



# 慧居科技

## 慧居科技股份有限公司

### Wise Living Technology Co., Ltd

(於中華人民共和國註冊成立的股份有限公司)

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

股份代號 Stock code : 2481



## Environmental, Social and Governance Report

環境、社會及管治報告

# 2024



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# About the Report



## 1.1 INTRODUCTION

Wise Living Technology released the annual Environmental, Social and Governance (“ESG”) report (the “**Report**”) for 2024, which aims at disclosing the Group’s ESG-related strategic policies, management measures and performance in response to stakeholders’ expectations on the Group’s sustainability and information disclosure, thus enhancing stakeholders’ understanding of and confidence in the Group.

## 1.2 SCOPE OF REPORT

The Report is an annual report, unless otherwise specified, its time span is from 1 January 2024 to 31 December 2024 (“**2024**” or the “**Year**”). The policies and data collection covers the headquarter office of Wise Living Technology and its 11 project subsidiaries with actual business activities (Shanxi Shuangliang Renewable Energy Industry Group Company Limited (“**Shanxi Shuangliang Renewable Energy**”), Taiyuan City Renewable Energy Heat Supply Company Limited (“**Taiyuan City Renewable Energy**”), Datong City Renewable Energy Heating Company Limited (“**Datong City Renewable Energy**”), Shanxi Transformation and Comprehensive Reform Demonstration Zone Heat Supply Company Limited (“**Shanxi Transformation and Comprehensive Reform**”), Shuozhou City Renewable Energy Thermal Company Limited (“**Shuozhou City Renewable Energy Thermal**”), Lanzhou New Area Shuangliang Thermal Power Company Limited (“**Lanzhou New Area Shuangliang**”), Gansu Shuangliang Smart Energy Management Company Limited (“**Gansu Shuangliang**”), Hulunbuir Shuangliang Energy System Company Limited (“**Hulunbuir Shuangliang**”), Wise Living Tech-Thermal Power (Zhengzhou) Limited (“**Wise Living Tech-Thermal Power**”), Wise Living Energy (Baotou) Limited (“**Wise Living Energy**”), and Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited (“**Shanxi Xixian Shuangliang**”)).

## 1.3 DESCRIPTION OF NAMES

For the convenience of expression and reading, unless otherwise specified, in the Report, “Wise Living Technology”, “Wise Living” and “Group” refer to Wise Living Technology Co., Ltd and its subsidiaries.

## 1.4 SOURCE OF INFORMATION

The information and data used in the Report are from official documents and reports, internal statistics and public information of Wise Living and so on. Unless otherwise specified, the monetary amount involved in the Report is denominated in RMB. The Group undertakes that the Report does not contain any false records or misleading statements, and is responsible for the authenticity, accuracy and completeness of its contents.

## 1.5 BASIS OF PREPARATION

The Report has been prepared in accordance with all the “comply or explain” provisions as set out in Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) in Appendix C2 under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited (the “**HKEX**”). The content index of the indicator is set out in Appendix 2 of the Report for users’ quick search.





## 1.6 REPORTING PRINCIPLES

Reporting Principles	Definitions of Reporting Principles in ESG Reporting Guide	Wise Living's Response
Materiality	When the Board of Directors determines that ESG issues have a significant impact on investors and other stakeholders, the issuer should report on these matters.	Identify current major sustainability issues and disclose the Group's ESG risks and management initiatives through ongoing communication with stakeholders, taking into account the Group's strategic development and business operations.
Quantification	Key performance indicators relating to historical data are measurable. The issuer should set targets (which can be actual figures or directional, forward-looking statements) to reduce individual impact. In this way, the effectiveness of ESG policies and management systems can be assessed and validated. Quantitative information should be accompanied by a narrative, explaining its purpose and impacts, and providing comparative data where appropriate.	Disclose environmental and social key performance indicators of the Group quantitatively and elaborate the quantitative information with text.
Balance	The ESG Report should provide an unbiased picture of the issuer's performance, and should avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.	The Group has elaborated on sustainability issues that have a significant impact on its business, including results of work and challenges.
Consistency	The issuer should use consistent methodologies to allow for meaningful comparisons of ESG data over time.	The Group will ensure that the scope of disclosure and reporting methodology of the report are broadly aligned on an annual basis, allowing stakeholders to compare the Group's performance.

## 1.7 REPORT ACCESS AND LIAISON

The Report is issued in both Chinese and English. If there is any discrepancy between the versions, the Chinese version shall prevail. An electronic version of the Report is available on the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) or the official website of the Group at [www.hjkj.cn](http://www.hjkj.cn). If you have any questions or opinions about the Report and its contents, please contact us as below.

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## Message from the Chairman



In this era brimming with hope and challenges, we are ushering in a milestone year for Wise Living since its inception. 2024 marks the second year of our listing on the Hong Kong Stock Exchange and represents a crucial phase in our new journey toward sustainable development. By implementing a string of innovative strategies, we have not only reinforced our commitment to environmental and social responsibilities but also laid a robust foundation for our future long-term development.

In terms of environmental management, Wise Living continues promoting the development of clean energy, actively exploring and utilizing sources of clean thermal energy such as geothermal power, solar energy, air-source heat, and residual heat from power plants. With these initiatives, we have not only reduced our reliance on traditional fossil energy but also considerably lowered carbon emissions, making a positive contribution to the global effort against climate change. We always prioritize the protection of the ecological environment, implementing stringent measures to control our impact on it. For example, in the drilling process, we adopt technologies such as well cementing to prevent contamination of shallow groundwater, enabling green and sustainable energy development. In addition, we built an intelligent heating platform by leveraging advanced technologies such as the Internet of Things (IoT) and AI. This platform enables real-time monitoring of the entire heating process, ensuring both the stability and sustainability of heating supply. It is worth mentioning that during the 14th National Winter Games in 2024, Wise Living not only delivered reliable heat services, ensuring that all competition venues satisfied the stringent standards required for international events, but also showcased our advanced technological expertise and commitment to social responsibility.

In respect of social contribution, Wise Living has always adhered to a people-oriented philosophy, striving to improve community-based living environment. We give back to communities through public welfare activities to advance the sustainable development of communities. For instance, we have established 24/7 customer service in ethnic minority languages to see that customers from diverse cultural backgrounds receive attentive support. Furthermore, through the successful operation of the “Youyuncai” (友雲採) platform, we have achieved digitalization in supply chain management, drastically enhancing efficiency and reducing costs, thereby supporting the sustainable development of both the Group and our suppliers. With respect to talent development, we are keenly aware that talent is the most critical asset of an enterprise. Therefore, we have established a diversified training system, recruiting and nurturing a pool of high-caliber professionals through external hiring and internal cultivation. This provides solid human resources support for our growth. Through various training and incentive mechanisms, we unleash the potential of our employees, fostering mutual growth for individuals and the Group. With regard to safety management, we have strictly enforced national safety production regulations and established a complete safety management system. For 14 consecutive years, we have not experienced any major safety accidents. This achievement not only ensures the safety of our employees and communities but also lays a solid foundation for stable operations.

As far as corporate governance is concerned, we rigorously implement ESG strategies and continuously improve our communication mechanisms with stakeholders. Following international best practices, we have established a comprehensive risk management and internal control system to ensure operational transparency and accountability, thereby building greater trust among investors and the broader community.

Looking ahead, adhering to the principle of sustainable development, Wise Living will constantly explore and implement new technologies and methods for environmental protection. Guided by the dual carbon goals, we will continue to expand our heating, steam, and cooling projects, while further strengthening collaborations with global partners. Together, we will cope with environmental challenges and advance the development of green energy, to achieve a harmonious balance of social, environmental, and economic benefits. We firmly hold that through unremitting efforts, Wise Living will undoubtedly become a globally respected model of sustainable development.

Thank you!

**Li Baoshan**

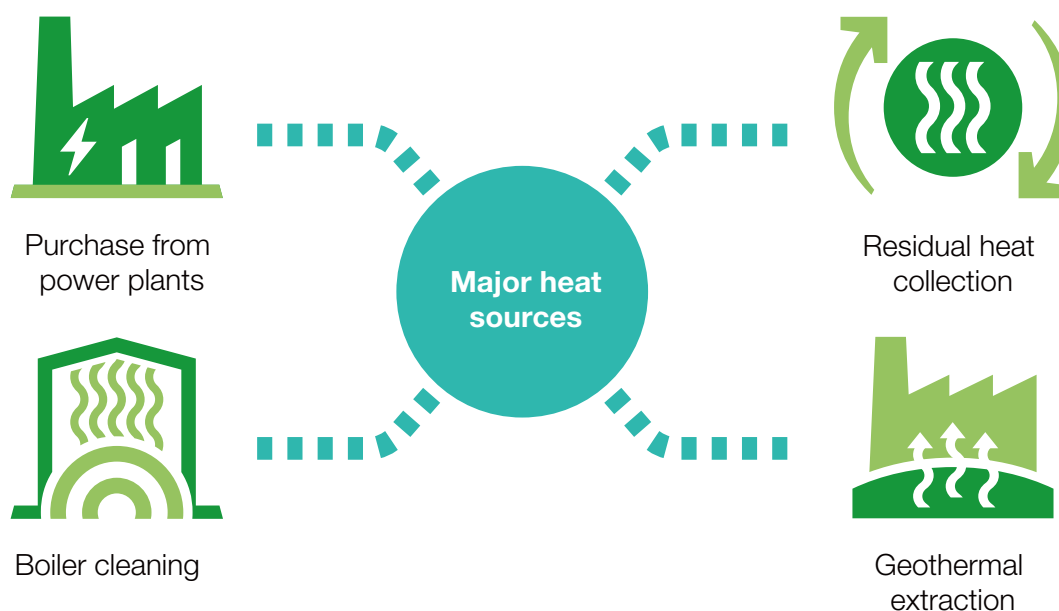
*Chairman of Wise Living Technology Co., Ltd*





### 3.1 INTRODUCTION TO DEVELOPMENT

Wise Living Technology, which is a listed company, is the second largest non-state-owned cross-provincial heat service provider of clean and united energy in the PRC in terms of actual heat services area in 2024. The Group purchases power plant heat, and adopts waste heat recovery, clean boilers and geothermal extraction and other heat sources. Adhering to the development concept of three-dimensional energy extraction, multi-energy complementary, green and low-carbon, the group has mastered a variety of new energy technologies such as cogeneration, residual heat collection, and geothermal heat heating, and is at the forefront of the country in terms of joint energy and technology integration.



*Wise Living's Major Heat Sources*

The Group continues to optimize and innovate the heating supply model, and designs heating solutions according to local conditions through the combined application of various energy sources to better serve people's livelihood. At the same time, in terms of promoting low-carbon transformation and environmental protection, the Group has conducted in-depth research on the problem of fossil fuel substitution, striving to advance clean energy for heating. This effort significantly contributes to reducing resource consumption, enhancing pollution control efficiency, and protecting the ecological environment.





### 3.1.1 Overview

As a cross-provincial heat service provider, the Group has the capability to manage a number of heating supply projects in different provinces of China. The concession rights are granted to the Group to provide exclusive heat services in Shanxi Shuozhou, Gansu Lanzhou, Inner Mongolia Baotou, Inner Mongolia Hulunbuir, Shanxi Transformation and Comprehensive Reform Demonstration Zone, Shanxi Taiyuan and Henan Xinmi.

Wise Living has been rooted in the industry for more than ten years, shaping its unique value system that meets the demands of all stakeholders. And the Group's cultural cornerstone characterized by the construction of "three modernizations" and value system complement each other, encouraging the Group to forge ahead and achieve sustainable development while creating social benefits.

Vision			
Becoming a clean energy heat service provider with leading technology and scale operating across regions in China			
Mission	Spirit	Development Concept	Employment philosophy
Improving people's living conditions and changing their lifestyles	Learning is the key to progress, and creation is the key to eternity	Healthy and profitable industry Healthy and green enterprise Stable and sustainable development	Attracting employees with sincerity Employment with heart-to-heart communication Retaining employees through fair treatment Retaining employees with genuine care Retaining employees through a supportive environment

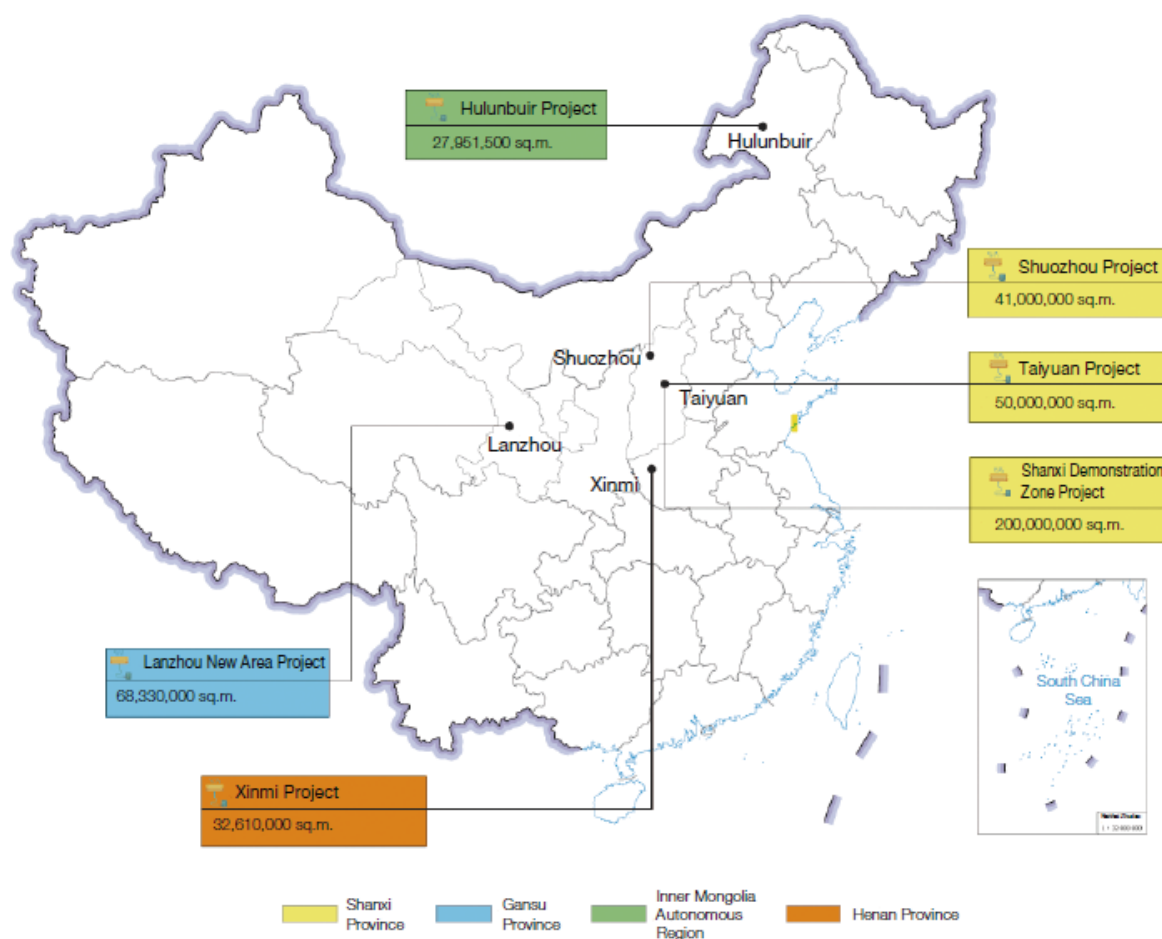




### 3.1.2 Principal activity

Wise Living mainly provides heat services, heat-related engineering construction services and EMC (energy management contract) services to residential or non-residential customers under concession rights in the “Three North Region” (i.e. Northeast China, North China and Northwest China). Among them, the majority of the Group’s revenue from the provision of heat services and engineering construction services is derived from concession rights agreements, all of which are operated through the BOT (Build-Operate-Transfer) model. The concession rights grantor signs contract with the Group and grants exclusive rights, allowing the Group to invest, build and operate heating infrastructure service facilities.

As of 31 December 2024, the Group owned the aforesaid six heat service projects within the scope of the concession area. There was also one heat service project of steam supply project that is not in operation and 1 heating area in custody. And its actual heat services area (measured in terms of GFA) was approximately 50.0 million sq.m., representing 11% of the total concession area.





