone involved, significantly enhancing the happiness and sense of belonging among female employees, and further strengthening the synergy and cohesion of the team.

BINHAI INVESTMENT COMPANY LIMITED Environmental, Social and Governance Report 2024

Supporting Coordinated **Development**

The Group consistently adheres to the talent development strategy of "Building Inter-Disciplinary Teams, Training Inter-Disciplinary Talents", which serves as the core driving force for the Group's longterm development. For effective implementation of this strategy, the Group has formulated the Staff Training Management System to standardise the management of daily training for employees. In addition, the Group has established a comprehensive training system with the goal of strengthening corporate culture, optimising the code of conduct, and helping employees improve their abilities and performance and develop their careers.



During the Reporting Period. the number of trainings at the headquarters level carried out by the Group is

sessions 20

including trainings on policy publicity

5 sessions

trainings on professional skills



trainings on certification

sessions

trainings on other purposes



The Group has made orderly arrangements for the various departments of the headquarters to prepare the annual training plan in accordance with the division of responsibilities and the planning of future functional strategies based on its own business development and the survey results on the training needs of its subsidiaries. Additionally, taking into account the business characteristics of different operating locations and the characteristics of different positions, the Group requires its subsidiaries to formulate training plans according to actual conditions, as well as to conduct training on a monthly basis. During the Reporting Period, the Group carried out 39 training sessions at the headquarters level, including 5 sessions on policy publicity, 25 sessions on professional skills, 2 sessions on certification and 7 sessions on other purposes.

Case

Empowerment Training on Office Skills for Employees

In July 2024, the Group organised a 3-hour office software empowerment training on PPT creation and presentation skills. The training covered a wide range of topics, including basic operations of PPT system, page layout design, logic organisation of content, the use of animations, and extensive practical exercises, to ensure a tight integration of theory and practice. This training was conducted through both offline session and online live streaming, with the active participation of 58 HR specialists from headquarters and subsidiaries. Through detailed explanations and live demonstrations by the instructor, participants gained a deeper understanding of the core skills for PPT creation. This

training laid a solid professional foundation for employees within the Group to improve their PPT creation capabilities and efficiently advance their work.

• 0



Empowerment Training on Office Skills for Employee

Commitment to Safety

Safetv

System

Management



The Group adheres to Ø and risk control". hazards and zero accidents",

As a programmatic docu safety management syst Management Manual spe Group's health and safet philosophy, approaches covering the basic requir



In terms of work safety and occupational health, the Group complies with laws and regulations such as the Work Safety Law of the People's Republic of China, the Emergency Response Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Fire Protection Law of the People's Republic of China, the Special Equipment Safety Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Oil and Natural Gas Pipelines. In addition, the Group follows the standards and regulations such as the *Regulations on Emergency Responses to Work Safety Accidents*, the *Regulations on the Safety Management* of Construction Projects, the Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects, the Measures for the Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects, the Code for Construction Project Management, the Measures for the Supervision and Administration of Employers' Occupational Health Surveillance, the Safety Signs and Guidelines for Use, the Technical Specifications for Occupational Health Surveillance, the Regulations on the Administration of Urban Gas and the Measures for the Administration of Concession for Municipal Public Utilities. Contractors and suppliers are all managed under the safety management system. During the Reporting Period, the Group had no violations of safe working conditions or major

> the safety philosophy of "putting life and safety first, low carbon for environmental protection, and harmonious coexistence".

With the safety policy of "full participation, prevention first, responsibility reinforcement,

the Group is committed to achieving the safety goals of "zero three violations, zero hidden

and actively promoting the construction of the safety management system.

Adopting the Plan, Do, Check and Act (PDCA) model, the Group has established a safety management system in accordance with standards such as the Requirements for Safety Management System, the Environmental Management System Requirements and Guidelines for Use, the Occupational Health and Safety Management System Requirements and Guidelines for Use and the Basic Standards for Standardisation of Enterprise Work Safety. Under this system, the Group has issued the Safety Management Manual and the Safety Management System.

As a programmatic document of the		C
safety management system, the Safety		
Management Manual specifies the		G
Group's health and safety management		
philosophy, approaches and objectives,		
covering the basic requirements of health	安全管理手册	ታ
and safety management.		
The Safety Management System		
constitutes a set of rules and regulations		
that outline specific principles,	文件编号: 演授津 安委字【202 版 本 号: 第一版 (2024年)	4] 003 号
management methods, detailed	100 mp (10, 12, 14)	
workflows, as well as supervision	2024-03-27 发布	2024-03-27 实施
and inspection for health and safety	滨海投资 (天津) 有限公司	
management matters.		

BINHAI INVESTMENT COMPANY LIMITED Environmental, Social and Governance Report 2024

To ensure the effective implementation of all requirements of the safety management system, in accordance with the principles of "three management and three musts" of the Work Safety Law (i.e., safety must be the priority of industry management, business management and production management), the Group has integrated the requirements of the safety management system with the management policy of functional departments based on their division of labour. This integration helped to implement the basic safety management principle.



In terms of reward and punishment

The Group has issued the Measures for Rewards and Punishments for Work Safety based on the safety management system, which clearly defines the mechanism of safety rewards and penalties. Subordinate units are regularly scored for their work safety performance by the Group. If employees violate the work safety management regulations, certain amount of performance bonuses will be deducted according to the provisions, thereby strengthening employees' awareness of safety responsibilities.



In terms of performance assessment

The Group's safety assessment encompasses four categories: veto indicators, outcome indicators, process indicators, and incentive indicators. The specific assessment content covers various aspects such as the implementation of the responsibility system, safety education and training, work safety meetings, safety inputs and management of related parties. Work safety performance is scored according to the Work Safety Performance Assessment Form, and the assessment results are incorporated into the overall performance assessment for rewards, providing a quantitative evaluation standard for safety management.



In terms of performance formulation

The remuneration and performance of employees are also closely linked to the work safety indicators. For executives and employees, major safety liability incidents are a one-vote veto item, which directly affects their performance evaluation and the Group's issuance of long-term incentives such as the stock option plans. In the annual evaluation, depending on responsibilities of employees at all levels, the weight assigned to work safety indicators ranges from 10% to 30% under the scoring system, which fully reflects the importance of safety management in the Group's operations.



In terms of safeguard mechanisms

The Group actively promotes a reporting system, encouraging employees to engage in positive behaviours such as "proposing reasonable suggestions for work safety" and "reporting three violations (illegal command, illegal operation and violation of labour disciplines)". Employees can report suggestions for improving safety management or findings of violations. Upon verification, they will receive rewards from the Group, further motivating their enthusiasm for participating in safety management.



In terms of talent development

The Group has formulated an annual safety education and training plan to conduct monthly training sessions covering topics such as work safety laws, fundamental and challenging safety initiatives, criteria for identifying potential hazards, safety management systems, management of confined spaces, and the performance of duties by management personnel. Through internal and external training, both the construction level of safety management system and the professional performance capabilities of work safety management personnel have been comprehensively enhanced. In 2024, the Group's headquarters organised a total of 80 hours of safety education and training, with over 3,000 employees and outsourced personnel participating.

