



JIAXING GAS
GROUP CO., LTD.*

嘉興市燃氣集團股份有限公司

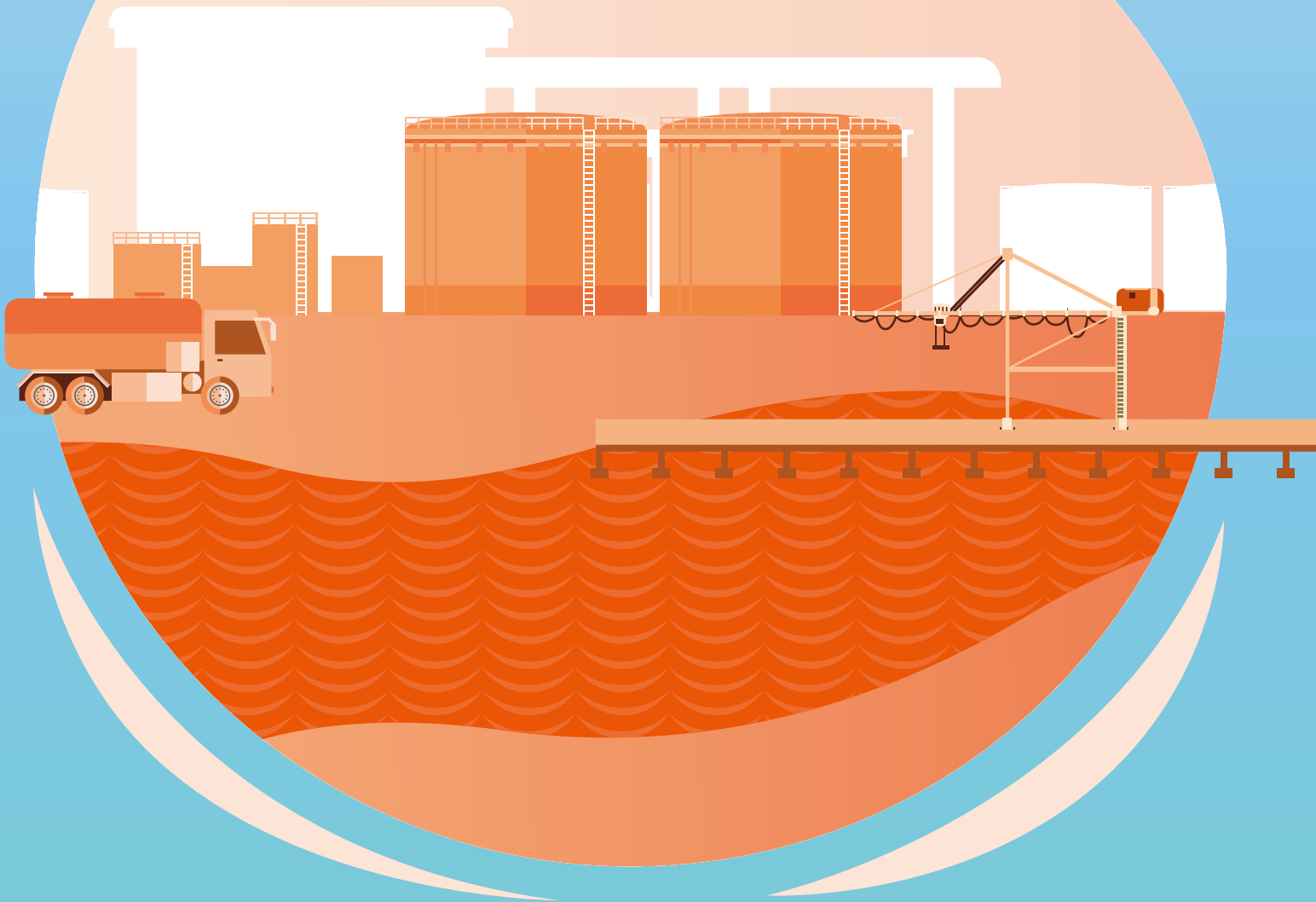
(a joint stock company incorporated in the People's Republic of China with limited liability)

Stock code : 9908

2024

**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT**

** For identification purposes only*



CONTENTS

2	ABOUT THE REPORT
3	DIRECTORS' STATEMENT
4	MESSAGE FROM THE MANAGEMENT
6	ABOUT US
6	Business Overview
7	Industry Participation
9	Awards and Honours
11	I. ADVOCATING GREEN AND SUSTAINABLE PRACTICES TO CREATE A BETTER FUTURE FOR ALL
11	1.1 ESG Governance
12	1.2 Communication with Stakeholders
14	1.3 Materiality Assessment
16	II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR
16	2.1 Good Governance as a Foundation for Steady Progress
17	2.2 Strengthening Risk Control
21	2.3 Promoting Integrity
23	2.4 Responsible Procurement from Green Sources
26	III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS
26	3.1 A Cornerstone of Safety
36	3.2 Fostering Inclusive Communities
38	3.3 Ensuring Smooth Gas Supplies to Keep Households Warm
40	3.4 Innovation-driven Upgrading
42	3.5 High-quality Services and Putting the Customer First
48	IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET
48	4.1 Responding to Climate Change for Blue Skies
61	4.2 Ecological Protection for a Green Future
66	4.3 Resource Optimisation and Joint Efforts for a Better Future
68	V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE
68	5.1 Compensation and Benefits
72	5.2 Retaining Talent with Career Prospects
77	5.3 Fostering a Sense of Belonging, Uniting Strength
78	VI. GIVING BACK TO SOCIETY
78	6.1 Growth Together under the Guidance of the Party
79	6.2 Community Care, Warming Livelihoods
80	6.3 Love in Action: Summer Relief
81	6.4 Sowing Green Hope, Co-Creating Nature
82	HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

ABOUT THE REPORT

OVERVIEW

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

This report covers the ESG performance of the Group for the financial year from 1 January 2024 to 31 December 2024 (hereinafter referred to as the “**Reporting Period**”).

BASIS OF PREPARATION

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

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

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

Balance: This report strives to achieve objective, fair and truthful disclosure and reflection of the Group’s performance of responsibilities in the environmental and social fields in 2024.

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

The content of this report is determined through a systematic procedure. The procedure includes identifying key stakeholders, recognizing and prioritizing ESG-related significant issues, defining the boundaries of the ESG report, collecting relevant materials and data, compiling the report based on the information, and reviewing the data and information within the report, among others.

REPORTING SCOPE AND BOUNDARY

The policies, statements and data disclosed in this report cover the Group and its subsidiaries, and the scope of the Report is the same as that of 2024 annual report.

DATA SOURCE

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

RELEASING FORMAT

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

DIRECTORS' STATEMENT

Jiaxing Gas is committed to promoting harmony between the environment and society, and strives to create stable environmental, social and corporate value over the long term. We work diligently to steadily improve the Group's ESG governance and lay a solid foundation for the sustainability of the Group.

The Board of Directors attaches great importance to the Group's sustainability and has established an ESG governance structure consisting of the Board, the ESG management and the ESG executive team. The Board is the highest decision-maker for the Group's ESG matters. As the highest decision-making and supervisory authority, it is responsible for supervising the sustainability management matters of the Group, assessing the Group's ESG-related risks, establishing an effective management system, and reviewing and approving ESG reports.

The ESG management is led by the Board Secretary and comprises department heads and general managers of subsidiaries covered by the report. The ESG management is responsible for regularly summarising and updating the Group's policies and systems in relation to sustainability management, collecting and integrating ESG practices and outcomes, reviewing the Group's performance for the year, and making recommendations to the Board. The members of each functional department and subsidiary are responsible for executing the Group's ESG strategy and implementing relevant decisions and work plans of the cross-departmental ESG working group.

Jiaxing Gas accurately assesses industry trends, adheres to a steady and pragmatic business strategy, continues to strengthen its ability to ensure safe gas supplies, and contributes to the health, security and development of the industry. We adhere to a low-carbon and green business philosophy, accelerate the optimisation and upgrading of business structures, constantly improve our competitiveness, and actively deliver new energy-related carbon neutrality services to inject vitality into the enterprise's high-quality development.

During the reporting period, we identified and analysed key ESG issues to provide strong support for the Group's ESG strategy and ensure that relevant work is focused and aligned with the Group's actual needs. We are aware that to meet its social responsibility, an enterprise should also constantly contribute to public welfare and improve its own sustainability capabilities while pursuing economic returns.

In 2024, the Group has prioritized the following ESG issues: corporate governance, gas safety & security, employee health and safety, integrity and anti-corruption, sustainable development governance, customer rights protection, employee rights and benefits, information security and privacy protection and risk and crisis management, focus on the above issues in daily work and pay attention to the improvement of relevant performance. Going forward, we will listen to the expectations and demands of various stakeholders, and in response we improve our operating and management capability and adjust sustainable development strategy in time to create a better future for the Group's sustainable development.

This report discloses in detail the progress and achievements of Jiaxing Gas in ESG work in 2024 and was submitted by the ESG working group, considered and approved by the Board on 28 March 2025. All directors of the Board guarantee that the contents of this report do not contain any false records, misleading statements or material omissions and assume individual and joint responsibility for the truthfulness, accuracy and completeness of its contents.

MESSAGE FROM THE MANAGEMENT

In 2024, in line with its sustainability strategy, Jiaxing Gas continued to explore and innovate, and took a series of practical and effective measures to strengthen and optimise its gas infrastructure, promote the diversification of energy sources and efficient energy use, enhance safety management and technological innovation, fulfil its social responsibility and drive green development. Through these efforts, we have not only enhanced the urban energy structure and improved energy efficiency, but also ensured the safety of gas use and provided the public with cleaner and more efficient energy services. At the same time, we closely follow the national green strategy to play our part in building a clean and low-carbon energy network. By delivering environmentally friendly and efficient energy services, we aim to contribute to the Group's sustainability goals.

ESG. Jiaxing Gas adheres to a pragmatic and realistic approach to development while adopting an enterprising spirit and focusing on achieving its long-term development goals. Through sound decision-making, efficient implementation and control, robust financial policies and standardised internal management, the Group has constantly improved its business management system and promoted the healthy development of the industry. At the same time, we are deeply aware of our responsibility to promote sustainability and have integrated ESG concepts into the Group's strategic decision-making and business operations. We actively implement our policies that focus on guaranteed gas supplies, quality services, intelligent innovation, green development and public services. We continue to explore and innovate, expand the use of clean energy, and contribute to the effort to build Jiaxing into a highly liveable city.

Quality. Jiaxing Gas has always attached importance to user feedback and complaints as important indicators of service quality. Regardless of how a complaint is lodged, we respond as quickly as possible and assist the customer in investigating and handling the complaint. We record, in detail, the complainant's basic information (including contact information) and what the complaint is about and inform the complainant of the solution and what progress has been made. We also make return calls. In accordance with the time limit and resolution mechanism defined in the Standards for Handling Customer Complaints, we give feedback and take actions in a timely manner to ensure accuracy and effectiveness in handling customer complaints. We actively and regularly carry out customer satisfaction surveys on different types of users, including residential users, industrial and commercial users, and customers with projects under construction, and make return calls in case of complaints. At the same time, we make additional return calls to customers who have lodged a complaint, to understand if they are satisfied, and we devise corresponding improvement actions based on the survey results to effectively solve customers' problems and provide users with better products and services.

Innovation. We regard innovation as the core driver of corporate development, and we are steadily improving mechanisms to drive technological innovation, optimise management, upgrade services and actively promote the application of technological innovations. We have established a sound and standardised incubator system to stimulate employees' innovativeness. We have also set up a multi-disciplinary innovation review team composed of experts in management, technology and safety to strictly standardise the process for initiating, implementing and evaluating innovation projects. In terms of innovation for network safety informatisation, we have completed a number of informatisation upgrading projects, including expanding the functionalities of the GIS system and upgrading software authorisation. Our subsidiaries are actively promoting the design and development of the Smart Gas platform, which has embedded greater intelligence into network management, while also providing efficient support for other businesses.

Safety. We actively promote infrastructure construction and have built a number of new pipelines. In 2024, the Group started a number of new industrial and public gas infrastructure projects and completed supporting infrastructure for gas supplies in residential areas to comprehensively improve the Group's gas supply capabilities. To address pressure on gas supplies and price fluctuations in winter, we developed a response plan, sold gas in strict accordance with the guidance of relevant departments, and coordinated with upstream and downstream enterprises to ensure adequate supplies of natural gas and guarantee gas supplies in emergencies. We regularly carry out comprehensive emergency drills, covering various scenarios such as accidents on roads involving dangerous goods, accidents in the transportation of cylinders, and fires caused by leaks at gas stations, and we optimise drill plans to ensure the safety and stability of gas supplies. In terms of actions to improve gas quality, we strictly manage construction environments, and inspect pipes and welded junctions to ensure pipes are clean. After construction is completed, we carry out purging and testing across the pipeline to ensure that there is no residue.

Green. We actively respond to the national green development strategy, integrate ecological awareness into corporate development, and explore innovative, green and low-carbon development models. By adopting advanced technology and improving management mechanisms, we comprehensively promote energy conservation and emission reduction, accelerate green transformation, and move towards sustainability. We always put the environment first and pursue green development, strictly implement green and low-carbon standards—from project planning and construction to operations and management—and strive to strike a balance between economics and ecological protection. By aligning the Group with the national carbon goals, we steadfastly pursue green, low-carbon and high-quality growth and are committed to green operations. Jiaxing Gas is actively working to expand its comprehensive energy services, charging stations and other businesses, accelerate the development and use of clean energy, and support national strategies that are designed to achieve the carbon goals. By continuously driving technological innovation and exploring various models, we are committed to leading the industry's transition towards green and low-carbon business models and laying a solid foundation for the future development of a thriving and sustainable energy system.

Giving back. Jiaxing Gas has always attached importance to building bonds with communities in its day-to-day operations. Adhering to its core corporate values, which include Virtue, Integrity and Commitment, Jiaxing Gas has initiated various public service activities, such as campaigns to promote gas safety, caring for elderly people who live alone, and anti-fraud campaigns. These initiatives allow us to fulfil our corporate social responsibility, demonstrate care for others and make a positive impact on society through small, good deeds.

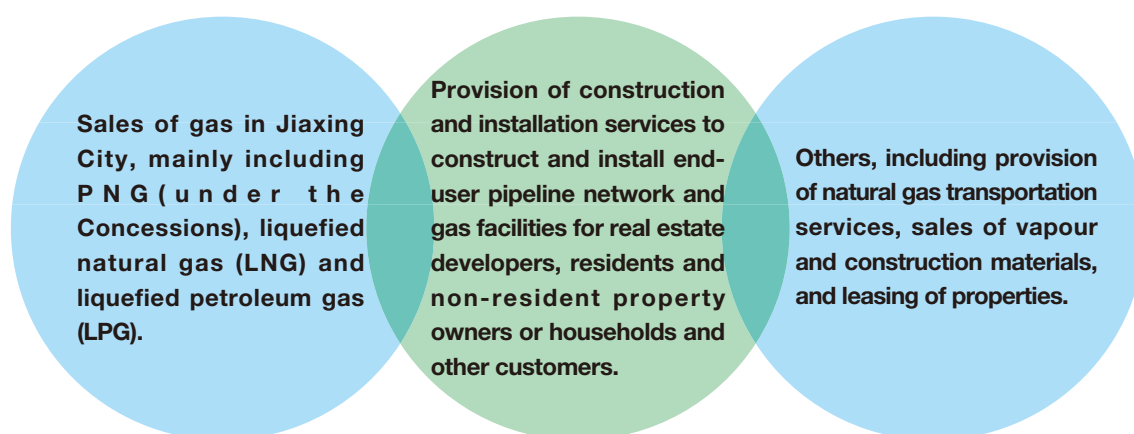
Going forward, Jiaxing Gas will continue to gain insights into industry trends, devise sound business strategies, define its direction, and take solid actions to promote ESG management. By adhering to the principle of “being pragmatic, truth-seeking, pioneering and enterprising”, we aim to empower safe urban gas supplies through the innovative integration of technology and services. In the years ahead, we will also strive to innovate and expand our use of clean energies and focus on the journey towards green, sustainable and high-quality development.

ABOUT US

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

BUSINESS OVERVIEW

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



Jiaxing Gas has always been committed to supplying clean energy (e.g. natural gas) and providing related services. The Group always adheres to its mission of “developing pipeline gas supply and improving the quality of urban life”, its development principle of “being pragmatic, truth-seeking, pioneering and enterprising”, and its quality policy of “safe gas supply, civilised service, standardised management, and customer satisfaction”. While pursuing economic benefits, the Group actively fulfils its social responsibility, ensures safe gas supplies, and provides civilised services to realise a harmonious relationship between the environment, society and corporate governance. Adhering to the corporate philosophy of “creating value through services, winning respect through services and building our brand through services”, the Group actively fulfils its social responsibility, promotes urban green development, and improves the quality of life of local residents, with a view to driving its own sustainable development while also making a positive impact on society.

INDUSTRY PARTICIPATION

We actively expand social cooperation, play an active role in industry associations, and contribute to the prosperity and development of associations and the industry itself.

