



Jilin Province Chuncheng Heating Company Limited *

吉林省春城热力股份有限公司

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

Stock code : 1853



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2024

* For identification purpose only

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I. INTRODUCTION AND ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

About the Report

The Environmental, Social and Governance Report (the "Report") summarises the initiatives, plans and performance of Jilin Province Chuncheng Heating Company Limited (the "Company" or "We"), together with subsidiaries, (the "Group") in the environmental, social and governance ("ESG") aspects, and illustrates the sustainability of its business activities in terms of ESG.

The Group adheres to the management policies of sustainable ESG development and is committed to handling the Group's ESG matters effectively and responsibly, which we believe are of great significance for our business and operation.

The ESG Governance Structure

The Group monitors developments and trends in areas of sustainability and sustainability reporting to better meet the expectations of our stakeholders in light of evolving business and regulatory requirements. Through the Board of Directors' specific responsibility, they review the effectiveness of the Group's sustainability initiatives and the work of the ESG Taskforce.

The Board of Directors' responsibilities:

- Assessing and confirming this Report is structured and based on the materiality of ESG aspects and respective issues;
- Monitoring sustainability performances through regularly reviewing ESG-related policies and initiatives;
- Evaluating, identifying and managing sustainability risks; and
- Observing closely regulatory requirements, relevant updates and industry practices.

The ESG Taskforce's responsibilities:

- Collecting relevant information on the ESG aspects for preparing the Report;
- Examining and evaluating the performances in different sustainable aspects such as environment, health and safety, labour standards and product responsibilities in the ESG aspects; and
- Regularly reporting to the Board, assists in identifying and evaluating the Group's ESG risks and the effectiveness of the internal control mechanisms.

Reporting Principles

The Report has been prepared in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") contained in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Group has complied with the "comply or explain" provisions set out in the ESG Reporting Guide in 2024. The Report is divided into two parts, namely, environmental and social. The four basis of reporting principles are materiality, quantitative, balance and consistency:

- **Materiality:** Materiality assessment was conducted and reviewed from time to time to assess the relative importance of the ESG topics identified. Topics that are relevant and important to the operations of the Group and various stakeholders must be covered in the Report.
- **Quantitative:** If the key performance indicators ("KPIs") have been established, they must be measurable and applicable to valid comparisons under appropriate conditions.



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- **Balance:** This Report covers both positive and negative impacts of our performance to provide an unbiased picture of our overall performance.
- **Consistency:** ESG data presented in the Report are prepared using consistent methodologies over time unless otherwise specified either in text or footnote.

Reporting Period

The Report elaborates on the Group's ESG events, challenges and measures during the year from 1 January 2024 to 31 December 2024 (the "Reporting Period").

Reporting Scope

During the Reporting Period, the Group's focused areas and its main businesses were as below:

- (1) Heat supply, the Group's core business (the "Heat Supply") — the Company and its subsidiaries (Jilin Province Xixing Energy Limited ("Xixing Energy"), Changchun Yatai Heating Company Limited ("Yatai Heating") and Jilin Province Chuncheng Biomass Power Co., Ltd. ("Chuncheng Biomass"); and
- (2) Construction, maintenance and design services (the "Construction, Maintenance and Design Services") — the Group relies on the heat supply industry chain to provide integrated services including (i) engineering construction, (ii) engineering maintenance, (iii) design services and others.

This Report follows the ESG Reporting Guide with a complete index in compliance is available at the end of this Report for reference. Except for provisions that the Group considers are inapplicable to its operations, for which explanations have been given on the rightmost column in the said index, this Report has complied with all the "comply or explain" provisions set out in the ESG Reporting Guide. This year's Report is further enhanced, with a wider range of key performance indicators ("KPIs"). In line with these standards, key stakeholders, including operation departments, management and independent third parties, were engaged in the material assessment and identification of the relevant and important environmental, social and governance policies, for incorporation in this Report.

Stakeholder Engagement

Stakeholders' participation is an indispensable process for the Group to improve its sustainable development performance continuously. Therefore, the Group values the opinions of various stakeholders on its operation and ESG matters. In order to comprehensively understand, respond to and address the major concerns of different stakeholders, the Group has maintained close communication with all these stakeholders, including but not limited to shareholders/investors, customers, contractors/suppliers, employees, the government and regulators, peers, chambers of commerce, industry associations, non-government institutions and media.



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Through the diversified and effective communication channels, the expectations of stakeholders are incorporated into our operation and ESG strategies. The stakeholder engagement and communication channels are as follows:

Major Stakeholders	Communication Channel	Major Concern
Employees	Regular performance appraisals Supervisor and talent evaluation mechanism (talent pool) Channels for employees to express their opinions (such as reporting and complaint systems) The trade union and department meetings Internal trainings	Employment and labour practices Development and training Labour standards Health and safety
Investors/Shareholders	Annual general meeting Annual reports and interim reports, announcements and circulars Investor meetings	Corporate governance Risk management Compliance with regulatory requirements
Customers	Customer service hotlines WeChat account management On-site visits	Quality assurance and facility maintenance Update heating information and problem solving
Business partners/Suppliers	Supplier management meetings and events Supplier on-site audit management policy	Compliance with regulatory requirements Supply chain management
The government and regulators	Annual report and interim report, announcements and notices Organise meetings on relevant topics On-site visits and inspections	Compliance with regulatory requirements Improving corporate transparency
Associations, non-government institutions and media	Voluntary activities Group activities ESG reports	Environmental protection Community investment



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Materiality Assessment

The management and employees who perform major functions in the Group have all participated in preparing the Report to assist the Group in reviewing its operation, identifying relevant ESG matters, and assessing the importance of such relevant matters to our business and stakeholders. Information was collected from relevant departments and business units of the Group based on the major ESG matters that had been assessed.

The materiality assessment process of ESG aspects includes: (1) identification of ESG reporting issues; (2) importance to the corporation under industry standard; (3) key ESG area prioritisation with stakeholder engagement; and (4) evaluation and endorsement by the management. Based on the results of communication among stakeholders and the management as below:

Environmental Protection

The Group is committed to the long-term sustainable development of the environment in the regions where we operate, continuously promoting initiatives to improve environmental conditions. We conduct annual environmental audits to assess the effectiveness of our environmental measures and ensure compliance with all relevant laws and regulations in our operating regions. Upholding our commitment to environmental sustainability, we continue to integrate innovative technologies and industry best practices to enhance our environmental management system. Additionally, we actively promote green development in our business regions to achieve environmental protection goals and create long-term value.

Climate Change

Climate change has become a core global issue, with profound impacts on the ecological environment, economic development, and social stability. The Group actively responds to global climate action, striving to reduce our carbon emissions, promote green transformation, and implement various measures to mitigate and adapt to climate change in our operations, aiming for long-term sustainable development. Through intelligent heating systems, the Group has established risk management measures and response plans to strengthen the effective management of climate change risks within our team. The Group's businesses and brand value will be more widely recognised and enhanced, which may attract more investors' attention.

Health and Safety

The health and safety of employees, customers, and business partners have always been the Group's top priority. The Group is committed to providing a safe, healthy, and sustainable working environment. In order to implement safety production policies and decisions from all levels of government, we firmly establish the concept of safe development, strengthen the effective implementation of the "three managements and three musts" responsibilities, strictly adhere to safety production regulations, and enhance our safety management efforts. We strictly comply with the health and safety laws and regulations in the regions where we operate, continuously improving our management system to ensure that all employees work in a safe environment. Furthermore, we cultivate awareness of safe operations to minimise workplace risks.