In 2024, the Group strictly implemented the safety management system and work safety measures, and achieved the following objectives:

· No work-related fatalities for which the Group bears primary responsibility, and no concealment, false reporting, or late reporting of safety accidents

· No fire accidents for which the Group bears primary responsibility



Maintaining Occupational Health

In the past three years (including the Reporting Period), the number and proportion of workrelated fatalities of the Group



%

were

qualification certification system for special positions. development.

safety guarantees.

The Group regularly organises three-level safety education and training for employees, as well as mandatory tests during inspections, to comprehensively improve the safety awareness of all employees. In 2024, the Group conducted a total of 2 training sessions on construction safety management, covering 243 key management personnel from the Group, construction units, and supervision units. The Group regularly organises emergency drills for different scenarios, such as fires, earthquakes and other emergencies, and conducts reviews and summaries after each drill to widely collect feedback and suggestions for improvement from employees, so as to enhance their emergency response skills. In the past three years (including the Reporting Period), the number and proportion of work-related fatalities of the Group were 0 individuals and 0%, and the number of working days lost due to workrelated injuries during the Reporting Period was 674 days.



The Group has established documents such as the Work Safety Responsibility System and the Guidelines for the Construction of Dual Prevention Mechanisms, which clarify safety responsibilities at all levels and build a dual prevention mechanism for risk classification control and identification and management of potential risks. Additionally, the Group has formulated 23 safety management policies, including the Work Safety Objective Management System, the Work Safety Risk Classification and Control System, the Work Safety Education and Training Management System, the Personal Protective Equipment Management System, the Safety Management System for Surveillance and Measurement Facilities, and the Safety Inspection and Hazard Rectification System. These policies promote the effective operation of the Group's safety management system and aim to provide employees with a safe working environment and prevent them from suffering occupational injuries. The Group also strictly complies with the requirements of the Guidelines for the Application of Internal Control in the Enterprise No. 4 "Social Responsibility", to set up a sound inspection and supervision mechanism, strengthen training for staff on occupational safety awareness and implement a

The Group actively participates in the ISO 45001 Occupational Health and Safety Management System Certification in accordance with the national laws and regulations, and industry standards and specifications. Among them, Tianjin Company has passed the ISO 45001 Occupational Health and Safety Management System Certification and obtained the relevant certificates for its management in "refinement, standardisation, institutionalisation and regularisation", providing a strong guarantee for safe and stable

To ensure the occupational health and safety of employees, the Group has carried out eight specific activities, namely safety system construction, safety risk identification and control, hidden danger investigation and management, safety education and training, labour safety protection, emergency rescue drills, work safety assessment, and special safety activities, sparing no effort to reduce the chance of accidents and protect the personal safety of employees.

In terms of safety inspection and hazard identification, the Group organises at least two rounds of inspections annually, covering all its subsidiaries. During the inspection, the Group focuses on checking the operation of gas pipelines, equipment and facilities, the reserve of emergency supplies, the records of internal information on safety management, as well as the implementation of safety inspection and line inspection, in accordance with the requirements of documents such as the key points of emergency response, the assessment form for emergency drills, the atlas of safety inspection standards, and the library of standard hidden dangers. In 2024, the Group introduced high-precision gas leak detection vehicles (PPB inspection vehicles) and electric patrol bicycles. Among these, the PPB inspection vehicles accumulated a total inspection mileage of approximately 3,500 kilometres throughout the year, covering 12 project companies, and identified 43 gas leakage points, which have been rectified. The group will continue to introduce advanced technological equipment within the industry to further enhance the efficiency of gas leak detection and address potential safety hazards in a timely manner.

In terms of employee health management, the Group tracks and evaluates employee health data, such as employee physical examination participation rate and examination results, and continuously follows up on the improvement of employees' overall health condition after physical examination, such as blood pressure, body mass index and health risk factors, to evaluate the effectiveness of the health programme. In addition, the Group regularly distributes personal protective equipment to employees, and pays work safety liability insurance for each employee every year, enhancing their

Ensuring Work Safety

Firmly upholding the concept of safe development and adhering to the principle of



the Group attaches great importance to work safety to prevent and resolve major safety risks from the source.

Enhancing Safety Management

Regarding the safety management of contractors, the Group has formulated the Safety Management System for Related Parties, which further clarifies the responsibility division for safety management among related parties and standardises the safety management processes for related parties. This helps to ensure the effective fulfilment of the related parties' safety management responsibilities, and prevent and minimise the safety accidents involving related parties.

Optimising Security Inspection Processes

This year, the Group has further improved and standardised the process of user security check and employee inspection to ensure safe and stable production. Leveraging the big data computing platform, the Group has developed an online cloud platform to identify patterns and quickly locate security check needs. The platform integrates functions such as security check scheduling, doorto-door security check and photo and signature, greatly improving the efficiency of standardised security check. All employees use the GIS in conducting inspection. They determine the inspection points and deploy the plan according to the locations of the pipeline, if construction sites or potential hazard points are identified during inspections, the system is used to immediately report these findings, thereby establishing a safety closed-loop process. In addition, in response to the frequent occurrence of extreme weather caused by climate change, the Group plans to integrate meteorological data into the above-mentioned system and add information such as climate disaster warnings

Implementing **Safety Production Responsibilities**

The headquarters and subsidiaries of the Group continue to study the Work Safety Law of the People's Republic of China, fully implement the statutory responsibilities of the "first responsible person" for work safety, and actively carry out the "five leads" activities of the main person in charge of the enterprise. That is, taking the lead in the investigation and rectification of major incidents and hidden dangers, taking the lead in implementing the responsibilities of all employees in work safety and giving full play to the role of the management team and experts, taking the lead in the investigation and rectification of dangerous operations involving fire and others, taking the lead in the investigation and rectification of production and operation activities such as outsourcing and leasing, and taking the lead in carrying out emergency rescue drills. By doing so, the Group has effectively carried out key safety management work such as special operations strengthening, outsourcing and leasing, education and training, and hidden danger reporting, and taken special actions for hidden danger investigation and rectification in 2024.

Conducting "Work Safety Month" Event

In 2024, the Group successfully implemented the "Work Safety Month" event through organisation and mobilisation, training drills, safety lectures and other initiatives, significantly enhancing the level of safety assurance. All departments actively responded to the work safety campaign, creating an atmosphere where "everyone pays attention to safety". Through warning education, sharing of accident cases, and practical skills training, employees' safety awareness and emergency response capabilities were strengthened. Meanwhile, subsidiaries conducted emergency drills for fires, flood and earthquakes to test their emergency response capabilities. Additionally, they promoted gas safety knowledge among community residents, providing a solid guarantee for the stable operation of enterprises.

In 2025, the Group will further improve the safety management system, fully implement the work safety responsibility system among all employees, refine the safety management assessment mechanism, and continuously carry out risk identification and control and hidden danger investigation and management. Moreover, investments in work safety funds, materials, technology, The total number of "doubleblind" emergency drills conducted throughout the year is

The number of participants is over

and personnel will be significantly increased. Meanwhile, the Group will ensure comprehensive safety education and training for employees at all levels, and require them to sign safety and fire protection responsibility agreements, so as to strive for zero general and above-level work safety accidents within the Group and its subsidiaries.