### Heat service

Heat service is the main business of the Group. The Group comprehensively applies a variety of energy sources to realize centralized provision and distribution of heat in the region. These energy sources include coal, deep geothermal energy, solar energy, biomass energy, etc. In addition, the Group continues to develop advanced technologies, using absorption heat pump technologies to collect industrial waste heat, shallow and medium geothermal energy to transfer heat and hot water to the external.

### Engineering construction service

The Group's engineering construction services are engineering services related to the construction of heating infrastructure, including construction activities such as assembling heat production equipment, developing transmission pipelines, and constructing buildings and plants during the construction period of heat supply projects.

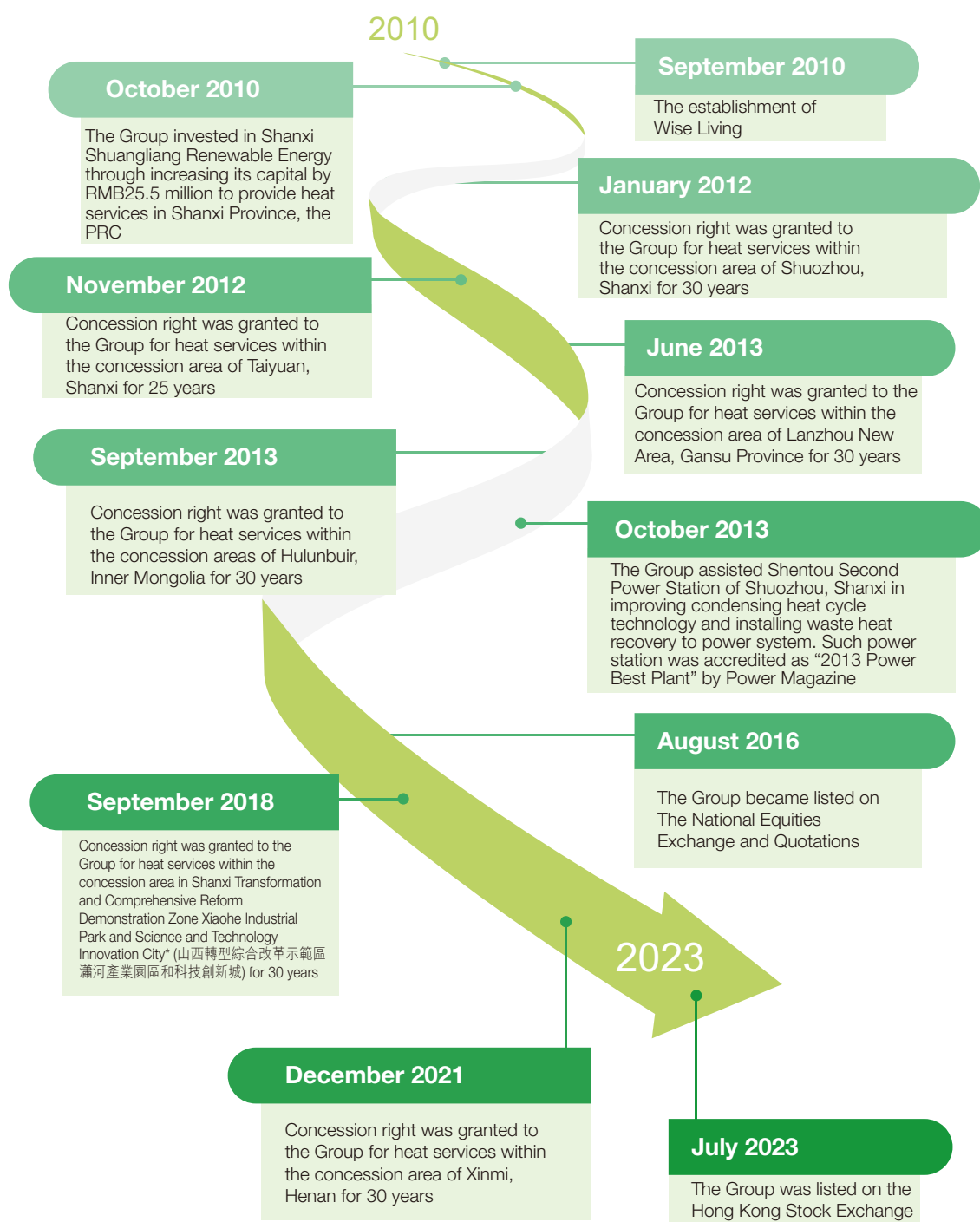
### EMC service

The Group provides energy-conservation service to energy consuming enterprises to achieve energy saving goals. Under the energy management contract (EMC), the Group is responsible for installing the equipment and machinery for the purpose of energy saving, and operating and managing the residual heat collection facilities. In return, the Group is entitled to profits accrued from energy conserved as a result of its energy-conservation services provided.





### 3.1.3 Development history





### 3.1.4 Concept of sustainable responsibility

Wise Living guides the Group's business planning, production and operation, and service practices with the development concept of "three-dimensional energy acquisition, multi-energy complementarity, green and low-carbon". The Group has integrated the concept of sustainability into all aspects of the Group's development, seeking to:

**Establish the foundation of compliance and integrity in corporate governance**

**Promote the transformation of environmental protection and low carbon in environmental management**

**Ensure high quality and innovative services in provision of heat and security of supply**

**Foster a progressive and satisfactory workplace in terms of employee development**

**Do good to the heart and benefit the people in terms of social welfare**







## 3.2 ACCOLADES OF THE GROUP

### Honor and accreditation (partial)

#### Lanzhou New Area Shuangliang Thermal Power Company Limited\* (蘭州新區雙良熱力有限公司)

2023 Pioneer Workers in Gansu Province (2023年甘肅省工人先鋒號)  
2023 Gansu Province Model Workers' Home (2023年甘肅省模範職工小家)  
2023 Advanced Grass-roots Party Organisation of Lanzhou New District in Non-public Economic Field (蘭州新區非公經濟領域2023年度先進基層黨組織)  
2022 High and New Technology Enterprise in Gansu Province (2022年甘肅省高新技術企業)  
Lanzhou Civilized Unit (蘭州市文明單位)

#### Taiyuan City Renewable Energy Heat Supply Company Limited\* (太原市再生能源供熱有限公司)

2022 Outstanding Unit in Heat Protection (2022年度供熱保障工作優秀單位)  
High and New Technology Enterprise Identified Twice in 2022 (2022年2次認定高新技術企業)  
2021 Provincial "Little Giant" Enterprises (2021年省級「小巨人」企業)  
2019 Provincial "Specialized and New" Enterprises (2019年省級「專精特新」企業)  
2019 High and New Technology Enterprises (2019年高新技術企業)  
2019 Municipal Enterprise Technology Center (2019年市級企業技術中心)

#### Shuozhou City Renewable Energy Thermal Company Limited\* (朔州市再生能源熱力有限公司)

2024 Shanxi Civilized Unit (2024年山西省文明單位)  
2024 Social Responsibility Commitment Award (2024年社會責任擔當獎)  
2024 "Excellent Enterprise" Title (2024年「優秀企業」稱號)  
2023 "Model Collective" Title (2023年「模範集體」稱號)  
2023 "Excellent Enterprise" Title (2023年「優秀企業」稱號)  
2022 City Civilized Unit Model (2022年全市文明單位標兵)

#### Shanxi Transformation and Comprehensive Reform Demonstration Zone Heat Supply Company Limited\* (山西轉型綜合示範區供熱有限公司)

2023 "Innovative Technology-based Small and Medium Enterprises" (2023年「創新型科技型中小企業」)  
2022 High and New Technology Enterprises (2022年高新技術企業)  
Outstanding Contributors to Operation Guarantee in 2022 (2022年運行保障突出貢獻單位)

#### Shanxi Shuangliang New Energy Thermoelectric Engineering Design Company Limited\* (山西雙良新能源熱電工程設計有限公司)

High and New Technology Enterprise Identified Twice in 2023 (2023年2次認定高新技術企業)  
2020 High and New Technology Enterprises (2020年高新技術企業)

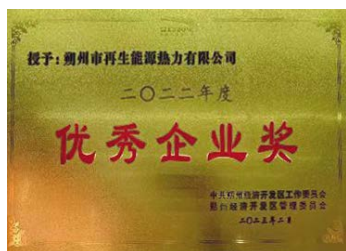
#### Shanxi Shuangliang Renewable Energy Industry Group Company Limited\* (山西雙良再生能源產業集團有限公司)

Taiyuan Excellent Private Enterprises in 2023 (2023年太原市優秀民營企業)

#### Hulunbuir Shuangliang Energy System Company Limited\* (呼倫貝爾雙良能源系統有限公司)

2024 "Taxpayer Credit Rating A" Enterprise (2024年「納稅人信用等級A級」企業)  
2024 Outstanding Integrity Demonstration Enterprise (2024年優誠信示範企業)  
2024 Outstanding Integrity Compliance Enterprise (2024年優誠信達標企業)  
Excellent Grass-roots Party Organisation in 2023 (2023年優秀基層黨組織)  
2022 Inner Mongolia Autonomous Region Civilized Unit (2022年內蒙古自治區文明單位)







## 3.3 2024 KEY PERFORMANCE

## Economic performance



Heat services area:

**50.0** million sq.m.

Coverage of heat service projects:

**4** provincial administrative regions

Total assets:

RMB **5,966,665.4**  
thousand

Total equity:

RMB **1,428,848.4**  
thousand

Revenue:

RMB **1,648,287.3**  
thousand

## Environmental performance



Water consumption intensity:

**0.986** m³/thousand of revenue

In 2024, the total water consumption

decreased by **7%** year on year, and

the water consumption intensity

decreased by **13%**, which exceedingthe target of **5%** intensity reduction

Greenhouse gas emissions:

**485,755.61** tCO<sub>2</sub>e

Total comprehensive energy consumption:

**1,373,520.82** MWh



### Social performance



Total tax paid

**RMB 105,766.9**  
thousand



Customer  
satisfaction  
in 2024

**99** %



Number of  
intellectual  
property patents

**130**



Employee  
satisfaction  
during the year

**99** %



Percentage of directors  
participating in  
anti-corruption  
training in 2024

**100** %



Total training hours of  
employees exceeded

**14,700** hours



Total training  
hours of employees

**17.21** hours



Percentage of  
trained employees

**100** %



Percentage of  
female employees

**26.03** %





## 4.1 STATEMENT OF THE BOARD

Wise Living regards ESG management as the top priority of the Group's development. The Board has overall responsibility for the Group's ESG work, and is responsible for formulating the Group's ESG development policies, strategies and objectives, so that all business decision-making activities fully incorporate ESG elements, whose relevance shall be identified by the Board, ensuring that the Group's risk management and internal control mechanisms effectively identify and monitor ESG-related risks, reviewing and approving annually the release of the Group's ESG report and other ESG information, and communicating with relevant stakeholders in a timely manner.

The Group has established environmental, social and governance policies, and has initially proposed key ESG internal targets covering greenhouse gas ("GHG") emissions, pollutant emissions, resource consumption, etc. The Board reviews the progress towards the targets and understands and manages ESG risks through regular meetings to ensure that the Group has sufficient management capabilities on sustainable development matters.

## 4.2 ESG GOVERNANCE STRUCTURE

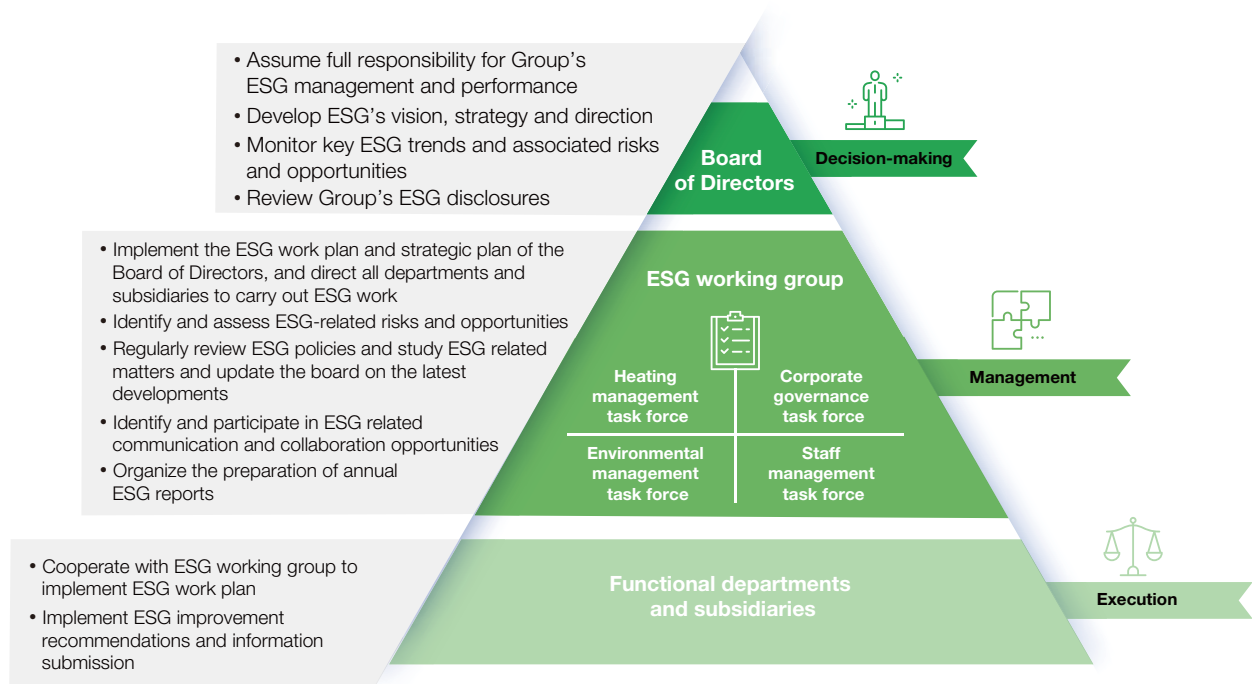
In order to ensure that the Group has sufficient and effective management on sustainable development matters, the Group has a dedicated ESG working group led by the office of the Board ("**Board Office**") to cooperate with the Board on ESG-related matters. The ESG working group is composed of senior management and heads of relevant departments, with the executive director and general manager of the group as the group leader. The ESG working group consists of four special working groups: heating management, corporate governance, environmental management and employee management, and the heads of heating subsidiaries, Board Office, safety and environmental management department, human resources department etc., serve as executive leaders to assist the general manager in supervising the Group's ESG matters and ensure the effective implementation of the Group's ESG-related strategies.

- Under the direction and oversight of the Board, being responsible for handling all ESG-related matters, monitoring and assessing the ESG-related risks to which the Group may be exposed;
- Identifying and assessing climate change risks and opportunities, organizing regular meetings to discuss and decide on ESG-related issues for further resolution by senior management;
- Regularly reporting to the Board on ESG-related risks, opportunities and performance, and providing advices to the Board on environmental, social and governance reporting, strategies, measures and objectives;
- Participating in domestic and international conferences on ESG-related matters;
- Disclosing and reporting Group's ESG information and providing feedback to the Board.