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Product Liability

As a leading company in the heating industry, the Group maintains good communication with customers to ensure understanding and satisfaction of their needs and expectations, thereby continuously improving the quality of the Group's services in the long term. The Group strengthens product responsibility management, ensuring that all products meet safety, quality, and sustainability requirements, while safeguarding consumer rights and promoting the healthy development of the industry. In addition, the Group must prevent intellectual property risks and strengthen the protection of intellectual property rights.

Community Activities

The Group adheres the concept of corporate social responsibility, actively participating in social welfare activities to promote sustainable development and foster social harmony. We support various projects such as education, environmental protection, and community development, working together with all sectors of society to build a better future. By engaging in social welfare activities, supporting charitable causes, and caring for vulnerable groups, we believe that every action contributes to a better world.

The Group is committed to regularly reviewing relevant issues, through continuously improving its sustainability performance.

During the Reporting Period, the Group confirmed that appropriate and effective management policies and control systems for ESG matters have been established and that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide. Corporate governance is addressed separately in the section of "Corporate Governance Report".

Contact Us

The Group welcomes stakeholders to provide valuable advice on this Report or our sustainability performance. Please give your suggestions or share your views with us via email at ccrl-zqb@ccrljt.com



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II. ENVIRONMENTAL

Major scope & aspects

The Group attaches high importance to environmental management in its businesses and has always been committed to fulfilling the responsibility of a state-owned enterprise. Under the leadership of the Board, the Group cooperates with the Changchun Municipal Government to drive the integration of using clean energy and adopting innovative heating technology, and strives to become an outstanding leader in the heating industry.

As of the reporting period, the Group's heating coverage area reached approximately 69.762 million square meters (2023: 67.12 million square meters), reflecting a 3.9% increase, and providing heating services to over 570,000 heating users in Changchun. The Group utilises advanced technologies to implement scientific environmental protection measures throughout its operations, actively fulfilling its social responsibility to protect the environment and build a sustainable future for the next generation. To monitor environmental management and minimise the impact of business operations, the Group has established relevant environmental protection management regulations, ensuring compliance with applicable laws and regulations while raising employees' environmental awareness.

The principal business of the Group is heating, which must comply with national laws and regulations, including but not limited to the Changchun City Urban Heating Management Regulations, the Work Safety Law of the People's Republic of China, the Environmental Noise Emission Standards for Industrial Enterprises at Boundary, and the "14th Five-Year Plan" for Modern Energy System Planning. These rules typically determine the implementation standards and details for relevant legal provisions, technical standards, and health, safety, and environmental action plans.

During the Reporting Period, the Group has not committed to any material breaches of the relevant laws, rules and regulations concerning environmental protection.



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1. Emissions

General Disclosures and Key Performance Indicators ("KPIs")

During the Reporting Period, the Group's major types of emission were mainly petrol, diesel, electricity, heat, paper and business air travel, which inevitably release nitrogen oxides (NO_x), sulphur oxides (SO_x), particulate matter (PM) and carbon dioxide (CO₂) into the air. The Group is committed to continuously improving the environmental sustainability of its businesses and ensuring that environmental consideration remains one of the keys focuses in fulfilling its obligations to both the environment and community. Recognizing the potential impacts of its businesses on the environment, the Group has established relevant emission reduction and energy saving initiatives to manage the emissions and minimise environmental impacts of its operations.

The Group strictly complies with the environmental protection laws and regulation that are applicable to the business operations. The Group's legal team has been working closely with the business units to assess the impact of those promulgated environmental protection laws and regulations such as the "Environmental Protection Law of the PRC" 《中華人民共和國環境保護法》, the "Air Pollution Prevention and Control Regulations of Jilin Province" 《吉林省大氣污染防治條例》, the "Prevention and the Control of Water Pollution of the PRC" 《中華人民共和國水污染防治法》, the "Prevention and Control of Environmental Pollution by Solid Waste" 《中華人民共和國固體廢物防治法》 and the "National Environmental Emergency Response Plan" 《國家突發環境事件應急預案》 etc.

During the Reporting Period, the Group complied with relevant laws and regulations relating to air and greenhouse gas ("GHG") emissions, discharge into water and land, and generation of hazardous and non-hazardous waste. The Group did not violate any environmental protection laws or regulations of the region where we operate, nor was it subject to significant fines, non-monetary penalties and litigation relating to environmental protection.



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1.1 *KPIs of Emissions Management* *Types of Emissions and Respective Emission Data*

The Group's principal business is Heat Supply by the Company, where most of the heat is purchased from local cogeneration plants. In order to meet the capacity of the Group's heating area, the Group also purchased heat sources from peak-shaving boilers invested by the controlling shareholder of Changre Group. The Group has adopted the intelligent construction innovative technology in heating operation which can help to achieve real-time operation monitoring, equipment remote control, automatic output adjustment and problem solving, as well as the collection and analysis of operation data. The scientific and technological achievements on heat supply service improves the quality of heating, operational efficiency, and energy saving. In order to benefit more users, the Group enhances and increase the professional qualifications on the construction, maintenance and design business, actively promotes the intelligent heating network system for optimizing the old heating pipe network to establish an energy-saving, environmentally friendly and GHG emissions reduction-oriented heating mode. Nowadays, the Group offers drone pipeline inspection. By using the infrared thermal imaging system on drone, the leakage points in the pipeline are swiftly identified and preliminarily assessed, improving the accuracy of pipeline leakage detection.

Additionally, since Xixing Energy and Yatai Heating (which purchased the boiler rooms from Fuhao in March 2024) use coal-fired boilers to generate some of the heat supply, they have installed dust removal equipment and desulfurization systems in compliance with ultra-low emission standards, in accordance with the "Exhaust Gas and Wastewater Discharge Management

System" guideline. The management measures for exhaust gas from coal-fired boilers are as follows:

- The entire combustion process is operated by a team with certified boiler workers to ensure the proper use of equipment, and "Fuel Statistics Management Record" is provided to ensure the proper use of equipment;
- The exhaust gas emission is regularly provided in the "monitoring information record" to monitor the operation of the boiler;
- The desulfurization device should be well performed to control air pollutants in the environment during operation by recording information in the "fuel information sheets" and the "production facility health record";
- In the event where an equipment is abnormal during operation, the emission shall be stopped immediately. It can only be turned on after the problem is solved;
- The water spray pumper must be turned on when the flue gas generated by the boiler passes through the desulfurization device minimise dust and enters the 100-meter-high chimney to meet the emission standards; and
- If it exceeds the standard, the platform of pollution sources automatic monitoring devices (corporate user) in Changchun city will give an alarm to the discharge port, and will make the discharge meet the requirements according to the national standard.



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Specialised dust removal and desulfurization equipment:



SCR Reactor no. 4



SCR Reactor no. 5



Dust Removal Equipment no. 1-5

Moreover, vehicles are needed to transport engineering staff to heating power stations and customer sites when providing construction, maintenance and design services. The unleaded petrol and diesel consumed cause air pollutants to be emitted. The treatment methods and emission reduction measures are as follows:

- Adopting a low-carbon travel mode with the concept of “green travel” by encouraging employees to carpool, increase the usage of bicycles and electric vehicles;
- Optimizing operating procedures for increasing the loading rate of vehicles and lowering the idle rate;
- Turning off the engine when the vehicle is not in use;
- Eliminating non-compliant vehicles in accordance with national emission policy regulations; and

- Carrying out regular maintenance and repair of vehicles to effectively reduce fuel consumption and further reduce GHG emissions and exhaust gas emissions.