Case

"Line-up and Safety Briefing" Activity

To further enhance the safety awareness of all employees and effectively prevent work safety accidents from the source, firmly hold the bottom line and red line of work safety, the Group has launched the "Line-up and Safety Briefing" activity on every Monday that covers all subsidiaries. The activity focuses on safety briefing, job self-descriptions, and safety pledges, with the main person in charge of the subsidiary conveying the superior's work safety requirements. Through measures such as quiz on essential knowledge, analysis of typical safety issues, and real case sharing, the activity educates and mobilises all employees to enhance safety awareness while quickly get ready for work. By continuously carrying out the "Line-up and Safety Briefing" activity, the Group aims to continuously stimulate all employees to take the initiative to comply with safety standards and ensure work safety, jointly creating a safe and stable working environment.



"Line-up and Safety Briefing" Activity on Mo

"Double-Blind" Emergency Drills Conducted to Test and Enhance the **Emergency Response Capabilities of Subsidiaries**

emergency drills.



"Double-Blind" Emergency Drill Event







• 0

Starting from 1 January 2024, in order to further enhance the emergency response capabilities of subsidiaries and test their level of understanding and operation regarding emergency response plans, the Group's safety management department organised "doubleblind" emergency drills for all subsidiaries, with a total of 62 drills conducted throughout the year and over 700 participants. Under this model, unannounced emergency drills are conducted by randomly selecting the time, location, and content without prior notification to the participating units and personnel. During this year's "double-blind" drills, the Group identified that some subsidiaries were unfamiliar with the emergency response procedures. In response to this issue, the safety management department has compiled and issued guidance documents for emergency response, such as key points of emergency handling and emergency drill evaluation forms, clarifying the implementation procedures and specific requirements for each stage of emergency response. These documents provide guidance for enterprises in improving their emergency response levels, truly achieving the goal of

Giving Back to the Society

The Group is committed to giving back to the society with practical actions, and actively organising and participating in various community activities. In accordance with the Measures for the Administration of External Donations, the Group has standardized the process and management of public welfare donations. By investing in compassionate assistance funds and organizing employee volunteer services, the Group actively promotes community harmony and co-construction. These efforts have earned the trust and praise of clients, government authorities, and society at large.

Maintain Gas Safety in Communities

To ensure safety, guarantee supply, and standardise services, focusing intently on the needs of the public, the Group has tailored presentation content to different industries, positions, and groups. "Five-into" grassroots safety promotion activities are widely conducted by hanging safety slogans, banners, wall charts, and giving presentations. Additionally, gas safety promotion activities are carried out in a "face-to-face" and "zero-distance" manner, to address users' concerns about safe gas usage and promote gas safety knowledge. These activities help guide the public to use gas correctly, standardly, and safely, thereby fostering a good atmosphere of societal participation in gas safety. The Group has been deeply engaged in community activities related to the "Work Safety Month" and "Fire Prevention Month", promoting safety and fire prevention knowledge among communities. A total of 532 pieces of safety slogans, banners and wall charts have been posted and hung. Additionally, 68 publicity activities have been organised with more than 3,300 participants. Furthermore, 340 pieces of reminders of safety risks have been released.

Case

Over a Thousand Teachers and Students participate in Safety Drill to Keep **Campus Safe**

• 0

In response to the Group's Notice on the Implementation of 2024 Fire Safety Publicities, Zhaoyuan Company required all its employees to thoroughly learn about the theme of Fire Safety Day. Meanwhile, it held "2024 Campus Gas Fire Comprehensive Drill" at Mengzhi School with Zhaoyuan Bureau of Coordinated Administrative Law Enforcement and Bureau of Education and Sports. It was a large-scale drill with more than 1,200 participants, including all the teachers and students of Mengzhi School.

The drill simulated a sudden gas leak scenario in the school canteen. After receiving the alarm call from the school's responsible personnel, Zhaoyuan Company immediately activated the emergency plan and the emergency team rushed to the scene. Upon arrival, rescuers detected the border of the leakage area and defined the scope of warning and evacuation. Then, they evacuated teachers and students to safe areas. All teams worked closely and addressed the gas leak emergency response task in a short time, earning high praise from the Bureau of Coordinated Administrative Law Enforcement, the Bureau of Education and Sports and on-site observers of Mengzhi School.

After the drill, Zhaoyuan Company's safety director also taught students and teachers how to use gas safely. The drill not only tested the collaborative response capabilities between the school and the related company, but also provided a live safety training for teachers and students. It helped them understand the dangers of gas and the emergency response methods to gas leakage, laying a foundation for safe campus and society.



Zhaovuan Gas Safety Fire Drill

Addressing **Concerns in Rural Areas Through Practical** Measures



In June 2024, the Group and its 33 subsidiaries, in cooperation with relevant government departments, carefully planned and organized a "Safety Promotion and Consultation Day" event tailored to the characteristics of urban gas safety. During the event, the Group created a strong atmosphere for gas safety promotion through various means, such as posting eye-catching safety slogans, displaying vivid promotional posters, and distributing detailed promotional materials. This event not only raised public awareness of gas safety, but also directly addressed the most relevant, immediate and practical gas safety

The coal-to-gas project is one of the key measures to implement the central government's plan for air pollution prevention and control in the Beijing-Tianjin-Hebei region and surrounding areas. It is also significantly important to improve the living environment in rural areas and enhance the quality of local residents' life. The Group actively responds to the national call, thoroughly implements the development philosophy of innovation, coordination, green development, openness and sharing, and fully carries out the rural revitalisation strategy. In the Beijing-Tianjin-Hebei region, the Group has made great efforts in the coal-to-gas conversion, accelerating the process of cleaning up heating energy sources in rural areas. As a result of unremitting efforts, the Group has completed the coalto-gas facility construction and realised gas supply for over 170,000 rural households.

Case

Revitalisation

The Group provided three-year assistance to Nanzhaozhuang Village and Houyisi Village, Daliang Town, Wuqing District, Tianjin. In the three years, the Group allocated industrial revitalisation and assistance fund of about RMB 770,000 to the two villages. •Considering the advantages of Nanzhaozhuang Village as a special grainvillage, the stationed assistance team helped the leaderships of Village-level Party Branch Committee and Villagers Committee to transfer land from farmers to the collective organisation. Then, the village had realised the unified planting and management of land. The planting area had been expanding from 40 mu in 2022 to 78 mu in 2024. Meanwhile, the assistance team had improved the infrastructures in the village, including overhauling rural roads, ditching and backfilling roads and installing road lamps. By doing so, the overall appearance



work by Binhai Investment

the "2024 Campus Gas Fire Comprehensive Drill" is more than

The number of participants in

Conduct "Safety Promotion and Consultation Day" Activities

issues in society, bridging the "last meter" of gas safety promotion to ensure that safety knowledge is deeply ingrained in people's minds, making every citizen a guardian of gas safety.



Conduct "Safety Promotion and Consultation Day" Activ

• 0

Successful Completion of the village assistance work to Booster Rural

of the village had been greatly improved. •Taking Houyisi Village's conditions into account, the stationed assistance team has planned to develop the overhead space resources over the village's collective construction land and actively promote the construction of a 77 KW photovoltaic power generation project. The project had a total investment of RMB 350,000 and a contract term of 25 years. It was expected to generate net annual income of RMB 30,000. Under a series of assistance measures and policies, Nanzhaozhuang Village saw its collective annual operating revenue surge from RMB 1,500 to RMB 456,000, moving from the bottom to the top among all villages in Daliang Town. Houyisi Village saw an increase of its collective annual operating revenue from RMB 8,800 to RMB 217,000, ranking from 23rd to 11th among all villages in Daliang Town.