## ESG Governance Structure





### 4.3 STAKEHOLDER ENGAGEMENT

Wise Living attaches great importance to the communication with various stakeholders. Through the establishment of a regular and multi-channel communication mechanism, it protects the right of stakeholders to know, actively responds to the demands of stakeholders, and promotes two-way understanding and exchange. In line with the expectations of stakeholders, the Group adjusts its ESG strategic direction in a timely manner in operation and management, and continuously improves the performance of sustainable development work. The stakeholders, their expectations and needs, communication channels and responses are set out as below:

Stakeholders	Expectations and Needs	Major Communication Channels	Response
Shareholders and investors	Corporate governance Risk control Financial results and investment returns Information disclosure	Shareholders' meeting Annual report and interim report Circulars and announcements Email and telephone inquiries The Group's official website Social medias	Improve corporate governance Optimize risk and compliance systems Maintain good profitability Disclose daily information
Government regulators	Compliance operations Tax payment according to law Safe production Efficient use of energy Response to national policies	Information submission On-site inspection Government documents Special meeting	Operate in compliance with laws and regulations Pay taxes on time and in full Uphold the bottom line of safe production Promote the use of clean energy Actively implement policies and regulations
Employees	Remuneration and benefits Employee's rights and interests Healthy and safe workplace Communication opportunities Career development opportunities Education and training support	Employee care activities Employee research Employee safety protection measures Staff representatives' meetings Employee training Regular performance assessment	Optimize salary and benefit system Safeguard the legitimate rights and interests of employees Ensure a safe workplace Equal communication and grievance mechanism Improve career promotion mechanism Carry out thematic training







Stakeholders	Expectations and Needs	Major Communication Channels	Response
Customer	Stable heat service Perfect customer service Smooth communication channel	Customer satisfaction survey Customer service hotline The Group's official website Social medias	Ensuring heating quality Promptly addressing customer needs Diverse feedback channels
Supplier	Open and fair procurement Good and stable cooperative relationships Business ethics and reputation Supply chain management mechanism Green procurement	Supplier bidding audit Procurement arrangement Agreement and contract Periodic evaluation and audit Supplier communication	Public tender Obligate to perform the contracts Sign integrity clauses Improve supplier management system Create a responsible supply chain
Industry organizations and industry associations	Resource information sharing Win-win	Expert training Strategic cooperation	Promote expert teamwork and communication Promote strategic cooperation and organizational communication
Society and the public	Investment in public welfare activities Environmental protection Promotion of local economic development	Offline activities The Group's official website Social medias	Invest in charity Improve the construction of local heating facilities Provide jobs





#### 4.4 ASSESSMENT OF MATERIALITY ISSUES

In order to better identify and assess the materiality of various ESG issues to the Group's business development, Wise Living forms the priority results of ESG issues through a comprehensive evaluation process of issue identification, stakeholder survey, issue analysis and response, and integrates the management and improvement of key issues into the Group's sustainable development strategy. The materiality assessment mainly covers the following four steps:

##### (1) Issue identification

Based on the Group strategy, macro policy requirements, industry characteristics and benchmarking with the best practices of its peers, and with reference to relevant sustainability frameworks (including the requirements of HKEX's Environmental, Social and Governance Reporting Guide) and results of materiality issue assessment of last year, the Group has reviewed 19 issues from last year, included 4 new issues for assessment, and systematically sorted out 20 ESG materiality issues of the year. This covers five major areas: service operation, employment management, environmental protection, community development and corporate governance.

##### (2) Stakeholder communication

Through the organization of interviews and the "Stakeholder Questionnaire for Wise Living Technology ESG Report", the Group understood the key issues and expectations of internal and external stakeholders such as senior management, various departments, and subsidiaries for the Group's ESG development, and received constructive opinions from all parties on Wise Living's performance and management in sustainable development.

##### (3) Assessment of materiality issues

According to the statistical analysis of the survey of stakeholders, a comprehensive assessment is made based on the two dimensions of "materiality to stakeholders" and "materiality to the development of the Group's business". The 20 issues are divided into high, medium and general materiality levels, so as to determine the key issues to be disclosed. The interview results are similar to those of last year, but the ratings of issues of "employee rights protection" and "response to climate change" have increased, while the new issue of "customer privacy protection" has garnered significant attention. At the same time, "response to climate change" has been elevated to an important issue this year as it is of greater importance to the industry and Wise Living. Additionally, "employee rights protection" has been upgraded to a highly important issue, while "customer privacy protection" has been newly included as a generally important issue.





#### (4) Response to materiality issues

The Group prepares a work plan for future ESG based on the analysis of materiality issues and provides targeted responses and disclosures in the report.

No.	Materiality Issue	Materiality
1	Stable heat supply	Highly important
2	Quality service	
3	Occupational health and safety	
4	Tax payment according to law	
5	Technological innovation	
6	Supply chain management	
7	Employee rights protection	
8	Business ethics and anti-corruption	Important
9	Energy management	
10	Water management	
11	Air pollutant management	
12	Development and training	
13	Comprehensive risk management	
14	Waste management	
15	Response to climate change	General
16	Diversity, equality and inclusion	
17	Optimization of corporate governance	
18	Employment practice	
19	Practice of social welfare	
20	Customer privacy protection	





## **Sound Corporate Governance and Strict Compliance**



Wise Living Technology believes that a sound internal control and risk management system can help identify and control potential violations, and is also an important support for building the Group in accordance with the law and operating in compliance with regulations. In order to ensure the stability and success of the Group, the Group accelerated the construction of various management systems, strengthened risk management and control, actively implemented a culture of integrity and integrity, and optimized the information security mechanism, so as to lay a solid foundation for the high-quality development of the Group with efficient compliance management.



## 01 INDICATOR RESPONSE:



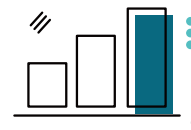
B7 Anti-corruption

## 02 ISSUE RESPONSE



- Optimization of corporate governance
- Tax payment according to law
- Comprehensive risk management
- Business ethics and anti-corruption
- Customer privacy protection

## 03 PERFORMANCE HIGHLIGHT



Number of Board meetings:

**6** times

Accumulated tax amount: More than

RMB **105,766.9** thousand

Conducted **14** anti-corruption training sessions for employees and directors for a total

of **39** hours

The Group has obtained Level 3 certification in information security

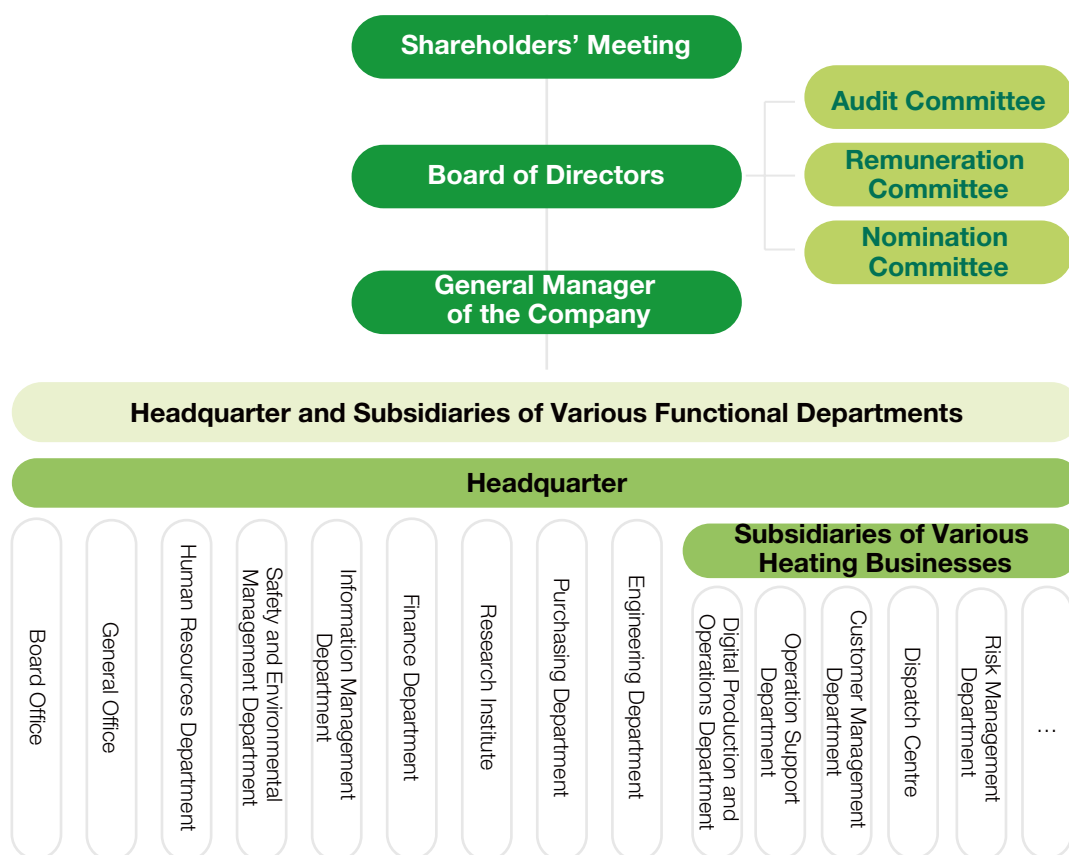


## Sound Corporate Governance and Strict Compliance

### 5.1 RESPONSIBILITY AND MANAGEMENT SYSTEM

#### 5.1.1 Governance structure

Wise Living strictly abides by the relevant requirements of the Company Law of the People's Republic of China and the Corporate Governance Code of the Hong Kong Stock Exchange, continuously improves the corporate governance structure and management system, establishes and implements the duties of the Shareholders' Meeting and the Board, and always regards improving corporate governance as the priority of the overall work. At the same time, the Company continues to standardize subject rights and responsibilities, implement business responsibilities, and strengthen regulatory effectiveness. The Chairman, in coordination with various functional departments and subsidiaries, conscientiously carries out and implements business goals and management requirements, further strengthens standardized management and operations, and ensures the stable development of Wise Living on the compliance governance.



Group's Governance Structure



## Sound Corporate Governance and Strict Compliance



Meetings Held by Wise Living in 2024

**Shareholders' meeting**

**Once**

**Board meetings**

**6 times**

### 5.1.2 Tax payment according to law

Paying taxes in good faith is the most basic social responsibility of an enterprise. As a responsible corporate citizen, Wise Living always pays enterprise income tax in accordance with the provisions of the Enterprise Income Tax of the People's Republic of China and other laws and regulations, and strengthens the foundation of internal tax management. During the Year, the Group had no tax disputes.

#### *Strengthening tax regulations*

Wise Living has a wide range of business types and covers a wide range. It always strictly focuses on the systematization and standardization of the Group's tax management, and requires the financial departments of its subsidiaries to establish and implement appropriate tax norms according to business characteristics and territorial management requirements. In order to ensure the effectiveness of the Group's tax policies, Wise Living headquarter organizes subsidiaries to collect and sort out the developments of tax laws and policies from time to time, follow the changes in the overall national tax trend in a timely manner, adjust internal policies as required, arrange tax planning, and carry out internal sharing and communication. In terms of tax communication, the Group has established procedures for the communication, coordination and reporting of tax planning arrangements for subsidiaries within the headquarter. The Group also maintains liaison with tax authorities to promote compliance and rationality in tax management across the award-winning Group.

While seeking to expand our Group and ensuring heat services for people's livelihood, Wise Living also strives to generate tax revenue for the country. As of 31 December 2024, the cumulative tax payment by the Group exceeded RMB105,766.9 thousand, truly implementing "Doing business with integrity and paying taxes in compliance with law".

### 5.1.3 Anti-corruption and anti-fraud

The Group regards integrity as the foundation of our enterprise and basis for cooperation, strictly adheres to the legal bottom line, and pays attention to strengthening system and mechanism construction. Wise Living strictly abides by the Anti-money Laundering Law of the People's Republic of China and other laws and regulations, has established an anti-fraud and anti-corruption management system, which is composed of the Board, management and functional departments, and has formulated the Anti-Fraud Management System (《反舞弊管理制度》), so as to comprehensively standardize the compliance of corporate operations, prevent fraud, and reduce the risk of non-compliance, thus effectively safeguarding the rights and interests of the Group and all parties.

During the Year, there were no concluded corruption litigation cases brought against the Group or its employees.







## Sound Corporate Governance and Strict Compliance

### Management responsibility

As the highest decision-making level, the Board of Wise Living is responsible for the integrity construction of the Group and its subsidiaries. In terms of the concept of responsibility, the management of the Group is responsible for establishing and improving the control environment for fraud management from the aspects of governance structure, policy system, distribution of authority and responsibilities, management philosophy, sense of morality and values of employees. In terms of specific management implementation, the management of Wise Living is responsible for establishing and regularly reviewing the effectiveness of the operations of the anti-fraud internal control mechanism. The internal control department is responsible for the internal control evaluation. As an independent department, the Audit Department conducts internal control inspection and supervision, and the Human Resources Department cooperates to carry out anti-fraud training, internal and external publicity, and the signing of commitments by our employees and partners.

### Behavior identifying and whistleblowing handling

In order to clearly identify violations, Wise Living has defined eight major types of fraud and taken corresponding measures. Among them, the acceptance of bribes, kickbacks, corruption, misappropriation, and theft of the Company's assets and finances are considered serious behaviors. Wise Living has established various channels for reporting violations of discipline, and has made them public through Employee Handbook (《員工手冊》), management systems, daily communication, and official website announcements. Internal employees, partners and outsiders can report suspected violations through the president's mailbox, e-mail, telephone hotline, mail, face-to-face communication and other means.

#### Whistleblowing channels

Hotline: 0510-86850605

Email: hjkj@shuangliang.com

Address: Audit Department of Wise Living Technology Co., Ltd at 7/F, International Hotel, No. 299 Chengjiang West Road, Jiangyin

In addition, Wise Living has formed a closed-loop management procedure for reporting and handling from case filing, investigation, report to feedback, and initiated acceptance procedures at corresponding materiality for employees at different levels to ensure that the headquarter and subsidiaries form a unified and concerted effort to effectively combat violations of laws and regulations.

#### Case filing

The person in charge of the audit of a subsidiary shall report to the Audit Department of the headquarter for filing, and report relevant situation to the management and the Board in a timely manner

#### Investigation

The person in charge of audit shall set up a special investigation team on the matter for investigation and request the cooperation of relevant departments and individuals

#### Report

The investigation team outputs a report according to the investigation process and results, clarifies the fraud of the accused, verifies the evidence, etc., and reports to the management of the headquarters and the Board

#### Feedback

Whether or not to conduct an investigation, the Audit Department shall report the filing and investigation results to the whistleblower. After verification and the loss is recovered for the Group, the whistleblower may be rewarded at the Group's discretion

### Acceptance Procedure for Whistleblowing



## Sound Corporate Governance and Strict Compliance



### **Protection mechanism for whistleblowers**

In order to fully protect the rights and interests of whistleblowers, Wise Living's Anti-Fraud Management System (《反舞弊管理制度》) clearly stipulates two measures to provide them with information protection and investigation protection. In the whistleblowing process, Wise Living allows the whistleblower to report with anonymity or real name, and the Audit Department ensures that the information reported, and the personal information of the whistleblower are strictly confidential; during the investigation, both the whistleblower and those involved in assisting the investigation are protected. The Group strictly prohibits all acts of discrimination or retaliation, and prevents departments or individuals from obstructing, hampering or interfering with investigations. Otherwise, they will be warned, demoted or removed from their posts and other sanctions until the termination of the labor contract, and the suspected criminals will be transferred to the relevant government departments or judicial organs for handling according to law.

### **Anti-fraud and anti-corruption education**

The Group's Human Resources Department regularly leads the sorting out of the Position List for Confidentiality, Anti-fraud and Background Investigation (《保密、反舞弊、背景調查崗位清單》), requiring that all employees in key positions of the Group sign a commitment letter and a confidentiality agreement against fraud. All employees receive education on integrity and dedication in their daily work, learn and abide by the definitions, whistleblowing methods and procedures in respect of corruption in the Employee Handbook (《員工手冊》).

In order to simultaneously enhance the integrity awareness of all parties in the cooperative relationship, the Group requires all external units to be aware of and sign the Commitment Letter against Commercial Bribery (《反商業賄賂承諾書》), promising that the cooperative transaction will never adopt commercial bribe and provides them with whistleblowing channels to ensure that the performance process is public and legal.

Wise Living actively creates a culture of honest practice. During the Year, in order to promote self-discipline for all employees, the headquarter and the Human Resources Department of the subsidiaries conducted 14 anti-corruption training sessions for employees and directors for a total of 39 hours.

### **Prevention of conflict of interests**

The concept of fair and objective practices runs through Wise Living's operations. Wise Living strives for the common development of personal interests and corporate interests, so avoiding and properly handling conflict of interests as soon as possible is the right way to protect all its stakeholders.

To this end, the Group has clearly defined four main scenarios of conflict of interests and three preventive measures for conflict of interests, which will help to identify and timely prevent conflicts with the interests of the Group or investors as a whole in the process of management, decision-making, voting, execution, information transmission, etc., which affect objective opinions, and ensure that the interests of all parties are not harmed. During the Year, the Group's headquarter and its subsidiaries conducted a total of 12 conflict of interests training sessions for a total of 18 hours.

<b>Labor Contract</b>	The employee is aware of the non-compete clause in the labor contract
<b>Reporting</b>	If there is a conflict of interests, report it to the management
<b>Whistleblowing Channels</b>	Other informed parties may report through the whistleblowing channel

*Preventive Measures for Conflict of Interests*





## Sound Corporate Governance and Strict Compliance

### 5.1.4 Information security and privacy protection

Informatization and digitalization are important means for a modern enterprise to optimize operation management, improve service quality and enhance operational efficiency. Wise Living continuously improves the Group's information security management system in accordance with the Cybersecurity Law of the People's Republic of China, the Data Security Law of the People's Republic of China, the Personal Information Protection Law of the People's Republic of China and other laws and regulations.