The Group has formulated relevant policies and procedures to manage the effective use of resources in order to achieve higher energy efficiency and reduce unnecessary material use at corporate offices and daily operations. By adopting the following energy-saving and emission-reduction measures, the Group is actively working to minimise the impact on the environment and continue to respond to environmental issues related to global warming, pollution and environmental diversification.

- Researching and developing the latest low-carbon and energy-saving technologies into the operation in order to deploy the decarbonization efforts;
- Prioritising the use of equipment and products of low energy consumption and high efficiency;



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- Considering the use of renewable energy, whenever appropriate;
- Avoiding unnecessary business trips to reduce carbon emission generated by transportation (eq. air travel);
- Prioritising the engagement of local suppliers to reduce energy consumption resulting from the transportation of cargoes;
- Ensuring fuel consumption efficiency and road safety by underwent regular maintenance checks with a view to keeping CO₂ emission from the vehicles at the minimum level; and
- Promoting the importance of “reducing carbon emissions” along the supply chain.

KPIs of All Emissions Management

The sources of emissions are mainly from the fuel consumption of vehicles and boilers, electricity use in office spaces, coal and natural gas, employee air travel, and paper consumption. In response to national environmental protection policies and to enhance its social and environmental responsibility, the Group also strengthens the promotion, management, and supervision of energy conservation.

The tables below set out the Group’s overall emission management of each business segment during the Reporting Period:

Exhaust Gas Emissions¹

During the reporting period, the Group dismantled and upgraded the existing environmental dust removal and desulfurization systems at the two boiler rooms, including the renovation of the boiler’s rear heat surface, the addition of a denitrification (DeNO_x) system, the replacement or modification of the induced draft fans and control systems, and the installation of ultra-low emission online monitoring equipment. These upgrades were implemented in accordance with the on-site conditions of the boiler rooms to achieve ultra-low emission standards.

Type of emissions	Unit	2024	2023
Nitrogen Oxides (NO _x)	Tonnes	48.4	32.4
Sulphur Oxides (SO _x)	Tonnes	45.0	69.0
Particulate Matter (PM)	Tonnes	3.1	8.5



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GHG Emissions¹

During the Reporting Period, the GHG emissions of the Group was approximately 237,184.1 tonnes (2023: 179,929.7 tonnes) an increase of 31.8% year-on-year. The total GHG emissions per million RMB revenue was 131.4 tonnes (2023: 108.7 tonnes), an increase of 21% year-on-year. An overview is as follows:

Indicator	Unit	2024	2023
Direct GHG emissions (Scope I) — fuel, coal and natural gas consumption	Tonnes	188,717.2	130,677
Indirect GHG emissions (Scope II) — electricity consumption	Tonnes	47,222.5	48,036.7
Other indirect emissions (Scope III)-business air travel, paper consumption	Tonnes	1,244.4	1,216.0
Total GHG emissions	Tonnes	237,184.1	179,929.7
Intensity — unit per million RMB revenue ²	Tonnes	131.4	108.7

Notes:

- Such emission data is calculated in accordance with the emission factors of Appendix C2 to the Main Board Listing Rules and their referred documentation as set out by the HKEX, and the “General Guideline of The Greenhouse Gas Emissions Accounting and Reporting for Industrial Enterprises” 《工業企業溫室氣體排放核算和報告通則》;
- During the Reporting Period, the total revenue of the Group was approximately RMB1,805,700,000 (2023: RMB1,694,417,000). Other intensity data in the Report are also measured using this data.

Waste Management

The Group adheres to the principles of waste management and is committed to a sound and proper management of all waste generated during our operation.

The Group has also implemented policies to reduce waste generation through environmental education, aiming at waste management from the source.

During the Reporting Period, the Group’s waste treatment meets the requirements of relevant laws and regulations.



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Non-Hazardous Waste

For the non-hazardous waste, it is generated from the Group's office operations and daily activities. During the reporting period, the Group's ash residue increased by approximately 24%, whereas the total paper consumption decreased by approximately 37%. Since the Group's construction sector has a large demand for design and construction work documents, each department is committed to establishing an electronic green office, in order to avoid printing and copying files, general notice and data transmission are carried out through the network system in the office. When it is necessary to copy or print files, the

employees can print both sides to reduce the use of paper. They are also encouraged to properly classify waste into recyclable and non-recyclable, such as ash, is "recyclable" waste, which is stored in designated collection areas and will be handed over to the recycling companies regularly. Waste disposed by the responsible person in a unified manner and keep the surrounding environment clean. With these measures implemented, employees have enhanced their awareness of waste reduction. The table below sets out the data on total waste discharge of the Group during the Reporting Period:

Each waste discharge	Unit	2024	2023
Non-hazardous waste — Paper	kg	13,647	21,795
Intensity — unit per million RMB revenue	kg	7.6	12.9
Ash	m ³	33,952	27,274.8
Intensity — unit per million RMB revenue	m ³	18.8	16.1

Notes:

1. During the daily operations, the business segments generated an amount of hazardous waste that it is not large. Therefore, the data on hazardous waste was not included in the calculation.
2. During the Reporting Period, all ash generated by the Group was handed over to the waste collector for recycling. Therefore, the data was not included in the calculation of the other indirect emissions (Scope III).
3. In 2023, the data for ash was measured in tonnes, with total of 9,632 tonnes. This year, it has been changed to be recorded in cubic meter.



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Wastewater Discharge

With respect to the wastewater management, the Group ensures all domestic sewage is discharged into the urban sewage pipe network for the proper sewage treatment. The Group advocates water conservation and reduces the generation and waste of domestic wastewater. In view of this, water conservation signs are put up in the pantries, canteens and washrooms to raise employees' awareness of resource conservation for reducing sewage generation. The Group also requires that various chemical and oil contaminants shall not be placed and dumped around the mouth of the domestic waste pipe. In addition, the Group strictly forbids the disposal of pollution sources such as chemicals, oils, solid wastes, etc. at the rainwater pipe network port and separates the rainwater pipes from other sewage ones so that the rainwater can be directly discharged and reused. During the Reporting Period, all domestic sewage by the corporate offices and operations of the Group are considered to be minimal and therefore not reaching to the necessity that requires to be disclosed.

2. Use of resources/Energy Efficiency Management

General Disclosures and KPIs

The Group upholds and promotes the principle of effective use of resources. To meet the Group's environmental commitments, various efficiency-initiatives have been implemented to minimise resources consumption.

2.1. Energy Consumption

The main types of energy consumed by the Group in its operations include coal, fuel, natural gas and electricity, with electricity being the most demanded energy source. The Group has gradually adopted the smart

heating network system, which helps to improve the quality of heating, enhance operational efficiency, and save energy. Smart heating, as a product of the deep integration between the heating industry and modern information technology, leverages advanced technologies such as the Internet of Things (IoT), big data, cloud computing, and artificial intelligence to enable smart management and optimisation of heating systems. This enhances energy utilisation efficiency while reducing energy consumption and emissions.