BUILDING SOLID FOUNDATION OF **GOVERNANCE TOWARDS** A SUSTAINABLE FUTURE

Binhai Investment is fully aware that a solid foundation is essential for longterm development. The Group moves ahead in the complex market by continuously deepening risk prevention and control, strictly protecting privacy and information security, creating a culture of integrity and strengthening compliance management. At the same time, the Group integrates sustainability into each aspect of its operations. Through sustainable supply chain management, it will move towards a bright future of sustainable development with all stakeholders.







Privacy Protection and Information Security





Sustainable Supply **Chain Management**

Improving Risk **Prevention** and Control **Capabilities**

The Group has established the Internal Control Management Policy, the Internal Control Compliance Management Manual, the Legal Risk Management Manual, the Contract Management Measures, and the Policy Management Measures and other relevant internal control and compliance management policies, to standardize risk prevention and control through system implementation. Based on business changes, the Group regularly updates its internal control and compliance manual, organises various departments to comprehensively identify and analyse potential risks in various business processes, and conducts risk level assessment and judgment. The Internal Control and Legal Department submits risk management reports to the Risk Committee under the Board annually, reporting on the Group's risk analysis results and risk response measures.

The Group kept enhancing three lines of defence for risk management,



the Internal Control and
Legal Department.
V.

The Group is actively building a corporate culture of "involving all employees in internal control" and continuously deepening the development of the internal control system. This year, the Group kept enhancing three lines of defence for risk management, i.e. three-level management system consisting of subsidiaries, function departments at headquarters and regional management companies, and the Internal Control and Legal Department.

The Group has carried out evaluation and system-building for internal control and compliance, and in conjunction with specific issues arising from business operations, has promoted the improvement of management systems. The Group also organises inspections on the implementation of these systems to ensure that the second line of defence effectively fulfils its supervisory function. While adhering to its role as the third line of defence and fulfilling its audit and supervisory functions, internal audit also focuses on urging the first and second lines of defence to perform their duties, improve their own management, and hold individuals accountable in accordance with personnel management authority.

Risk Prevention and Control System



In 2024, the Group strengthened the management

control over critical risks such as finance	fund risks	tax risks	security risks
compliance risks	investment operation risks	asset management risks	engineering construction risks and procurement risks

carried out risk identification and response work that covers all levels and multiple dimensions.

For management and control of finance risks

>>>

For management and control of compliance risks

The total number of managers

and key personnel of the Group

took part in the training is

342 people

The Group has included requirements related to tax management into the Financial Management Policy and continuously refined and updated the tax policy library. The Group has also held regular special trainings and prepared and issued the *Tax Manual*, which breaks down each business of subsidiaries from a tax perspective, thereby prioritising tax management. For businesses where tax incentives are applicable, the Group instructs and monitors subsidiaries to ensure that they effectively implement these measures and identify, address and control tax risks at source.

>>>

The Group has continuously improved the plan for building a compliance management system, worked out a compliance management framework and established a mechanism for joint meetings on compliance management. All employees are required to sign compliance commitment, in which they agree to perform work duties with integrity and honesty, strictly comply with code of professional ethics and conduct, fight against and correct misconduct, and accept supervision. In 2024, the Group held two joint compliance management meetings, which focused on system management and the construction of "one database and three lists" respectively. It initiated inspections on the implementation of systems, and established a compliance risk database, a list of compliance obligations for key positions, a list of compliance risks, and a list of compliance responsibilities. These efforts are conducive to enhancing the Group's compliance management level, improving the compliance operating mechanism, and effectively preventing and controlling compliance risks.

Case

Training in Compliance Policies and Management





In November 2024, the Internal Control and Legal Department organized trainings on compliance cases to promote the development of enterprise compliance culture and enhance the awareness and initiative of executives and employees in complying with laws, regulations and internal rules. A total of 342 managers and key personnel of the Group took part in the training. During the training, the Internal Control and Legal Department interpreted not only core compliance concepts, but also specific requirements of grid management. The Department also analysed typical real-life cases on "performance fulfilment" and "communication and collaboration", which prompted deep reflection and active discussion among attendees on how to adhere to compliance principles. The training has laid a solid foundation for lasting development of enterprise compliance culture.

• 0

Anti-Unfair Competition

The Group attaches high importance to anti-monopoly management. The Group strictly complies with relevant laws and regulations such as the Anti-Unfair Competition Law of the People's Republic of China, the Anti-monopoly Law of the People's Republic of China, the Prevention of Bribery Ordinance. In addition, the Group has been keeping up with the latest trends of anti-monopoly legislation. The Group has organised training on anti-monopoly law for two consecutive years. Considering the features of its industry, the Group uses case studies to help business departments and subsidiaries better understand anti-monopoly laws and raise their awareness of monopolistic behaviours. Therefore, the Group has effectively prevented anti-monopoly compliance risks. Meanwhile, the Group has also required the relevant personnel of procurement units to be clean and self-disciplined, and to strictly comply with the recusal system. They should also raise their awareness of confidentiality and not divulge information about private documents, bidders or suppliers, and bid evaluation or review. Besides, they should not violate legitimate rights and interests of the Group and other parties involved, and should not exclude any bidders from competition by any means.

Case

The training was well received by a total of over



In October 2024, considering its industry characteristics, the Group conducted targeted training in anti-monopoly and intellectual property rights interface management for gas enterprises. During the training, the Group used typical cases as an entry point to provide a detailed explanation of the Antimonopoly Law, starting from the perspective of anti-monopoly laws and regulations, the recognition of the monopoly position of gas enterprises and the main types of monopolistic behaviours of gas enterprises. This explanation was integrated with the actual operational management of the Group. The training covered specific behaviours related to the abuse of market dominant position, monopoly agreements, concentration of undertakings and anti-monopoly penalty and compliance, aiming to improve employees' legal awareness and compliance capabilities. The training was well received by a total of over 200 participants.

Binhai Investment's Training to Enhance Anti-monopoly Capabilities

• 0



Training on Anti-Monopoly and Intellectual Property Rights Management

Privacy Protection and Information **Security**

In strict compliance with relevant laws and regulations such as the *Cvbersecurity* Law of the People's Republic of China, the Regulations of the People's Republic of China for Safety Protection of Computer Information Systems, the Management Rules for Multi-Level Protection of Information Security, and the Consumer Rights Protection Law of the People's Republic of China, the Group has formulated internal policies such as the *Information Management Measures* and the *Information* System Account Management Measures to set up rigorous information security defence at the legal and institutional levels and strictly prevent information leakage risk.