Category	Associations
Gas	China Gas Association Gas Branch Society of the China Civil Engineering Society Zhejiang Gas Association Jiangxi Gas Association Institution of Gas Engineers & Managers (IGEM)
Energy	Dealers' Council of the Shanghai Petroleum and Natural Gas Exchange Jiaxing Association for the Promotion of the Hydrogen Energy Industry in the Yangtze River Delta Zhejiang Energy Research Association
Construction	Zhejiang Engineering Research Centre for Intelligent Urban Infrastructure Jiaxing Association for Political Research on Construction
Economy	Zhejiang Economic Council Zhejiang Merchants Research Association Jiaxing Economic Development Zone Association for Private Enterprises and Individual Workers Jiaxing Federation of Industry and Commerce Zhejiang Construction Accounting Society
Production quality and safety	Zhejiang Fire Protection Association Jiaxing Quality Association Jiaxing Institute of Measurement and Testing Jiaxing Association for Production Safety
Community engagement	Jiaxing Internal Audit Association Jiaxing Urban Construction Archives Society Zhejiang Association for Ideological and Political Construction Zhejiang Society for the Promotion of the Guangcai Programme

Series of activities to celebrate the 50th anniversary of the Zhejiang gas industry


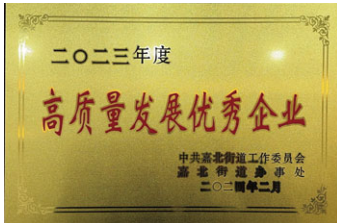
In November 2024, the Zhejiang Gas Association held a series of activities in Hangzhou to celebrate the 50th anniversary of the Zhejiang gas industry. Leaders from Jiaxing Gas Group, including the chairman and executive vice general manager, were invited to participate in relevant activities. At the event, Jiaxing Gas Group's capitalisation case (innovation in reform) and the distributed energy station (natural gas) for a Ramada hotel (industrial innovation) were recognised among the Top 50 Sites for Experience in Zhejiang's Gas Industry. At the same time, the chairman of the Group was honoured as one of the Top 50 Contributors to Zhejiang's Gas Industry and delivered a Report on the Achievements of Zhejiang's Gas Industry over the Past 50 Years. In addition, Jiaxing Gas Group was accepted as a member of the Zhejiang Alliance of Model Workers and Craftsmen in the Gas Industry.



The Chairman of the Board of Directors delivered a Report on the Achievements of Zhejiang's Gas Industry over the Past 50 Years.

AWARDS AND HONOURS

In 2024, Jiaxing Gas won several honours and awards, which are not only testaments to the Group's continuous progress but also spur us on.

Year	Award	Photo
2024	Level A Contract-abiding and Creditworthy Unit in Zhejiang in 2024	
2024	Advanced Unit for Building a Civilised City in 2023	
2024	Outstanding Enterprise for High-quality Development in Jiabei Sub-district in 2023	

ABOUT US

Year	Award	Photo
2024	PipeChina Class AA Shipper in 2024	
2024	First Prize for Information Technology-related Work in Jiaxing's Gas Industry in 2023	
2024	Advanced Unit of Jiaxing's Gas Industry in 2023	
2024	Demonstration Site for Volunteer Services	

I. ADVOCATING GREEN AND SUSTAINABLE PRACTICES TO CREATE A BETTER FUTURE FOR ALL

Jiaxing Gas actively integrates sustainability into the Group's strategic management to ensure that the concept runs through the entire value chain of its business activities. The Group closely follows national strategies, including the carbon goals, to strike a balance between its own development and the environment and society. With a strong sense of responsibility and mission, we are committed to energy conservation and emission reduction as part of our social responsibility. The Group's corporate purpose focuses on "safe gas supply, civilised service, standardised management and customer satisfaction", and we constantly improve management mechanisms to drive operational quality. We have built a diverse range of channels for communication and have established robust partnerships with stakeholders. Jiaxing Gas uses various channels to regularly communicate with stakeholders to understand their expectations and needs in terms of environmental protection, community, and corporate governance. We aim to continuously create value for society and promote continuous improvements in ESG to inject impetus into the sustainability of the Group.

1.1 ESG GOVERNANCE

We have established an ESG governance system, and we improve it on an ongoing basis to ensure that the ESG governance structure is rigorous and that rights and responsibilities are clearly defined. As the highest body responsible for ESG matters, the Board of Directors plays a leading and supervisory role. Under the Board of Directors, a leading group on ESG management has been set up, and an ESG executive team composed of leaders from departments and subsidiaries defines the responsibilities of personnel at all levels in respect of ESG management, so as to effectively promote the integration and implementation of ESG concepts and practices across the Group.

Table: ESG Management Structure

Management structure	Specific responsibilities
Board of Directors	Decision-making on the Group's ESG strategy and annual work plan; Evaluate ESG performance and review ESG reports; Listen to the report of ESG cross-department working group
ESG cross-departmental working group (ESG management)	Coordinate cooperation among various departments of the Group; Supervise and inspect ESG performance and related work progress; Regularly report to the Board and provide suggestions to improve the Group's ESG performance
Functional departments and subsidiaries (ESG executive team)	Responsible for ESG related specific work landing and implementation

I. ADVOCATING GREEN AND SUSTAINABLE PRACTICES TO CREATE A BETTER FUTURE FOR ALL

1.2 COMMUNICATION WITH STAKEHOLDERS

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

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

I. ADVOCATING GREEN AND SUSTAINABLE PRACTICES TO CREATE A BETTER FUTURE FOR ALL

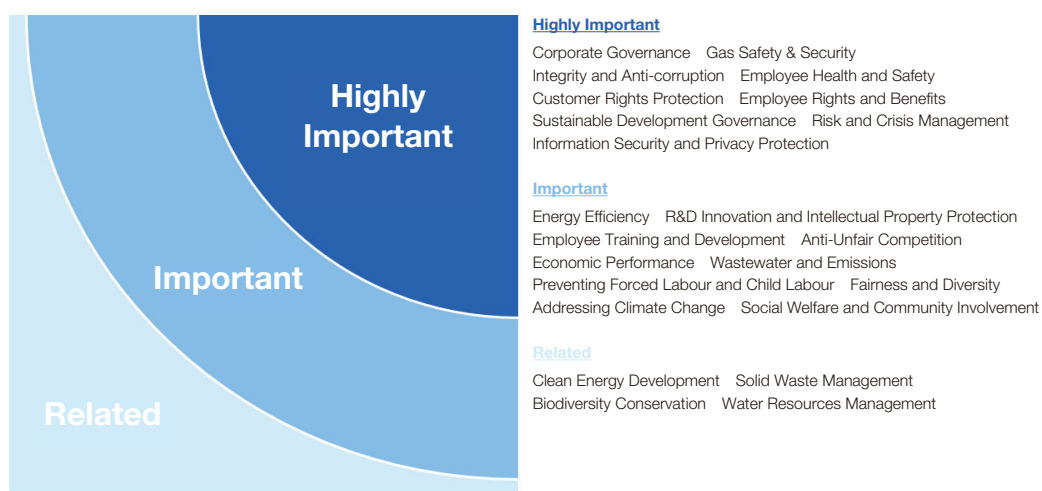
Stakeholders	Issues of concern	Communication and response
Media	<ul style="list-style-type: none"> • Economic performance • Industry cooperation and development • Wastewater and waste gas exhaust emissions • Solid waste management • Developing clean energy 	<ul style="list-style-type: none"> • Media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



I. ADVOCATING GREEN AND SUSTAINABLE PRACTICES TO CREATE A BETTER FUTURE FOR ALL

1.3 MATERIALITY ASSESSMENT

This year, we comprehensively considered national macroeconomic policy guidance, capital market focus, related standards of sustainable development report related standards, and excellent peer benchmarking analysis, based on the current development status and focus of the Group's efforts during the Reporting Period, and selected 25 topics to form the topic library. In 2024, we conducted a materiality assessment and ranking from two dimensions, namely, importance to stakeholders and importance to business management, to identify ESG issues that are important for the Group. These issues are disclosed below:



Materiality Metrics for ESG Issues of Jiaxing Gas

I. ADVOCATING GREEN AND SUSTAINABLE PRACTICES TO CREATE A BETTER FUTURE FOR ALL

Response to the results of the materiality assessment in this Report

Category	Issues	Importance	Response of this report
Governance	Corporate Governance	Highly important	Good Governance as a Foundation for Steady Progress
Governance	Gas Safety & Security	Highly important	A Cornerstone of Safety Fostering Inclusive Communities Ensuring Smooth Gas Supplies to Keep Households Warm
Social	Employee Rights and Benefits	Highly important	A Cornerstone of Safety
Governance	Integrity and Anti-corruption	Highly important	Promoting Integrity
Governance	Sustainable Development Governance	Highly important	ESG Governance
Social	Customer Rights Protection	Highly important	High-quality Services and Putting the Customer First
Social	Employee Rights and Benefits	Highly important	Retaining Talents with Attractive Remuneration
Social	Information Security and Privacy Protection	Highly important	High-quality Services and Putting the Customer First
Social	Risk and Crisis Management	Highly important	Strengthening Risk Control
Social	Efficient Use of Energy	Important	Resource Optimisation and Joint Efforts for a Better Future
Environment	R&D Innovation and Intellectual Property Protection	Important	Innovation-driven Upgrading
Social	Industry Cooperation and Development	Important	Innovation-driven Upgrading
Social	Fairness and Diversity	Important	Retaining Talents with Attractive Remuneration
Social	Employee Training and Development	Important	Retaining Talent with Career Prospects
Social	Anti-unfair Competition	Important	Promoting Integrity
Social	Clean Energy Development	Important	Responding to Climate Change for Blue Skies
Social	Economic Performance	Important	Directors' Statement
Environment	Responsible Supply Chain	Important	Responsible Procurement from Green Sources
Governance	Wastewater and Air Emissions	Important	Ecological Protection for a Green Future
Environment	Preventing Forced Labour and Child Labour	Important	Retaining Talents with Attractive Remuneration
Environment	Addressing Climate Change	Important	Responding to Climate Change for Blue Skies
Environment	Social Welfare and Community Involvement	Related	Giving Back to Society
Environment	Solid Waste Management	Related	Ecological Protection for a Green Future
Social	Biodiversity Conservation	Related	Ecological Protection for a Green Future
Environment	Water Resource Management	Related	Resource Optimisation and Joint Efforts for a Better Future

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

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

Jiaxing Gas insists on doing business with integrity, raising awareness of corporate responsibility and abiding by relevant rules. We strictly follow the Group's strategic blueprint for high-quality development and have established a compliance system as the cornerstone of corporate operations. A comprehensive and well-defined compliance management framework has been set up, and we are continuously improving it. In terms of risk control, we remain vigilant and constantly improve the risk management system to ensure that we can effectively respond to the complex and changing market environment. At the same time, we actively cooperate with suppliers to jointly promote the sustainability of the value chain and lay a solid foundation for the long-term development of the Group.

2.1 GOOD GOVERNANCE AS A FOUNDATION FOR STEADY PROGRESS

Jiaxing Gas strictly abides by relevant laws and regulations including the *Company Law of the People's Republic of China* and the *Hong Kong Stock Exchange Listing Rules*. We have established a comprehensive, well-defined internal compliance system to ensure corporate sustainability and protect the legitimate rights and interests of shareholders and investors.

Under the Group's Board of Directors, which is the highest decision-making and supervisory authority for corporate operations and management, there are three specialised committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, which together form a sound and efficient governance structure. The Board provides guidance to the Group's management directly or through specialised committees, formulates corporate development strategies, supervises the Group's operations, and makes reasonable decisions in relation to risk management. At the same time, the committees leverage their professional advantages to perform their supervisory functions, focus on refining management practices in the Group's day-to-day operations, and ensure that the Board's decisions are effectively implemented, and that implementation is comprehensively supervised.

In terms of board diversity, the Group follows the revised *Corporate Governance Code of the Hong Kong Stock Exchange* and the latest requirements on diversity. Based on the business model and specific needs of the Group, we strive to form a diverse, specialised and balanced board of directors from multiple perspectives such as gender, age, region, cultural and educational backgrounds, professional qualifications, and industry experience, to effectively improve the Board's decision-making and governance capabilities. At the same time, the directors of the Group not only have profound professional expertise and a wealth of experience in the pipeline and natural gas industry, but also outstanding leadership capabilities in areas including management, strategic development, finance and accounting, which enables them to effectively promote the long-term development of the enterprise.

As at the end of the Reporting Period, the Board of Directors of the Group consisted of nine members, including two executive directors, four non-executive directors and three independent non-executive directors. The directors of the Group uphold integrity and professionalism and work diligently to jointly create a brighter future for the Group.

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

2.2 STRENGTHENING RISK CONTROL

A risk identification and management team has been established to evaluate, remedy, and supervise the Group's risks based on business and operational realities, ensuring the stability and sustainability of operations. At the same time, we have developed a sound and reasonable supervision and inspection mechanism and a set of indicators to regularly evaluate the performance of each department in risk management. Risk management is incorporated as a key component into the Group's monthly and annual performance assessment, motivating employees to actively participate in risk management.

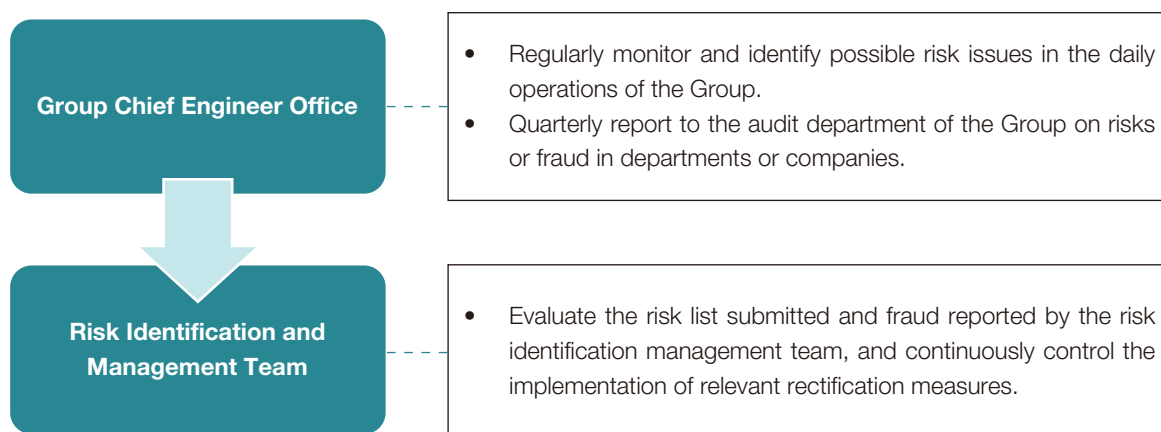


Figure: Risk monitoring and inspection mechanism

We comprehensively reviewed and evaluated the internal and external risks faced by the Group, analysed various potential risks in day-to-day operations from multiple perspectives, and accurately and comprehensively identified and assessed risks. On this basis, we further carried out a detailed assessment of the sources of risks and formulated a sound and reasonable emergency plan to effectively control and reduce risks. During the Reporting Period, the Group successfully identified and effectively responded to major risks and challenges, including operational risk, supply chain risk, price risk, compliance risk, health and safety risk, environmental risk and financial risk, to ensure business continuity and stability.

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

Table: Internal and External Risks Faced by the Group

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

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

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

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

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

In 2024, the Group did not experience any significant risk events.

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

2.3 PROMOTING INTEGRITY

We abide by the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and other laws and regulations against money laundering, monopolies and unfair competition. Based on internal rules including the "Anti-Corruption Management Regulations", we have improved the Group's anti-fraud and integrity management system. As part of this effort, we have set up an anti-fraud working group, built a bottom-up supervision, reporting and control mechanism, and defined contacts and channels for complaints and whistleblowing.

The Group has incorporated fraud risk assessment into its overall risk identification and assessment system and continues to strengthen internal audit supervision and promote anti-fraud systems, processes, and measures through various channels to ensure the legality and compliance of the Group's business activities and effectively reduce fraud risks. We actively implement training programmes to ensure compliance with laws and regulations and uphold integrity. We require management to lead by example and abide by the Group's various systems, advocate for employees to resist the temptation of improper interests, and always maintain integrity, self-discipline, and self-awareness. In terms of procedures and systems, we focus on strengthening process supervision for key links, key areas, important positions and risk monitoring points in production and operations management, and we take timely remedial actions against potential risks and problems that are identified.

Anti-corruption cultural activities

In addition, we have signed anti-money laundering agreements with business partners, and we actively promote the Group's integrity-aligned business philosophy and anti-corruption practices among various stakeholders. In terms of anti-corruption efforts, Jiaxing Gas integrates integrity and self-discipline into corporate legal education and has taken multiple measures to instil these values in its people. For example, we have actively promoted the signing of annual anti-corruption commitments; convened an online publicity meeting on anti-corruption and integrity, with the branch secretary taking the lead in giving Party lectures; and integrated integrity and self-discipline with cultural quality education for Party members and cadres. Party members hold special meetings on anti-corruption from time to time and hold an annual party life meeting to criticise and self-criticise based on their own cases and actual work. In addition, Party members organise a Party class on integrity every six months, watch anti-corruption education warning videos, conduct self-criticism, prepare collections of integrity-themed calligraphic works and paintings, and post integrity mottos on office walls to continuously enhance employees' awareness of the importance of integrity.

Whistleblowing management

Jiaxing Gas encourages employees and external third parties to report unethical and dishonest behaviours that occur during the Group's operations through channels such as email and physical mail. After receiving a report, we review the case within three to five working days, and after multiple investigations, we provide feedback within the specified timeframe based on factors such as whether the report is genuine and the severity of the content. The Group stresses the importance of protecting whistle-blowers. We keep the information of whistle-blowers in strict confidence, control the number of informed parties on a "need-to-know" basis, and strictly prohibit all forms of obstruction, discrimination and retaliation to protect the legitimate rights and interests of whistle-blowers. We intervene as soon as possible to protect whistle-blowers if they are retaliated against, and all retaliatory acts are subject to severe punishment in accordance with regulations, disciplinary rules, and laws. After verifying the authenticity of the reported content, we reward the whistleblower if he/she has helped the Group recover losses.

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

Party conduct

In 2024, Jiaxing Gas worked diligently to improve Party conduct internally and encouraged the Party branch to carry out learning and educational programmes on Party discipline. The Party branch carried out various learning programmes based on actual circumstances. By screening educational films for warning purposes and staging visits to educational centres that promote clean governance, the Party branch incorporated disciplinary learning and education into people's lives and work. In addition, Party members signed a letter of responsibility for integrity.