Energy consumption control and energy saving measures include, but are not limited to:

- Closely monitor the effectiveness of technological research and development in heat production;
- Upgrade existing power line installations and add dedicated power lines to improve electricity transmission and reduce line damage.
- Optimise equipment management and improve the technique of the operation to enhance the Group's standards of energy saving and management; and
- Implement energy-saving and carbon reduction practices, such as "divide and conquer", "repair instead of replace", "trade-in".



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During the reporting period, the Group worked to promote the use of clean energy and continue the clean heating model based on combined heat and power (CHP), continuously enhancing heating capacity to provide winter heating services to users in the jurisdiction. To meet the increased heating load requirements, the Group not only purchased CHP heat sources from four major thermal power plants but also used peak-load boilers invested by its controlling shareholder, Changre Group, for heating purposes. In addition, Yatai Heating, Xixing Energy partially used coal-fired boilers for heating, while Chuncheng Biomass utilised biomass fuel to generate heat.

As the Group's heating area expanded and emergency repair work increased, the frequency of diesel vehicle usage also rose, while the use of gasoline vehicles was reduced, resulting in a significant increase in diesel consumption by 9 times. Furthermore, by the end of March 2024, the Group's subsidiary Yatai Heating purchased a boiler house of Fuhao from the controlling shareholder, which uses coal-fired heating, leading to a 45% increase in coal procurement. The table below lists the Group's energy consumption data during the reporting period:

Types of energy	Unit	2024	2023
Diesel	L	18,754	1,911
Intensity — unit per million RMB revenue	L	10.4	1.1
Unleaded petrol	L	77,363	88,276
Intensity — unit per million RMB revenue	L	42.8	52.1
Coal	Tonnes	83,220	57,249
Intensity — unit per million RMB revenue	Tonnes	46.1	33.8
Natural gas	m ³	793,463	922,521
Intensity — unit per million RMB revenue	m ³	439.4	544.4
Electricity	kWh	65,623,247	66,754,725
Intensity — unit per million RMB revenue	kWh	36,342.2	39,396.9



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Moreover, the Group has gradually replaced coal with natural gas or electricity in its energy consumption, and developed a number of specific energy-saving initiatives to reduce GHG emissions and conserve energy usage at the corporate offices and operation, including:

- Utilise energy-efficient certified equipment, such as enabling automatic standby or shutdown modes on computers, to reduce energy consumption;
- Indoor temperature is maintained at an optimal level for comfort;
- Facilities shall regularly be checked and maintained to ensure highest energy efficiency;
- Encourage employees to develop energy-saving habits through internal training and awareness campaigns; and

- LED lighting system is recommended to set up widely in workplaces in order to save energy during the office hours;
- Factors including safety, reliability, maintenance cost, fuel efficiency, and price, etc should be considered more while selecting vehicles.

2.2 Water Consumption

During the Reporting Period, the Group's main source of water consumption came from the heating services. The Group monitors water usage on a monthly basis which allows it to monitor and measure the effectiveness of the implement environment practices for water use of each subsidiary. During the Reporting Period, the consumption of water increased by approximately 6.7%. The table below sets out the water consumption level of the Group during the Reporting Period:

Water consumption	Unit	2024	2023
Water consumption	m ³	3,399,424	3,186,858
Intensity — unit per million RMB revenue	m ³	1,882.6	1,880.8



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To boost the water consumption efficiency, the Group has adopted the following measures:

- Maximise the use of the intelligent heating network control system to optimise operations and prevent energy waste;
- Proactively upgrade aging pipelines and replace equipment to minimise heat loss in the network;
- Install water-saving signs near water sources to raise awareness of water conservation;
- Implement a rainwater harvesting system for landscape irrigation, toilet flushing, or cleaning purposes;
- Install low-flow faucets, sensor-activated taps, and water-saving toilets in offices and facilities to minimise unnecessary water consumption;
- Schedule regular inspections and maintenance of equipment; and
- Promote habits such as “turning off taps after use” and reducing prolonged water flow.

During the Reporting Period, the Group had no problem in sourcing water.

2.3 Paper Consumption

The Group is committed to a paperless operation, constantly encouraging all employees to reduce paper usage through duplex printing, paper recycle and frequent use of electronic information systems for material sharing or internal administrative

documents. Reusable paper products, such as envelopes, are properly recycled wherever possible and appropriate; the use of disposable paper products such as paper cups and paper towels, are discouraged wherever possible and appropriate during operations.

2.4 Packaging Material

The Group's business did not involve any use of packaging materials. Hence, no policy has been established and no data is available.

The Group will continue to identify and address any potential environmental risk, and will promptly take measures to improve our level of energy consumption.

3. Environmental Protection and Natural Resources Conservation

General Disclosures and KPIs

The Group is highly aware of adverse impact on the environment and natural resources, and thus taking steps to minimise those negative footprints by Heat Supply and Construction, Maintenance and Design Services' operations. In addition to compliance with the laws and regulations including the “Energy Conservation Law of the PRC” 《中華人民共和國節約能源法》, the “Electric Power Law of the PRC” 《中華人民共和國電力法》, and the “Law of the PRC on the Prevention and Control of Environmental Noise Pollution” 《中華人民共和國環境噪聲污染防治法》, the Group has integrated the concept of environmental protection into its internal management and daily operation with an objective of achieving environmental sustainability.



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3.1 Prevention Measures

The Group always awards energy saving and low carbon as an unremitting work. During the Reporting Period, the Group adopted a series of smart management measures and established a long-term mechanism to further supplement and improve system for managing energy conservation, focus on the source, details and process of energy-saving and achieve the goal of energy-saving and emissions reduction. Meanwhile, in line with the Group's training scheme, it has further put in efforts for promotion and integrates the cultural concept of energy-saving and emissions reduction into employees' daily work.

Heat Supply

In order to enhance thermal energy utilization efficiency, the Group has developed the "Heat Exchanger Efficiency Evaluation System," which has now been officially implemented. This system replaces manual experience with intelligent analysis, providing scientific guidance for production operations, improving economic efficiency, and playing a key role in digitization and safety management. It significantly enhances the precision, safety, and scientific accuracy of system operations.

Additionally, in response to the practical needs of equipment management, the Group has developed the "Equipment Ledger Management System," which is currently in the testing phase. Some functions on both the PC and mobile platforms are being gradually optimised, with full optimisation expected to be completed and officially launched in the first half year of 2025. This system will further enhance the Group's digital asset management capabilities.

Construction, Maintenance and Design Services

In terms of the construction service, the Group endeavours to calculate the number of materials needed for the production based on the principle of minimising surplus materials; at the same time, it optimises the heat supply emergency repair process and upgrades repair facilities and equipment. In terms of maintenance service, material consumption is reduced by refining faulty component replacements, adopting an "old-for-new" approach, and prioritising repairs over replacements. Additionally, the Group optimises emergency repair processes for heating pipelines and upgrades repair equipment and facilities. In design services, relevant departments integrate the latest energy-saving patents and publications, leveraging advanced energy-efficient technologies, processes, and materials to enhance design quality and achieve energy conservation and emission reduction goals.

3.2 Noise Management

The Group strengthened the "Environmental Quality Standard for Noise (GB3096-2008)". If the noise exceeds the standard, the heat exchange station will be sound-proofed and noise-reduced by adding or replacing the shock-absorbing device; or the equipment of the noise source will be replaced. Every subsidiary is responsible for submitting the noise test from each heat production unit in order to manage and supervise the noise during business operations.