The Group implements a rigorous application process specifically for the export and use of all user information, which must be reviewed and approved by the person in charge. We also require employees with access to secrets to sign a confidentiality agreement, requiring them to strictly protect customer information when serving customers. To strictly protect customer privacy, we forbid disclosure of information to third parties except with the consent of both parties. During the Reporting Period, the Group had no non-compliance incidents relating to the aspects above. The Group has established a series of control processes to standardise and improve information security management, and has strengthened the building of the information security infrastructure from the system, application, network and data layers. The Group engages third parties to perform regular contingency drills, and carries out penetration tests, asset risk assessments and other work on servers, databases and networks. The vulnerabilities identified during the tests are then promptly remedied to ensure information security in an all-round manner. The Group strives to improve collection and monitoring of terminal data (automatic control platform) and plans and develops a big data platform and IoT data centre to significantly improve gas security of station terminals and customer terminals. The IoT data centre enables us to provide services such as non-intrusive meter reading, on-line payment and remote valve shutoff, greatly improving management efficiency. The automatic control platform collects operating data of each company's stations to remotely monitor and manage them. In addition, the Group has connected ERP, GIS, security data and project data with the big data platform, enhancing system support for security and ensuring high-efficiency and security of operation.

Case

• 0 "Cloud Security Check" Effectively Ensures Data Security The Group has developed "Cloud Security Check", an application based on a hybrid 问题登记 cloud structure, incorporating functions 安全用气常识 of security check planning, security check 正常 他气体田安全注意邀请 execution, and security check result query. 王常 出现漏气的紧急处理方法 . Currently, the application of Cloud Security 1 然气使用环境 正常 Check has covered the security check 存在第二气源/火源 B. **e e** 用气区域有易燃易爆 正常 over all subsidiaries and all gas users. _ 正常 灶具房间高度低于2.23 The application "Cloud Security Check" æ 4 0 お国家安装燃气管道 (含素) 一 正常 is characterised by simple use, flexible 丽改卧/浴改卧 移动工作 configuration and high data security. It **R** 8 9 0 然具使用检查 helps properly implement national laws □ 泄漏检测 and regulations and internal management 他有来目取得门检查 $\langle \! \circ \! \rangle$ 0 rules through the system settings and 空内管道检; stores data on the hybrid cloud by classes. "Cloud Security Check" Application Interface This ensures data security and reduces the risk of data loss and leakage of traditional

storage structures.

Creating a Culture of Integrity

The Group attaches great importance to corporate integrity and credit and strictly adheres to laws and regulations such as the Criminal Law of the People's Republic of China, the Supervision Law of the People's Republic of China, the Anti Money-Laundering Law of the People's Republic of China, the Interim Provisions on Prohibition of Commercial Bribery, the Tendering and Bidding Law of the People's Republic of China, the Law of the People's Republic of China on Administrative Discipline for Public Officials, and the Regulations on the Executives of State-Owned Enterprises for Performing Management Duties with Integrity. During the Reporting Period, the Group had no non-compliance incidents relating to the aspects above.

The Group further implements national relevant laws and regulations, and carries out work on anti-corruption and integrity. The Group has formulated and improved a series of internal policies including the Code of Conduct for Employees, the Code of Conduct for Leaders, the Policy for Employees' Reward and Punishment, the Whistleblowing Management Measures, the Integrity Risk Prevention and Control Checklist and the Internal Audit Work Management Regulations, ensuring that integrity requirements are embedded in all aspects of enterprise operation. The Group advocates "law-abiding, loyal, clean and responsible" behaviours of employees, and requires employees to participate in the training of the Code of *Conduct for Employees* to deepen their understanding of professional ethics. In addition, the Group continues to promote the construction of an integrity culture. During the Reporting Period, the Group conducted training and internal meetings quarterly, and promoted anti-corruption knowledge across the Group to effectively communicate the Group's core values and culture and raise employees' awareness of integrity and self-discipline.

For high-risk business areas such as the procurement process, the Group strengthens the risk management and control through measures such as authorisation and approval control, segregation of incompatible duties, and internal supervision. The Group controls integrity risks at source. For example, the Group has a specific requirement of 100% integrity commitment signing rate for suppliers shortlisted in procurement and key projects. The Group has required supervisors' participation in procurement activities during the process, and video recordings of the whole procurement reviewing process. Procurement activities of subsidiaries are also subject to supervision and inspection to prevent corruption.

9

Economic responsibility and special audit projects

The Group has further standardized the work related to letters and visits for complaints and reporting, striving to improve the quality and efficiency of handling such reports. For verified violations of regulations and discipline, the Group adheres to the principle of serious handling, strictly follows the requirements for case handling from superiors and relevant institutional regulations, tightly controls the scope of informed personnel, and keeps the personal information of reporters strictly confidential, effectively protecting the rights and interests of reporters. In 2024, the Group enhanced all employees' compliance awareness and created a clean and upright internal environment through joint meetings on compliance management and development of "one database and three lists". In addition, the Group actively carried out nine economic responsibility audit and special audit projects. The Group conducted our internal audits by the risk-oriented approach and paid close attention to fraud, bribery, corruption and other risk matters, so as to give a full play of deterrent of audit supervision.

Case

Party Conduct Construction for Employees Self-Discipline

employees participated in the campaign. of the Board.

Sign the Integrity Commitment Letter

100 %



This year, Binhai Investment held three warning education conferences. The Group led all participants to learn the important thought of full and strict governance over the Party. The Group also notified and analysed typical cases of "incidents involving people around you" and organised all participants to watch a video about integrity family culture. In addition, the Group has also included the learning of disciplinary sanction ordinance into the quarterly "Learning from Integrity" campaign to fully raise the awareness of integrity and self-discipline and the sense of discipline of all leaders and employees. Throughout the year, approximately 560

• 0

Meanwhile, to respond the proposed enhancements to the Corporate Governance Code and related Listing Rules published by the Hong Kong Exchange Stock, the Group held special training for all directors. The purpose of this training was to provide directors with a better understanding of the quality and responsibilities required for a sound corporate governance. The Group encouraged them to perform their duties diligently, so as to improve the efficiency



Sustainable Supply Chain Management

The Group attaches importance to supply chain management. Pursuant to the Tendering and Bidding Law of the People's Republic of China, the Regulation on the Implementation of Tendering and Bidding Law of the People's Republic of China and other relevant laws and regulations, the Group has formulated a series of internal regulations, including the *Measures for Procurement Management*, the Management of Vendor Performance Evaluation and the Regulation on Non-Pipeline Gas Procurement Management. These regulations clarify the duties and obligations of the Group and its subsidiaries, the application scope of procurement and their specific processes. The Group engages suppliers through tendering and non-tendering methods, and supervises and inspects procurement projects to ensure that they are legal, compliant and standardised. For suppliers whom the Group cooperates with for the first time, the Group will conduct factory review to assess the potential risks in terms of environmental and social responsibility issues. Engaged suppliers are subject to quality sampling, and a supplier who has significant ESG risk and fails to rectify issues will be permanently blacklisted. Additionally, the Group maintains systematic management for contract performance.

The Group adheres to the principle of "openness, fairness, justness, integrity, and merit-pick" in selecting suppliers. Besides qualifications, credit and financial status, the Group gives priority to suppliers with merits of "good quality, appropriate price, satisfactory service, and clean record". The Group also highlights environmental compliance, informatisation, safety management, and other aspects to ensure the stability and security of supply chain.