At present, the Group has obtained the Level 3 certification, and there have been no corporate information security accidents or information leakage of customers, employees, and partners during this Year.

#### **System construction**

Wise Living formulates and implements documents such as the Informatization Management System (《信息化管理制度》) to standardize internal data security management, clarify data protection responsibilities, and reduce data security risks.

#### **Organizational support**

Wise Living provides organizational support from the three aspects of "decision-making, management and technology", and has set up an information security work leading group composed of the heads in charge of the Group headquarter and subsidiaries to be responsible for making decisions on major information security issues and ensuring the effectiveness of information security strategy formulation and process architecture. The Board Office is responsible for supervising the information security management of the Group, and assisting in the management and implementation of specific information constructions such as information security, data center and asset equipment, network security, client security, and emergency management. At the technical level, the Group is supported by a team with professional capabilities and keen insight, such as information technology, technical support and system operators.

 <b>Decision-making</b>	Information Security Work Leading Group
 <b>Management</b>	Wise Living Board Office
 <b>Technology</b>	IT, Technical Support and System Operators of Subsidiaries

*Information Security Management Function*



## Sound Corporate Governance and Strict Compliance



### Information security management measures

Wise Living continues to promote comprehensive and strict information security management, selects a third-party cloud service provider to provide professional information security services for the Group and provide the Group and its subsidiaries with exclusive database, protection system, audit and evaluation services. In addition, the Group also strengthens independent security management. In accordance with the principles of “coordinated arrangement, resource sharing, and integration of peace and war”, the Group uniformly plans, implements and manages the disaster backup of Wise Living’s important information systems, regularly organizes drills on emergency plans, and designates special personnel to manage and maintain emergency plans to ensure the effectiveness of emergency plans and availability in case of disasters.

Safety Monitoring	Safety Check	Safety Assessment	Safety Audit
Integrate and utilize monitoring resources; Establish a system of weekly, monthly or quarterly reports for operation monitoring; Early warning, response and disposal	Organize a special inspection on information security in Wise Living or its subsidiaries annually	Assess the information security of Wise Living or its subsidiaries at least once a year	Carry out the technical audit of the daily operation management of information system and the whole process of information security incidents when appropriate

Four Key Points of Safety Management

### Customer data security

Wise Living strengthens the Company’s data security and customer privacy security through technology and management methods, and effectively prevents the leakage of customer data and privacy. During the Year, the Group did not have any major information security incidents such as the leakage or loss of customers’ privacy data.

In terms of technology, the Group requires subsidiaries to establish a sound client management system to record all client equipment information and software configuration information. The client should install virus prevention software uniformly and set up user passwords and screen protection passwords and other security protection measures.

In terms of management, the Group clarifies the confidentiality responsibilities of employees in Employee Handbook (《員工手冊》) and conducts information security related training for new entrants and employees on an annual basis to improve their customer information protection awareness. At the same time, the Group has standardized the requirements for information security management and keeping trade secrets in the Confidentiality Agreement (《保密協議》), requiring all employees, suppliers, partners and other stakeholders to abide by it and continue to build information security and privacy protection barriers.

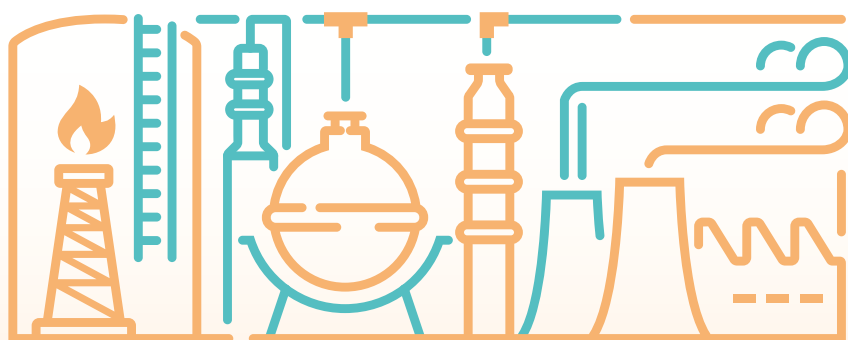
Upholding the principles of fair, transparent and responsible governance, the Group strives to create long-term value for all stakeholders. As for compliant operations, the Group strictly complies with relevant laws and regulations, establishing a robust internal control mechanism and a risk management system, to ensure the legality and compliance of business operations. Meanwhile, the Group attaches the utmost importance to information security management. Through comprehensive information security management systems and technical measures, the Group safeguards the information security of customers, employees and partners, mitigates data leakage risks, and ensures compliance in the collection, storage and use of information. To further consolidate the above management practices and principles, the Group’s headquarter and its subsidiaries conducted a total of 13 ethics training sessions during the Year, amounting to 20 hours in total. These sessions aim to enhance the compliance awareness and ethical conduct of all employees, ensuring the robustness and transparency of the Group’s operations.

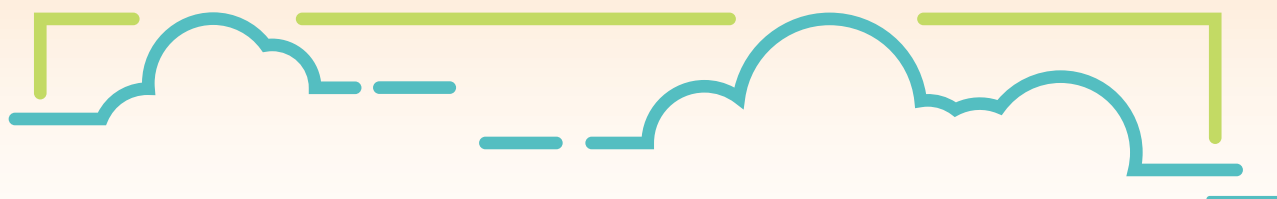




## CHAPTER VI

**Guarantee Centralized  
Heating and Warm  
Thousands of Households**





Wise Living has established a complete quality management system for heating engineering. We attach importance to the innovative application of heating technology, actively introduce digitalised heating technology, gradually optimize intellectual property management, fully guarantee the quality of heat services for users, and promote the sustainable and healthy development of central heating.



## 01 INDICATOR RESPONSE



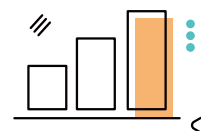
B6 product responsibility

## 02 ISSUE RESPONSE



Stable heating  
technological innovation

## 03 PERFORMANCE HIGHLIGHT



**Provided high-level heating support for the 14th National Winter Games, with all indicators within the venues reach the international competition parameters**

**Required to establish the whole process quality management system of heat services and strictly control heating quality**

**Lanzhou New Area Shuangliang is awarded "High-tech Enterprise"**

**Intellectual property patents:**

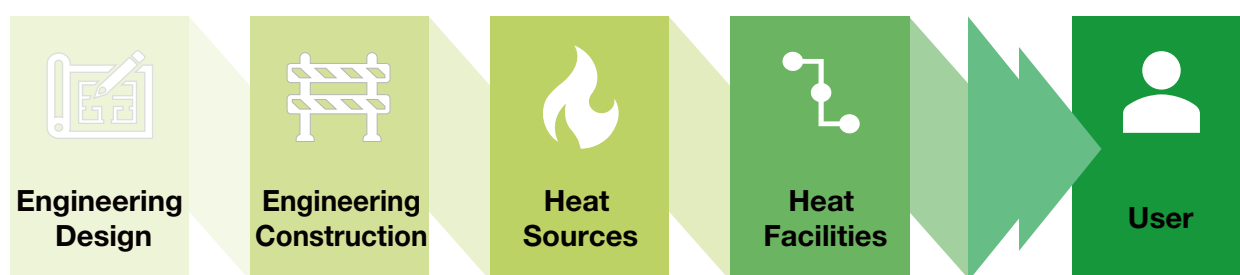
**130**

## Guarantee Centralized Heating and Warm Thousands of Households

### 6.1 QUALITY HEAT AND QUALITY CONTROL

#### 6.1.1 Heating quality management system

With the policy of “putting quality first in our 100-year plan”, Wise Living is committed to providing quality and stable heat services for the society, and strictly controls the quality management of the whole process of heating supply. From standardizing the design standards and supervising the construction quality in the early stage of the heating engineering, to ensuring the stability of the heat source after the operation of the heating engineering, and paying attention to the daily operation and maintenance and optimization management of the heating pipe network and heat exchange station, the Group checks the work details of each heating link to build a high-quality heating system and lay a solid foundation for the goal of comprehensively guaranteeing centralized heating.



#### *Design of heating engineering*

Wise Living strictly controls the design quality of the heating engineering to ensure smooth construction. The heating engineering and system of Wise Living is subject to project feasibility studies before design. In the design stage, the Standard for Urban Residential Area Planning and Design and the Design Code for City Heating Network are taken as the main planning and design basis, and the design details of the heating system, such as layout, equipment selection, and pipeline design in the design scheme, have been fully demonstrated and verified.

In order to improve the design effect, the Group actively draws on and introduces the best practices and experience in the industry and integrates them into its own project design solutions to improve the reliability of the design and the efficiency of heating supply. At the same time, the design also pays attention to equipment and material selection, on the basis of ensuring that the industry meets the standards, the use of efficient heating equipment, reasonable pipe layout, and the selection of reliable quality materials to ensure the stable operation of the heating system under various working conditions.

In addition, the Group engages external designers with senior business experience to provide professional planning and design services for large-scale heating projects. Each link of the engineering design plan is jointly reviewed and checked by the Group’s internal and external heating experts, and the level and scientificity of the heating project design are continuously optimized to better meet the local heating standards and customer expectations.



## Guarantee Centralized Heating and Warm Thousands of Households



### Construction of heating engineering

Wise Living has established a complete construction quality management system. We implement construction technical specifications and engineering quality standards with respect to technology and implement the engineering quality responsibility system with respect to management, laying a solid foundation for the official operation of the heating business.

In accordance with the Construction Law of the PRC, the Code for the Construction and Acceptance of Urban Heating Pipe Network Engineering, the Code for the Acceptance of Construction Quality of Building Foundation Engineering, and other laws and regulations, the Group formulates and implements the Construction Quality Management System (《工程質量管理制度》), Project Management Measures (《工程管理辦法》), Construction Organization Plan (《施工組織方案》), Thermal Pipe Network Engineering Construction Enterprise Standards (《熱力管網工程施工企業標準》), Station Engineering Construction Enterprise Standards (《站類工程施工企業標準》), Construction Quality Acceptance Management System (《建築工程施工質量驗收管理制度》) and other heating engineering construction and acceptance standards. The quality system document standardizes the project quality of the construction unit. At the same time, Wise Living has established a project supervision department, which is responsible for the overall quality control of the project in the early stage of the project, and strengthened the Group's own responsibility for the supervision of the project quality, so as to control the project quality in three stages: before, during and after the project.

<b>Pre-control</b>	Make preparations before construction, such as drawing review, review of construction organization design, handover of control pile points, welder examination, etc. It is required that the construction unit shall carry out construction in strict accordance with the construction technical specifications, engineering quality standards and design drawings, and do a good job in construction organization design and technical disclosure;
<b>In-process control</b>	Strictly control the important nodes of each project, such as the measurement and pay-off, trench excavation, trench bottom sand laying, pipeline welding, non-destructive testing, interface insulation, trench backfill and other nodes, all of which need to be inspected in accordance with the internal enterprise standards of the Group to ensure quality; at the same time, the construction unit is required to organize a series of activities and meetings on a regular basis, such as excellent projects, quality evaluations, regular quality meetings, project quality inspection, etc.;
<b>Post-control</b>	Organize completion acceptance and review completion data. The completion data must be handed over in a timely manner in accordance with the standards proposed by the Engineering Supervision Department. After completion, it must be accepted in strict accordance with the internal standards of the Group, and the construction unit should be rated and ranked for acceptance as a reference for project bidding in the next year.

With the above efforts, Wise Living's construction quality management system has achieved strict management of all aspects of construction and effective control of construction quality of heating engineering.





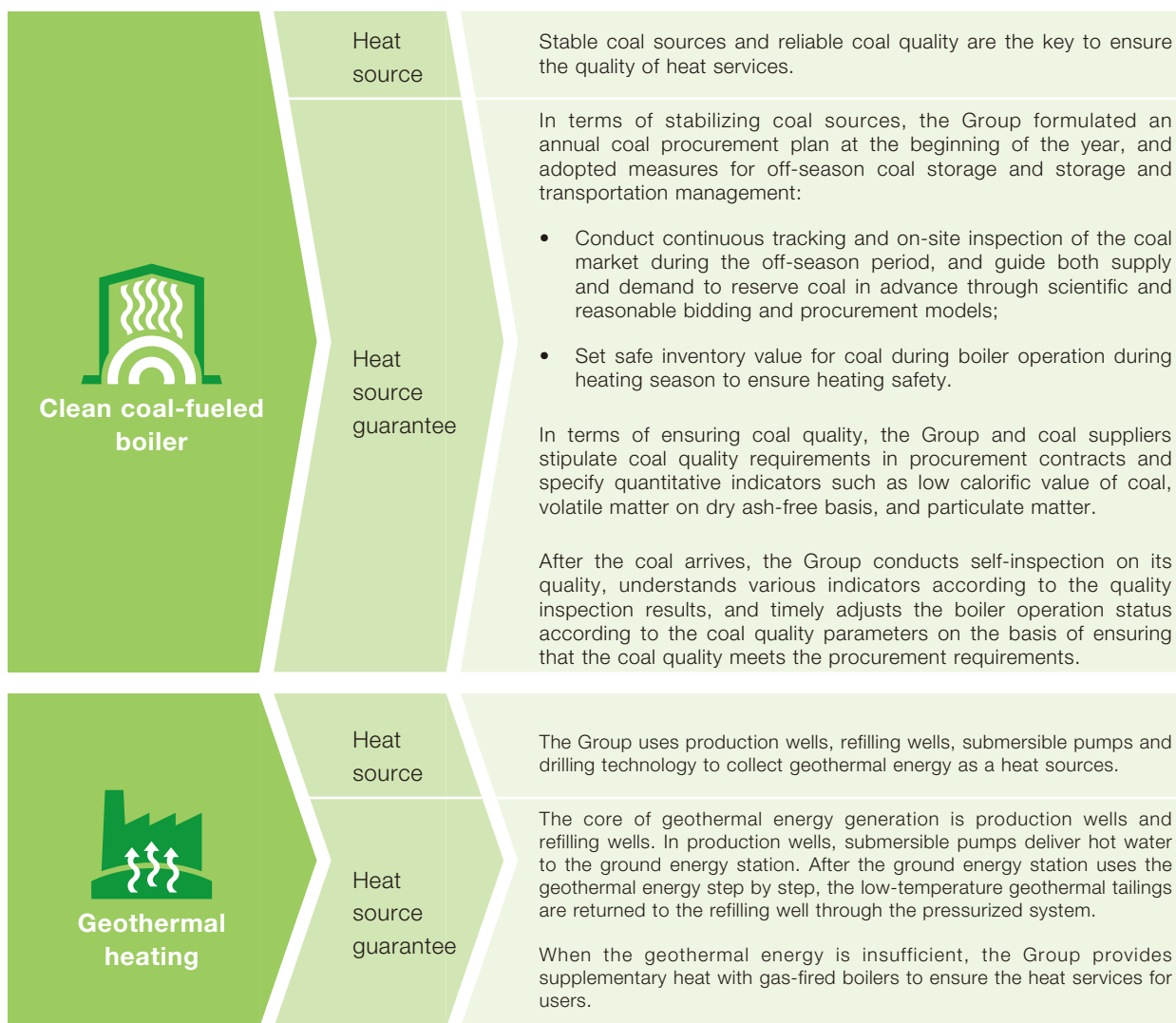
## Guarantee Centralized Heating and Warm Thousands of Households

### Stable heat sources

Wise Living regards ensuring the stability of heat sources as the foundation of its business. Under the clean heat services, the Group strives to ensure the reliability and stability of heat sources such as heat procurement from cogeneration plants, residual heat collection, clean boiler and geothermal extraction.