During the Reporting Period, no significant impacts of activities on the environment and natural resources.



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4. Climate Change

Recognising the significant threat posed by climate change to the world, the Group has optimised its management approach to build our resilience to extreme weather and enhance the efficiency in heat supply management. Responses are also provided in relation to the physical and policy transformational risks and opportunities assessed by the Group, as follows:

4.1 Physical Climate Risks and Opportunities

In the climate risk, the cost of heating for the heat supply segment is significantly affected by the weather conditions. In the case of extreme weather or lower outdoor temperatures, the Group monitors relevant data and calculates the need to purchase additional heat to maintain indoor temperatures for users. This leads to an increase in the overall heat purchased from thermal power plants and/or coal consumption, resulting in a significant rise in heating costs, and vice versa. To address this, the Group will continue to develop the smart heating network platform and leverage the self-regulating advantages of multi-source heating systems. By employing scientific and intelligent regulation methods, the Group will ensure the efficient distribution of heat sources and reduce the negative impact of climate risks on the rise of heating costs. The implementation of smart heating and management will also support society's efforts to combat climate change, enhance the Group's business and brand value, and potentially attract greater investor interest.

Moreover, in the Construction, Maintenance and Design Service sectors, maintenance and repair technologies must fully account for the impacts of climate change. Engineering teams are required to enhance their adaptability to climate change and resilience against disasters. The Group strengthens climate risk management by revising relevant technical service standards and guidelines, implementing risk management measures, and developing response plans to ensure effective climate change risk mitigation.

4.2 Transition Climate Risks and Opportunities

In terms of transition risks, the changes in national and local government policies can have a significant impact on the development of the industry. The government has introduced a series of policies, such as the "Heating Industry Development Plan" and the "Heating Price Management Measures," which clearly define the development direction, industry standards, and pricing principles for the heating sector, creating a favorable environment for its growth. In terms of environmental protection, the government places significant emphasis on energy conservation and emission reduction, setting higher requirements for the heating industry to promote its green transformation. As a result, the State Council and the National Development and Reform Commission have issued documents such as the "2024-2025 Energy Conservation and Carbon Reduction Action Plan" and "Opinions on Strengthening the Clean and Efficient Use of Coal." Additionally, the State Council of the PRC and National Development and Reform Commission passed the "Energy Law," which emphasises the development of green and low-carbon energy, increases



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support for clean energy, and focuses on promoting clean heating in northern regions during winter, thereby achieving multiple benefits in energy conservation and carbon reduction. Furthermore, the government actively promotes reforms in the heating market, encouraging social capital to participate in the construction and operation of the heating industry. Through tax incentives, financial subsidies, and other measures, the government encourages heating companies to innovate in technology and upgrade equipment, thus improving the overall level of the industry. These policies provide a solid foundation for the sustainable development of the heating sector. By enhancing technological research and development and operational management, the Group can monitor and improve energy consumption, thereby reducing carbon emissions and complying with regulatory requirements.

4.3 *Extreme weather measures*

In order to strengthen action against extreme weather changes, the Group will fully utilise the smart heating network system to regulate its heat supply capacity and adopt an intelligent control system for rational distribution of heat supply in order to cope with the risk of climate change on the Company's cost structure. At the same time, the Group has also formulated the "Annual Heating Supply Operation and Emergency Response Plan". The "Emergency Command Leading Group" was organised to carry out extreme weather assessment, monitoring and process guidance, and mitigation measures. Through these guidelines and measures, the impacts of extreme weather can be eliminated or mitigated in the Group's daily operations.



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III. SOCIAL

Major Scope & Aspects

The Group makes an effort to provide a safe working environment for the employees and to care for the overall wellbeing of the employees. In relation to employment and labour practices, the human resources department focuses on employment, health, safety, development and training. The Group complies with laws and regulations on compensation and dismissal, recruitment and promotion, working hours, rest period, equal opportunity and other benefits as well as anti-discrimination law.

1. Employment and Labour Practices

General Disclosure

The Group strictly follows the relevant laws and regulations. The Group determines salaries on the principle of fairness and ensures that wages are no lower than the minimum wage in accordance with the "Measures for Employees' Wage Management". Wages in related markets are also referenced, so that the Group can provide attractive compensation. The Group offers a variety of allowances to qualified employees, and provides staff members with retirement protection plans, as stipulated by law and regulations. The Group welcomes diversity in its staff members. Regardless of ethnicity, religion, gender or age, all people receive equal employment opportunity in such matters as recruitment, development, promotion and training.

During the Reporting Period, the Group had 1,595 full-time employees in the PRC, 1,379 employees of whom worked for the business segment of Heat Supply including 908 employees of whom for the Company, 63 employees of whom for Xixing Energy 《西興能源》, 406 employees of whom for Yatai Heating 《亞泰熱力》 and 2 employees of whom for Chuncheng Biomass 《春城生物質》, and 216 employees of whom for Construction Maintenance and Design Services including 68 employees of whom for Changre Pipelines 《吉林省長熱管網輸送有限公司》, 44 employees of whom for Changchun Runfeng 《長春市潤鋒建築安裝工程有限責任公司》, 33 employees of whom for Changre Maintenance 《吉林省長熱維修實業有限公司》, 33 employees of whom for Heating Engineering Design 《吉林省熱力工程設計研究有限責任公司》, 29 employees of whom for Changre Electrical Apparatus 《吉林省長熱電氣儀錶有限公司》 and 9 employees of whom for Clean Energy 《吉林省春城清潔能源有限責任公司》. 3 employees left the subsidiaries due to business restructure. The employee turnover rate is around zero of which includes 1 male and 2 female employees with the age between 30 to 50 years old. In talent development aspect, the Group obtains talent evaluation scheme, which is classified and managed the talent by technical experience and job level. It is also used as the basis for determining remuneration, allocation and promotion according to the employee's responsibilities, work experience and current market practices.



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The Group has participated in welfare schemes concerning pension insurance, unemployment insurance, maternity insurance, occupational injury insurance and medical insurance in accordance with the regulations including the “Labour Law of the PRC” 《中華人民共和國勞動法》、the “Labour Contract Law of the PRC” 《中華人民共和國勞動合同法》 and the “Social Insurance Law of the PRC” 《中華人民共和國社會保險法》.

Employee Relations

In order to strengthen corporate culture and sustain development, the Group’s labour union is committed to providing thoughtful and comprehensive employee benefits while actively organizing a variety of engaging activities. In addition to creating a warm atmosphere and caring for employees, the union promotes a balance between work and life, further enhancing employee cohesion and unity.

Equal Opportunity

The human resources department conducts a comprehensive recruitment review to ensure that the data provided by the candidates are accurate. The Group’s recruitment and promotion process are carried out in a fair and open manner for all employees; employees are recognised and rewarded by their contribution, work performance and skills, and outcomes

will not be affected by any discrimination on the grounds of age, gender, physical or mental health status, marital status, family status, race, skin color, nationality, religion, political affiliation and sexual orientation and other factors.

In line with the national “three-child policy”, the Group provides comprehensive support to employees, including 15 days of marriage leave, 15 days of prenatal leave, 180 days of postnatal leave, and 15 days of maternity leave under special circumstances, additional 15 days of the maternity leave for multiple births and each additional baby, 25 days of nursing leave for men (excluding public holidays and national statutory holidays), licensed breastfeeding time, extended maternity leave under special circumstances, etc.; the employees who also accept family planning surgery leave in accordance with the “Jilin Province Population and Family Planning Regulations 《吉林省人口與計劃生育條例》”.