Moreover, the Party branch involved Party members in Party-themed experience programmes twice a year, and strictly implemented the requirements on the Three Meetings and One Lesson, Party life meetings and other activities. We conscientiously solicited opinions and conducted criticism and self-criticism, and we also strengthened the management and supervision of Party members and enforced Party discipline in work.

Party members visited the Integrity Centre and listened to a Party lecture

On 28 June 2024, all Party members of the port gas organisation carried out a special Party lesson activity at the Zhongxi Integrity Education Centre in Pinghu. This activity included two main sections: first, an in-depth study of General Secretary Xi Jinping's requirements for developing the Party's discipline; and second, a visit to the Zhongxi Integrity Education Centre in Pinghu to learn about the concept of integrity culture. Through this special Party lesson, Party members strengthened their sense of honesty and self-discipline, and good educational results were achieved.

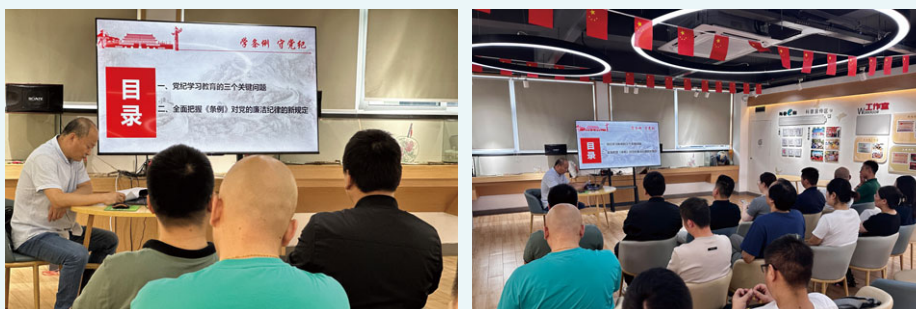


Photo: Special Party Lessons on Building a Clean and Honest Party

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

2.4 RESPONSIBLE PROCUREMENT FROM GREEN SOURCES

In terms of supplier selection, the Group selects qualified suppliers according to the supplier admission and review process specified in the “Qualified Supplier Evaluation Measures”, and actively establishes long-term and stable partnerships with strong, reliable, and creditworthy suppliers. At the same time, the Group also provides relevant training and guidance for suppliers and strives to establish transparent relations with suppliers that offer high-quality and affordable products. In order to standardise the Group’s procurement management and strengthen supplier risk control, the Group actively identifies and assesses ESG risks prior to supplier admission, strives to drive savings and efficiency, and constantly enhances the Group’s competitiveness and risk management capabilities.

The Group conducts a comprehensive review and assessment of supply chain risks, covering qualifications and certificates, creditworthiness, product quality, supply capacity, litigation, and other factors. When considering a supplier’s creditworthiness and strengths, our evaluation includes qualifications and certificates related to product quality, the environment, occupational health and safety management systems, and further standards have been introduced for our cooperation with suppliers in the financial, business and ESG-related areas to ensure the stability and sustainability of cooperation.

2.4.1 Procurement System Updates

At the same time, the Group has updated and improved relevant procurement systems:

- In the case of office supplies: The Procurement Department must complete approval procedures in accordance with the Office Supplies Application Form in the “Rules on Management of Office Supplies”. Upon approval, the office or department initiating the procurement request is responsible for procurement-related work.
- In the case of materials: The review rules in the “Regulations on Material Procurement Management” should be strictly followed.
- Procurement of materials from suppliers that are not on the list of qualified suppliers: If the materials to be purchased cannot be purchased from a supplier on the list of qualified suppliers, the Procurement Department should select a supplier using the specified method for supplier selection. After the supplier is selected, the Procurement Department also needs to complete the procedures for supplier admission and improve our records about the supplier.

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

2.4.2 Inspections of Suppliers

- Information review: The Procurement Department requires suppliers to provide their business licence, qualification certificates, product certifications, certifications under quality assurance systems, a description of the supplier's after-sales services, and information regarding business performance, and these materials should be strictly reviewed.

On-site inspections	Content
Focus	Conducting a review of the supplier's production scale, production processes and quality control systems, especially testing of raw materials and finished products. In case of quality issues, we focus on identifying the causes and the implementation of improvement measures.
Applicability	On-site inspections are mainly conducted on suppliers which are being reviewed for the first time, suppliers for which serious quality issues have been identified during installation and operation, suppliers which have frequent quality issues, and suppliers of bulk or key materials.
Frequency	In principle, at least one on-site inspection is conducted on metering equipment suppliers every two years, and on other key equipment and material suppliers every three years. Such inspections are scheduled by the review team for qualified suppliers of materials.
Composition of inspectors	The inspection team is generally composed of three to five members. The team comprises members of the review team for qualified suppliers and representatives from departments using the materials purchased, as well as Party members who serve as supervisors. When the review team organises a review, a Party member should be selected to supervise the Group's supply chain officer's signing of the Letter of Commitment to Integrity.

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

II. ENHANCING OPERATIONAL ROBUSTNESS IN ORDER TO GO FAR

- **Material acceptance and supplier management:** The Group should conduct comprehensive acceptance procedures for purchased materials and prepare detailed records, which should be properly maintained. Based on acceptance and usage, unqualified materials should be returned and replaced in a timely manner. Suppliers considered to be unqualified during the inspection should be disqualified to ensure the stability and sustainability of the supply chain. In addition, when purchasing materials, the Group should strike a balance and give priority to environmentally friendly materials.
- **Bid evaluation and supplier evaluation:** In the bid evaluation process, there are clear requirements on the creditworthiness and strengths of suppliers, including in respect of quality, environmental protection, occupational health and safety management systems, and other certifications and qualifications. During on-site inspections, the inspection team should conduct interviews and on-site audits, and prepare related records. In interviews with the supplier's leadership, the inspection team should focus on the supplier's corporate culture, business vision, goals and strategies, core competitiveness, competitive advantages in human resources and production technology, business philosophy and operating status, and after-sales services. In interviews with heads of technology/quality/HSE, the team should focus on the supplier's management policy, controls, the number of employees executing controls and their competence, as well as records of actions taken to address failures to meet the Group's requirements, in order to comprehensively evaluate suppliers and ensure high-quality and stable partnerships.

2.4.3 Partnerships with Suppliers

During the Reporting Period, Jiaxing Gas partnered with 32 new suppliers and terminated cooperation with 21 suppliers. We had 129 suppliers in the Chinese Mainland, among which 58 were from Zhejiang province and 71 were from other provinces. The Group conducts periodic performance evaluations covering ESG factors for 100% of suppliers. We select product and service suppliers that are located in China to control supply chain risks, improve the stability and efficiency of supply, and drive the growth of local suppliers and the development of the industry and region.

During the Reporting Period, the Group's suppliers did not experience any accidents that caused serious injuries or deaths.

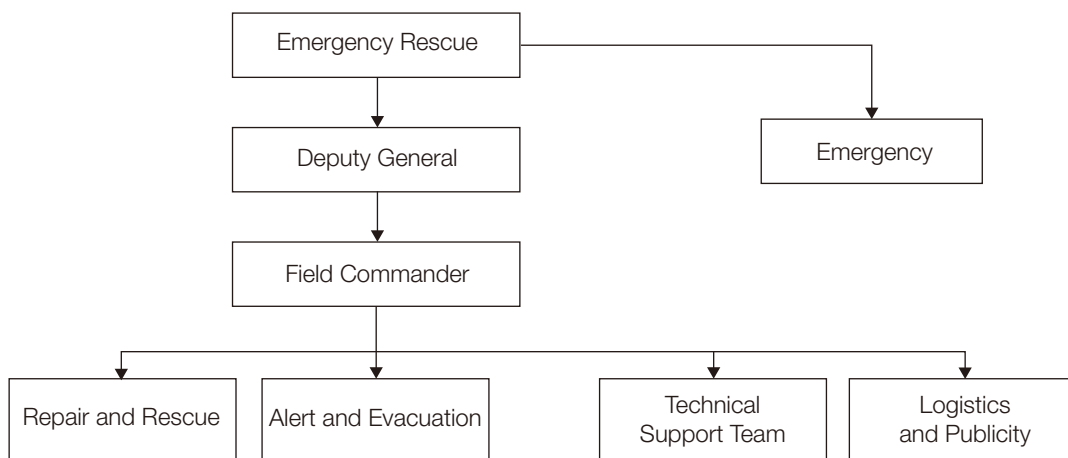
III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Jiaxing Gas fully implements standardised production safety, focuses on safety responsibilities at all levels, solidifies the line of defence for urban safety, and ensures community gas supplies, so as to provide customers with convenient, efficient and high-quality services, and enhance the efficiency of livelihood services.

3.1 A CORNERSTONE OF SAFETY

The Group actively cultivates a sense of responsibility and awareness of risk prevention for all staff in respect of production safety, effectively guards against safety risks, and builds a safety defence system through careful detection and accurate identification of risks. We also continue to optimise our human resource structure, and safeguard employees' health and the safety of people and property, laying a solid foundation for production safety. In addition, Jiaxing Gas engages in refined management of production scheduling and promotes cross-departmental collaboration to comprehensively improve its gas supply services, while also enhancing its risk identification and accident response capabilities.

To effectively respond to emergencies, Jiaxing Gas has built a sound emergency management system. It has also established a leading group for emergency rescue, which is led by the general manager and consists of department heads. The leading group is the primary organisation responsible for emergency rescue affairs. Under the leading group, we also established an emergency rescue headquarters and an emergency rescue office. The headquarters is further divided into dedicated teams such as the repair and rescue team, the alert and evacuation team, and the technical support team, strengthening our effective handling of emergencies from the organisational and technical aspects.



Graph: Emergency Rescue Organisation Structure

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.1.1 Deepening Safe Operations

Jiaxing Gas strictly complies with the Work Safety Law of the People's Republic of China. On this basis, Jiaxing Gas has formulated a series of systems, including the Work Safety Responsibility System and Target Assessment Management System, the Work Safety Supervision and Inspection Regulations, the Dangerous Operation Site Management Regulations.

Organisational structure for safety management

Jiaxing Gas attaches great importance to the organisational structure for safety management, and we have established the Safe Production Committee, together with the Safe Production Committee Office, as the executive body for daily work. The Group's investment subsidiaries have also established or adjusted their leading groups for safe production in a timely manner in strict accordance with requirements, so as to clarify the division of responsibilities for team members, and form a top-to-bottom safety management network covering responsibilities at all levels. Each leading group regularly reports to the Group's Safe Production Committee Office to ensure smooth communication and coordination regarding production safety. In addition, we hold regular production safety meetings on a quarterly and yearly basis to conduct in-depth analysis and assessment on the completion of production safety indicators, rectification of major hidden hazards, work safety supervision, and appraisal of each department and subsidiary, providing a guarantee for the effective implementation of work safety-related measures.

Empowering safety management with digitalisation

To boost digital empowerment and support safety management, Jiaxing Gas has realised digitalised and intellectual safety management throughout all processes using the powerful functions of the OA digital platform, and we have achieved comprehensive and accurate real-time control of personnel, equipment, environments and work processes, significantly reducing potential safety hazards. The system comprehensively manages various safety issues such as safety supervision, labour protection requisition, equipment maintenance, rectification of hidden safety hazards, emergency management, and accident investigation. In 2024, we added a new equipment management statement, which provides more detailed and accurate safety management information so that management can make informed decisions in a timely manner, improving the efficiency and quality of safety management.

IT development and rectification

The information centre plays an essential role in promoting the Group's information construction. In 2024, we actively carried out a number of upgrades and rectifications in respect of our information technology and related systems:

1. Monitoring platform integration: We successfully docked with the national hydrogenation acquisition platform, the provincial energy monitoring platform, and the provincial gas safety online platform. We also achieved in-depth integration with the municipal public data platform, the enterprise credit monitoring data platform, and the business environment system of the Zhejiang Provincial Development and Reform Commission, enabling real-time data sharing and interaction, and providing strong data support for our safety management and decision-making.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

2. System installation and deployment: The Group completed the installation and deployment of the low-code platform, the data warehouse system and the data interface bus system, laying a solid foundation for digital transformation. We also installed and deployed the management system for leakage detection vehicles. The intelligent gas patrol vehicles were put into trial use in April 2024 and officially put into use in May 2024. Relying on these vehicles, we carried out full-coverage patrol inspections and leak detection for medium-pressure gas pipelines buried under downtown streets in Jiaxing, covering a total length of 1,199.71 km. We also carried out full-coverage patrol inspections and leak detection for underground gas pipelines in more than 1,000 residential communities, and detected and repaired 846 leakage points. Meanwhile, we used the leakage detection vehicle management system to monitor and issue alerts for gas leaks in a timely manner, so as to ensure the safe operation of gas facilities.
3. Intelligent transformation of infrastructure: We promoted the transformation of T3, T4 and T5 in terms of pressure, flow and temperature remote transmission, realising real-time monitoring and autonomous control of key parameters. The Group also carried out remote transmission transformation of odorizers for T1, T4 and the Nanhu LNG Station to improve the accuracy and stability of odorization control. In addition, we completed the transformation and upgrading of the monitoring and industrial control system machine room for the Gangshan Comprehensive Station, as well as the transformation and upgrading of the electronic fence around the Nanhu LNG Station, so as to enhance our ability to defend against safety risks. Emergency repair vehicles were also equipped with positioning devices to enable real-time tracking and scheduling of the vehicles and improve emergency response efficiency.

Standardisation of production safety

So far, the Group has obtained the ISO9001 quality management system certification and the second-level certificate for production safety standardisation. Through our safety assessment and evaluation mechanism, and strict requirements and incentives, we constantly encourage our employees to raise their awareness of safety and ensure their ability to perform safety-related work. The Group conducts monthly, quarterly, and annual assessments, and includes indicators such as the number of safety accidents, leakage detection rate, rectification rate, and the number of company-level emergency plan drills into the scope of performance evaluations. In this way, we achieve precise and differentiated accountability and promote the effective implementation of safety responsibilities for all employees. In addition, we innovated the assessment method; assessed the Group's headquarters and departments through monthly self-evaluations and spot checks; stipulated assessment objectives, assessment contents, assessment procedures and work rules; and set up a reward mechanism. The Group also selected the annual advanced middle level management, the exemplary individual for the year, the exemplary individual in production safety, advanced departments in production safety and other honorary titles, the recipients of which received additional salary rewards. In this way, we aim to encourage all staff to participate in production safety work and enhance their awareness of the importance of production safety.

In 2024, under the 10-year meter replacement initiative, the Group carried out quality supervision and spot check activities every month to ensure the safe and reliable operation of gas meters. During the Reporting Period, the Group actively carried out all-round multi-level inspections of key security areas, pipeline quality, sources of hazards, and facility safety, to reduce and rectify safety risks and hidden dangers in a timely manner and ensure production safety.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Jiaxing Gas's 2024 production safety review

In August 2024, the Group's Safety and Quality Supervision Department carried out training activities to publicise the Standard System of Zhejiang Province for Full Coverage Work Safety Inspections (2024 Version). We publicised the standard system documents, defined the criteria and requirements for relevant self-inspections in the industry, as well as the criteria and requirements for user safety inspections, with the aim of improving practitioners' ability to detect and solve problems, and enhancing the quality and efficiency of the measures related to the detection and rectification of hidden hazards. Through this training, all our staff gained a deeper understanding of the requirements under the system documents, as well as the criteria and requirements for self-inspections and security inspections for practitioners in the gas industry. We also improved our staff's ability to detect and solve problems, and improved the quality and efficiency of our measures related to the detection and rectification of hidden hazards.



Photo: Production safety review meeting of Jiaxing Gas in 2024

Safety education training and safety culture

To promote safety education training and cultivate a culture that upholds safety, Jiaxing Gas has formulated the "Work Safety Training System", and organised various safety training and education activities according to the annual safety education and training plan, covering all in-service employees. Based on the different job requirements of our staff at the decision-making level, executive level and operations level, and their various responsibilities, the Group carries out targeted training sessions to improve their safety management and execution abilities, such as training on "observing safety discipline" for operational personnel to enhance their skills and disciplinary awareness regarding operational safety. The specific training content covers accident warnings, safety laws, emergency plans, construction safety regulations, identification of operational risks, equipment safety management, fire safety, and other areas.

During the Reporting Period, Jiaxing Gas invested RMB30.98 million in work safety in order to ensure safe production. We organised various internal and external safety training sessions, with a total of 1,980 participants undertaking 5,581.8 hours of training. In 2024, we held a number of company-level comprehensive emergency plan drills, which tested the feasibility and effectiveness of our emergency plans and improved our emergency handling abilities.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Publicity activities on the production safety standard system

In August 2024, the Group's Safety and Quality Supervision Department carried out training activities to publicise the *Standard System of Zhejiang Province for Full Coverage Work Safety Inspections (2024 Version)*. We publicised the standard system documents, defined the criteria and requirements for relevant self-inspections in the industry, as well as the criteria and requirements for user safety inspections, with the aim of improving practitioners' ability to detect and solve problems, and enhancing the quality and efficiency of the measures related to the detection and rectification of hidden hazards. Through this training, all our staff gained a deeper understanding of the requirements under the system documents, as well as the criteria and requirements for self-inspections and security inspections for practitioners in the gas industry. We also improved our staff's ability to detect and solve problems, and improved the quality and efficiency of our measures related to the detection and rectification of hidden hazards.



Photo: Training and publicity activities on the production safety standard system of Zhejiang province

Patrol inspections for gas supply facilities and pipeline networks

In terms of gas supply facilities and pipeline network inspections, we formulated the Operation Guide to Inspection of Gas Facilities in Use, the Operation Guide to Inspection for Simultaneous Construction and the Rules on Pipe Network Inspection. The Group effectively carried out risk and hazard detection and rectification measures. With a focus on key areas, major facilities and vulnerabilities, we conducted comprehensive and in-depth investigations and scientific assessments of safety risk. We also scientifically determined the scope and standards of updates and renovations, and made immediate rectifications to solve major problems and hidden dangers under a designated supervision mechanism.