## Guarantee Centralized Heating and Warm Thousands of Households





## Guarantee Centralized Heating and Warm Thousands of Households

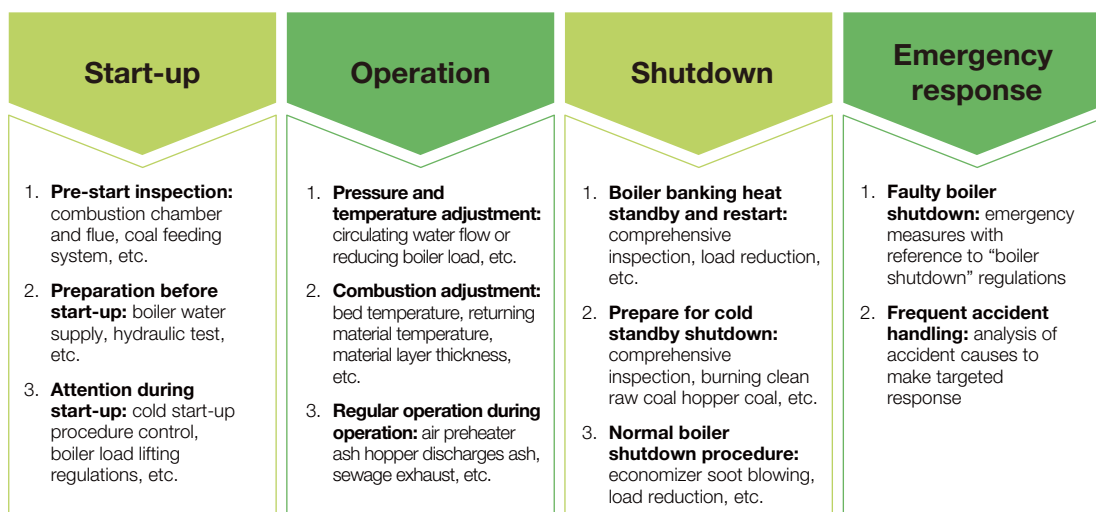
### Heat facilities

The heating facilities of Wise Living mainly involve boiler system, heating pipe network and heat exchange station. Its stable operation ensures the efficiency of heating facilities and is also one of the key points of heating quality assurance. The Group has formulated management systems such as the Production and Operation Management System (《生產運行管理制度》), Operation Procedures (《運行操作規程》), Production Inspection Requirements (《生產巡檢要求》), Maintenance Action Plan (《檢修行動方案》), Maintenance Operation Instructions (《檢修作業指導書》), and Production Emergency Plan (《生產應急預案》) etc., to clarify the management responsibilities of each post on the production site and standardize the actual operation and maintenance management requirements of heating facilities.

Wise Living mainly adopts management measures such as daily operation and maintenance of facilities and optimal dispatch and maintains the efficient operation of heating facilities in an all-round way from the dimensions of operation, maintenance and inspection, emergency response, and optimization.

- *Maintenance of boiler systems*

The Group strictly implements the preparations for start-up, operation and shutdown of boilers, adjusts parameters in a timely manner, and pays attention to precautions in each production link. At the same time, it also stipulates the principles of handling production accidents and the measures to deal with them. By standardizing the operation management of each boiler process, the boiler working condition is guaranteed to provide stable heating.



## Guarantee Centralized Heating and Warm Thousands of Households



Lanzhou New Area Shuangliang actively implements boiler optimization projects, such as optimization of boiler water replenishment system, improvement measures of slag cooler inlet structure, etc., to ensure boiler safety and enhance boiler system flexibility.



### CASE: IMPROVING SLAG COOLER INLET STRUCTURE TO ENSURE BOILER SAFETY

In order to avoid the risk of slag feeding and ash leakages of slag cooler, in addition to the original sealing structure of the slag cooler, Lanzhou Shuangliang added fully sealed bellows free retracting sealing structure, including boiler slag discharge pipe, bellows retracting sleeve and slag discharge pipe, reduced boiler ash and slag leakage area and increased resistance, effectively solving ash and slag leakage and related safety problems. At the same time, the middle chamber of the corrugated expansion sleeve is filled with high-temperature resistant thermal insulation materials, which can effectively avoid the waste of heat.

- *Transformation of heating pipe network*

In terms of daily management of the heating pipe network, the operation department of the production plant conducts a daily investigation of hidden dangers, and rectifies hidden dangers such as water or leakage of the pipeline and aging of the pipe network in a timely manner. During the Year, Wise Living actively promoted the transformation project of the old heating pipe network. Through the renewal of the pipe network, a series of heating problems such as pipeline leakage, frequent maintenance and inspection, and heat loss were solved, effectively improving the heating efficiency and ensuring the heating temperature for residents.

- *Heating pipe network emergency*

At the same time, the Group attaches great importance to the emergency management of pipe network leakage. In the production emergency repair plan, the pipe network failure category has been identified, the accident level has been classified, and the emergency measures for different failures have been clearly stipulated. On this basis, the Group has specially formulated the Emergency Drill Plan for Leakage of Heating Trunk Pipeline Network (《供熱主幹管網洩露應急搶險演練方案》), and set up an emergency team in each production area. The Group clarifies the responsibilities of each team member and the emergency drill steps. Emergency teams quickly carry out emergency rescue work, evaluate and summarize after drills, analyze reasons for deficiencies and rectification items in drills, and take corrective and optimization measures to maximize the response to emergencies and mitigate adverse effects.



## Guarantee Centralized Heating and Warm Thousands of Households

- *Optimization of heat exchange stations*

In order to ensure the safe, stable, economical and efficient operation of the heating facilities, the Operation Department of the factory area regularly conducts comprehensive inspection and maintenance of the heat exchange station and its configured heat exchangers, circulation pumps, make-up water pumps, valve, meters and other equipment during the non-heating season, such as derusting and touch-up painting, lighting and cleaning. In addition, in order to promote lean production, the Operation Department of the factory area conducts annual mapping and upgrading of the heat exchange station, tries its best to eliminate hidden dangers in the station, and improves the safety and cleanliness of the heat station.



### CASE: MAINTENANCE AND OPTIMIZATION OF HEAT EXCHANGE STATIONS



The maintenance personnel carried out a comprehensive inspection and maintenance on the circulation pump of a network and replaced the aniseed cushion, successfully ensuring the normal operation of the equipment.



Maintenance personnel repaired welding, turned and re-installed the second grid pump rotor, completely solving the water leakage problem of mechanical seal, prolonging its service life, and saving the cost of pipe pump replacement.



### CASE: RE-ROUTING AND TRANSFORMATION OF HEATING STATIONS AFTER WATER AND GAS LEAKAGE

The exhaust pipe of a heating station was found to have potential safety dangers after investigation, and water was easily accumulated in the station. In response to this situation, the Operation Department formulated a transformation plan, and the staff laid the exhaust pipe and sewage pipe overhead. The former leaned against the wall as a water collector to lead to the outside of the station, and the latter introduced the water collection pit outside the station and set up a floor drain to solve the problem of difficult cleaning of stagnant water in the station. This not only deals with the safety dangers in the station, but also improves the aesthetics of the station.





## Guarantee Centralized Heating and Warm Thousands of Households



### 6.2 TECHNOLOGICAL INNOVATION AND INTELLIGENT OPERATION

#### 6.2.1 Technological innovation and application cases

Wise Living always regards technological innovation as one of the sustainable development policies, strives to comprehensively enhance its independent innovation capabilities, endeavors to achieve technological leadership in the field of heating, improve core competitiveness, and create more value for customers and society. The Group has independent research and development capabilities and advanced heating technology and carries out technical exchanges with industry peers to jointly promote the high-quality development of the heating industry.



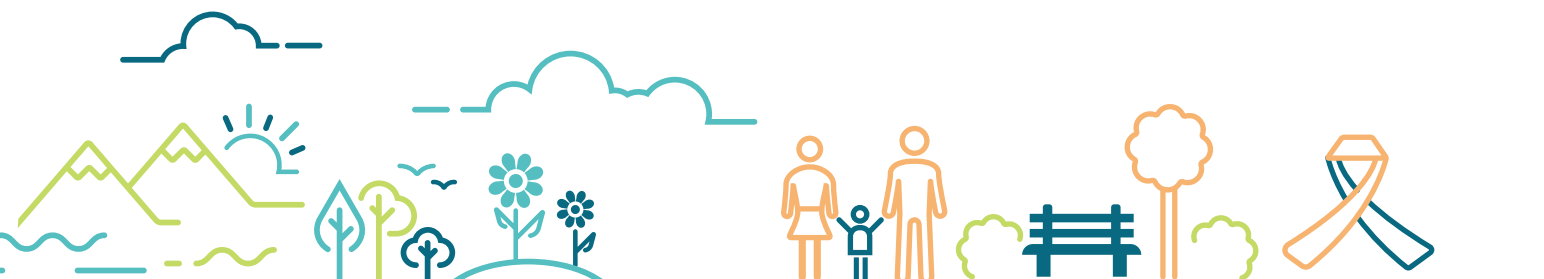
Adhering to the R&D style of “learning leads to advancement, innovation leads to eternity”, the Group has established a R&D center in Taiyuan City, Shanxi Province, and set up its own R&D team, the relevant R&D personnel of which have rich industry experience in heat service design and technology, continuing to strengthen the research, innovation and application of the technology with respect to traditional energy and new energy heat services.

In recent years, the Group has produced many outstanding innovative technologies and application achievements in heat sources, pipe networks and heat exchange stations, such as innovation of photovoltaic cleaning equipment, new energy heating technology development, boiler system heat collection, etc.



#### CASE: INNOVATIVE PRACTICE OF HULUNBUIR SHUANGLIANG'S PHOTOVOLTAIC CLEANING EQUIPMENT

The self-developed photovoltaic component cleaning equipment by Hulunbuir Shuangliang is an innovative solution designed to improve the efficiency of photovoltaic power generation. The comprehensive reform company has installed small water softeners and spray equipment on its photovoltaic systems for efficient spray cleaning. This cleaning system delivers remarkable results, significantly increasing power generation while reducing labor costs, thereby enhancing overall operational efficiency. Through the application of this technology, Hulunbuir Shuangliang has achieved maximum economic benefits while maintaining environmental sustainability.



## Guarantee Centralized Heating and Warm Thousands of Households



### CASE: DEVELOPMENT OF NEW ENERGY HEATING TECHNOLOGY OF “SOLAR ENERGY + AIR SOURCE”

Lanzhou Shuangliang has implemented a dual-energy (solar energy + air source) heat pump clean energy heating project at the high-speed railway station in Lanzhou New Area High-speed Railway Station, Gansu Province, covering a heating area of 20,625.83 square meters. The project has the following features:

- Solar energy system: adopting air-type solar equipment that is freeze-free, leak-free, corrosion-free and risk-free, ensuring safe and stable operation.
- Air energy system: using ultra-low-temperature (-45°C) dual-stage cascade heat pumps to improve thermal energy utilization efficiency.
- Intelligent control: The system control adopts environment adaptive variable temperature control technology, and has its own remote data module, which can realize unattended and remote control.

During the heating season, the “solar energy + air source” heating system operated stably and delivered excellent heating performance. The entire heating season saved approximately 300 tons of standard coal, demonstrating its superiority in energy efficiency and environmental protection.



### CASE: HEAT RECOVERY OF RESIDUAL FLUE GAS HEAT AND SLAG OF BOILERS

- Recovery of residual flue gas heat  
In order to improve the utilization efficiency of boiler flue gas, Lanzhou Shuangliang has newly installed a heat pump type waste heat recovery unit, which is used to recover the waste heat of flue gas at the outlet of the desulfurization tower to heat the heating return water, and the heat of low-quality latent heat waste hot water is recovered and utilized, so as to heat up the high-quality hot water (heating water) for user use. When the waste hot water temperature has reduced, it is recycled back to the reheater to re-absorb the heat.

After the implementation of the project, not only the waste heat of flue gas can be recovered, the coal consumption of the boiler can be reduced, but also the white smoke and rain of coal-fired boiler can be eliminated, the content of gypsum rain (dust) in the exhaust gas can be reduced, and the water vapor in the flue gas can be condensed out for desulfurization and other processes, so as to achieve energy saving, water saving, environmental protection, and improve the four benefits of heating capacity.

- Slag heat recovery  
By using the roller type slag cooler, subsidiaries make the slag convection with circulation water for heat exchange to absorb and discharge the slag heat, and reduce the slag temperature, thereby reducing the boiler heat loss and recovering the slag heat.

While building its own excellent technical capabilities, the Group also actively cooperates with excellent industry research institutions and educational institutions to jointly promote the technical standardization of the heat industry, including collaborating with multiple parties to draft provincial technical specifications for the heat service industry, such as Technical Code for Shallow Ground-source Heat Pump System (《淺層地源熱泵系統工程技術規範》) and Technical Code for Middle and Deep Geothermal Heating Engineering (《中深層地熱供熱工程技術規範》), etc., contributing Wise Living's technology and experience to promote the progress of the industry.

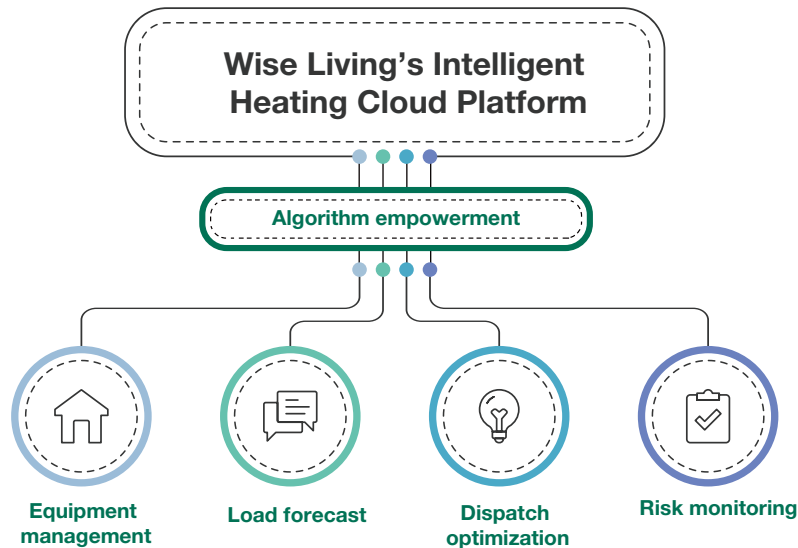


## Guarantee Centralized Heating and Warm Thousands of Households



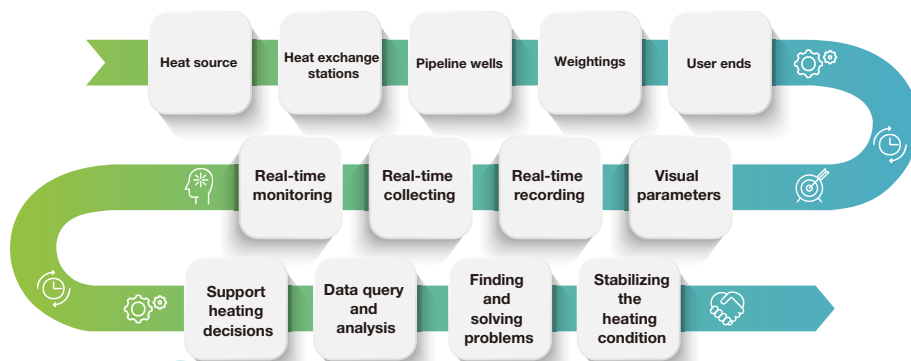
### 6.2.2 Intelligent heating system

Wise Living uses algorithms to empower the heating system, and applies an “intelligent heating cloud platform” that integrates equipment management, load forecasting, dispatch optimization, risk monitoring and other functions. The intelligent heating cloud platform combines advanced digital means such as geographic information technology (GIS) and artificial intelligence technology to conduct comprehensive real-time monitoring of the operating parameters, control effects and energy consumption of the heating system, and conduct operational monitoring, analysis and intelligent dispatch of heat services and use. In terms of function realization, the intelligent heating cloud platform can adjust the control of the heat exchange station and the heat source in a timely manner according to the changes in the heat used at the end, accurately regulate the balance between supply and demand of the heating system, effectively avoid excess heating and heat waste, reduce heat imbalance, and realize the whole process control of heating production, and greatly reduce the comprehensive energy consumption of the heating system.



#### Equipment management

The intelligent heating cloud platform can monitor and manage heat sources, heat exchange stations, pipeline wells, weightings, and user ends. The platform fully realizes the visualization, automation and digitization of the operation status of the thermal system, and improves the speed and level of the operation dispatch decision of the heating system.