During the Reporting Period, the Group did not identify any major non-compliance with laws and regulations in relation to the employment practices.

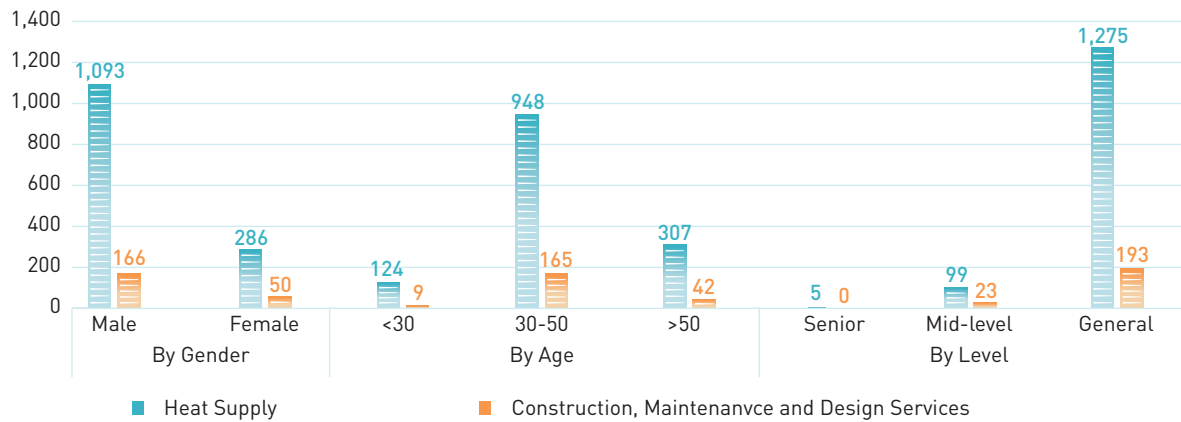


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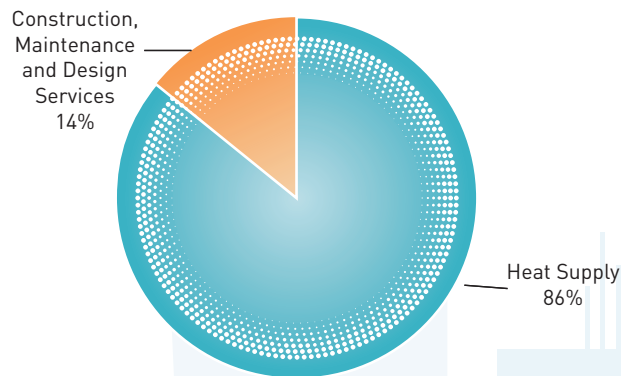
As at 31 December 2024

The charts below set out the employees of each business segment of the Group during the Reporting Period:

Total number of employees by categories of business segment



Employee ratio by business segment (in % share)



Total: 1,595 employees (at as 31 December, 2024)

Notes:

1. The category of senior employees of the Group are senior management.
2. The category of middle-level employees of the Group includes all ranks of administrators, managers and supervisors;
3. The category of general level of the group includes employees of other ranks; and
4. This classification for job level is also used on the employees' training hours and percentages of the Group in this Report.



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2. Health and Safety

General Disclosure

The Group puts particular emphasis on health and safety and attaches great importance to health protection and a safe working environment as it firmly upholds the principle of “prevention and implementing comprehensive management”. The security emergency department maintains the risk management system including identification, prevention and management of risks and hazards throughout the workplaces as well as follow-up actions for accidents or personal injuries. We have taken the following measures:

- Installing air purifiers in relatively crowded areas such as conference and meeting rooms;
- Prohibiting smoking and abuse of alcohol and drugs in the workplace;
- Providing clean and tidy rest area such as dressing room;
- Providing adjustable chairs and monitors for eye protection;
- Setting up posters of proper working postures and lifting method accessible on the intranet;
- Providing the Personal Protective Equipment (PPE) products for anti-dust, noise, toxin etc at workplace;
- Conducting fire drills and emergency evacuation simulations to raise the employees’ awareness of fire prevention and to equip them with appropriate knowledge and skills in the event of emergency; and

- Improving the fire evacuation plans by providing first aid kits and fire extinguishers in workplace in response to emergencies.

In order to protect the health of the employees, the Group relieves the financial burden of medical expenses caused by hospitalization and accidents. The group has newly participated in the “Employee Comprehensive Mutual Aid Insurance Plan for Inpatient Medical Care” for all employees as well as comprehensively implemented the “Employee Mutual Aid Insurance Plan for Serious Illness” and the “Female Employee Insurance Plan for Special Illness” at the same time.

Safety Management

During the reporting period, the Group resolutely implemented the safety production decisions and deployments of all levels of government, firmly establishing a safety development concept. The Group strengthened the effective implementation of the “three managements and three musts” responsibilities, strictly adhered to safety production regulations, and enhanced safety management efforts. By continuously implementing the dual-prevention mechanism and safety production standardization, improving safety assessment rules, emergency response plans, organizing safety education and training, and conducting emergency drills, the Group has reinforced safety supervision and control, as well as hazard identification and remediation. These measures provided strong support for the safe and stable production and operation of the company, ensuring the successful completion of annual safety management goals. Throughout the reporting period, the Group did not experience any major safety accidents.



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The summary of work-related fatalities and injuries in the past of three years:

Item	Unit	2024	2023	2022
No. of Work-Related Fatalities	ppl	—	—	—
Rate of Work-Related Fatalities	%	—	—	—
No. of Injuries at Work	ppl	5	1	1
Lost Days due to Injury at Work	days	580	60	185

In the past of three years, the Group did not encounter any severe injuries or casualties, did not record any accidents that resulted in death or serious bodily injury, did not pay any reimbursements or compensations to the Group's employees due to such accidents, and was not aware of any major violations against laws and regulations related to employees' health and safety.

3. Development and Training

General Disclosure

Talent development is an important part of the Group's strategy for managing human resources. Being closely related to corporate sustainable development, training can enhance the overall quality of staff members, and this enables them to adapt to new job requirements, as well as improve their capabilities to perform their current duties.

The Group strives to raising the safety awareness of its employees through promotion on bulletin boards and posting of safety signs. More importantly, the Group has also established safety training and education system. Occupational health and safety training courses are conducted

regularly to the employees, training topics include general occupational health and safety education, correct usage of personal protective equipment etc. In addition, the certificate of competency is required for professional positions, such as instrument technicians, boiler workers, electrical engineers, and welders must be trained by relevant departments and pass the examination before they can take up the job. The mental well-being of employees has been valuable assets for the Group, and the Group has alleviated employees' working pressure through arrangement of various activities such as mental well-being courses and group sharing. Furthermore, the Group encourages and supports employees to participate in personal and professional



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trainings in response to the relevant evolving market needs, such as changes in laws and regulations, market trends, product trends and customer behaviours. Based on the needs of individual employees, we also provide education allowances to facilitate improvement of their job skills and encourage them to maintain the non-stop learning spirit. The table below sets out the number of employees, training hours and percentages of the Group during the Reporting Period:

Employees' category	Hours	Employees	Percentages (in %)
Total no. of employees, training hours and percentages	3,327	1,109	70%
No. of employees/average no. of training hours/rate of employees trained by level			
Senior	980	5	0.5%
Middle-level	1,235	272	25%
General	1,112	832	75%
No. of employees/average no. of training hours/rate of employees trained by gender			
Male	2,856	952	86%
Female	471	157	14%



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During the reporting period, the Group conducted employee skills and operation training. The Group continues to improve its training system and mechanisms, focusing on talent development and employee growth. Efforts are made to establish career development pathways, implement job rotation, and adopt competitive job placement strategies to promote the Group's development and enhance human capital value. Additionally, the Group strengthens its workforce's safety awareness and operational skills, expanding the skilled workforce to effectively prevent and reduce various production safety incidents.