During the Reporting Period, we newly developed the "Management System for the Operation of Gas Pipeline Network" to clarify the requirements for the notification of any planned gas shutdown 48 hours in advance, and timely notification to users for them to take precautionary measures in case of emergency gas shutdown.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Gas safety inspections and rectifications

In 2024, according to the implementation plan and requirements of Jiaxing City for urban gas safety inspections and rectifications, and in line with the Group's safety operations in practice, Jiaxing Gas formulated and released the "Work Plan of Jiaxing Gas Group Co., Ltd. for Renewal of Gas Pipelines, Facilities and Equipment". To continue to promote the special rectification initiative for urban gas safety, we detected hidden hazards, renovated old gas pipeline networks, evaluated pipeline conditions in old residential areas, and regularly inspected medium-pressure pipelines to ensure the safety and stability of gas use. We also engaged in cooperation to equip towns and villages with gas pipelines so that bottled liquefied gas could be replaced with natural gas, reducing energy consumption and safety risks for residents.

By the end of 2024, the headquarters of the Group had achieved remarkable results in the transformation of pipeline networks, completing renovations of 9.681km of old gas pipelines, reconstructing indoor gas risers for 2,772 households, and renovating 14 saddle tees, 50 condensate cylinders and 1,200 pieces of steel plastic converters. In respect of stove and hose rectifications, we equipped 7,366 stoves with no-flameout protection devices and renovated 14,893 rubber hoses. In terms of renovations in the industrial and commercial sector, we replaced bottled liquefied gas with pipe gas for 123 enterprises, promoting the application of clean energy. During the project period, the Group's subsidiaries strengthened safety management for gas pipeline networks along roads and completed regular inspections of expired pressure pipelines, including regular inspections of 15 medium-pressure pipelines and 1 secondary high-pressure pipeline along Shichang Road, Zhawang Road, Zhongshan Road and West Waihuan Road.

Scientific management of pipeline network safety

The Group conducts scientific management of pipeline network safety, and continuously engages in intelligent transformation, safety risk assessments, safety inspections and other measures in respect of pipeline networks and pipeline construction:

Intelligent transformation of pipeline networks and pipeline construction

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

Safety risk assessments

- We carried out special rectification actions for residential gas water heater safety hazards, distributed the notice of rectification of hidden hazards and promptly informed residents to rectify.
- We investigated and counted potential corrosion hazards around indoor gas risers, as well as potential hazards concerning indoor risers and steel plastic converters. In 2024, 2,772 households and 1,596 steel plastic pipes in front of the building be reconstructed, and we replaced 50 existing condensate cylinders and 64,000 intelligent meters, with a view to effectively eliminating safety hazards for residents.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Safety inspections

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

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Work Safety Month

The Group actively organised a series of activities related to Work Safety Month, including safety speech competitions, safety knowledge competitions, employee photography competitions, and case studies on hazard investigation and control and accident warnings, creating a sound safety culture. During the Reporting Period, to uphold the theme of 2024 Work Safety Month, the Group formulated and distributed publicity materials regarding the detection and rectification of gas hazards, and organised activities such as work safety supervision initiatives and “industry skill competitions” before the May Day holiday, which further enhanced employees’ awareness of risk, responsibility and safety.

Jiaxing Gas Construction (嘉燃建設) conducted safety month activities

In 2024, Jiaxing Gas Construction carried out a month-long safety month campaign, staging various activities to cultivate a safety culture, such as the 10-year meter-replacement practice contest & training, fire safety management training, fire emergency drills and emergency drills for sudden water cut-off in boiler rooms. It also held the 13th “Jiaxing Gas Cup” fire prevention games, detected hidden hazards for key posts exposed to safety risks, and organised employees to visit the Jiaxing Safety Education Interactive Experience Hall, to further strengthen the safety awareness and emergency response capabilities of all staff.



Photo: Jiaxing Gas Construction conducted safety month activities

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.1.2 Guarding Occupational Health

Jiaxing Gas attaches great importance to the health and safety of its employees, and implements the local laws and regulations such as the Occupational Disease Prevention and Control Act of the People's Republic of China, the Regulations on the Administration of Occupational Health at Workplaces, and the Code of Practice for Selection of Personal Protective Equipment. On this basis, internal documents such as the Occupational Health Management System, the Regulations on the Management of Labour Protection Products, the Management Methods for Work-related Injuries and the Emergency Rescue Plan for Occupational Hazardous Accidents have been formulated and strictly observed.

Occupational health management

In terms of occupational health management, we have established and are steadily improving occupational health files and guardianship files to effectively protect employees' rights and interests in respect of occupational health. We provide basic medical and health services and annual health check-ups for employees, as well as special medical check-ups for female employees, and we take measures to raise employees' health awareness and self-care abilities, so that they can stay in good health and adopt a positive attitude towards their work.

Employee safety and health education

We attach importance to employee safety and health education and conduct occupational health education and training programmes for all new employees on a systematic basis. By staging various forms of educational activities on occupational health and safety, and giving employees the chance to interactively experience occupational hazards in person, we are able to promote their awareness of occupational health and improve their response abilities. In addition, the Group makes efforts to publicise occupational health and formulates publicity content based on its production characteristics, including in respect of summer heat protection and road dust protection, to prevent and control the risk of occupational diseases and work-related diseases.

Daily work inspections

During the process of daily work inspections, leaders of operational teams are required to explain requirements for the use of labour protection equipment before commencing operations, examine the compliance of equipment in use and check the mental state of operators on duty, to ensure that our staff are performing their duties safely.

Standard occupational environment

The Group provides a work environment and work conditions that meet national occupational health standards and hygiene requirements. Each year, we regularly test for possible harmful factors in the workplace and take effective control measures in a timely manner. In 2024, the Group's main hazard related to occupational disease across various production processes was noise. During the year, the maximum level of noise recorded by the Group in actual operations fell below the threshold for occupational diseases stipulated by the *Occupational Exposure Limits for Hazardous Agents in the Workplace Part 2: Physical Agents (GBZ2.2-2007)*.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Safety measures

We provide employees with a wide range of reliable safety measures to protect them. By taking comprehensive measures in areas such as individual protection and health management, we have effectively controlled occupational disease hazards, constantly improved our work environment and work conditions, and effectively guaranteed the health of employees.

- In LNG filling operations, we provide our employees with uniform labour protection clothing, helmets, goggles, gloves and other protective gear and require employees to wear them in a compliant manner to safeguard their lives and health.
- In road and underground operations, we take necessary protective measures in areas such as dust control, noise prevention, poison prevention and ventilation to prevent the occurrence of occupational diseases.
- For road-related operations, we monitor the noise of typical road sections and pay attention to employees' hearing health.
- In terms of extreme weather protection, we monitor temperatures on construction sites to avoid health risks arising from high or low-temperature environments.

Occupational safety

During the Reporting Period, the Group organised physical examinations for a total of 402 employees, with a coverage rate of 100%. In 2024, the Group did not experience any work-related fatalities; the number of work-related deaths over the past three years was 0; and the work-related death rate was 0%. During the Reporting Period, there were 4 work-related accidents, and the number of lost days due to work injury was 329.

Visiting employees working in high temperatures to keep them cool, prevent heatstroke and safeguard their health

In the middle of summer in July 2024, to prevent front-line workers from experiencing heat-related discomfort, the chairman and general manager of the Group and other executives visited front-line staff who were working at business outlets, LNG stations, gas construction sites, subsidiaries and other locations to deliver cool drinks, heatstroke prevention supplies and sincere greetings.



Photo: Delivering cooling supplies to front-line workers

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.2 FOSTERING INCLUSIVE COMMUNITIES

To ensure gas safety, Jiaxing Gas has formulated and strictly implemented a series of rules and documents, including the “Rules on Indoor Safety Inspection for Resident Users”, so as to prevent various potential safety hazards. We put people first, renovate gas pipelines that pose safety hazards, and regularly carry out gas equipment safety inspections for residential and public construction users, with the aim of eliminating safety hazards and promoting the safe and sustainable development of municipal infrastructure.

To ensure safe and stable gas supplies during holidays, Group leaders take charge and conduct special inspections before holidays such as New Year’s Day, Spring Festival, etc., with a view to detecting and solving issues and deficiencies and preventing safety risks. During the year, the Group conducted targeted safety training and publicity activities for different users, including gas safety training and exchange meetings for industrial and commercial users. We also pushed gas safety tips via our official WeChat account, and issued safety publicity materials to residents during security inspections, so as to enhance communities’ safety awareness and protect the safety and stability of people’s gas supplies.

Publicity on use instructions for “cold-proof and heat-retaining” wall-hung furnaces

1. Panel commissioning for wall-hung furnaces

After being turned off, wall-hung furnaces can be adjusted to heating mode, and the temperature can be set as high as 40°C.

2. Temperature controller

Using the temperature controller, the room temperature can be adjusted by up to 8-10°C, so as to ensure the continuous operation of the heating system.



Photo: Illustrative instructions for using “cold-proof and heat-retaining” wall-hung furnaces

Equipping old residential communities with natural gas support facilities

The Group actively promotes the instalment of natural gas support facilities in old residential areas in various townships, which enables the replacement of bottled liquefied gas with natural gas. We continuously strengthen the quality management of engineering construction, improve the cleanliness of newly built pipelines, and actively rectify safety hazards. During the Reporting Period, the Group completed the renovation of 5.8km of steel pipes, and improved the overall safety of such pipelines by significantly reducing their produced steel pipe powder and eliminating potential risks such as pipe wall corrosion.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Special rectifications

The Group and its subsidiaries have formulated work plans for special rectifications. Targeting users in the port area, we carried out a full coverage investigation of pipeline and bottled LNG for various industrial and public building owner-users. Detailed statistics on “stoves, tubes, bottles and valves (灶管瓶阀)”, alarms, and other potential problems were compiled. We conducted safety inspections for the households of pipeline and bottled LNG residential users according to the plan, promoted replacements with corrugated pipes, and identified and eliminated potential safety hazards in a timely manner to ensure the safety and reliability of gas use.

Safety publicity and education

In 2024, Jiaxing Gas organised a number of special training lectures on gas safety for industrial and commercial users and gas safety publicity activities for community residents. Jiaxing Gas completed safety inspections for 100% of residential users. For these inspections, the indoor safety inspection rate was 90%, while the remaining inspection work was carried out by infrared scanning or on-site visits. In this way, we achieved full coverage in our safety inspections. Jiaxing Gas also conducted safety inspections for industrial and commercial users, achieving a coverage rate of 100%. Moreover, we carried out urban gas safety trainings for grid-based community workers, social security officers, and gas safety administrators in the education and medical industries, and conducted large-scale publicity campaigns, including on topics such as gas safety on campus and safe gas use in communities, delivering systematic training on gas knowledge, common gas safety hazards, and gas use safety.

Jiaxing Gas conducted safety publicity activities

In June 2024, Jiaxing Gas conducted urban gas safety publicity activities in the Yuanyang Lvzhou residential community on Xinxing Street in Nanhu District. Based on the themes of gas safety publicity, product showcases, award-winning games, and gas facility usage demonstrations, Jiaxing Gas engaged in publicity to improve people’s understanding of old gas pipeline renovation and underlying policies and measures for residents. At the event, attendees participated in knowledge sharing sessions, interactive games and in-person demonstrations related to the use of gas facilities, which helped improve citizens’ gas safety awareness in an all-round way.

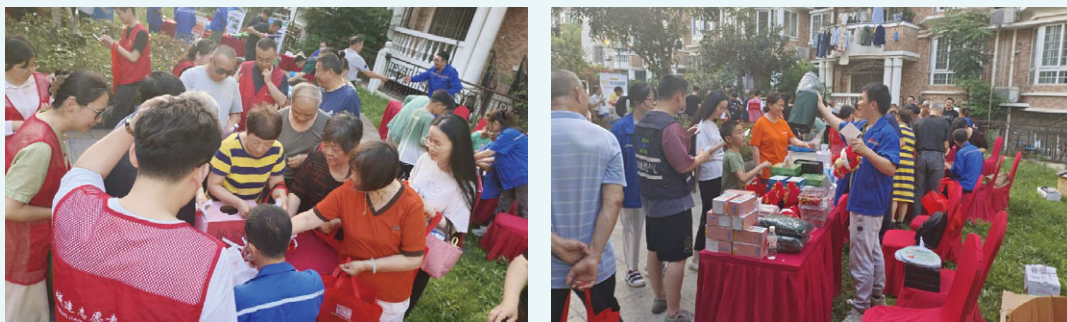


Photo: Jiaxing Gas conducted safety publicity activities

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.3 ENSURING SMOOTH GAS SUPPLIES TO KEEP HOUSEHOLDS WARM

Jiaxing Gas is committed to ensuring the safe and stable supply of gas, providing quality services with multiple measures to protect urban gas safety. We strictly comply with the Regulations on the Administration of Urban Gas and the Technical Regulations on Safety of Operation, Maintenance and Emergency Repair of Urban Gas Facilities. We have established the LNG business department, and integrated and enabled the complementation between piped gas and LNG trade for common development.

In winter, the natural gas market often experiences supply challenges and significant fluctuations in upstream gas prices. To address this, we actively formulate contingency plans, and strictly adopt the gas selling prices set by provincial and municipal development and reform departments. Meanwhile, we proactively communicate with upstream and downstream enterprises, coordinate with multiple parties to ensure sufficient supplies of natural gas, and make every effort to safeguard emergency gas supplies.

Emergency response for gas pipeline accidents

Group strictly complies with relevant regulations and industry requirements and has formulated the Emergency Response and Rescue Management System and Gas Emergency Repair Management System. We have issued 1 comprehensive emergency plan, 6 special emergency plans, and 21 on-site disposal plans, including Comprehensive Emergency Plan for Sudden Accidents (Incidents), Emergency Plan for Counter Terrorism and Riot Prevention, Emergency Response Plan for Leakage of Low Temperature Valves in LNG Stations., etc. In 2024, we updated the “Emergency Response Plan for Major Quality Incidents involving Natural Gas”, the “Emergency Response Plan for Sudden Failures of the NB Meter Information System” and other relevant plans, further improving the Group’s emergency response system.

The comprehensive plan is the guiding document for the Group’s emergency response system. It specifies the emergency response policy, emergency organisation, responsibilities, risk level classification criteria and corresponding response procedures, and provides the guiding principles and overall framework for each special plan. Special emergency plans are emergency response plans for specific emergencies, including work safety accidents, natural disasters, public health incidents, social security incidents and other areas. Based on our actual business circumstances, we further summarise on-site response plans to effectively control safety risks in field station operations, with a view to continuously improving production safety.

Comprehensive emergency drills

During the Reporting Period, we strictly implemented relevant management systems and operating procedures, and regularly conducted and organised comprehensive emergency drills, including rescue drills for cargo transportation accidents on hazardous roads, gas cylinder transportation accidents, field station refuelling fires and leakage, and medium-pressure road pipeline damage and leakage. After each drill, we optimised and upgraded emergency drill plans based on actual possible situations, so as to ensure the safety and stability of gas supplies and improve user satisfaction.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Gas quality improvement measures

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

During the Reporting Period, we carried out the following measures to guarantee gas supplies:

Gas supply guarantee measures	Description
Gas supply guarantee	✓ For fuel customers in cities, gas demand rapidly increases during winter, so we prepare and organise gas sources in advance. Specifically, we anticipate peak and valley gas consumption, coordinate upstream gas sources and promptly carry out LNG replenishment to ensure people have access to sufficient heating gas supplies.
Emergency gas repair	✓ We closely monitor climate change and changes in the supply and demand situation, and prepare in advance for emergency situations, including in respect of personnel, materials, and vehicles. We are steadily strengthening emergency preparedness, and we have implemented a 24-hour on-call system to ensure that in the event of an emergency, we arrive at the fault site as soon as possible for repair and maintenance.
Gas safety supervision	✓ We intensify gas safety inspections in densely populated areas, such as those housing street-side restaurants and commercial complexes; and we focus on inspecting interface leaks, alarm devices, and ventilation conditions at a high frequency to identify and eliminate hidden dangers in a timely manner.
Gas leakage treatment	✓ Jiaxing Gas is committed to promoting the intelligent upgrading of urban gas pipeline networks. We fully install IoT meters for new users to achieve remote monitoring and control of urban gas pipeline networks, and we also update and renovate old pipeline networks to mitigate the risk of gas leaks.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.4 INNOVATION-DRIVEN UPGRADING

The Group strictly complies with the Patent Law of the People's Republic of China and the Trademark Law of the People's Republic of China and improves innovation system protection. Meanwhile, Jiaxing Gas has developed a detailed innovation project implementation and reward mechanism to actively encourage employees to pursue innovation in the fields of management system optimisation and technology research and development, creating an atmosphere that prizes teamwork, exploration and innovation. In addition, the Group actively implements patented technology, strictly follows the filing procedures for patented products, and vigorously promotes the transformation of high-value patents, to ensure that patent achievements are effectively applied for products and industries.

3.4.1 Breakthroughs in Research and Development Innovation

Jiaxing Gas is committed to promoting the use of new technologies, processes, and products that are safe, environmentally friendly, energy-saving, and efficient. We have increased investment in safety measures to improve the Group's safety facilities and equipment. As part of this effort, we have established and continuously improved a scientific and standardised full-chain innovation incubation system. We have also established a selection panel for management, technology, and safety innovation projects, conducted in-depth research and formulated relevant implementation plans, and continuously standardised the review process for innovation project initiation, key nodes, and progress in innovation projects.