# Guarantee Centralized Heating and Warm Thousands of Households

## CASE: SUCCESSFUL APPLICATION OF INTELLIGENT HEATING TECHNOLOGY IN THE “14TH NATIONAL WINTER GAMES”

In February 2024, Hulunbuir Shuangliang embraced digital transformation by leveraging its intelligent heating cloud platform and intelligent constant-temperature all-in-one heat exchange station, optimizing the “intelligent Hulunbuir Shuangliang system”. The system achieved comprehensive management and control of the heating system by leveraging advanced technologies such as 5G, IoT, GIS, cloud computing, machine learning, and AI. By seamlessly integrating Hulunbuir Shuangliang’s “intelligent heating cloud platform for the 14th National Winter Games” with the “intelligent emergency response system”, the system provided outstanding heating support for the 14th National Winter Games. During the event, all performance indicators of the system met international competition standards, earning high recognition and praise from the Executive Committee of the 14th National Winter Games. The system was widely covered by prominent media outlets, including CCTV, Xinhua News Agency, Workers’ Daily, and Guangming Daily. In addition, the Company’s intelligent heating technology garnered extensive societal acclaim.

In the arena, the temperature in the spectator stands was maintained at 20 degrees Celsius, while the ice surface temperature needed to be controlled at minus 5 degrees Celsius. To satisfy the complex temperature requirements, the ice hockey rink at the Inner Mongolia Ice Sports Training Center adopted the Group’s advanced temperature control technology. The venue was equipped with sets of dynamic environmental sensors that monitored the temperature of each area in real time, and the data was aggregated into a temperature regulation data platform independently developed by the heating team. The platform automatically adjusted the water temperature and flow rate of more than 2,000 heating units based on real-time data, ensuring that the temperature within the venue met the standard and allowing spectators to enjoy the game in a comfortable environment.



## Guarantee Centralized Heating and Warm Thousands of Households



### **Load forecast**

In view of the lag problem of heat supply and demand, Wise Living's intelligent heating cloud platform can establish a prediction model for heat supply under different meteorological conditions based on load prediction algorithm, so as to make real-time prediction of the heating load of each thermal unit in the next period. Combined with historical data, weather changes, secondary hydraulic balance, room temperature monitoring and other working conditions, Wise Living's intelligent heating cloud platform can make rolling forecasts of the thermal load in the next 48 hours, as well as the supply and demand trend of the full heat network, accurately locating areas with significant load forecast deviations.

### **Dispatch optimization**

Wise Living' intelligent heating cloud platform has a balance control algorithm to provide strategies for the whole network balance control. Based on load prediction and simulation model technology, the platform adopts model prediction control method to analyze the online hydraulic balance of the entire network according to real-time data, judge the operation situation and safety margin of the heat network, calculate the optimal balance control plan under the target conditions with intelligent algorithm, determine the parameters of each thermal station, and automatically send the control data to each controller, so as to achieve automatic balance control and optimal operation scheduling of pipe network.

### **Risk monitoring**

Wise Living' intelligent heating cloud platform uses the analysis and simulation function of GIS to store, manage, retrieve, maintain and update the basic data of various equipment, and provides scientific and reliable basis for the inspection, analysis, statistics and risk warning of the heating pipe network through the visual management of GIS maps.

The intelligent heating cloud platform builds a heating system model, including large facilities and structures such as heat sources, pipe networks, heat exchange stations, buildings, etc., and refines them to pipelines, valves and other equipment or parts. It can dynamically monitor and diagnose the operating parameters of heating units and equipment online, statistically analyze and grasp the operating status of the entire network and give early warning and alarm reminders for abnormal fluctuations of key parameters, so as to facilitate rapid detection of operational risks.

For example, the Group uses distributed optical fiber temperature sensing technology for real-time temperature monitoring. When there is a local leak in the pipeline, the digitalised heating system can capture these abnormal signals in time, and locate and mark the location of the accident point in the electronic map, which is convenient for pipeline maintenance personnel to overhaul and handle in time and avoid the occurrence of major accidents.



## Guarantee Centralized Heating and Warm Thousands of Households



### CASE: MANAGEMENT AND CONTROL OPTIMIZATION OF HEAT EXCHANGE STATIONS

In response to the challenges of long-distance pipeline transmission and data acquisition difficulties, the Group developed its own software and hardware to establish accurate pipe network simulation models and load prediction systems, which can penetrate the pipe network to measure blind spots and supplement pipe network information.

Due to the lagging of traditional heating system's perception of dangerous working conditions and the lack of operational accident prevention methods, the Group has formed a intelligent heating system through multi-dimensional system integration methods such as meteorological analysis, early warning, geographic information technology (GIS) map, etc., which realizes the comprehensive danger perception function of the heating system and greatly enhances the sensitivity of the heating system.



## Guarantee Centralized Heating and Warm Thousands of Households



### 6.2.3 Intellectual property management

Wise Living attaches great importance to scientific research achievements and intellectual property management, has formulated system documents such as the Intellectual Property Management System (《知識產權管理制度》), clarified intellectual property management norms, and strengthened its own intellectual property operation level. In terms of prevention of infringement, the Group regularly searches the patent items with infringement risk of Wise Living's patent on the inquiry website for reviewing patent information every quarter, and conducts infringement risk analysis and confirmation for specific items to protect the Group's patent security. In terms of awareness enhancement, the Group also conducts intellectual property protection exchange training to enhance the patent application skills and intellectual property protection awareness of its employees.

The Group has continued to improve the relevant regulations on intellectual property protection, and encouraged technology research and development innovation and intellectual property protection. After years of production practice and technological innovation accumulation, Wise Living owns 130 intellectual property patents.

Wise Living's key core patents	
1. A heating device for central heating	9. An equipment for comprehensive utilization of waste heat of coal slag
2. A central heating device that can utilise waste heat	10. A waste heat utilization device for flue gas pipeline
3. A kind of thermal insulation pipeline for central heating	11. A regenerative industrial waste heat recovery equipment
4. An energy-saving central heating control device	12. Low-temperature residual flue gas heat recovery and utilisation technology
5. A central heating desulfurisation and dust removal device	13. Fully-sealed free expansion high temperature pellet conveying device
6. A distillation device for waste heat utilisation	14. A multi-module assembly heat extraction device
7. An industrial heat exchanger	15. A starting pole piece processing and positioning device
8. An energy-saving and environmentally friendly central heating device	





## Guarantee Centralized Heating and Warm Thousands of Households

### 6.3 IMPROVING EFFICIENCY AND LEAN MANAGEMENT

Wise Living has implemented 6S management as the core strategy of its lean management, aiming to enhance work efficiency and strengthen environmental protection responsibilities. The 6S management system encompasses organizing (Seiri), straightening (Seiton), sweeping (Seiso), cleaning (Seiketsu), literacy (Shitsuke), and safety (Safety). This complete set of on-site management practices is designed to foster a more efficient, orderly and secure working environment.

The first step in the Group's implementation of 6S management is to delineate responsibility areas, ensuring that each area has a designated person in charge. This approach ensures that management standards are enforced at every stage, thereby enhancing overall work efficiency. Through continuous organizing and straightening, not only is the efficiency of the workplace optimized, but resource waste is also reduced, meeting environmental protection requirements.

Moreover, whether during the heating season or the off-season, the Company conducts both scheduled and unscheduled comprehensive inspections, to ensure the optimal performance of equipment and systems and guarantee the proper implementation of 6S management. This comprehensive inspection mechanism aids in the timely identification and resolution of problems, mitigates potential safety risks, and reinforces the commitment to environmental protection responsibilities.

With these measures, the Group's 6S on-site enhancements have not only boosted work efficiency but also reinforced its dedication to environmental protection. This underscores the Company's steadfast determination towards ongoing improvement and responsibility fulfillment. Collectively, these measures illustrate how the Company relentlessly pursues excellence through meticulous management, providing employees with a safe and efficient working environment, while delivering greater environmental benefits to society.



#### CASE: HULUNBUIR SHUANGLIANG'S 6S MANAGEMENT


Hulunbuir Shuangliang continues to implement 6S on-site management to ensure that the work environment remains clean and orderly, with clear safety signs, complete rules and regulations, and conspicuous warning signs. The Company insists on updating the "Promotion Board for Lean Management Activity", a dynamic management tool to display management progress and provide immediate feedback in real time. This ensures that all team members have an explicit understanding of the current management status and objectives.






## CHAPTER VII

# Practicing Clean Heating and Protecting Green Homeland



Wise Living Technology adheres to environment-friendly heating, attaches great importance to its own environmental protection responsibilities, plans in an orderly manner and takes multiple measures to reduce or avoid the adverse effects on the environment in any operating process. The Group is committed to becoming a pioneer and leader in the heat service industry to implement the concept of green development. At the same time, the Group analyzes and assesses the business' climate resilience, and seizes with forward-looking climate opportunities and makes "Wise Living contributions" to the response to climate change.



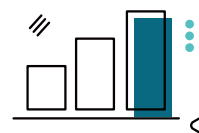
## 01 INDICATOR RESPONSE

- A1 Emissions
- A2 Use of resources
- A3 The Environmental and Natural Resources
- A4 Climate change



## 02 ISSUE RESPONSE

- Energy management
- Water management
- Waste management
- Air pollutant management
- Response to climate change



## 03 PERFORMANCE HIGHLIGHT

Using 2023 as the base year, water consumption intensity reduced in 2024 by :

**13%**

**Environmental 100%**  
pollutants discharge compliance:

The green energy island project in the science and innovation city of Shanxi Shuangliang Renewable Energy has been awarded the "2024 Typical Case of Industry-Innovation Integration in Shanxi Carbon Valley"



## Practicing Clean Heating and Protecting Green Homeland



### 7.1 OPPORTUNITIES FOR COPING WITH CLIMATE CHANGE

Recognizing that climate change is a common challenge facing the world, Wise Living has incorporated response to climate change into its overall sustainable development plan and planned climate governance and engagement in an orderly manner.

In terms of strengthening the climate governance framework, the Group has established the basic ideas for managing top-down response to climate change, with the Board assuming primary responsibility. With the support of the ESG working group, the Board regularly reviews the risks and opportunities of climate change and comprehensively assesses the direct or indirect impact of climate change on the Group's short-term and long-term business growth to incorporate it into the Group's overall ESG strategy. At the same time, the Group focuses on improving its ability to judge and respond to climate change and provides climate-related training to the Board to ensure that it has the expertise and ability to monitor and manage climate matters, so as to grasp climate-related policies, markets, technology and other trends.

During the Year, the Group has formulated the Response to Climate Policy for Wise Living Technology (《慧居科技應對氣候政策》), clarified the relevant guidelines and measures requirements for setting the Group's climate change-related strategies and goals, and worked with customers, suppliers and other internal and external stakeholders to implement climate change governance.

#### 7.1.1 Climate change risks and countermeasures

In order to avoid the impact of climate change as much as possible, Wise Living refers to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and HKEX's "Implementation Guidance on Climate Information Disclosure under the Environmental, Social, and Governance Framework (《環境、社會及管治框架下氣候信息披露的實施指引》)", identifies, analyzes and assesses the impact of climate-related risks on its own business, operations and finances, formulates countermeasures in a targeted manner, and seizes the industry opportunities that climate change may bring, which will promote the work on response to climate change.

The Group continues to identify and update short-term (1–3 years), medium-term (4–10 years) and long-term (over 10 years) climate-related risks and potential impacts. To this end, the Group is also synchronizing the planning and implementation of countermeasures for climate change-related risks:

Risk Categories		Duration	Climate-related Risks	Potential Impact	Countermeasures
Physical risks	Acute	Medium and long	Extreme weather events such as extreme cold, high temperature, strong wind, heavy rain, sand and dust occur frequently	<ul style="list-style-type: none"> <li>Destruction of production or office equipment, resulting in loss of assets or energy shortages, disrupting the normal conduct of production activities</li> </ul>	<ul style="list-style-type: none"> <li>Pay close attention to weather forecasts and take early measures against extreme weather</li> </ul>
	Chronic	Long	Changes in climate patterns	<ul style="list-style-type: none"> <li>Employee safety issues due to extreme weather conditions</li> </ul>	<ul style="list-style-type: none"> <li>Formulate emergency plan for extreme weather and do a good job in ensuring safety in advance</li> </ul>





## Practicing Clean Heating and Protecting Green Homeland

Risk Categories		Duration	Climate-related Risks	Potential Impact	Countermeasures
		Long	Average temperature rise	<ul style="list-style-type: none"> <li>Impact on workforce management, e.g. reduced operational efficiency due to employee absence</li> <li>Extreme cold leads to a surge in heat demand</li> <li>Generally higher temperatures lead to longer non-heat service periods</li> </ul>	<ul style="list-style-type: none"> <li>Purchase insurance for heat exchange equipment and machinery, take effective temperature control measures to prevent equipment failure</li> <li>Through the intelligent heating cloud platform, control the heating system in time, to ensure the user's heating temperature under extreme cold weather</li> <li>Simultaneously develop refrigeration business to enhance business climate resilience</li> </ul>
Transformation risk	Policies and laws	Short	Higher GHG emission pricing	<ul style="list-style-type: none"> <li>Increased costs for compliance</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen legal compliance management, pay close attention to policy updates, efficiently manage environmental performance in accordance with compliance requirements, and formulate the "Measures for Energy Conservation Review of Fixed Asset Investment Projects"</li> </ul>
		Short	Stricter disclosure obligations for emissions		<ul style="list-style-type: none"> <li>Control the operating parameters of heating system in real-time, conduct maintenance and optimization of heating facilities, improve heating efficiency and reduce heat loss</li> </ul>
		Short and medium	Stricter regulation on pollutant emissions, products and services		<ul style="list-style-type: none"> <li>Plan to trade carbon credits and generate additional revenue with clean heating business model through CCER (China Certified Emission Reduction) mechanism</li> </ul>
	Technology	Medium and long	R&D and investment in low-carbon transformation technologies	<ul style="list-style-type: none"> <li>Facilities and equipment such as coal-fired boilers are scrapped in advance</li> <li>Increased costs of adopting new technologies, new heat sources and new processes</li> </ul>	<ul style="list-style-type: none"> <li>Continue to explore new technologies to ensure long-term sustainable development</li> <li>Geothermal energy, biomass energy, etc. have been explored and developed to achieve low-carbon heat source combinations</li> </ul>



## Practicing Clean Heating and Protecting Green Homeland



Risk Categories		Duration	Climate-related Risks	Potential Impact	Countermeasures
	Market	Short	Raw material cost	<ul style="list-style-type: none"> <li>Coal mining and electronic costs or prices fluctuate, affecting production costs and stability</li> </ul>	<ul style="list-style-type: none"> <li>The signing of procurement agreements guarantees a stable supply</li> <li>Implement multiple heat sources combination for heating</li> </ul>
		Medium and Long	Increased attention or negative feedback from stakeholders	<ul style="list-style-type: none"> <li>Rising investor expectations for green, low-carbon, renewable energy technologies</li> </ul>	<ul style="list-style-type: none"> <li>Actively respond to stakeholders' needs and disclose information related to climate change response</li> </ul>

### 7.1.2 Opportunities from climate change

The Group firmly believes that taking the lead in mitigating or adapting to climate change will bring many opportunities for corporate development. While addressing climate change risks, we will grasp the opportunities brought by climate change to the Group's business development and operation management.

Opportunity Category	Climate-related Opportunities
Resource utilization efficiency	<ul style="list-style-type: none"> <li>Improve resource utilization and "three wastes" management efficiency, recycle water resources and reduce enterprise operating costs</li> </ul>
Energy use	<ul style="list-style-type: none"> <li>Renovate old heating facilities to improve heating efficiency and reduce energy consumption</li> <li>Increase the use of clean energy, and create the "Energy Island No. 1" project in the Shanxi Transformation and Comprehensive Reform Demonstration Zone through the comprehensive utilization of a number of new energy technologies</li> </ul>
Market	<ul style="list-style-type: none"> <li>Gain market recognition, and implement green technology and enterprise green low-carbon transformation to ensure sustainability of business development</li> <li>Explore CCER mechanisms to help society reduce carbon emissions and achieve dual-carbon goals, while increasing business revenue</li> </ul>





## Practicing Clean Heating and Protecting Green Homeland

### 7.2 GREEN DEVELOPMENT AND LOW-CARBON OPERATION

Wise Living continues to improve the management of energy conservation and consumption reduction, improves efficiency of resource utilization, and strives to reduce the possible negative impact of exhaust gas, wastewater and waste on the environment, and integrates green environmental protection throughout the entire operation link to build an environment-friendly enterprise, ensuring the harmonious coexistence of the Group's business development and natural ecology.