4. Labour Standards

General Disclosure

Being fully aware that exploitation of child and forced labour violate human rights and international labour conventions, the Group strictly prohibits the employment of any child labour and forced labour. New employees are required to provide true and accurate personal data when they are onboard. Recruiters should strictly review the entry documents including medical examination certificates, academic certificates and identity cards. The Group constantly rejects to engage suppliers and contractors, that hire child labour or forced labour in their operations, to provide administrative supplies and services.

The Group strictly complies with the relevant laws and regulations, including the "Labour Law of the PRC 《中華人民共和國勞動法》" and the "Protection of Minors and the Prohibition of Using Child Labour of the PRC 《中華人民共和國未成年人保護法》/《禁止使用童工規定》".

During the Reporting Period, no material non-compliance with the laws and regulations related to the prevention of child labour or forced labour has been found by the Group.



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5. Supply Chain Management Mechanism

General Disclosure

The Group believes the value in ethics, honesty and integrity, operating in compliance with applicable laws and regulations. The Group encourages the business partners and suppliers to adopt the best environmental and social practices and to disseminate the pursuit of sustainability into the core business. The Group cooperates closely with business partners and suppliers through a comprehensive market analysis and centralised procurement system, and pays attention to the quality of purchased materials throughout the operation process. All the processes for procurement, price control, resource management are carefully monitored and documented. In order to guarantee the safety of our products and services, every single purchase is registered with the authority before being put to use and sale.

In addition to purchasing products and services according to the Group's specified standards of the "Administrative Measures on Suppliers" etc., the Group has developed a business partners and supplier selection mechanism in which it requires the potential business partners or suppliers to comply with all the applicable laws and regulations and confirm their compliance with safety, environment, and social aspects. Inspection and assessments may be conducted by the Group if deemed necessary. To maintain a good corporate control and governance, the Group has developed a series of management system as and procedures in alignment with the Corporate Governance required by the Stock Exchange. The Group is obliged to terminate the cooperation contract with suppliers that may cause or have caused serious pollution or serious social accidents.

During the Reporting Period, the total number of business partners and suppliers were 187 (2023: 241), in which 97 (2023: 105) from the business segment of Heat Supply and 90 (2023: 136) from Construction Maintenance and Design Services. The Group continues to promote the localization of business partners and suppliers and all of them are from the PRC. Under the same terms and conditions, we prioritise a mutually beneficial partnership with local contractors and suppliers. With the application of logistic management system, we are committed to shortening material delivery time, while controlling warehouse storage and delivery pressure, reducing vehicle emissions and negative impact on the environment.

When evaluating business partners and suppliers, we also include standards related to energy efficiency and environmental protection to our business partners and suppliers. We regularly review process to ensure that existing business partners and suppliers meet our requirements. If any problems occur, they will be corrected immediately and followed up for evaluation.

The Group believes that through the above review process, we can minimise the potential environmental and social risks associated with the supply chain management.

Fair and Open Procurement

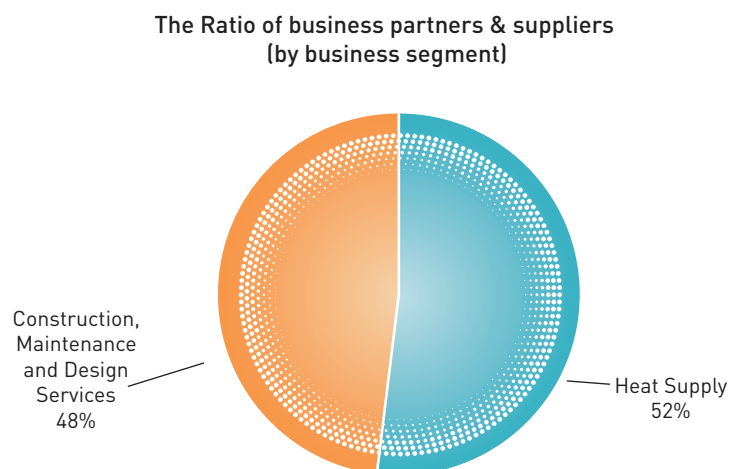
The Group's procurement process strictly implements the "Bidding Law of the PRC" 《中華人民共和國招標投標法》 and is conducted in an open, fair and impartial manner. The Group does not discriminate against any business partners, suppliers, and employees and other individuals who have an interest in the relevant suppliers will not be allowed to participate in related procurement activities.



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The chart below sets out the contractors and suppliers of each business segment of the Group during the Reporting Period:



6. Product Responsibility

General Disclosure

As a leading business in heating industry, the Group keeps good communication with customers to understand and meet their needs and expectations, thereby continually improving the quality of its services. The Group is committed to “optimizing heating services” and providing the highest standards of service.

During the reporting period, the Group served a total of 572,109 customers (2023: 551,601 customers), with 572,058 customers (2023: 551,558 customers) in the heating services division and 51 customers (2023: 43 customers) in the construction, maintenance, and design services division. The Group has established strict procedures and systems to ensure that all products and services comply with relevant laws, regulations, and internal policies, including but not limited to the Consumer Protection Law of the People’s Republic of China, the Advertising Law of the People’s Republic of China, the Product Quality Law of the People’s Republic of China, and the Group’s Intangible Assets Management System, ensuring that advertising and promotional activities contain no false or misleading information.

IPR protection

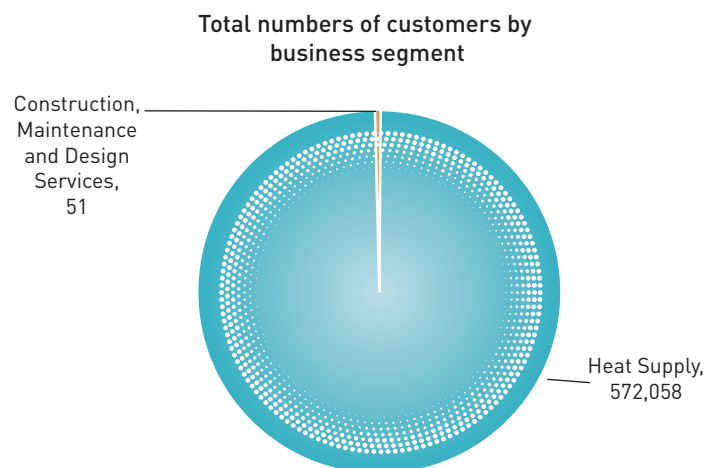
In year 2024 the Group has obtained a total of 5 utility model patents issued by the National Intellectual Property Administration (2023: 7 patents). The Group will continue to enhance its innovation capabilities, taking into account factors such as the importance of core services and intellectual property projects in the heating industry, while mitigating intellectual property risks and strengthening protection efforts.