In addition, the Group fully considers ESG factors and continues to integrate them into management for improvement. The Group has stated in the internal procurement policy that, under the same conditions, the priority will be given to suppliers with safety, environmental and quality certification or those who can provide environmental protection services. For example, the Group's tendering rating system factors in certification of environmental management system, certification of quality management system and certification of occupational health and safety management. The Group also evaluates environmental management measures of suppliers in aspects of product design, raw material selection, production, processing and packaging, etc. The Group requires a 100% signing rate of the Integrity Commitment for supplier candidates, and requires that PE ball valve and other key products obtain certification of China environmental labelling products.

With implementation rules of reward and punishment in place, the Group promptly records supplier issues and solutions from departments and subsidiaries. Based on that, the Group makes an annual evaluation to review the compliance level and service capabilities of suppliers, and applies results to procurement review and grade adjustment, to maintain a stable supply chain. Suppliers with strong overall strength, good daily management, fine execution quality, and excellent performance will be rewarded by granting honours, rating increase, grade improvement, and share increase. Suppliers with weak overall strength, inadequate daily management, poor execution quality, and bad performance will be punished by means of notification, rating reduction, downgrading, share reduction, cancellation of eligibility for bidding, restriction of access, etc.
These reward and penalty mechanisms drive the effective management, stability and sustainability of supply chain, thus supporting the sound operation of the Group.



THE GROUP'S ESG PERFORMANCE DATA

Environmental Key Performance Indicators	Unit	2024	2023	2022
Resource Consumption				
Purchased Electricity	MWh	4,349.39	4,670.29	3,829.86
Purchased Natural Gas ²	MWh	6,554.22	16,366.62	12,571.90
Diesel	MWh	405.23	498.69	494.22
Petrol	MWh	3,510.57	3,644.05	3,422.13
	MWh	14,819.41	25,179.65	20,318.11
Total Energy Consumption and Intensity	MWh/per employee	8.49	14.37	11.80
Tabla landa a la strata de la seconda de	cubic meters	32,317.71	33,018.53	34,301.70
Total volume and density of purchased tap water	cubic meters /per employee	18.51	18.85	19.92
Hazardous Waste Generation by Type ³				
Electronic Waste	Tonnes	0.09	0.09	0.03
Batteries	Tonnes	0.07	0.09	0.07
Mercury-Containing Light Tubes	Tonnes	0.05	0.05	0.02
Ink Cartridges	Tonnes	0.42	0.46	1.85
Odorant Waste Drums	Tonnes	1.75	1.80	1.55
	Tonnes	2.38	2.49	3.52
Total Hazardous Waste Generation and Intensity	kg/per employee	1.36	1.41	2.04
Non-Hazardous Waste Generation by Type ⁴				
Papers	Tonnes	4.29	4.66	6.72
Waste Used Meters ⁵	Tonnes	174.02	335.59	295.54
Waste Used Pipes	Tonnes	1,273.69	536.50	457.19
	Tonnes	1,452.00	876.75	759.45
Total Non-Hazardous Waste Generation and Intensity	kg/per employee	831.62	500.43	441.02

2 The decrease in the amount of purchased natural gas from 2024 onwards compared to 2023 is due to the reduction in the number of station sites.

3 The disclosure unit for hazardous waste is uniformly "metric tons," and the disclosure data related to hazardous waste is obtained through estimation.

4 The disclosure unit for non-hazardous waste is uniformly "metric tons," and the disclosure data related to non-hazardous waste is obtained through estimation

5 According to national standards, the service life of civil meters is 10 years. In the 2022-2023 fiscal year, the company accelerated the replacement of IoT meters, while in the 2024 fiscal year, some obsolete meters were replaced naturally as part of the normal turnover

Environmental Key Performance Indicators	Unit	2024	2023	2022
Air Pollutant Emissions ⁶				
Nitrogen Oxides (NOX)	Tonnes	1.345	1.561	2.78
Sulphur Oxides (SOX) ⁷	Tonnes	0.006	0.006	0.006
Particulate Matter (PM)	Tonnes	0.05	0.04	0.05
Greenhouse Gas Emissions				
Fuel Combustion Emissions ⁹	Tonnes CO ₂ e	2,335.53	2,629.22	3,492.15
Methane Emissions ¹⁰	Tonnes CO ₂ e	3,175.77	729.90	9,678.90
Scope 1 Total Emissions	Tonnes CO ₂ e	5,511.30	3,359.12	13,171.05
Scope 2 — Indirect Emissions				
Purchased Electricity ¹¹	Tonnes CO ₂	2,333.88	2,663.47	2,184.17
Scope 3 — Other Indirect Emissions				
Wastepaper Disposed at Landfill Sites ¹²	Tonnes CO ₂ e	20.60	22.36	32.23
Business Travel ¹³	Tonnes CO ₂ e	26.54	28.40	11.77
Employee Commuting [™]	Tonnes CO ₂ e	662.43	/	/
Scope 3 Total Emissions	Tonnes CO ₂ e	709.57	50.76	44.00
	Tonnes CO ₂ e	8,554.75	6,073.35	15,399.22
Total Emissions of Greenhouse Gas and Intensity	Tonnes CO ₂ Tonnes CO ₂ e/ per employee	4.90	3.47	8.94

6 The calculation of air pollutant emissions includes emissions from vehicle use and natural gas consumption (both production and residential). Due to the relatively small amount of fuel used by generators, they are not included in the calculation. The vehicles included in the calculation are those owned and operated by the Group. The method for calculating air pollutant emissions from vehicles and the related emission factors are based on the "Technical Guide for Compiling Emission Inventories of Road Vehicles (Trial)" issued by the National Development and Reform Commission of the People's Republic of China. For the years 2022-2024, the method for calculating air pollutant emissions from natural gas consumption and the related emission factors are based on the "Manual of Emission Inventory Compilation Methods and Emission Factors for Pollution Sources' issued by the Ministry of Ecology and Environment of the People's Republic of China. Specifically, emissions from production-related gas consumption are calculated with reference to the "Manual of Emission Inventory Compilation Methods and Emission Factors for Industrial Sources", while emissions from domestic gas consumption are calculated with reference to the "Manual of Emission Inventory Compilation Methods and Emission Factors for Domestic Sources".

- 7 The natural gas used by the Group is all desulfurized, resulting in minimal sulfur oxide emissions. Therefore, the calculation of sulphur oxide emissions only includes emissions from vehicle use.
- 8 This GHG accounting method is used for financial control purposes.
- 9 The Group's fossil fuel combustion emissions are mainly from vehicle use and natural gas consumption (including gas for production and residential use). Due to the relatively small amount of fuel used by power generators, they are not included in the calculation. The methodology for calculating GHG emissions from vehicle and natural gas use, as well as the associated emission factors, are based on the "2006 IPCC Guidelines for National Greenhouse Gas Inventories, 2019 Revision" issued by the Intergovernmental Panel on Climate Change.
- 10 The calculation of greenhouse gas emissions includes methane emissions resulting from process venting within the Group. In 2024, methane emissions saw a significant increase compared to 2023. Although the Group's overall pipeline replacement efforts have reduced venting from process pipelines and construction activities, the commissioning of 36 kilometers of high-pressure and 10 kilometers of sub-high-pressure pipelines led to a more pronounced increase in venting. Consequently, both the scope 1 greenhouse gas emission data and greenhouse gas emission intensity have risen during the reporting period.
- Generation Enterprises from 2023-2025" issued by the Ministry of Ecology and Environment of the People's Republic of China. The method for calculating GHG emissions from purchased electricity in 2024 and the related emission factors are based on the grid emission factors published in the "Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2022" issued by the Ministry of Ecology and Environment of the People's Republic of China.
- 12 The GHG emission calculation methodology and related emission factors are formulated based on the "Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions and Removals for
- 13 The method of calculating greenhouse gas emissions and related emission factors are formulated based on the "Carbon Emission Factors 2022" issued by the Ministry of Ecology and Environment, using the average coefficient for aviation (passenger transportation).
- 14 The GHG emission calculation method and related emission factors are formulated based on the "Collection of Greenhouse Gas Emission Factors for the Full Life Cycle of Chinese Products".