The Group strictly abides by the relevant laws and regulations on environmental protection such as the Environmental Protection Law of the PRC and the Regulations on Environmental Protection Management of Construction Projects, formulates relevant internal policies to standardize the Group's environmental protection related work, and continuously improves the internal environmental management system and optimizes the environmental management system.

#### 7.2.1 Environmental goal, performance and progress

Wise Living actively practices technological innovation and management process optimization, and strives to achieve a win-win situation of environmental benefits and economic benefits through upgrading equipment, technical energy-saving and other measures. In order to achieve excellent management results, the Group has committed to quantitative targets in terms of resource consumption and emissions of environmental management by 2023 as the baseline, and adjusted and reviewed the targets in a timely manner by monitoring the completion degree and progress of the targets.

Resource Consumption Targets						Emission Targets		
Energy target			Water target			GHG emission target		
<ul style="list-style-type: none"> <li>Reduce non-renewable energy use intensity by 2025 5%</li> </ul>			<ul style="list-style-type: none"> <li>Reduce water intensity by 2025 5%</li> </ul>			<ul style="list-style-type: none"> <li>GHG (Scopes 1&amp;2) emissions intensity reduction by 2025 5%</li> </ul>		
2024 Progress	Year-on-year change	Completion	2024 Progress	Year-on-year change	Completion	2024 Progress	Year-on-year change	Completion
0.797 > 0.505	45%	Not yet achieved	0.986 < 1.08	-13%	Target achieved	0.29 > 0.19	50%	Not yet achieved

The total water consumption of Wise Living in 2024 declined as compared to 2023. In the case of Shuozhou City Renewable Energy Thermal, for example, leakage was reduced by upgrading the old pipe network and stepping up inspections and assessments, which reduced private water discharge by residents, thereby effectively reducing water consumption. In addition, both Lanzhou New Area and Shanxi Xi County are coal-fired heating plants. The increase in coal consumption in the Lanzhou New Area and the new inclusion of the Shanxi Xi County in the coverage have resulted in an increase in the overall GHG emission intensity and total non-renewable energy consumption intensity by 45% and 50%, respectively.



## Practicing Clean Heating and Protecting Green Homeland



### 7.2.2 Energy and resource management

Adhering to the concept and principle of green development, Wise Living takes multiple measures to rationally use resources and optimize community pipe network maintenance, so as to reduce unnecessary resource and energy consumption. The Group regularly inspects the operation status of boilers, pipe networks and heat stations, timely discovers and rectifies the failure of the heating system, and assists other enterprises in saving energy through EMC services, to reduce the waste of internal and external resources and energy of the Group.



#### CASE: RECYCLING OF RESIDUAL HEAT FROM POWER PLANTS TO AID CENTRALIZED URBAN HEATING

In Shuozhou, Shanxi Province, Wise Living has successfully implemented an energy-saving practice that utilizes residual heat from power plants for centralized urban heating. The project recovers the residual heat from the tail end of power plants' turbines, using it as a supplementary heat source for centralized heating. In the traditional cogeneration model, it is usually necessary to extract 4–5 kilograms of steam and convert the steam into hot water for heating. Differently, this practice involves recovering the residual heat from tail ends of turbines, which would otherwise be discharged into the atmosphere through cooling towers, and using it for heating. This practice markedly enhances energy utilization efficiency.

Through the residual heat recovery technology, the overall energy-saving and emission-reduction effect reaches 40%. In the past, supplying centralized heating to urban areas required 100 tons of steam, but now only 60 tons of steam are needed to meet the demand, achieving significant energy savings and environmental benefits. In addition, the low cost of residual heat as a heat source significantly improves the economy of heating, offering more stable and environmentally friendly heat services to urban residents. This case demonstrates the potential of innovative technologies in energy saving, emission reduction and economic benefits, providing valuable reference experience for applying similar technologies to other regions.



#### CASE: PROVIDING EMC SERVICE TO ASSIST ENTERPRISES IN COLLECTING RESIDUAL HEAT FOR ENERGY SAVING

Gansu Shuangliang Smart Energy Management Company Limited signed an EMC contract with a power plant in Gansu to install a number of equipment and machinery for collecting residual heat, operate and maintain related facilities, and assist it in achieving energy conservation benefits through the collection and utilization of residual heat generated by circulation water.

With EMC services, the plant can save up to 311,320 GJ of heat per month with a residual heat collecting unit.





## Practicing Clean Heating and Protecting Green Homeland

### Energy management

Under the guidance of the energy consumption target in 2025, the Group guides and encourages its subsidiaries to plan for energy consumption rationally with the annual energy consumption target and helps communities to maintain the heating network and improve energy utilization efficiency. At the same time, the Group establishes an abnormal energy consumption inspection and assessment mechanism, and actively improves the supervision and regulation of total energy consumption and intensity through the management system of intelligent heating cloud platform.



### CASE: MANAGEMENT SYSTEM OF INTELLIGENT HEATING CLOUD PLATFORM

Based on changes in outdoor weather, the intelligent heating cloud platform management system strategic control module can set time-sharing temperature control for the unit, reasonably adjust the temperature curve, further improve the energy and water loss management of the heat station and reduce energy consumption while ensuring the heat demand of users.

- In terms of power consumption management, the intelligent heating cloud platform management system can strictly control the operating parameters of the circulation pump. In the initial and final stages of heating, the number of circulation pumps or the frequency of the inverter is appropriately reduced; and the frequency of the circulation pump of the heating station is reduced at night or on holidays to ensure the end circulation of the secondary network and reduce the power consumption of the heat exchange station.
- In terms of water loss management, for heat stations with large water loss in production and operation, the intelligent heating cloud platform management system analysis module takes in the water replenishment curve of the unit and analyzes the law of changes in water replenishment in the heat station. While confirming the time period for water loss, targeted investigation and timely repair are carried out to reduce the water loss in the heat station.

Shanxi Shuangliang Renewable Energy, a subsidiary of the Group, actively practices the concept of three-dimensional energy extraction from the sky, ground and underground in the clean energy heating system. It has basically formed a number of key advanced technology matrices for energy extraction and consumption, including photovoltaic power generation and heating, solar thermal power generation and solar boilers, air sources, sewage sources, reclaimed water sources, shallow geothermal energy, medium geothermal energy and deep dry heating.

Wise Living takes root in clean heating, continues to explore renewable energy utilization opportunities, and continues to move towards green transformation with better energy structure and advanced clean technology advantages.



## Practicing Clean Heating and Protecting Green Homeland



### *Green Energy Island Project*

The green energy island project in the science and innovation city of Shanxi Shuangliang Renewable Energy was awarded the “2024 Typical Case of Industry-Innovation Integration in Shanxi Carbon Valley”. As one of the typical representatives, the “Energy Island No. 1” project in Shanxi Transformation and Comprehensive Reform Demonstration Zone has produced good demonstration effects and domestic and foreign influence. In the future, Wise Living will continue to work on the technology research and development and application of geothermal energy in the support for people’s livelihood and the improvement of the ecological environment, increase the development and investment of geothermal technology, innovate business models, drive the upgrading of the industry, expand geothermal energy application scenarios, and help geothermal energy develop in an all-round way.



### CASE: “ENERGY ISLAND NO. 1” PROJECT IN SHANXI TRANSFORMATION AND COMPREHENSIVE REFORM DEMONSTRATION ZONE

The Science and Technology Innovation City Energy Island No. 1 project is located in the Shanxi Transformation and Comprehensive Reform Demonstration Zone, which integrates four national development zones and three provincial development zones, with a total planning area of about 600 square kilometers.

The project was independently designed and constructed by Shanxi Shuangliang Renewable Energy, a subsidiary of the Group. Since its commencement of official operation in 2019, it has been a demonstration project for the comprehensive use of green energy, as well as the largest “geothermal + multi-energy” joint energy heating project in China.

The project integrates 13 kinds of clean energy utilization technologies such as shallow geothermal energy, medium and deep geothermal energy, solar photovoltaic, solar thermal, air source heat pump, wind power generation, energy storage, etc., with three-dimensional energy extraction, cascade utilization, and multi-energy complementarity, and the heating scale reaches one million energy levels, which can achieve a heating area of about 1.06 million square meters and a cooling area of 200,000 square meters.

It also marks the first application of phase change heat extraction technology for medium-deep gravity heat pipes. This is the fifth-generation new geothermal energy utilization technology jointly developed by Shanxi Shuangliang Renewable Energy and the Guangzhou Branch of the Chinese Academy of Sciences. The greatest advantage of this technology lies in that it is free from geographical constraints, requiring no geothermal water. It features excellent thermal conductivity, high heat extraction capacity, high utilization potential, and energy-saving benefits without consuming electricity, earning it the reputation of an





## Practicing Clean Heating and Protecting Green Homeland



### CASE: “ENERGY ISLAND NO. 1” PROJECT IN SHANXI TRANSFORMATION AND COMPREHENSIVE REFORM DEMONSTRATION ZONE

The “Energy Island No. 1” project in Shanxi Transformation and Comprehensive Reform Demonstration Zone has four major highlights in the national clean energy heating industry:

- Comprehensive utilization of new energy types;
- Advanced technology in energy complementary optimization;
- High degree of intelligent management of heating system;
- Single heating area of over million.

#### ***Advantages and Characteristics of Clean Heating of “Energy Island No. 1” Project in Shanxi Transformation and Comprehensive Reform Demonstration Zone***

- *Comprehensive utilization of several new energy technologies*  
“Energy Island No. 1” realizes the scientific matching and multi-energy complementary heating (cooling) technology route of various energy sources under different climatic conditions. During the heating operation in winter, according to the different conditions of the initial cold period, the final cold period and the severe cold period, the Energy Island strictly controls and reasonably matches each use technology to achieve the most economical and most efficient operation.
- *Digital empowerment of green energy*  
“Energy Island No. 1” not only serves as the National Thermal Power Regulation and Command Center, the Data Analysis Center, and the Emergency Response and Disaster Backup Center of Wise Living, but also shoulders the responsibility of ensuring the safety, stability, economy and wisdom of all heating companies under Wise Living.





## Practicing Clean Heating and Protecting Green Homeland



- Achieving Comprehensive Environmental Governance**  
 The core area of Science and Technology Innovation City in Comprehensive Reform Demonstration Zone, Xiaohu Industrial Park and Wusu Comprehensive Bonded Zone are all planned for geothermal heating, with a total planned heating area of 200 million square meters. Geothermal energy is expected to play a bigger role in air pollution control.
- Geothermal and multi-energy complementary intelligent heating**  
 The integrated wells are authorized to jointly bear the responsibility of supplying 70% of the heat source of the Energy Island. From water intake to refill, the geothermal water system adopts a closed cycle, taking only heat but not water, therefore the whole process is featuring zero pollution, zero discharge and zero loss, thus realizing both development and protection of geothermal resources. In order to cope with emergencies, the remaining 30% of the heating adopts new energy technologies such as air source heat pumps, solar photovoltaics, solar thermal energy, and phase change heat storage, and two condensing heat collection boilers are also configured as backup heat sources for peak shaving, which are multi-energy complementary and more stable than a single heat source for traditional heating.



### CASE: HOSTING VISITS FROM COUNTRIES AND INDUSTRY DELEGATIONS, DEEPENING INTERNATIONAL EXCHANGE ON GREEN ENERGY

In 2024, the Group welcomed more than 100 visits from government and industry organizations, including the Energy Research Institute of the National Development and Reform Commission, the Indonesian delegation, a delegation of the Sino-European International Seminar on Clean Energy Transformation, the “6+N” Circular Economy Association Cooperation Alliance in the central region, the Kazakhstan KKC Group delegation, Tianjin Energy Group, and Tianjin Binhai Construction Investment Project Management Company (天津濱海建投項管公司), among others. Through comprehensive informatization, diversification and three-dimensional presentation, these visits provided an intuitive and thorough understanding of the integrated application of green energy from various perspectives.

Amid the global wave of vigorously advocating green, environment-friendly and low-carbon production and lifestyle, Shanxi, as a crucial comprehensive energy base, shoulders the significant mission of spearheading the comprehensive reform pilot for the energy revolution. With its forward-thinking concepts and cutting-edge technology, Shanxi Shuangliang Renewable Energy has demonstrated immense potential for future development. It has not only offered invaluable experience for the advancement of the international geothermal industry but has also made significant contributions to fostering global cooperation in green

### Water management

Wise Living abides by the Law on Water Pollution Prevention Control of the PRC and other laws and regulations and the management requirements of the place where the operation is located and attaches great importance to the management and protection of water resources. The Group actively implements water resource conservation measures in all aspects, strictly follows industrial water treatment design norms, transforms and improves industrial water efficiency, and deepens water conservation optimization measures to reduce waste of water. The Group uses a flue gas residual heat collection system to collect the condensate generated and then transport it to the raw water tank of the melting workshop for storage and reuse, and recovers approximately 50,000 tonnes of condensate per year, which can be softened to meet part of the water needs of the Group's production. At the same time, the Group comprehensively optimizes the equipment for condensate and softened water, and adjusts the PH value of water to neutral by setting up an automatic dosing device to reduce the hardness of water production, prolonging the time for water producing, reduce the number of regeneration, and effectively reducing the water consumption for regeneration.





## Practicing Clean Heating and Protecting Green Homeland

Wise Living's water sources mainly come from the municipal network, and there is no problem in obtaining suitable water sources. The total water consumption and intensity of the Group for the Year are as follows:

Water Resources	Unit	2023	2024
Total water consumption	m <sup>3</sup>	1,739,612.95	1,625,866.62
Water consumption intensity	m <sup>3</sup> /thousand of revenue	1.134	0.986

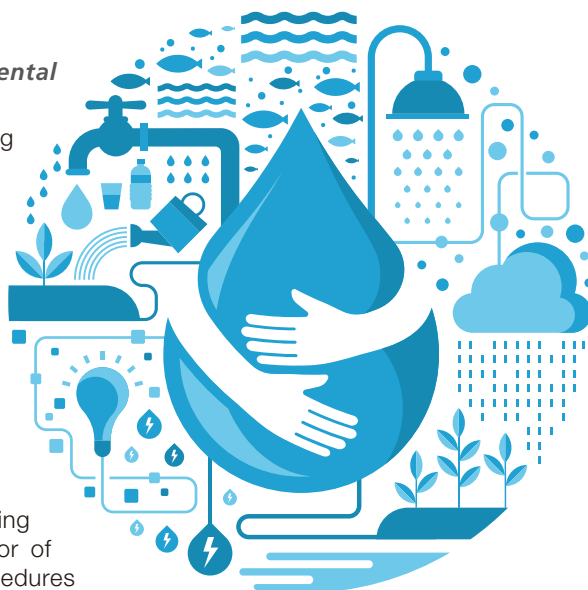
The total water consumption of Wise Living declined compared to 2023, with a 7% reduction on a year-on-year basis. In the case of Shuozhou City Renewable Energy Thermal Company Limited, for example, the original water leakage situation was significantly improved after the renewal and reconstruction of the old pipe network in the previous few years. At the same time, Shuozhou City Renewable Energy Thermal Company Limited has reduced private water discharge by residents through inspections and strengthened the assessment of water, electricity and heat unit consumption, thus effectively reducing water consumption.

### 7.2.3 Eco-environmental protection management

#### *Green mining with a firm commitment to eco-environmental protection*

In the process of geothermal energy extraction, Wise Living Technology always prioritizes the protection of the ecological environment, implementing stringent measures to control our impact on it, to realize green and sustainable energy development. Given the considerable depth of the geothermal water layer, the Group has adopted cementing technology in the drilling process, to prevent contamination of shallow groundwater (which is typically used for residential purposes within approximately 200 meters). By using cement-like materials to seal the surroundings of the wellbore as well as specialized cementing equipment, we ensure the secure isolation of aquifers.

Upon completion of drilling, it is necessary to install a casing in the well to further segregate the formation from the interior of the pipe. This is followed by a sequence of specialized procedures including cementing and logging, resulting in a well that meets environmental standards. This meticulous operational process substantially diminishes the environmental risks associated with geothermal extraction, vividly illustrating the Company's high regard for ecological and environmental protection. It provides strong guarantee for the sustainable utilization of geothermal resources.