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The chart below set out the customers of each business segment of the Group during the Reporting Period:



Feedback Management

The Group has set up various complaints and feedback channels, such as telephone hotline, WeChat, emails and websites, to collect suggestions and advice from customers. For Heat Supply business, the Group adopted the innovative service method "Internet Plus" and mobile app "Heat Supply e-Home App V1" to improve the quality of customer services. To better listen to customer feedback and resolve practical heating issues, the Group has actively established 1,211 WeChat service groups (2023: 1,006 groups) on a community-by-community basis, allowing for the timely dissemination of relevant heating information and addressing user requests in real-time. During the reporting period, the coverage of the heating service groups expanded, with an annual growth rate of 20%.

The Group ensures the protection of customer data and privacy in accordance with the company policy "Customer Management System".

During the Reporting Period, the Group was not aware of any major violations against laws and rules that were related to the health and safety, advertisements, labels, privacy and remedial measures for or of the products and services it offered and that had material impacts on the Group.



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7. Anti-corruption Mechanism

General Disclosure

Ethics and integrity are the cornerstones of the Group's success. The Group adopts a zero-tolerance approach to bribery, extortion, fraud and money-laundering. All Directors, management personnel and staff members must comply with all relevant national and local laws and regulations on preventing bribery, extortion, fraud and money-laundering in regions and areas where they operate businesses, such as the "Criminal Law of the PRC" 《中華人民共和國刑法》 and the "Punishing corruption and regulations of the PRC" 《中華人民共和國懲治貪污條例》. All employees not only have responsibility to understand and comply with above policies on preventing bribery, extortion, fraud and money-laundering, but also have an obligation to report violation to the senior management of the Group. Any person who contravenes the regulations will be reported to the authorities.

The Group has established the Anti-Money Laundering Management Measures and the Anti-Corruption Policy. In May and June 2024, the Group held the "Learning from Cases, Strengthening Discipline" Warning Education Conference and the Study and Education Conference on the Disciplinary Regulations of the Communist Party of China. During key occasions such as New Year's Day, Spring Festival, Labour Day, and National Day, the Group issued timely disciplinary guidelines including "Notice on Upholding Integrity During New Year and Spring Festival", "Notice on Maintaining Integrity During the Dragon Boat Festival", "Notice on Integrity During the Mid-Autumn Festival", and "Notice on Integrity During the National Day Holiday" to educate employees on the importance of complying with laws and regulations while promoting anti-corruption awareness. The Group has also implemented various measures to encourage employees to report rule violations and legal breaches while strengthening privacy protection for whistleblowers.

During the Reporting Period, the Group was not aware of any corruption litigation cases against the Group or its staff members.

8. Community Investment

General Disclosure

The Group promotes the social contribution of all members. It attaches great importance to inspiring a sense of social responsibility in employees and encourages them to make a greater contribution to our community both at work and in their spare time.



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Voluntary Blood Donation Activities

- In celebration of the 61st “Lei Feng Memorial Day,” a total of 16 employees from the Group successfully donated blood.

Community Care and Support for Special Groups

- Provided essentials such as small rice cookers, electric fans for elderly living alone to improve their living comfort and help them cope with hot weather.
- Supplied essential supplies such as rice, flour, and cooking oil to low-income households and families in need to improve their daily diet and ease financial burdens.
- Conducted cleaning and maintenance services, including washing heating systems, replacing valves, cleaning windows, and tidying up homes.
- Procured urgently needed living supplies for under-resourced nursing homes.
- Purchased books and study materials for underprivileged children.
- Visited veteran soldiers, delivering care packages such as warm clothing, nutritional supplements, and daily necessities to ensure their well-being and comfort.





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Looking ahead, the Group will continue to focus on social activities and motivate employees to actively participate in volunteer services in the future. The Group is committed to increasing social investment and creating a better environment for its society and business.

IV. CONCLUSION

The Group conducts the ESG Reporting in accordance with the ESG Reporting Guidelines. This report includes key ESG performance indicators ("Key Performance Indicators") obtained through the Group's Operational Control Mechanism during the reporting period. The Group is evaluating its management policies and procedures, as well as the measurement and monitoring of progress in its sustainability strategy. Moving forward, the Group will continue to expand the scope of disclosure and strive to enhance its regular ESG reporting.



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V. ESG GUIDE CONTENT INDEX OF THE STOCK EXCHANGE

Aspects, General Disclosures and KPIs Description		Relevant Pages In The Report & Remark
A	Environment	P 7-20
Aspect A1	Emissions	P 8-14
KPI A1.1	Types of emissions and respective emissions data	P 9-12
KPI A1.2	Greenhouse gas emissions in total and, where appropriate, intensity	P 12
KPI A1.3	Total hazardous waste produced and, where appropriate, intensity	Not applicable to the Group's core operation.
KPI A1.4	Total non-hazardous waste produced and intensity	P 13
KPI A1.5	Description of measures to mitigate emissions and results achieved	P 13
KPI A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	P 13-14
Aspect A2	Use of Resources	P 14-17
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity	P 15
KPI A2.2	Water consumption in total and intensity	P 16
KPI A2.3	Description of energy use efficiency initiatives and results achieved	P 16
KPI A2.4	Description of whether there is any issue in sourcing water, water efficiency initiatives and results achieved	P 16-17
KPI A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced	Not applicable to the Group's core operation.
Aspect A3	The Environment and Natural Resources	P 17-18
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and actions taken to manage them	No significant impacts of activities on the environment and natural resources during the Reporting Period.
Aspect A4	Climate Change	P 19-20
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.	P 19-20



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Aspects, General Disclosures and KPIs Description		Relevant Pages In The Report & Remark
Aspect B	Social	P 21-33
Aspect B1	Employment	P 21-23
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	P 23
KPI B1.2	Employee turnover rate by gender, age group and geographical region	P 21
Aspect B2	Health and Safety	P 24-25
KPI B2.1	Number and rate of work-related fatalities occurred in the past three years including the reporting year	No work-related fatalities during the Reporting Period
KPI B2.2	Lost days due to work injury	P 25
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	P 24
Aspect B3	Development and Training	P 25-27
KPI B3.1	The percentage of employees trained by gender and employee category	P 26
KPI B3.2	The average training hours completed per employee by gender and employee category	P 26
Aspect B4	Labour Standards	P 27
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	P 27
KPI B4.2	Description of steps taken to eliminate such practices when discovered	No such practices when discovered during the Reporting Period.
Aspect B5	Supply Chain Management	P 28-29
KPI B5.1	Number of suppliers by geographical region	P 28-29
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	P 28
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P 28
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P 28



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Aspects, General Disclosures and KPIs Description		Relevant Pages In The Report & Remark
Aspect B6	Product Responsibility	P 29-30
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Not applicable to the Group's core operation.
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	No products and service-related complaints received during the Reporting Period.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	P 29
KPI B6.4	Description of quality assurance process and recall procedures	Not applicable to the Group's core operation.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	P 29-30
Aspect B7	Anti-corruption	P 31
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	No concluded legal cases regarding corrupt practices during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	P 31
KPI B7.3	Description of anti-corruption training provided to directors and staff	P 31
Aspect B8	Community Investment	P 31-33
KPI B8.1	Focus areas of contribution	P 31-33
KPI B8.2	Resources contributed to the focus areas	P 31-33