Incubation and cultivation of innovation projects

The Group has established a sound science and technology innovation incentive mechanism and formulated innovation reward policies, and we provide financial subsidies for excellent innovation achievements, with the aim of continuously promoting the transformation of innovation project achievements. Meanwhile, we strive to connect the processes of intellectual property creation, application, protection, and management to form a full chain, with a view to harnessing technological innovation to drive high-quality development.

IT innovation for gas pipeline network safety

In 2024, the Group upgraded the GIS system and added a number of software authorisation functions. In addition, subsidiaries actively promoted the design and development of the "Smart Gas" platform in the port area, and realised block-based management and statistics for tickets in the operations platform, as well as an on-site material charging function, and the addition of value-added business ticket types, providing efficient support for the development of other businesses.

Focusing on the business needs of the Group, the information centre vigorously carries out information construction and optimisation initiatives, including:

- System upgrading and transformation: It promotes upgrades and functional adjustments to the business system, the pipeline equipment operations and maintenance system, the online business hall, the residential safety inspection & meter reading app, the online shopping mall and the ticket system.
- System interconnectivity and new development: The information centre has completed multi-platform interconnectivity and development projects, including connecting to Jiaxing's public data platform and gas supervision platform. It has also realised integration with the digital and electronic invoice (數電發票) system, and carried out related functional development and adjustment projects.
- Infrastructure enhancement: It has completed the installation and deployment of the low code platform, promoted the construction of the data middle office, and added more software authorisation functions to the GIS editing system for gas pipeline networks, laying a solid foundation for the Group's informatisation.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.4.2 Protection of Intellectual Property Rights

Jiaxing Gas strictly complies with the requirements of relevant laws and regulations, including the *Patent Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *Measures on Utilising Intellectual Property Rights to Support the Innovative Development of Specialised and New SMEs*.

To maintain a high-quality supply of intellectual property resources, the Group actively cooperates with legally qualified suppliers and purchases genuine software. In this way, we ensure that the Group has the requisite resources to pursue innovative development.

3.4.3 Promoting Industry Development

The Group takes the initiative to engage in close cooperation with industry partners and stakeholders in order to improve its capabilities through mutual learning, reach consensuses through in-depth exchanges, enhance the quality of the Group's business and raise efficiency.

Engaging in school-enterprise cooperation to promote mutual development

In June 2024, a delegation led by the Party secretary of Huzhou Normal University along with members of the Jiaxing Alumni Branch visited the Group to take a survey, provide guidance, and hold an alumni forum. Accompanied by the chairman and deputy secretary of the general Party branch of Jiaxing Gas, the delegation conducted an in-depth survey and exchanged views on the establishment of a corporate culture and the digital development of smart gas capabilities. At the alumni forum, entrepreneurs shared their experience regarding the development, challenges, and transformation and upgrading of their enterprises, and they emphasised that high-quality talents are urgently needed to promote the sustainable development of their companies.

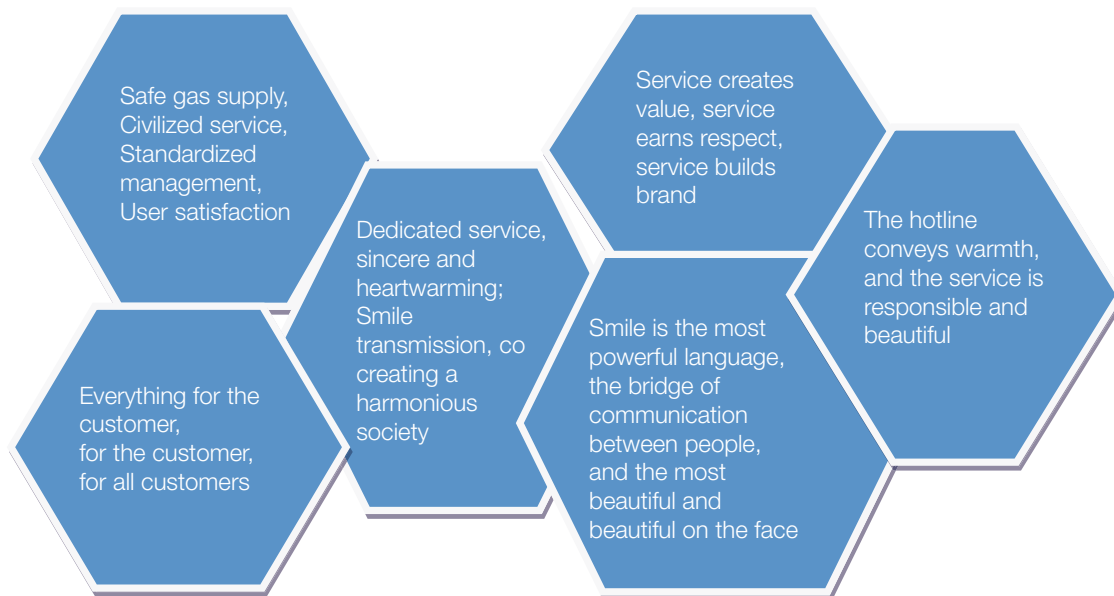


Photo: Jiaxing Alumni Branch and Huzhou Normal University Survey Forum

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

3.5 HIGH-QUALITY SERVICES AND PUTTING THE CUSTOMER FIRST

Relying on its technical advantages, Jiaxing Gas continues to enhance its customer service processes and systems. We take seriously every suggestion and piece of feedback we receive from our customers, and regularly conduct customer satisfaction surveys. In this way, we can continuously improve our mechanism for handling customer complaints. We also implement a “return calls” policy to ensure that we quickly and effectively respond to user needs.



Our service principles

The Group always puts customers first and upholds its commitment to developing a high-quality and efficient service system. Considering the refined and digitalised nature of our services, and by paying close attention to details, we have created a comprehensive communication platform that encompasses multiple channels to meet diverse needs.

Interfacing with government platforms and systems

In terms of innovations, we have interfaced with the platforms and systems of governments at different levels, including the provincial energy monitoring centre, the provincial development and reform commission's contactless business environment monitoring platform, and the provincial construction department's online safety platform. As a result, we are able to share data with them, which provides strong support for the Group's business operations, while significantly enhancing intrinsic safety. To accelerate the digitalisation of our business processes, we have expanded our brand image to position Jiaxing Gas as an “intelligent gas service provider”, and we offer enhanced online service channels, including our public WeChat account “Jiaxing Gas”, the “Zheliban” app, the government service website, and a customer service hotline for emergency repair. Through these channels, we are able to process services online for users, providing them with a more convenient experience.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

The layout of in-person service outlets

In terms of the layout of offline service outlets, we have set up 28 service outlets, including “Jiaxing Gas” business halls and general service windows at the government service centre. These outlets have become a new growth driver for the Group, helping propel its business and addressing people’s aspirations for a better life.

Assessment of customer service staff

To inject new vitality into the Group’s high-quality development, we hire customer service staff in accordance with our internal management policy and regularly provide professional learning and development programmes for them. In 2024, we restructured our civil meter reading and inspection resources within the Group across four regions: the southern region, the northern region, the eastern region, and the western region. We also regularly held meetings on work safety and general operations for civil service teams (including the front-desk hotline team and the meter reading and inspection team) and industrial and commercial service teams to understand their work status and discuss issues they had encountered and the solutions to such issues. In addition, where necessary, we conducted professional training and assessment of our customer service staff, with the aim of helping them constantly improve their skills and abilities.

We always prioritise customer service experience and require our customer service staff to actively listen to customers’ voices to understand their needs, and we carefully take into account their input in order to design and implement complete and effective solutions and ensure service quality.

3.5.1 High-quality Services and Putting the Customer First

With the goal of enhancing customer satisfaction, we respond to user needs quickly and efficiently. We have established and improved our related policies, including the “Service Standards for Customer Service Staff”, the “Residential Gas Supply Service Management Policy”, the “Rules for Handling Customer Complaints Received from the Three Channels”, and the “Rules for User Satisfaction Evaluation”, with the aim of enhancing customer experience and truly resolving customers’ issues.

Complaint from someone

Receive complainants with enthusiasm and friendliness, understand their emotions, and carefully record their complaints.

Complaint by phone

Patently answer user questions, keep phone records, and handle them as soon as possible.

Letter of complaint

Unpack, record, dispose of, recycle, and archive each item.

Standards for handling customer complaints received from the three channels

The Group attaches great importance to customer feedback, suggestions and complaints. Regardless of how they are received, we respond quickly and assist customers in investigating and resolving related issues. For every complaint, we record the complainant’s name and telephone number, and the details of what they are complaining about, and we then propose solutions, determine the results and inform them of the results. We handle complaints, resolve disputes, and provide feedback in accordance with the timeframe and requirements stipulated by the “Rules for Handling Customer Complaints Received from the Three Channels”. In this way, we ensure that customer complaints are handled in an accurate and effective manner.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

We conduct satisfaction surveys of different types of customers including residential users, industrial and commercial users and customers with projects under construction. In addition, we conduct satisfaction surveys for customers who previously sent complaints, and we implement rectification measures based on the survey results. With this approach, we can effectively solve problems encountered by customers and provide them with high-quality products and services.

Throughout 2024, we received a total of 1 valid complaints from a total of 490,040 pipeline gas users, and no customer-related emergency accidents were reported. Jiaxing Gas effectively resolved 100% of customer complaints and achieved a user satisfaction rate of 100%.

Annual meeting on customer service work in 2024

On 25 February 2024, Jiaxing Gas Group held the annual meeting on customer service work, with attendees including the deputy secretary of the General Party Branch, the deputy general manager, and the safety director. At the meeting, the manager reviewed our work in 2023 and announced our priorities for 2024. Meanwhile, awards were given out across 12 categories, including the “Gas Fee Collection Champion” and the “Household Security Inspection Champion” awards, with the aim of encouraging our people to pursue excellence and upskill themselves. In 2024, our customer service team will continue to work diligently to ensure the delivery of safe gas services for our users in Jiaxing city.



Photo: Jiaxing Gas Group announces its priorities for the year during the annual meeting on customer service work in 2024

3.5.2 Innovative Service Models

Jiaxing Gas is aware of the importance of innovation as a core driving force for development and actively puts innovative service ideas into practice. We are continuously enhancing our technological strengths and accelerating our digital transformation by integrating new-generation information technology into gas-related management processes. In this way, we aim to cultivate our brand image as an “intelligent gas service provider” and fully demonstrate the value of our brand.

In 2024, we carried out a number of updates and upgrades to our key business processes, including the following:

- New or enhanced meter management processes and systems: As we promote the use of NB intelligent meters, we have concurrently created a new meter file system that can accurately maintain and manage information throughout the service lifecycle, driving the efficiency and accuracy of meter management.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

- Expansion and upgrades to business systems: We released new features in our online business hall, including electronic collection of prepayments; enabled single sign-on for users accessing services on “Zheliban”, making the app more user-friendly; made multiple upgrades to our ticketing system, significantly improving workflow efficiency; implemented partial upgrades in our business system to enhance its functions and stability; and developed and tested our app for “residential security inspections”, which enables us to digitally manage security inspection work. Moreover, we implemented full upgrades for our online mall (“**Badu Jishi**”) and the maintenance system for pipe network equipment and facilities, improving service quality and user experience; carried out development work on the main structure and engineering of our business environment project management system to enable more appropriate and efficient project management techniques; and made e-fapiao-related upgrades for certain systems to adapt to changes in tax policies and improve the efficiency of financial management.
- Upgrades to system interfaces and infrastructure: We established an additional enterprise interface bus platform and an enterprise-level data warehouse, while seamlessly interfacing Kingdee’s EAS with the OA system, so that we are able to engage in integrated management of materials and automate the reimbursement process. In addition, we interfaced with the systems of governments at the provincial and city levels and optimised our service window on the “Zheliban” platform. In terms of infrastructure, we made upgrades to the electronic fence at the Nanhu LNG Station and to the machine rooms and security systems at the Gangshan Comprehensive Station, to remotely capture and transfer real-time data, such as pressure and flow data from high and medium-pressure regulating stations. We also implemented partial updates for our human resources system and production safety management system to better meet our actual needs; and we made enhancements across the OA process to streamline workflows and improve efficiency.

Constructing government service outlets and promoting online services

Through the government’s “all-in-one” service platform, we have built a total of 27 government service outlets across Jiaxing city, placing access to multiple gas services at users’ fingertips. Meanwhile, we have launched mobile business halls to provide on-site onboarding services for newly delivered homeowners as well as users under the “Extending Radio and TV Broadcasting Coverage to Every Village Project”. We have added a number of new functions to our online business hall, such as an integration and processing window for the electronic collection of prepayments and a gas consumption query window, making charges payments and queries easier. In addition, we are also promoting services available on our public WeChat account, which is linked to the OA system, enabling us to manage water and gas installation requests electronically.

Cooperating with the government to accelerate the “coal to gas” and “gas container to pipeline” programme

We continue to cooperate with the government in accelerating the “coal to gas” and “gas container to pipeline” programme. To this end, we have innovatively created a “one-stop” door-to-door service – the first in its kind in Jiaxing city. Through simplified pipeline gas requests and installation for restaurants, field visits, education campaigns, on-site surveys, centralised signing, unified processing, etc., we have effectively supported the progress of “gas container to pipeline” work.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Standardising customer services and providing easier access to them

With the goal of creating a provincial “red-banner service window”, Jiaxing Gas’s Customer Service Department has carried out programmes to handle service requests on site in local communities and in towns and villages, including a downstairs and at-home service for the elderly confined at home and other special groups. We are committed to standardising our gas window services and providing easier access to our services. Through such efforts, we can continue to identify and address any weaknesses, deficiencies, or gaps to improve our service quality.

Jiaxing Gas Comfortable Life’s one-stop replacement service

Based on the principle of putting the consumer experience first, Jiaxing Gas Comfortable Life, in cooperation with manufacturers, provides consumers with a one-stop replacement service for wall-hung stoves. We provide complete heating solutions on a case-by-case basis as well as professional one-stop exclusive services including delivery, installation, dismantling, recycling, etc.

A retailer providing end customers with integrated services

To enhance people’s experience and satisfaction with life, Jiaxing Gas continues to optimise its main business, while providing comfortable home systems, such as heating, gas appliances, central fresh air, and water purification, as well as comprehensive home solutions, to address the increasing demand for a high-quality life. Showcasing our one-stop services from onboarding, meter installation, ignition, gas equipment procurement, and installation to after-sales services, and how we have reduced the procedures needed for accessing gas services to help address people’s aspirations for a better life.



Photo: Inside Jiaxing Gas’s exhibition hall showing its one-stop service solutions

3.5.3 Protecting Information Security

Jiaxing Gas attaches great importance to customer information security. We regard customer information protection as one of our core responsibilities and strictly follow relevant laws and regulations. To ensure the security of customer information, the Group has developed a series of policies, including the “Information Security Management Policy for Industrial Control System”, the “Rules on the Use and Management of Office Computers”, the “Management Measures for Public Data Sharing” and the “Information Security Management System”, which establish specific requirements for equipment management, access management, password protection, and other key processes. Jiaxing Gas carries out information security and privacy protection training for new hires to improve their awareness and skills in addressing security threats. During the reporting period, the Group conducted information security training for all staff on a quarterly basis to ensure that all employees possessed the necessary knowledge about information security.

III. SAFE GAS SUPPLY TO WARM THOUSANDS OF HOUSEHOLDS

Strengthened customer privacy security

Jiaxing Gas adopts an array of measures and actions to strengthen the security of customer information and privacy, including hardware encryption and the regular releases of upgrades and updates. In addition, the Group signs confidentiality agreements with front-line service staff (including meter reading and inspection staff and customer service staff), and include in the “Employee Confidentiality Agreement” and the “Confidentiality Policy” the specific confidentiality requirements for user information. In this way, the Group can ensure the security of internal information and customer privacy.

Collection and storage of customer information

Jiaxing Gas is digitalising its process for collecting and storing customer information, with the aim of significantly reducing the need for paper files and shifting towards a digital management approach. Jiaxing Gas collects electronic user data through the provincial-level big data centre via data sharing and applies encryption techniques to private user information of the data received.

Responding to data leakages

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

Continuing to enhance information security protection

To continuously enhance its ability to protect information security, Jiaxing Gas has also taken the following measures:

- Purchased new web-based application firewalls to build a reliable data security defence line;
- Established an additional business data interface bus system to enable encrypted data communication and unified controls over the interface;
- Conducted regular information security training to improve the safety awareness of all staff;
- Installed a data disaster recovery all-in-one machine to provide solid support for data security.

Through these efforts, Jiaxing Gas is accelerating the construction of a sound information security system to ensure the safety of customer information.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

We are actively exploring ways to create an innovative, green and low-carbon growth model to keep pace with the national strategy for energy conservation and emissions reductions. Through the introduction of cutting-edge technologies and enhancements to our management mechanisms and other solid measures, we can advance our energy conservation and emissions reduction work across the Group, accelerate our green transition, and progress steadily towards sustainable development.

The Group is fully aware of the pressing challenges presented by climate change and is constantly enhancing its ability to identify and analyse climate risks, as well as its risk prevention and control system. This enables us to take an active and appropriate approach to tackling climate change. Jiaxing Gas has always acted with the principle of “placing equal importance on development and eco-protection with a high priority on ecology”. We have fully integrated ecological and environmental measures in our business processes, making “the pursuit of green development with a high priority on ecology” our overarching principle. We follow green and low-carbon standards throughout project lifecycles, from project planning and construction to operations management, and ensure we “go green and low-carbon” in practice. In this way, we can make economic development and eco-protection compatible, making our due contribution to building an environmentally friendly society.

4.1 RESPONDING TO CLIMATE CHANGE FOR BLUE SKIES

Amid the pressing need to tackle global climate change, how to effectively identify and manage climate risks has become a key focus worldwide. This global challenge is not only related to China’s strategic planning in the long term, but also presents a common responsibility for all mankind. China is playing a positive role in climate governance by implementing the protocols reached in the United Nations Framework Convention on Climate Change and the Paris Agreement, making its due contribution to ensure the Paris Agreement delivers steady results. China continues to update its policies in response to climate change and to implement a “1+N” policy framework for carbon peaking and carbon neutrality. These efforts have achieved positive results. China is committed to building a fair and rational global climate governance system for win-win results.