11 The grid emission factors used to calculate GHG emissions from purchased electricity in 2022-2023 are based on the "Notice on the Management of Greenhouse Gas Emission Reporting for Power

Buildings (Commercial, Residential or Public Use) in Hong Kong, 2010 Edition" issued by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong,

BINHAI INVESTMENT COMPANY LIMITED

Environmental, Social and Governance Report 2024

Social Key Performance Indicators	Unit	2024	2023	2022
Total Number of Employees	Persons	1,746	1,752	1,722
Number of Employees by Employment Type				
Contract Employees	Persons	1,746	1,752	1,722
Dispatched Employees	Persons	0	0	0
Number of Employees by Region				
Hebei, Beijing, Tianjin	Persons	1,018	1,017	1,009
Shandong	Persons	314	293	285
Zhejiang, Hunan, Jiangxi	Persons	236	242	238
Jiangsu, Anhui	Persons	172	195	185
Other areas	Persons	6	5	5
Number of Employees by Gender				
Male	Persons	1,226	1,219	1,187
Female	Persons	520	533	535
Number of Employees by Age Group				
25 or below	Persons	74	91	107
26-35	Persons	664	671	693
36-50	Persons	841	834	767
51 or above	Persons	167	156	155
Number of Employees by Employment Level				
Senior Management	Persons	7	7	7
Middle Management	Persons	30	30	24
General Employee	Persons	1,709	1,715	1,691
Number of Employees by Academic Qualification				_
Bachelor's Degree or Above	Persons	670	623	566
College Diploma	Persons	511	525	523
Senior High School or Technical Secondary School	Persons	429	457	470
Junior High School or Below	Persons	136	147	163
Number of Employee Turnover				
Total Number of Employee Turnover	Persons	129	150	122
Number of Employee Turnover by Gender				
Male	Persons	83	106	86
Female	Persons	46	44	36

Social Key Performance Indicators	Unit	2024	2023	2022
Number of Employee Turnover by Age Group				
25 or below	Persons	10	11	11
26-35	Persons	38	54	50
36-50	Persons	58	49	43
51 or above	Persons	23	36	18
Number of Employee Turnover by Region				
Beijing, Tianjin, Hebei	Persons	55	72	72
Shandong	Persons	14	28	20
Zhejiang, Hunan, Jiangxi	Persons	24	27	25
Jiangsu, Anhui	Persons	36	23	4
Other Areas	Persons	0	0	1
Number of Employee Turnover by Employmen	t Type			
Full-Time Employees	Persons	129	150	122
Dispatched Employees	Persons	0	0	0
Total Percentage of Employee Turnover				
Total Percentage of Employee Turnover	%	6.88	7.89	6.62
Percentage of Employee Turnover by Employn	ıent Type			
Contract Employees	%	6.88	7.89	6.62
Dispatched Employees	%	0	0	0
Percentage of Employee Turnover by Gender				
Percentage of Employee Turnover by Gender Male	%	6.34	8.00	6.76
Percentage of Employee Turnover by Gender Male Female	%	6.34 8.13	8.00 7.63	6.76
Male Female	%			
Male	%			
Male Female Percentage of Employee Turnover by Age Grou	% IP	8.13	7.63	6.30
Male Female Percentage of Employee Turnover by Age Grou 25 or below	% IP %	8.13 11.90	7.63	6.30 9.32
Male Female Percentage of Employee Turnover by Age Grou 25 or below 26-35	% 1 p %	8.13 11.90 5.41	7.63 10.78 7.45	6.30 9.32 6.73
Male Female Percentage of Employee Turnover by Age Grou 25 or below 26-35 36-50	% 1 p % %	8.13 11.90 5.41 6.45	7.63 10.78 7.45 5.55	6.30 9.32 6.73 5.31
Male Female Percentage of Employee Turnover by Age Grou 25 or below 26-35 36-50 51 or above	% 1 p % %	8.13 11.90 5.41 6.45	7.63 10.78 7.45 5.55	6.30 9.32 6.73 5.31
Male Female Percentage of Employee Turnover by Age Grou 25 or below 26-35 36-50 51 or above Percentage of Employee Turnover by Region	% 1p % % % %	8.13 11.90 5.41 6.45 12.11	7.63 10.78 7.45 5.55 18.75	6.30 9.32 6.73 5.31 10.40
Male Female Percentage of Employee Turnover by Age Grou 25 or below 26-35 36-50 51 or above Percentage of Employee Turnover by Region Hebei, Beijing, Tianjin	% p % % % % % %	8.13 11.90 5.41 6.45 12.11 5.13	7.63 10.78 7.45 5.55 18.75 6.61	6.30 9.32 6.73 5.31 10.40 6.66

BINHAI INVESTMENT COMPANY LIMITED

Environmental, Social and Governance Report 2024

Social Key Performance Indicators	Unit	2024	2023	2022
Other Areas	%	0	0	16.67
Training and Development of Employees ¹⁵				
Total Number of Training Hours Received by Employees	Hours	27,936	43,327	55,184
Average Training Hours Received by Employees				
Average Training Hours Received by Employees	Hours	16	25	32
Average Training Hours Received by Gender				
Male	Hours	16	27	39
Female	Hours	15	21	17
Average Training Hours Received by Employme	nt Level			
Senior Management	Hours	3	6	3
Middle Management	Hours	27	32	96
General Employee	Hours	16	25	31
Percentage of Employees (by Gender) that Rec	eived Training ¹⁶			
Male	%	100	100.00	68.93
Female	%	100	100.00	31.07
Percentage of Employees (by Employment Leve	el) that Received Training			
Senior Management	%	100	100.00	0.41
Middle Management	%	100	100.00	1.39
General Employee	%	100	100.00	98.20
Number and Ratio of Work-Related Fatalities				
Number of Persons	Persons	0	0	0
Ratio	%	0	0	0
Number of Working Days Lost Due to Work-Rel	ated Injuries			
Number of Working Days Lost	Days	674	68	164
Number of Suppliers by Region				
Total Number of Suppliers	Number of suppliers	190	136	178
Hebei, Beijing, Tianjin	Number of suppliers	94	48	68
Shandong	Number of suppliers	23	29	32
Zhejiang, Hunan, Jiangxi	Number of suppliers	12	17	31

The method for calculating employee training hours will be the sum of annual training hours for all trained employees.
 The calculation method for employee training rates in 2022 was Training rate for relevant employee categories = Number of employees trained in relevant category / Total number of employees trained.
 In 2023-2024, the calculation method was changed to: Number of employees trained in relevant category / Total number of employees trained.