Jiaxing Gas unswervingly follows a green and low-carbon path to high-quality development. Under the direction of China’s carbon peaking and neutrality goals, Jiaxing Gas is committed to going green throughout its operations, while significantly reducing carbon emissions. The Group is driving comprehensive energy business, charging facilities, and hydrogen refuelling stations and accelerating the development and adoption of clean energy, supporting the national strategy to peak carbon emissions and achieve carbon neutrality. Jiaxing Gas is fully aware that it more than plays its role as an enterprise in climate action, but also serves as a bridge connecting governments and the market, and as a catalyst to promote the transformation of the industry. While continuing to explore technological innovation and new business models, Jiaxing Gas aims to drive the industry’s green and low-carbon transition. In this way, we can provide a solid foundation for building a more prosperous and sustainable future-facing energy system, contributing our specific solutions and practices to global climate governance.

4.1.1 Climate Risk Management

As a pioneer in energy transition and responding to climate change, Jiaxing Gas fully aligns with the policy direction of the *14th Five-Year Plan* and the *National Plan on Climate Change*, and accurately captures China’s strategy to peak carbon emissions and achieve carbon neutrality. Jiaxing Gas is committed to becoming a key force driving the transformation of the energy industry towards green and low-carbon development. The Group attaches great importance to managing climate change and below is described the Group’s new developments, results and future directions in addressing climate change in four key areas: governance, strategy, risk management, and metrics and targets.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Governance

Jiaxing Gas has put in place an integrated, appropriate and adequate ESG management system, as well as an ESG task force composed of subject-matter specialists and senior executives. In this way, we can ensure efficiency and synergy between our responses to climate change and the Group's governance structure. Based on the principles and frameworks of the G20 Financial Stability Board's Task Force on Climate-Related Financial Disclosure (TCFD), we have assessed the potential impact of climate change on the urban gas industry, using quantitative and scenario-based analysis, as well as other techniques. We have accurately identified and effectively responded to climate related risks, while exploring the opportunities and growth potential created by the green transition, so as to provide a solid foundation for the sustainable development of the Group.

Strategy

Leveraging our extensive experience operating in the clean energy sector for over 20 years, Jiaxing Gas has integrated climate change risk management measures into its overall business planning. As part of going green and low carbon, we are accelerating our energy mix optimisation and upgrading. We have created strategies for the green natural gas business, while expanding into new energy markets and investing in LNG terminals, comprehensive energy service projects, and distributed energy systems. In this way, we can keep abreast of the global energy transition trends and provide strong support for Jiaxing city and the Yangtze River Delta as a whole in adopting energy integration and clean energy strategies.

We refer to the TCFD framework when identifying, assessing and responding to climate-related risks and opportunities. We have disaggregated and performed a detailed analysis of transition risks and physical risks, with the aim of fully understanding the risk monitoring network, early warning mechanism, and emergency plans, in an effort to promptly and accurately identify and effectively prevent and control different types of climate-related risks and become acutely aware of the opportunities for green transition in terms of energy transition, technological innovation, and market expansion.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

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

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

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

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

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

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

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

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

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

Risk management

The Group has taken a series of forward-looking and systematic measures to maintain strong resilience and competitiveness in the complex climate context. We carry out in-depth identification and thorough assessments of physical risks and transition risks, and actively seize potential development opportunities to enhance our flexibility in responding to the challenges and disruptions brought about by climate change. To incorporate climate-related risk management into the Group's overall strategic framework, we have deeply integrated it with our ESG management system and risk management system. To this end, we are constantly enhancing sustainable energy management and strive to reduce pollutants and GHG emissions to promote the Group's progress in green transformation. We also fully utilise our technology and R&D strengths to facilitate the research, development, and innovation of low-carbon technologies, and promote integrated energy development, aiming to continuously improve the climate-related risk management and target setting system.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Metrics and targets

The Group identifies and monitors key metrics related to climate-related risks, including GHG emissions (Scope I) and GHG emissions (Scope II), etc., conducting overall statistics and disclosures of such data on an annual basis, and ensuring their accuracy and transparency to provide data support in addressing climate change. We will continue to improve strategy development, risk management and the identification and management of metrics and targets to tackle climate change in pursuit of sustainable development with various sectors of society.

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

Indicator	Unit	2024	2023
Scope 1: Direct greenhouse gas emissions ³	Ton of carbon dioxide	710	623
Scope 2: Indirect greenhouse gas emissions	Ton of carbon dioxide	1,546	1,308
Total greenhouse gas emissions	Ton of carbon dioxide	2,256	1,931
Greenhouse gas emission intensity	Ton of carbon dioxide/100 million m ³ of gas sold	320.40	274.29

¹ Direct GHG emissions are based on Appendix 4 of the *China Energy Statistics Yearbook 2020*, *GHG Protocol*, *IPCC, 2014: Climate Change 2014: Synthesis Report*, *Intergovernmental Panel on Climate Change Fifth Assessment Report Working Group I, Working Group II and Working Group III Reports*, *Guidelines for Provincial Greenhouse Gas Inventories* (Trial, May 2011) and the *Energy Statistics Workbook* (Department of Energy, National Bureau of Statistics, 2010). Indirect GHG emissions are calculated based on the national grid emission factors in the *Notice on Issuing Carbon Dioxide Emission Factors for Electricity of 2022* issued by the Ministry of Ecology and Environment of the People's Republic of China.

² GHG emissions data do not include GHG emissions from the steam sales business (natural gas integrated energy business), which emitted 19,659 tonnes of GHG in 2024, with a GHG emissions intensity of 0.31 tonnes of CO₂ equivalent/MWh of steam production. 2023 GHG emissions from this business was 17,568 tonnes, with a GHG emissions intensity of 0.29 tonnes of CO₂ equivalent/MWh of steam production.

³ The data have discounted and accounted for methane emissions due to third-party damage in 2024 (11,836 standard cubic meters) based on the global warming potential of methane.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

4.1.2 Fulfilment of Green Operations

Green operations are the vivid practice of ecological civilisation construction and an inevitable requirement for implementing the concept of green development. Jiaxing Gas makes unremitting efforts to improve its energy-saving and environmental protection systems, and to actively explore new green office patterns. We advocate employees establishing low-carbon environmental awareness and cultivating frugal habits. We have also implemented a series of green office practices to encourage employees to integrate green philosophy into their daily lives and vocational development by fulfilling green initiatives in the minutiae of life and production.

We have taken a number of emissions reduction management measures to promote environmental protection in daily office operations:

Green office initiatives	Emissions reduction management measures
Cultivate energy-saving awareness	We carry out targeted operations training by business type to improve our employees' awareness of energy conservation and environmental protection, and avoid energy losses caused by improper operations.
Implement an energy conservation management system	We strengthen the management of electricity conservation and advocate the habit of turning on lights only when needed and turning them off when leaving the office. We set rational time intervals for the air conditioners to run and rest, and make sure the cooling temperature of air conditioners meets requirements. We also deepen paper saving management by continuously promoting paperless offices and publicity, fully utilising digital office systems to achieve the electric transmission and storage of documents, and strengthening the management of double-sided printing of printers to reduce paper waste.
Promote green travel	We actively promote the purchase and use of new energy electric vehicles.
Improve gas usage efficiency	We actively promote the application of advanced energy technologies, such as the Natural Gas Distributed Energy System, to optimise the energy mix and improve the overall energy utilisation efficiency. Through multi-level utilisation and the optimised long-distance transmission of energy, we have effectively reduced energy consumption and carbon emissions, and further improved power supply reliability by forming a coordinated and complementary development pattern with traditional power grids.
Relieve the environmental impact of production activities	We actively apply advanced technologies in improving the depth, breadth and accuracy of resource utilisation, so as to effectively reduce material and energy consumption. During the Reporting Period, Jiaxing Gas actively carried out energy-saving, emissions reduction, and green technology transformation, among this, 34,000 kWh of renewable energy was contributed by the rooftop photovoltaic power station of the Qingchi Hotel Energy Station project, injecting new impetus into the Group's green development. We also recovered 22,300 tonnes of condensate, and saved 156,100 cubic meters of natural gas.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

4.1.3 Methane Emissions Management

Jiaxing Gas strictly controls methane emissions, and attaches great importance to issues regarding methane leakage and escape. It strictly complies with and carries out the requirements of multiple national gas inspection and test standards such as the Stationary Source Emission – Determination of Total Hydrocarbons, Methane and Non-methane Hydrocarbons and the Ambient Air – Determination of Total Hydrocarbons, Methane and Non-methane Hydrocarbons, to promote the smooth implementation of methane emission management in an all-around manner.

We have adopted a combination of measures as follows to effectively promote methane emissions management in an all-around manner from multiple aspects:

Methane emissions management	Specific measures
Standardised measurement of methane concentrations	We actively promote the standardised measurement of methane concentrations for relevant operating parts to ensure the accuracy of methane emissions data. We also strengthen the optimisation, upgrading, management and supervision of the liquid unloading and gas storage processes, and prevent methane leakages or reduce the leakage frequency through technical and management means.
Transportation and storage management	We have improved relevant management processes and systems to ensure effective monitoring and management of every link involving methane emissions. We have also formulated various emergency plans to enhance our emergence management and response capabilities.
Monitoring of methane emissions and leakage	To monitor methane emissions and leakage in an all-round way, we have adopted advanced monitoring technologies and equipment, which enable real-time monitoring and data analysis, so that we can timely detect and deal with potential methane leakage problems. In addition, we continue to improve relevant measures and enhance facilities and equipment to curb methane leakages and lower gas loss rates and escape rates, so as to achieve compliance management of methane emissions.

Through such efforts, we have successfully reduced the Group's GHG emissions and promoted balance in the ecological environment. Meanwhile, Jiaxing Gas has also actively and steadily promoted the realisation of the carbon peak and carbon neutrality, making its own contribution to achieving sustainable development goals.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Methane emission management process:

1. Methane emission management process, for liquefied natural gas (LNG) of different sources, we follow relevant guidelines to carry out liquid inflow and outflow operations, and control the liquid level to prevent excessive liquid inflow;
2. We empty storage tanks to regularly check the tank vacuity, and maintain proper temperature and sufficient space above the liquid surface to ensure safety.
3. We improve and refine project plans, and try to use the existing valve heads at the access points or near the opening, to minimize the existing pipelines controlled by the existing main control valves and bypass valves.
4. All storage tanks of the LNG station are equipped with field instruments and SCADA (Supervisory Control and Data Acquisition) systems, i.e., data acquisition and monitoring control systems, which inspect and check field and system data every two hours.
5. Meanwhile, they are equipped with automatic pressure regulators for BOG (Boil-off Gas, referred to as BOG), safety valves and last manual discharge valve.
6. Design according to the vehicle structure, and slightly elevate the front end of the vehicle storage tank to facilitate the unloading of liquid and reduce the methane loss.
7. Regularly test the pressure of methane emission pipes to ensure the stability of the pressure in the pipes.
8. In construction operations involving natural gas displacement emissions, the optimal number and location of release points are selected based on pipeline distribution drawings and site conditions, and emissions are carried out strictly in accordance with operating regulations and testing requirements. The gas concentration at the discharge outlet is standardized and tested to ensure the safety of natural gas emissions operations.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Table: Energy Use Performance⁴

Indicator	Unit	2024	2023
Gasoline consumption	Liter	195,122	175,543
Diesel oil consumption	Liter	70,665	62,692
Natural gas consumption	Standard m ³	12,992	20,850
Purchased electricity ⁵	kWh'000	2,710,891	2,309,127
Total comprehensive energy consumption	kWh'000	5,277,327	4,708,192
Comprehensive energy consumption density	kWh/100 million m ³ of gas sold	749,570	668,733

4.1.4 Comprehensive Energy Transformation

Jiaxing Gas actively carries out comprehensive energy transformation while deepening its engagement in urban gas operations to promote its energy upgrading and to forge itself into a “dual carbon” benchmark player. It seizes the historical opportunity of kinetic energy iteration and takes hydrogen energy as a major force driving the development of emerging green industries to promote the high-quality growth of its hydrogen business.

Jiaxing Gas actively contacts relevant government departments and hydrogen energy enterprises to seek political and technical support. It seeks higher-level cooperation opportunities in expanded areas with local and neighbouring counties and cities, and participates in the planning, construction and operating management of Jiaxing Hydrogen Fuelling Station. It also expands channels and gas sources to enhance its energy supply capabilities. With a focus on innovation empowerment, quality and efficiency improvements, it enhances inputs into the hydrogen energy industry to promote the healthy, orderly and sustainable development of its hydrogen energy business.

⁴ Data does not include the steam sales business (natural gas comprehensive energy business). In 2024, natural gas usage of this business was 8,019,866 standard cubic meters, the purchased electricity was 206,209 kWh, the energy consumption was 10,692 tonnes of standard coal, and the energy consumption density was 0.18 tonnes of standard coal/megawatt hour steam production. In 2023, the natural gas usage of this business was 8,019,866 standard cubic meters, the purchased electricity was 206,209 kWh, the energy consumption was 10,692 tonnes of standard coal, and the energy consumption density was 0.18 tonnes of standard coal/megawatt hour steam production.

⁵ The increase of gasoline and diesel in 2024 is mainly due to the expansion of engineering teams of Jiaxing Jiaran Construction Co., Ltd., a subsidiary of the Group, and the increase of engine consumption in 2024, which increases the consumption of gasoline and diesel.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Jiaxing Gas actively engages itself in the charging pile sector, the Group jointly established Jiaxing Jiaran Ganghua Transportation Technology Co., Ltd. (“**Jiaran Ganghua**”) with Jiangsu Ganghua and Tongxiang Ganghua, to fully leverage our local advantage and expand our access to quality sites and premium customers. With the construction and operation of public fast charging stations as a strategic priority, Jiaran Ganghua focuses on constructing fast charging stations in hotels, commercial complexes, public parking lots and other sites. It also expands the market of special charging stations for logistics, sanitation and plant parks, to promote the popularity of electric vehicles and the transformation of energy mix.

During the Reporting Period, Jiaran Ganghua built several charging stations and equipped them with 168 charging piles, including 102 fast charging piles and 66 slow charging piles. The completion and operation of these charging stations provides more convenient and efficient charging services for electric vehicle users, while making a significant contribution to promoting the energy mix transformation and green development of Jiaxing City.



IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

4.2 ECOLOGICAL PROTECTION FOR A GREEN FUTURE

The Group fully implements President Xi Jinping's ecological conservation spirit and bears in mind the ambitious goal of pursuing high-quality energy development. Throughout the entire production and operating process, we always keep ecological environment protection as the top priority, spare no effort in exploring green and low-carbon advanced technologies, and strive to significantly reduce pollutant emissions, with the aim of achieving "green operations" and to accelerate the pace of green and low-carbon transformation.

4.2.1 Emissions Management

Jiaxing Gas actively practices the new concept of green development, and advocates green, low-carbon, and sustainable production and lifestyles, so as to promote low-carbon economic development and ecological civilisation construction. We strictly adhere to relevant environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution, the Law of the People's Republic of China on Prevention and Control of Water Pollution, the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and the Law of the People's Republic of China on Prevention and Control of Pollution From Environmental Noise, the Emergency Preparedness and Response Control Procedure and the National Catalogue of Hazardous Wastes.

On this basis, we formulated an action plan for pollutant treatment, the upgrade and renovation of pollution treatment facilities, and improvements to the energy efficiency of new facilities to achieve in-depth treatment of pollutants and to enhance treatment quality and efficiency. We have also established an environmental protection responsibility system, an environmental monitoring system (including a daily environmental monitoring system, emergency monitoring system, and monitoring management system) and a solid waste management system to strictly control the total discharge of waste and pollutants.

With these measures, Jiaxing Gas has set a benchmark for emissions control in the gas industry. We adhere to the green and environmental protection concept, constantly strengthen source emissions control, and have achieved remarkable results. In 2024, the Group had no major environmental accidents or any major claims due to violations of relevant environmental requirements, effectively enhancing the reputation and influence of the Group, making green development a reality.

To minimise problems caused by environmental pollution, Jiaxing Gas is committed to green development and shared prosperity in a robust ecosystem. Based on the actual circumstance of Jiaxing Gas, we have formulated the "Management Rules on Three Simultaneities for Safety Facilities", under which, environmental protection facilities shall be designed, constructed and put into use at the same pace for that of the underlying project. In addition, these facilities shall also meet the requirements of the approved environmental impact assessment reports/forms. We have also improved relevant emergency prevention measures and treatment procedures for environmental pollutants mainly involved in our daily operations, such as wastewater, exhaust gas, solid waste and noise. The Group tries to create an "accurate, scientific and effective" ecological environment supervision system, by improving the structure, integrity and synergy of emergency management.

The Group strives to create an "accurate, scientific and effective" ecological environment supervision system, and build a mechanism to detect ecological environmental problems, aiming to ensure the legality and compliance of hazardous waste management, and minimise the threat of waste to the ecological environment and human health by preventing soil, water, and atmospheric contamination.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Table: The Group's Emissions Status

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

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

In 2024, the Group's Engineering Department avoided water resource areas for gas pipeline construction and strengthened the management of pipeline jacking construction for long-distance gas pipeline network. We also took a series of measures to reduce environmental impact:

Table: Engineering management measures for environmental impact reduction

Engineering management	Measure
Construction	We reduce excavation and adopt fully enclosed barriers around the construction site to effectively control construction boundaries. We take environmental protection measures for mud tanks throughout the entire process and use special mud trucks to avoid mud leaks or spills during transportation.
Construction project management	We improve quality and safety during the construction process to minimise re-work and re-transfer of materials, and lower the utilisation rate of gasoline generators and air compressors to reduce energy consumption and carbon emissions.
Emissions management	We are gradually establishing and improving a management system to clarify and control emissions reduction targets and minimise the environmental impact of construction activities.

Table: Waste Discharge Performance

Indicator		Unit	2024	2023
Wastewater	Total sewage discharge	Tonnes	14,486.72	12,881.84
Waste gas	Total nitrogen oxide emissions	Tonnes	18.67	14.21
	Total sulphur dioxide emissions	Tonnes	1.76	1.45
	Total emissions of smoke and dust	Tonnes	2.39	1.91
Solid waste	Total hazardous waste discharge	Tonnes	—	—
	Hazardous waste discharge intensity	Tonnes/Billion cubic meters of gas sales	—	—
	Total non-hazardous waste discharge	Tonnes	60.11	48.84
	Office and household waste	Tonnes	46.86	36.64
	Food waste	Tonnes	13	12.20
	PE waste pipes	Tonnes	—	—
	Harmless waste discharge density	Tonnes/Billion cubic meters of gas sales	8.54	6.94

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

4.2.2 Environmental Mitigation

In strict accordance with laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Law of the People's Republic of China on Environmental Impact Assessment*, and other relevant laws and regulations, Jiaxing Gas effectively supervises all aspects of project operations and ensures that biodiversity protection runs through the whole production and construction cycle of the project.

The Group takes biodiversity conservation as the core consideration in selecting project construction sites, while enhancing its environmental impact assessment. The Group is committed to minimising disturbances to land and wildlife habitats throughout project construction and subsequent operations, exploring mutually beneficial pathways for ecological preservation and corporate development.

At the same time, we have built an all-process “Six-in-One” environmental management framework, always incorporating green and low carbon considerations into each part of the overall project construction process covering site selection, design, construction, and operation. We strictly abide by environmental management requirements and norms to support people's livelihoods, respect indigenous people, local culture, and folk customs, and protect the interests of residents living near construction sites.

To mitigate project impacts on local communities and habitats, an effective feedback mechanism has been instituted to gather stakeholder input through regular surveys and by implementing timely improvements. The Group enhances safety education through natural gas safety training, protective skills workshops, and emergency response drills, complemented by community engagement initiatives including children's safety workshops.

Planning and site selection

- In selecting project sites, we communicate with the government in a timely manner and conduct extensive surveys on users in advance, to enable timely and transparent communications. We also provide a clear description regarding the project overview, time schedule, and expected impacts, and update such information regularly during the project period. In addition, we also solicit, in various forms, the opinions and demands of residents living around the operating site. In the project design phase, we plan for the construction in populous area by strictly following urban planning requirements. For example, we take measures to minimise pipe ullage after the heating pipe network is put into operation while reducing the distance between the central area and main large users of the newly constructed heat supply pipe network.
- We carry out environmental impact assessments to identify the main environmental impact factors and the generation and expected discharge of relevant pollutants, for defining proposed measures.
- In accordance with the Urban Gas Design Code, we avoid ecological reserves, including water sources, wetlands, and wildlife habitats when selecting sites, employing trenchless techniques like pipe jacking to minimise ground disruption.
- Pipeline routing considers local vegetation patterns and ecosystem preservation, maintaining ecological equilibrium through minimal intervention.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

Construction

- The Group actively enhances its sense of responsibility for ecological environment protection. During the project construction period, we strictly implement mandatory provisions for environmental impact assessments, national design depth requirements, and standard specifications, and take corresponding measures to reduce the impact of project construction on the surrounding environment, such as requiring the construction team to control noise and dust, arrange the construction time reasonably and avoid night work, and entrust qualified units to issue corresponding environmental and safety assessment reports. Upon completion of the construction project, we perform pipeline blowing, intensity testing, tightness testing, and environmental impact assessments and acceptance in accordance with the relevant provisions of the Norms on Construction and Acceptance of Urban Gas Transmission and Distribution Project (CJJ 33), minimising risks to the greatest extent possible to ensure the safety of the project and reduce its impact on the surrounding natural ecology.
- Reasonably organise the construction season according to the local climatic situation, do a good job in ecological protection, scientifically utilise water and soil resources to improve the ecological environment, use green fences to prevent dust diffusion, protect the local agricultural ecology, vegetation, and survival environment of rare and endangered animals, and enhance the stability of the ecosystem.
- Develop strict construction plans and implement them accurately, effectively control environmental impact factors and manage pollutants such as noise, dust, exhaust, and wastewater emissions generated during construction based on the content of the environmental impact assessment report, and reduce the impact of project construction on the surrounding environment.
- Strengthen the management of the working environment on construction sites and control the breadth of the construction work zone. Based on the differences in the surrounding environment of the pipeline, we actively adopt non-excavation construction methods such as directional drilling and pipe jacking for pipeline construction. Combining the vegetation, terrain, and underground level along the line, we reasonably determine the burial depth of the pipeline. In the mechanical excavation operation of the green belt, we use clinker tracks to reduce damage to animals, plants, and land.
- Strengthen the fully enclosed enclosure of the work pit and cover exposed soil with a green net.
- All PE pipe welding machines and tools are uniformly replaced with fully automatic ones, so as to visualise the welding process and further improve operating quality.
- Use no diesel generators during the construction process if unnecessary and try more with electric supplies.
- Fully enclose the construction site, implement environmental protection measures throughout the entire process of the mud pit, and use dedicated mud trucks for transportation and treatment.
- Timely clean up and classify waste generated during the construction process, mix finish, curing agent, and thinner in the paint in a reasonable proportion to reduce dripping. After construction, compact the backfill and clear away construction waste in a timely manner, restore disturbed land and habitats, and cover exposed soil with green nets so as to reduce ecological impacts.

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

In 2024, the Group and its subsidiaries carried out several projects, such as the medium pressure gas pipeline renovation project, the steel gas pipeline renovation project, the relocation and renovation of underground tunnel gas pipelines, and gas pipeline renovation for farmers' self-built houses. During the construction of such projects, the surrounding natural environment, geological conditions, residents' gas demands, etc. were well-considered into our scientific design and planning. We also cooperated with transportation authorities for orderly traffic guidance during the construction process, and strengthened communication with residents by timely responding to their concerns and doubts, so as to ensure gas use safety and stable gas supplies.

4.3 RESOURCE OPTIMISATION AND JOINT EFFORTS FOR A BETTER FUTURE

The Group is actively responding to the national call for energy conservation and emissions reductions in daily operations, strives to build energy-saving and environmentally friendly enterprises, standardises and actively carries out resource management measures, and is improving energy conservation and emissions reduction policy mechanisms. We strictly abide by relevant regulations such as the Energy Law of the People's Republic of China and the Energy Conservation Law of the People's Republic of China, and explore the green development path of building resource-saving and environmentally friendly enterprises.

4.3.1 Water Resources Management

Jiaxing Gas has placed water resource conservation in a prominent position in its enterprise development, strictly implementing relevant laws and regulations such as the Water Law of the People's Republic of China, taking multiple measures, and promoting systematically to strengthen the research and development of key water-saving technologies. We comprehensively improve the level of water resource conservation and intensive utilisation, achieving the sustainable utilisation of water resources. As an industry leader, Jiaxing Gas is actively building itself into a water-saving gas enterprise, and effectively reducing water consumption by optimising office and boiler operating processes.

In order to ensure the effective implementation of water-saving work, we have established and continuously improved a water-saving water supervision mechanism, strictly implemented dual control management of total water quantity and intensity, strengthened water conservation inspections in our daily operations, and accurately handle on-site leaks. At the same time, through the application of condensate water recycling technology, we have improved the level of water resource intensive conservation and utilisation, and promoted green and high-quality development.

The Group is gradually building a sound management system to consolidate the foundation of water management, deepen excellent water management, control water efficiency goals, and promote the effective implementation of strategies. We strictly implement control over the total amount and intensity of water use, strengthen rigid constraints on water use plan indicators and stringently implement them, and promote the widespread use of water-saving appliances at various water use points. In addition, we are focused on promoting water conservation education, comprehensively enhancing employees' awareness of water conservation, posting slogans such as "Please cherish every drop of water" in the bathrooms of each floor of the office and business premises, and regularly conducting internal water use inspections, assessments, and evaluations to ensure the effective implementation of the water conservation system.

Table: Water Resources Utilisation Performance

Indicator	Unit	2024	2023
Total water consumption	Tonnes	89,084	67,160
Water use intensity	Tonnes/RMB1 million of revenue	33.06	22.72

IV. PROMOTING ECO-PROTECTION FOR A GREENER PLANET

4.3.2 Digital Offices

The Group deeply integrates the concept of conservation into the entire office chain, relying on digital office platforms as a core tool and fully promoting digital transformation and management upgrading. We actively promote digital management and are gradually replacing traditional paper printing with digital files, steadily advancing towards the vision of “paperless” office. In 2024, we continuously optimised and upgraded our digital office system, adopted diversified measures, and formulated a series of management goals and specific measures. We are committed to deepening the construction of office informatisation, widely promoting electronic and paperless office processes, while significantly reducing the consumption of disposable office supplies, so as to comprehensively accelerate the new journey of the Group’s green and low-carbon development.

Digital office

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

Smart Services

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

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

We adhere to the principle of standardised employment and fully protect the legitimate rights and interests of employees. At the same time, we attach great importance to the establishment and improvement of the talent training and management system, and are committed to creating a broad stage to help employees realise their personal values and professional growth. By promoting the common growth and progress of employees and the enterprise, we are continuously pushing the enterprise towards a higher stage of quality development and creating a brilliant future together.

5.1 COMPENSATION AND BENEFITS

5.1.1 Equal Employment Opportunities

Jiaxing Gas always adheres to the people-oriented and people-first principle, strictly abiding by national and local laws and regulations as well as labour policies and employment requirements, including, but not limited to, the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Minors, etc. From July to August 2024, Jiaxing Gas formulated and improved internal rules, including the "Rules on Recognition of Qualifications of Employees", the "Rules on Employee Training Management", the "Rules on Management of Employees Attendance", the "Rules on Management of Employees Leaves", the "Rules on Management of Recruitment and Employment", and the Handbook on Rights and Interests of Employees, which stipulate clear rules on employment, dismissal, working hours, and holidays of employees and provide institutional guarantees for safeguarding the basic rights and interests of employees, protecting employee rights and interests to stimulate the staff's creative vitality and promote the healthy development of the enterprise.

Recruitment management

We have established a comprehensive recruitment system to acquire outstanding talent through campus recruitment, employee referrals, online recruitment, and large recruitment fairs organised by relevant authorities, based on phased recruitment plans formulated by the HR Department in line with our development strategies and the requirements of different departments. We have no restrictions on gender or the household registration of candidates to ensure fairness, justice and openness in our recruitment, fully adopting the principle of equal opportunity throughout the recruitment process. We have developed a sound remuneration system and diversified promotion channels, and operate in strict accordance with national laws and regulations, to maintain an upbeat working spirit and harmonious labour relations.

In the recruitment process, we focus on the comprehensiveness and accuracy of interview evaluations, and continuously improve the recruitment and hiring process. We respect differences, encourage diversity, and enhance inclusiveness, firmly opposing any forms of restriction and discrimination on the grounds of gender, age, educational background and religious belief, etc., so as to ensure that the Group is full of vitality and is committed to a diverse, inclusive, and equitable work environment.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Employment rules

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

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

Protection of human rights

When employees join the Group, we strictly screen and confirm their identity information by sending information registration forms and employment approval forms to ensure that all processes comply with national laws and regulations. For any violations, we will take serious measures to deal with them in a timely manner in accordance with relevant laws and group regulations, eliminate the use of child labour at the source, and help popularise social security. To prevent forced labour, the Group does not restrict employees' personal freedoms or force labour to work by collecting deposits, detaining documents, making threats, etc., as to fully prohibit forced or compulsory labour. When employees leave, we will not impose any restrictions on their choice of new job for any reason or through any means. The Group has zero tolerance for child and forced labour to fully protect the rights and interests of its employees.

In 2024, the Group was not involved in any illegal activities including child labour or forced labour.

Rights to holidays and leave

We value the welfare and security of our employees and strictly implement the national statutory regulations on holidays and leave; employees are entitled to national statutory holidays, annual leave, maternity leave, marriage leave, etc. We have stipulated and improved the "Rules on Management of Employee Leave" to regulate the management and approval procedures for employees to take leaves. This not only reflects our respect for human rights, but also provides strong guarantees for the health and sustainable development of enterprises.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

We actively promote a balanced male-to-female ratio and provide equal employment opportunities for employees of different ages. As at the end of the Reporting Period, we had a total of 402 employees, a decrease of 6 employees compared to the previous year. The overall employee turnover rate was 2.66%, a decrease of 0.2% compared to 2023, indicating a further enhancement in the stability of the Group's workforce. Summaries of the Group's employees by gender, age, region, and position level are as follows:

Category	Metric	Unit	2024	2023
By gender	Total headcount	Persons	402	408
	Male	Persons	287	296
	Female	Persons	115	112
By age group	25 or below	Persons	3	4
	25 to 30 (including 25)	Persons	54	53
	30 to 40 (including 30)	Persons	159	161
	Above 40 (including 40)	Persons	186	190
By region	Jiaxing, Zhejiang Province	Persons	401	407
	Outside Jiaxing, Zhejiang Province	Persons	1	1
By position level	Senior management	Persons	8	8
	Middle management	Persons	59	59
	General staff	Persons	335	341

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

Category	Metric	Unit	2024	2023
By gender	Male	%	2.43	1.99
	Female	%	3.48	5.08
By age group	25 or below	%	0.00	0.00
	25 to 30 (including 25)	%	5.56	5.36
	30 to 40 (including 30)	%	1.26	3.01
	Above 40 (including 40)	%	3.23	2.06
By region	Jiaxing, Zhejiang Province	%	2.74	4.50
	Outside Jiaxing, Zhejiang Province	%	0.00	0.00

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.1.2 Compensation and Benefits

In terms of policy construction, we have improved the performance evaluation and salary distribution system, ensuring that employees pay the five insurances and housing fund on time.

The Group provides employees with various forms of benefits, including:

Employee benefits	Practices
Care at special times	Deliver heatstroke prevention materials to front-line employees during the hot summer and other special working periods.
Health care	We care about our employees' health, and regularly provide them with benefits including labour insurance benefits. Each year, we organise physical examinations for all employees and female employees.
Mental health support	We conduct lectures on psychological stress counselling for employees to help them relieve work pressure.
Care for female employees	We care about female employees and organise the Commendation Meeting for Excellent Female Employees on International Women's Day, as well as recreational and cultural activities such as flower arranging activities to timely deliver welfare and care in women's holidays.
Holiday benefits	We also provide holiday-related benefits, such as festival allowances and in-kind benefits (including agricultural products, fruit, holiday gifts).
Birthday parties	We hold employee birthday parties every quarter to create a warm team atmosphere.
Care for retired employees and veteran party members	We visit and distribute benefits to retired staff representatives and veteran party representatives

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2 RETAINING TALENT WITH CAREER PROSPECTS

Jiaxing Gas continues to improve its training system, by strengthening the incentive mechanism and providing a smooth development path. We are committed to deepening talent development through constantly optimising the staff training system, assessment mechanism, promotion channels, professional title reviews, etc. We elaborately create development blueprints for all our people in line with their positions and actual needs, so as to integrate their personal achievements into our business development and constantly upscale our talent pool to fuel our non-stop high-quality development.

5.2.1 Integrated Training System

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

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

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

The Group regularly organises staff to study typical indoor accident cases and attend training on security inspection skills. Such training includes training on basics for security inspection in resident buildings and training on hydrogen refuelling station process and operational safety management. Such training activities are designed to equip employees with the necessary knowledge and skills to perform their daily duties under higher standards and stricter requirements with more practical measures, and to further improve their safety awareness and duty performance.

As at the end of the Reporting Period, all employees of Jiaxing Gas had received training provided by the Group, a total of 15,776 hours with an average of 39.24 hours per employee were spent on training.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Category	Metric	Unit	2024	2023
Average training duration by gender	Male	Hours	39.24	26.66
	Female	Hours	39.25	28.77
Average training duration by position level	Senior management	Hours	39.27	43.37
	Middle management	Hours	39.25	27.29
	General staff	Hours	39.24	26.85

Transportation training in severe winter weather

On November 27, 2024, Jiaxing Gas's subsidiary – Jie'an Transportation (捷安運輸) conducted a training on winter transportation precautions for all drivers and guards, with a total of 14 employees participating. The training included advance preparations, understanding routes, paying attention to weather changes, safe driving, etc., to strengthen the safety awareness and emergency response capabilities of drivers and guards.



Photo: Training on transportation precautions in severe winter weather

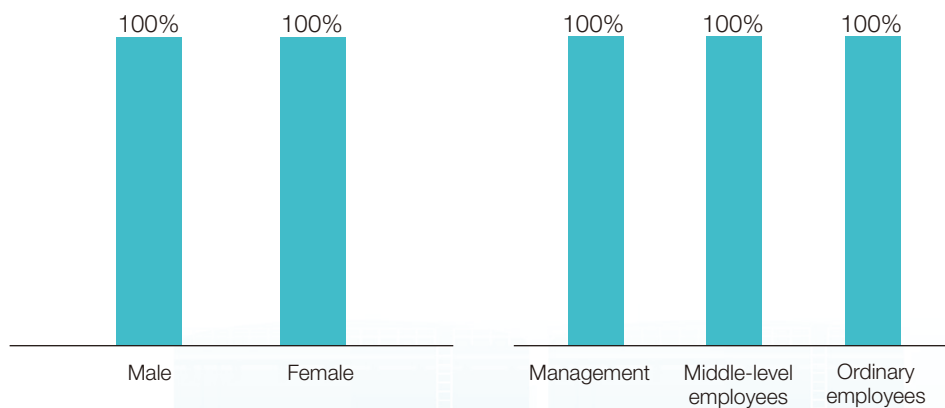


Photo: Percentage of trained employees of Jiaxing Gas in 2024

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2.2 Fair Performance Appraisal

In order to accurately measure the effectiveness of courses, the Group has innovatively established a diversified course learning evaluation system. Through periodic evaluations of semi-annual and annual assessments, we actively provide positive feedback and promote the iteration and upgrading of training courses. At the same time, we continuously optimise the evaluation mechanism, comprehensively consider the professional competence of employees, summarise the assessment results, and regularly report to the senior management of the Group, providing solid data support for formulating departmental development strategies and planning follow-up training plans.