Social Key Performance Indicators	Unit	2024	2023	2022
Jiangsu, Anhui	Number of suppliers	19	17	15
Other Areas	Number of suppliers	42	25	32
Application of Supplier Practices				
Application of Supplier Hiring Practices in Regular Projects	Number of practices applied	98	98	146
Application of Supplier Hiring Practices in Non- Regular Projects	Number of practices applied	137	38	32
Cooperation with Suppliers				
Number of Suppliers with Long-Term Cooperation	Number of suppliers	110	136	178
Number of Suppliers Shortlisted for Construction	Number of suppliers	37	22	29
Number of Suppliers with Quality Management System Certificate	Number of suppliers	110	136	173

LAWS AND REGULATIONS WHICH HAVE A SIGNIFICANT **IMPACT ON THE GROUP**

Aspect	Operating Location	Relevant Laws, Regulations and Policy Standards
Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non- hazardous waste Relating to the efficient use of resources, including energy, water and other raw materials Relating to minimising the issuer's significant impacts on the environment and natural resources	Chinese mainland	Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Noise Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste Water Pollution Control Law of the People's Republic of China Soil Pollution Control Law of the People's Republic of China Environmental Protection Law of the People's Republic of China Environmental Inpact Assessment Law of the People's Republic of China Clean Production Promotion Law of the People's Republic of China Energy Conservation Law of the People's Republic of China Energy Conservation Law of the People's Republic of China Energy Conservation Law of the People's Republic of China Emission Standard of Environment Noise for Boundary of Construction Site (GB 12523-2011) Standards for Pollution Control of Hazardous Waste Storage (GB 18597-2023) National Hazardous Waste List
Relating to providing a safe working environment and protecting employees from occupational hazards	Chinese mainland	 Work Safety Law of the People's Republic of China Emergency Response Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Occupational Diseases Fire Protection Law of the People's Republic of China Regulations on Emergency Response to Work Safety Accidents Regulations on the Safety Management of Construction Projects Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects Measures for the Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects Measures for the Supervision and Administration of Employers' Occupational Health Surveillance Regulations on the Administration of Urban Gas Project Code for Gas Engineering (GB 55009-2021) Code for Construction Project Management (GB/T 50326-2017) Safety Signs and Guideline for Use (GB 2894-2008) Technical Specifications for Occupational Health Surveillance (GBZ 188-2014)
Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti- discrimination, and other benefits and welfare	Chinese mainland	Labour Law of the People's Republic of China Labour Contract Law of the People's Republic of China
	Hong Kong China	Employment Ordinance
Preventing child and forced labour	Chinese mainland	Provisions on the Prohibition of Using Child Labour
	Hong Kong China	Regulations of Child Employment
Relating to managing environmental and social risks of the supply chain	Chinese mainland	Tendering and Bidding Law of the People's Republic of China Regulation on the Implementation of Tendering and Bidding Law of the People's Republic of China

Aspect **Operating Location** Relevant Laws, Regulations and Policy Standards Relating to health and safety, advertising, labelling and privacy Chinese mainland Technical Specification for Gas Alarm and Control System matters relating to products and services provided and (CJJ/T 146-2011) methods of redress Protection of Consumer Rights and Interests Law of the People's Republic of China E-Commerce Law of the People's Republic of China Advertising Law of the People's Republic of China Trademark Law of the People's Republic of China Patent Law of the People's Republic of China Copyright Law of the People's Republic of China Cybersecurity Law of the People's Republic of China Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems Administrative Measures for the Multi-Level Protection of Information Criminal Law of the People's Republic of China Chinese mainland Supervision Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China

Hong Kong China

Anti-Money Laundering Law of the People's Republic of China Law of the People's Republic of China on Administrative Discipline for Public Officials Interim Provisions on Prohibition of Commercial Bribery Regulations on the State-Owned Enterprises for Performing Management Duties

Prevention of Bribery Ordinance

with Integrity

SEHK'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX

Mandatory Disclosure			
Mandatory Disclosure Requirements	Description	The Relevant Section of This Report or Other Description	
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	31, 3.2	
Reporting Principles	Describe or explain how the following reporting principles were applied in the preparation of the ESG report: materiality, quantitative, consistency.	1.2, 3.3, 3.4	
Reporting Scope	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	11	
	"Comply or explain" Provisions		
General Disclosures and KPIs	Description	Relevant Chapter(s) of this Report or Other Explanation	
	Environmental		
Aspect A1: Emissions			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	4.2, 8	
KPI A1.1	The types of emissions and respective emissions data	7	
KPI 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)	7	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	7	
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	7	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	4.2, 4.3	
KPI A1.5	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them	4.2	
Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	4.3, 8	
KPI 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)	7	
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility)	7	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	4.3	
KPI 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	4.3	

KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable ¹⁷
Aspect A3: The Environment	t and Natural Resources	
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	4.2, 4.3, 8
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4.2, 4.3
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	4.1
KPI 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	4.1
	Social	
	Employment and Labour Practices	
Aspect B1: Employment		
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti- discrimination, and other benefits and welfare: (a) the policies; and	5.2, 8
	(b) compliance with relevant laws and regulations that have a significant impact on the issuer	
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	7
KPI B1.2	Employee turnover rate by gender, age group and geographical region	7
Aspect B2: Health and Safet	ry	
	Relating to providing a safe working environment and protecting employees from occupational	
General Disclosure	hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.3, 8
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period	5.3, 7
KPI B2.2	Lost days due to work injury	5.3, 7
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	5.3
Aspect B3: Development and	d Training	
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.2
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	7
KPI B3.2	The average training hours completed per employee by gender and employee category	7
Aspect B4: Labour Standard	ls	
General Disclosure	Relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.2, 8
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	5.2

17 As the Group's business does not involve the use of packaging materials for products, this indicator is not applicable.

BINHAI INVESTMENT COMPANY LIMITED

Environmental, Social and Governance Report 2024

Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	6.5
KPI B5.1	Number of suppliers by geographical region	7
KPI 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	6.5, 7
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	6.5
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	6.5

Social				
Aspect B6: Product Responsibilit	Aspect B6: Product Responsibility			
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	51, 5.3,6.2, 6.3, 8		
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	5.1		
KPI B6.2	Number of products and service related complaints received and how they are dealt with	5.1		
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	5.1		
KPI B6.4	Description of quality assurance process and recall procedures	5.1		
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	6.3		

Asn	ect B	73 An	1120	OTT

General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	6.4, 8
KPI 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	6.4
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	6.4
KPI B7.3	Description of anti-corruption training provided to directors and staff	6.4

 Social

 Community

 Aspect B8: Community Investment

 General Disclosure
 Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests
 5.4

 KPI B8.1
 Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)
 5.4

 KPI B8.2
 Resources contributed (e.g. money or time) to the focus area
 5.4



Hong Kong

 Address:
 Suite 3205-07, 32/F, Tower 2, Times Square, 1

 Matheson Street, Causeway Bay, Hong Kong

 Tel:
 (852) 2572 9228

 Fax:
 (852) 2572 9283

Tianjin

Address:	Suites 501-502, Block 6, East Area, Airport
	Business Park, 80 Huanhe Road North, Airport
	Economic Area, Tianjin, China
Tel:	86-22-5880 1800
Fax:	86-22-5880 1801
P.C.:	300308