Safe production and management responsibilities play an important role in Jiaxing Gas's operations. To this end, we closely focus on these two core areas, carefully plan employee training programs, and comprehensively examine employees' morality, abilities, diligence, and performance results based on departmental responsibilities and quality objectives in combination with annual performance evaluation mechanisms. This series of assessments not only provides a detailed basis for employee promotion, salary adjustment, and reward and punishment decisions, but also significantly stimulates employees' work enthusiasm by strengthening positive incentive mechanisms. During the reporting period, 100% of the Group's employees were covered by the performance evaluation system, ensuring fair and transparent opportunities for growth and competition.

5.2.3 Smooth Career Path

Fully respecting the value of talent and emphasising their development, the Group strictly regulates the promotion process, has further deepened the reform of the personnel system of the Group, transformed the single career promotion model only linked with administrative ranks, established a team comprising old, middle-aged and young employees, and ensures that employees can obtain clear career development paths and fair promotion during their terms of office, with a trained team of high-quality professional and technical personnel to ensure the sustainable development of talent in the Group.

To provide employees with more flexibility in career development and to ensure that competition is fair and open, the Group goes through a regular mechanism of job promotion and pay grade increases every year. We provide all formal employees on duty with development channels in professional, technical and administrative directions. When making decisions on job promotion, we arrange annual competitions for middle-level management posts, and professional and technical posts to open a path for career development, allowing grass-roots cadres to display their talents and realise their career aspirations. When making decisions on pay grade increases, we increase the salaries of employees and middle-level management every year to improve their compensation and benefits, further enhance their work performance, and promote high-quality development of the enterprise. In addition, to improve employee motivation and stimulate the innovative vitality of the enterprise, we organise our employees to participate in a skills competition every year, with the winners given priority over their peers when being reviewed for the qualification to get awards, transfers and job promotions at the end of each year. We continue to establish a scientific and sound career development channel, organising internal competition meetings every year to provide employees with promotion channels in both the administrative management and professional technology directions, ensuring skilled talent can also enjoy stable career development expectations within the group and grow into industry experts.

In 2024, 9 employees of the Group were promoted, including 5 female employees and 4 male employees.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

Jiaxing Gas's internal job evaluation and appointment process is as follows:

1. Post announcement: Positions that need to be evaluated and filled are announced according to the needs of the Group.
2. Self-recommendation: According to the positions, application conditions and qualifications, application for positions is submitted in the form of self-recommendation. Applicants who meet the requirements and intend to participate in the evaluation for employment need to fill in the Position Application Form.
3. Qualification examination: After the expiry of the position application period, the evaluation and recruitment leading group will determine and publish the list of candidates for evaluation and recruitment after examining their qualifications, according to the conditions and qualifications of evaluation and recruitment.
4. Speech evaluation: Employees are notified one day in advance to give a speech for the recruitment and undergo an evaluation. Each candidate will give a speech for 3-5 minutes at the evaluation and recruitment meeting and will be evaluated by members of the evaluation and recruitment leading group.
5. Proposed candidate: With reference to the evaluation results, the evaluation and recruitment leading group collectively discuss to determine the candidates to be hired and the positions to be filled, which will be announced in the Group for at least 3 days before the appointment.
6. Appointment approval: Through the pre-appointment announcement, the relevant employees are formally appointed, with the approval of administrative leaders of the Group.
7. Follow up: New employees will receive on-the-job training and guidance to ensure that they can quickly adapt to their new roles and give full play to their effectiveness. At the same time, the Group will continue to pay attention to employee career development and provide necessary support and resources.

Through the above optimization process, we aim to ensure the fairness, transparency and efficiency of internal job evaluation, provide employees with fair career development opportunities, stimulate team vitality, and promote the sustainable and stable development of the Group.

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.2.4 Improving Professional Competence

To stimulate employees' intrinsic motivation, we have comprehensively implemented a professional level certification system for employees, encouraging our people to obtain professional titles through occupational certification, as a move to improve their professional competence and technical skills. We also grant annual subsidies to employees acquiring professional titles on a regular basis. In addition, we encourage employees to participate in major industry competition events, and cite winners with rewards of various forms, aiming to give full play to their strengths at suitable posts and retain quality talent by boosting their confidence and working efficiency.

In 2024, the Group actively participated in skills competitions such as the “2024 Zhejiang Gas Industry Employee Vocational Skills Competition and 3rd China Yangtze River Delta Gas Industry Employee Labour Skills Innovation Competition”.

Winning honours in skills competitions

In June 2024, the Zhejiang Gas Industry Employee Vocational Skills Competition and the 3rd China Yangtze River Delta Gas Industry Employee Labour Skills Innovation Competition were held at the Qibao Repair Base of Hangzhou Gas Group. After intense competition, the Jiaxing delegation secured second place in the team rankings. Among them, Yang Jiayuan from the Group achieved first place in the Zhejiang Provincial delegation and won the competition's top prize, setting a historic record for Jiaxing participants in the Yangtze River Delta competitions. Zhu Weiliang won third prize. The Group will continue to advance employee skills development through technical contests, driving high-quality growth in the urban gas industry.



Photo: Provincial Gas Skills Competition and 3rd China Yangtze River Delta Gas Industry Employee Labour Skills Innovation Competition

V. PEOPLE ORIENTATION AND JOINT EFFORTS FOR A BETTER FUTURE

5.3 FOSTERING A SENSE OF BELONGING, UNITING STRENGTH

We have established an open dialogue mechanism, welcoming employees to share valuable opinions and suggestions to jointly shape the Group's future. We prioritise employee care and development by organising diverse activities and platforms to meet multifaceted needs. We emphasise a work-life balance, encouraging physical and mental wellness to fuel passionate and proactive engagement.

5.3.1 Diverse and Liberal Communication

To deeply understand employee perspectives, we regularly host veteran-newcomer forums attended by senior leadership. The HR department conducts targeted interviews with different job groups through youth salons and team-building activities. A "Direct-to-General-Manager" mailbox is maintained, with quarterly meetings inviting employee representatives to discuss development strategies. The Group's subsidiaries also responded positively and implement tailored communication initiatives. For example, Jiaxing Port Natural Gas (嘉興港區公司) established an "Employee Voice Room", organised team-building events, and launched a Young Cadres Forum.

Annual employee satisfaction surveys achieved a 100% satisfaction rate in 2024. The Group has set up an effective labour union system as a robust advocate for employee rights to ensure effective functioning of its governance framework.

5.3.2 Multifarious Recreational Activities

We enrich employees' cultural lives through regular care visits, team-building events, and birthday celebrations to strengthen cohesion. The Group prioritises physical and mental health, fostering a positive and harmonious workplace. We have planned a series of exciting activities, such as the Jiaxing Marathon, to alleviate stress, promote public welfare, enhance fitness, and reinforce social responsibility.

Table tennis friendship match between Jiaxing Gas and Hangjiaxin Energy

In August 2024, Jiaxing Gas and Zhejiang Hangjiaxin Energy held a friendly table tennis match, deepening inter-company communication and laying the groundwork for efficient collaboration.



Photo: Friendly table tennis match

VI. GIVING BACK TO SOCIETY

The Group is committed to building an efficient and professional team of social service volunteers in accordance with the “the Norms of JiaXing Gas Group Company Limited on the ‘Devotion and Care’ Volunteer Services Management”.

During the Reporting Period, the Group and the co-construction units of the jurisdictions in which it operates focused on practical matters relating to people’s livelihoods, including gas safety publicity, visits to the elderly, anti-fraud publicity, blood donations, and other activities. We carried out a total of 257 public welfare social programs. Moving forward, Jiaxing Gas will continue to uphold the spirit of “devotion and love”, deepen its volunteer system, expand service scopes, and elevate quality to honour corporate social responsibilities with practical actions and advance social sustainability.

6.1 GROWTH TOGETHER UNDER THE GUIDANCE OF THE PARTY

Monthly study seminars at subsidiaries reinforce theoretical knowledge and collective wisdom. Sessions focus on implementing the Party’s innovative theories, particularly Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era and the essence of the “Double Eight Strategy”. Through thematic education and knowledge-sharing, the Group strengthens the understanding of the Party’s theories and policies, forming a highly unified ideological understanding.

As a pioneer in the industry, Jiaxing Gas has been continuously carrying out rural safety publicity activities for more than 20 years, allowing the public to truly feel the thoughtful and considerate services of Jiaxing Gas, significantly improving users’ safety prevention ability and sense of happiness in life.

The Group’s Party members delivering warmth

In 2024, Party members spearheaded free gas safety workshops in communities, making unremitting efforts to help community residents understand the impact of accidents, avoid accidents, and create safe gas communities. Party members took the lead, with the Group actively fulfilling its social responsibilities to achieve common development between the enterprise and the community.



Photo: Party members conducting a gas safety outreach

6.2 COMMUNITY CARE, WARMING LIVELIHOODS

In 2024, Jiaxing Gas continued to make efforts, and carefully planned and organised a series of activities: traditional festival celebrations to promote culture, urban beautification projects, gas safety education to enhance awareness, and free gas security inspections to ensure safety. Through these measures, Jiaxing Gas actively fulfills its social responsibilities and achieves common development between the enterprise and the community.

Enhancing gas safety to live a comfortable life

In order to further popularise information management and gas safety knowledge, and enhance user safety awareness, in February 2024, the Group's Deputy Party Secretary led volunteers to a Tai Chi Association annual meeting to promote gas safety. During the event, volunteers presented the Group's online business hall service of "doing business without leaving home" to members of the Tai Chi Association, guiding them to follow the official account, achieve self-service reporting and payment, and check gas safety knowledge. This event received positive responses and had a significant promotional effect, reflecting the original intention of the Group to fulfill its social responsibilities and enhance users' awareness of gas safety through publicity and education, ensuring the safety of users' lives and property.



Photo: Scene of the Group's "Enhancing gas safety to live a comfortable life" activity

VI. GIVING BACK TO SOCIETY

6.3 LOVE IN ACTION: SUMMER RELIEF

The Group has always adheres to its social responsibilities and carries a deep emotional attachment to the people. It is not only committed to the sustainable and healthy development of the enterprise itself, but also to the wider participation of the Group in social welfare and charity donations.

Summer Heat Relief Activity

On July 17, 2024, the Deputy Party Secretary of the Group, together with “Devotion and Love” volunteers, entered Changshui Street to carry out a summer care activity. The Deputy Party Secretary and volunteers presented cooling oil, medicines, towels, and other heatstroke prevention supplies to sanitation workers, handed over mineral water to relieve heatstroke, and reminded everyone to pay attention to heatstroke prevention and cooling in their daily work, and to balance work and rest. The Group carries out such activities every year and regularly opens its business halls to provide cool resting places for express delivery workers, sanitation workers, and delivery drivers to build a civilised enterprise.



Photo: Caring activities in hot summer

6.4 SOWING GREEN HOPE, CO-CREATING NATURE

In 2024, the Group reaffirmed its commitment to spring tree-planting, fostering our ecological responsibilities. We not only sow green seeds, but also sow hope. We hope to inspire more people to participate in this green revolution through practical actions and jointly safeguard the beautiful home we rely on for survival.

Advocating ecological civilisation to build a green home together

Jiaxing Gas continues to align with national green development goals, hosting annual Arbor Day events. In 2024, company executives and employee representatives participated in tree planting activities, advocating an ecological civilisation to build a green home together. Under the guidance of professional personnel, every process was carried out in an orderly manner, ensuring every sapling can grow strong and adding a touch of green to the city.



Photo: A tree planting site

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Part B: Mandatory Disclosure Requirements		
	A statement from the board	Directors' Statement
	Reporting Principles	ABOUT THE REPORT
	Reporting Boundary	ABOUT THE REPORT
Part C: "Comply or explain" Provisions		
A. Environmental		
Aspect A1: Emissions		
A1	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.	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
KPI A1.1	The types of emissions and respective emissions data.	Promoting Eco-Protection for a Greener Planet – Ecological Protection for a Green Future
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). [Repealed 1 January 2025]	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Eco-Protection for a Greener Planet – Ecological Protection for a Green Future
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Promoting Eco-Protection for a Greener Planet – Ecological Protection for a Green Future
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
KPI A1.6	Description of how hazardous and nonhazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Aspect A2: Use of Resources		
A2	<p>General Disclosure</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials.</p>	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Resource Optimisation and Joint Efforts for a Better Future
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).	Promoting Eco-Protection for a Greener Planet – Resource Optimisation and Joint Efforts for a Better Future
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Promoting Eco-Protection for a Greener Planet – Resource Optimisation and Joint Efforts for a Better Future
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Resource Optimisation and Joint Efforts for a Better Future
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.	Promoting Eco-Protection for a Greener Planet – Resource Optimisation and Joint Efforts for a Better Future
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Group's business does not involve the use of finished product packaging materials
Aspect A3: The Environment and Natural Resources		
A3	<p>General Disclosure</p> <p>Policies on minimising the issuer's significant impacts on the environment and natural resources.</p>	Promoting Eco-Protection for a Greener Planet – Resource Optimisation and Joint Efforts for a Better Future, Ecological Protection for a Green Future
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Eco-Protection for a Greener Planet – Resource Optimisation and Joint Efforts for a Better Future, Ecological Protection for a Green Future, Resource Optimisation and Joint Efforts for a Better Future

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Aspect A4: Climate Change		
A4	General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer. [Repealed 1 January 2025]	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
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. [Repealed 1 January 2025]	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
B1	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	People Orientation and Joint Efforts for a Better Future – Compensation and Benefits
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	People Orientation and Joint Efforts for a Better Future – Compensation and Benefits
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	People Orientation and Joint Efforts for a Better Future – Compensation and Benefits

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Aspect B2: Health and Safety		
B2	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.</p>	Safe Gas Supply to Warm Thousands of Households – A Cornerstone of Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Safe Gas Supply to Warm Thousands of Households – A Cornerstone of Safety
KPI B2.2	Lost days due to work injury.	Safe Gas Supply to Warm Thousands of Households – A Cornerstone of Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Safe Gas Supply to Warm Thousands of Households – A Cornerstone of Safety
Aspect B3: Development and Training		
B3	<p>General Disclosure</p> <p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	People Orientation and Joint Efforts for a Better Future – Retaining Talent with Career Prospects
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People Orientation and Joint Efforts for a Better Future – Retaining Talent with Career Prospects
KPI B3.2	The average training hours completed per employee by gender and employee category.	People Orientation and Joint Efforts for a Better Future – Retaining Talent with Career Prospects

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Aspect B4: Labour Standards		
B4	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour</p>	People Orientation and Joint Efforts for a Better Future – Compensation and Benefits
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	People Orientation and Joint Efforts for a Better Future – Compensation and Benefits
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	People Orientation and Joint Efforts for a Better Future – Compensation and Benefits
Operating Practices		
Aspect B5: Supply Chain Management		
B5	<p>General Disclosure</p> <p>Policies on managing environmental and social risks of the supply chain.</p>	Enhancing Operational Robustness in Order to Go Far – Responsible Procurement from Green Sources
KPI B5.1	Number of suppliers by geographical region.	Enhancing Operational Robustness in Order to Go Far – Responsible Procurement from Green Sources
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.	Enhancing Operational Robustness in Order to Go Far – Responsible Procurement from Green Sources
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Enhancing Operational Robustness in Order to Go Far – Responsible Procurement from Green Sources
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Enhancing Operational Robustness in Order to Go Far – Responsible Procurement from Green Sources

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Aspect B6: Product Responsibility		
KPI B6	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Safe Gas Supply to Warm Thousands of Households – A Cornerstone of Safety
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Safe Gas Supply to Warm Thousands of Households – High-quality Services and Putting the Customer First
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Safe Gas Supply to Warm Thousands of Households – Innovation-driven Upgrading
KPI B6.4	Description of quality assurance process and recall procedures.	Not applicable
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Safe Gas Supply to Warm Thousands of Households – High-quality Services and Putting the Customer First

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Aspect B7: Anti-corruption		
B7	<p>General Disclosure</p> <p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.</p>	Enhancing Operational Robustness in Order to Go Far – Promoting Integrity
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.	Enhancing Operational Robustness in Order to Go Far – Promoting Integrity
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Enhancing Operational Robustness in Order to Go Far – Promoting Integrity
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Enhancing Operational Robustness in Order to Go Far – Promoting Integrity
Community		
Aspect B8: Community Investment		
B8	<p>General Disclosure</p> <p>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.</p>	Safe Gas Supply to Warm Thousands of Households – Fostering Inclusive Communities Giving Back to Society
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Safe Gas Supply to Warm Thousands of Households – Fostering Inclusive Communities Giving Back to Society
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Giving Back to Society

HKEX APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE INDEX

Aspect	Content	Content
Part D: Climate-related Disclosures		
(I) Governance	The governance body(s) responsible for oversight of climate-related risks and opportunities	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
(II) Strategy	Climate-related risks and opportunities.	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
(III) Risk Management	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
(IV) Metrics and Targets	Greenhouse gas emissions	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
	Climate-related transition risks	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future
	Climate-related physical risks	Promoting Eco-Protection for a Greener Planet – Responding to Climate Change for Blue Skies, Ecological Protection for a Green Future