### 7.2.4 Emission management

Wise Living strictly abides by the Law on the Prevention and Control of Atmospheric Pollution of the PRC, the Law on Water Pollution Control of the PRC, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste and other laws and regulations, and regards exhaust gas, wastewater and waste management as the top priority in environmental protection. The Group practices clean heating, reduces air pollution through equipment transformation, puts wastewater and waste under professional management, and minimizes the possible impact on the environment during operation.



## Practicing Clean Heating and Protecting Green Homeland



### Exhaust gas emission

In order to reduce the impact of exhaust gas emissions on the environment, Wise Living actively promotes prevention and control measures, continuously improves processes for air pollution control, actively conducts pollutant monitoring, and regularly entrusts qualified third parties and local environmental protection bureaus to sample and monitor. The boilers in the Lanzhou area, which mainly use coal-fired heat, have completed the ultra-low emission renovation engineering in accordance with the Plan for Winter Clean Heating in the Northern Region (2017–2021)《北方地區冬季清潔取暖規劃(2017–2021)》, and have passed the completion acceptance of the local ecological environment bureau project in 2019.



### CASE: RENOVATION OF ULTRA-LOW FLUE GAS EMISSIONS IN CIRCULATION FLUIDIZED BED HOT WATER BOILERS

The project renovated and upgraded the existing dust collector cloth bag, added mist eliminators and trays in the desulfurization tower, used limestone or gypsum wet flue gas desulfurization process to transform the existing desulfurization tower, and added 3 sets of SCR (Selective Catalytic Reduction) denitrification devices for the flue gas of the existing 3 boilers, and equipped two sets of online monitoring systems. After the completion of the project, the nitrogen oxides, sulfur dioxide and particulate matter emitted by the boiler flue gas can meet the special emission limits of air pollutants set by the Air Pollution Emission Standard for Thermal Power Plants (GB 13223–2011).



Publicity for Air Pollution Prevention and Control

### Wastewater management

The Group strictly manages all aspects of wastewater treatment, and it provides professional sewage treatment equipment, formulates testing standards, and conducts dynamic testing to ensure that nitrogen, Chemical Oxygen Demand, Biochemical Oxygen Demand, etc. meet the first-class standard limits and are discharged into the municipal drainage pipe network in compliance with regulations. At the same time, in strict accordance with the standard of Urban Sewage Recycling — Urban Miscellaneous Water Quality (《城市污水再生利用 — 城市雜用水水質》)(GB/T 18920–2002), the Group reuses part of the wastewater for plant greening and dust reduction. Taking Lanzhou Shuangliang, a subsidiary of the Group, as an example, it organizes the testing of PH value, chemical oxygen demand, ammonia nitrogen, suspended solids, total phosphorus, petroleum, fluoride, sulfide, volatile phenols, total dissolved solids — total salt and flow indicators for the total discharge of sewage in strict accordance with the requirements of the Technical Guidelines for Self-monitoring of Pollutant Discharging Units — Thermal Power Generation and Boilers (HJ 820–2017)《排污單位自行監測技術指南 — 火力發電及鍋爐(HJ 820–2017)》, and discharges the wastewater into the municipal pipe network and into the sewage treatment plant in compliance after meeting the three-level standard of the Comprehensive Sewage Discharge Standard (GB8978–1996).





## Practicing Clean Heating and Protecting Green Homeland

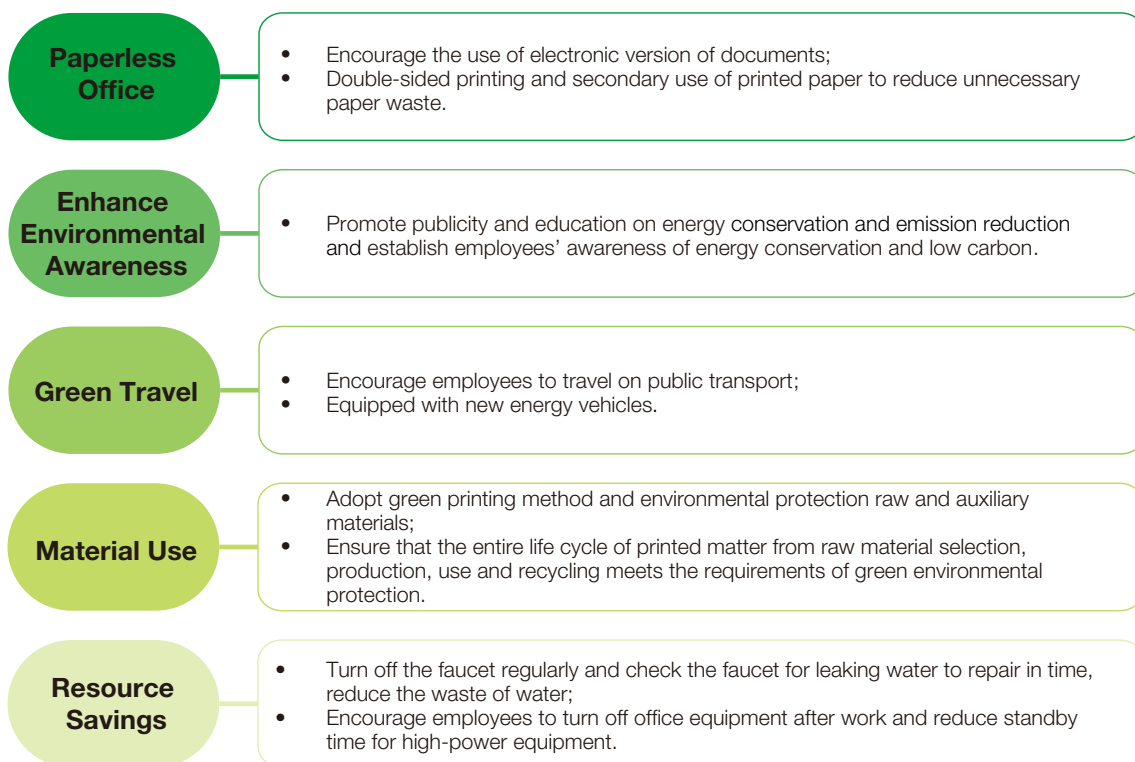
### Waste management

In accordance with the Law of the People's Republic of China on the Prevention of Solid Waste Pollution (《中華人民共和國固體廢棄物污染防治法》) and other laws and regulations, Wise Living formulates and implements relevant pollution prevention and control management systems and operating procedures for each subsidiary, adopts targeted professional treatment of industrial solid waste based on coal ash and slag in the production process, and identifies domestic garbage and toxic and hazardous waste for garbage classification management, and fills in the solid waste combing list.

The Group always adheres to source reduction to maximize the reduction of landfills, actively promotes waste reduction and recycling, and continues to explore technology and management paths for waste reduction, recycling and harmlessness to enhance employees' environmental awareness.

### 7.2.5 Green office

Wise Living actively explores the green office model, implements digital office to improve energy efficiency, advocates the concept of environmental protection and energy saving, consolidates employees' awareness of environmental protection, and continuously improves the Group's green operation and management level.





# Optimizing Customer Service to Drive Industry Development



Wise Living sets standards for user heating network access and payment, continuously optimizes the heat service management system, listens to user feedback and strives to improve user satisfaction. The Group also integrates ESG requirements into the entire supply chain management process and actively engages in communication and training with suppliers, and simultaneously strengthens the upstream and downstream management of the heating business to promote the prosperity and development of the industry.



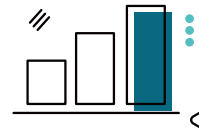
### 01 INDICATOR RESPONSE:

B5 Supply chain management  
B6 Product responsibility



### 02 ISSUE RESPONSE

Quality service  
Supply chain management



### 03 PERFORMANCE HIGHLIGHT

Ensure that the average indoor temperature of residents is not lower than

**18**

degrees Celsius

Complaint resolution rate of

**100%**

customer satisfaction rate of

**99%**

24h all-day heating, all-day monitoring and all-day business acceptance

In 2024, there was no major ESG negative impact or serious violation of laws and regulations among the suppliers of the Group

## Optimizing Customer Service to Drive Industry Development



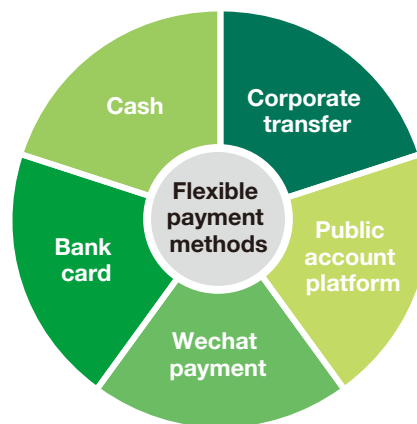
### 8.1 WHOLE NETWORK HEATING AND CUSTOMER SERVICE

#### 8.1.1 Heating network access and payment management

The Group is deeply engaged in the heat service industry in the “Three North Region”, expanding the use of clean energy through the construction of a huge heating network, laying the foundation for improving the regional environment. The Group standardizes the heating network access process and provides diversified heating cost payment methods to enhance customers’ heating experience.

The Group is committed to improving the process and service of network access and has implemented the Heating Network Access Management System (《供熱入網管理制度》) to promote the standardization, normalization and institutionalization of heating network access services. Before carrying out heating network access, the Group companies will conduct a thorough investigation of the region, understand the demand for heat, evaluate the market potential, and compile the annual network access plan. After accepting the customer’s demand for access to the network, the engineering and technical department shall carry out the construction survey and prepare the preliminary design proposal. After the preliminary proposal is jointly reviewed, the Group leaders will further consider and approve the construction proposal and project budget and arrange to sign the heating network access contract with the users. After the signing of the contract, the heating customer service department will take the lead in launching the project start-up meeting to ensure adequate material supply and appropriate personnel arrangements, providing high-quality service experience throughout the process.

On the basis of strictly abiding by laws and regulations and industry service standards, the Group is committed to providing convenient and transparent heating payment services. The Group has clear guidelines on all aspects of heating payment management, pays attention to communicating with customers in terms of contract terms, notifies users of price adjustments and other changes in a timely manner, and handles service requests efficiently. At the same time, the Group provides different settlement methods and flexible payment options for heat services. When taking legal measures against overdue payments, the Group will also take into account the financial situation of customers and strive to ensure that the whole process of service is responsible, and revenue is in compliance with the law.



*Flexible payment methods*







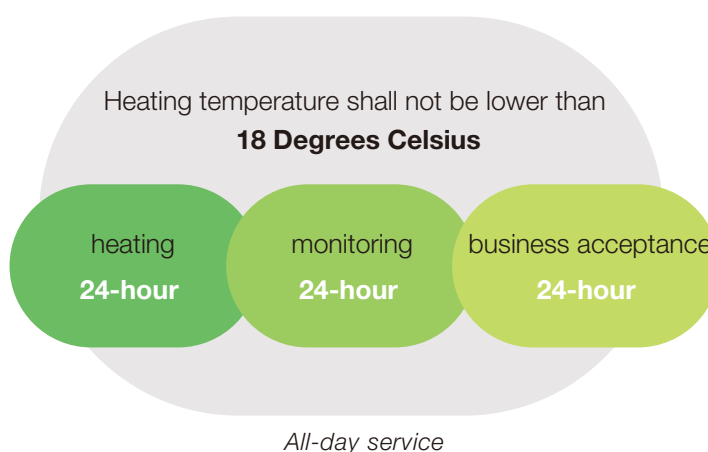
## Optimizing Customer Service to Drive Industry Development

### 8.1.2 Customer service management system

The Group's resident customers are mainly household customers, while non-resident customers include property companies, commercial operators, government agencies, educational institutions, hospitals, airports, stations, etc. The Group continuously improves the Customer Service Manual (《客戶服務手冊》), fulfills specific work requirements such as heating responsibilities, service commitments and fault handling, and attaches importance to customer feedback. By improving the workflow, the Group creates a warm and efficient heating experience for millions of households.

#### *All-day service*

The Group regards "urban heating is no trivial matter, house heating must be ensured" as its service purpose and promises to provide 24-hour uninterrupted heat service during the heat service period stipulated by the government, and to ensure that the average indoor temperature of residents is not less than 18 degrees Celsius. In addition, the Group monitors the whole heating process 24 hours a day, and the staff on duty will conduct spot checks on the heating area and adjust the flow of the heating network in time. In case of facility failure, emergency repairmen on standby will arrive at the scene in time for equipment maintenance. Wise Living provides users with business consultation, information inquiry, business complaints and fault repair services 24 hours a day, and with timely feedback. Depending on the severity of the fault, minor repairs are guaranteed to be completed on the same day, while major and medium repairs will not exceed three days.

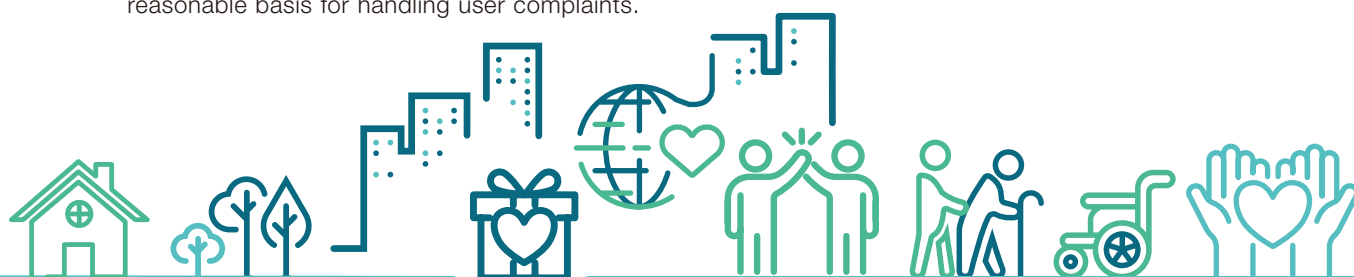


#### *Customer complaint handling*

Wise Living pays attention to customer experience and builds a perfect customer complaint handling mechanism for this purpose and uses heat service management software to improve service efficiency, facilitating timely responses and replies to customer needs and inquiries, thereby providing solutions and clarifications.

In 2024, the Group received a total of 4,803 service feedback and 20,605 customer return visits. The complaints raised by customers were mainly related to minor technical problems. For complaints, the Group followed up and handled them in accordance with relevant procedures and systems, with a handling rate of 100%, and no major complaints related to the quality of heat services were received.

In addition, the Group has established a data archiving and storage mechanism to sort out and archive all kinds of video, paper and other data fed back by staff, so as to minimize the possibility of disputes and provide a reasonable basis for handling user complaints.



## Optimizing Customer Service to Drive Industry Development



Commitment to user-first service		
Prompt response to user needs	Standardized maintenance service	24-hour complaint handling mechanism
The Group responds to the user's questions in a timely manner, and the user can call the customer service telephone directly or go to the business hall of the heating company for consultation. It will take no more than 3 working days for customer service to receive the inquiry and reply to the question. Questions that cannot be answered online will be transferred to the relevant departments for professional consultation and processing. This will ensure that users' problems are fully resolved.	The Group has formulated stringent maintenance specifications, requiring staff to verify the maintenance content before maintenance and patiently answer users' questions. During maintenance, it is necessary to ensure that the work site is neat and orderly, and it is strictly prohibited to destroy existing facilities without permission. Maintenance personnel are committed to improving the quality and efficiency of repairs. For any repairs that fail to meet standards, the Group will arrange another visit to ensure customer satisfaction.	The Group has set up a 24/7 complaint hotline. When users have objections to heating quality, service attitude, payment and other matters, they can call the hotline 24 hours a day to complain and report. The Group will handle each complaint with a highly responsible attitude, responding promptly to ensure that the legitimate rights and interests of users are protected.

### Customer service training

Customer service professional training is an important part of improving the service quality of enterprises. The Group carries out targeted customer service training every year, including basic etiquette, business knowledge, communication skills, sales skills, etc. For the Year, the Group conducted structured service process training for customer service personnel, involving hotline dispatch complaint handling and user direct complaint handling, to ensure rapid response and assistance to user opinions.

### 8.1.3 Improvement of customer satisfaction

The Group practices the service concept of "warm people, warmer hearts", and attaches great importance to the satisfaction of users. In order to strengthen the relationship with users, the Group goes into various communities to listen to the users, keeps users' opinions in mind, and serves every user wholeheartedly by strengthening communication and publicity and standardizing data archiving.

In 2024, customer satisfaction reached



99%



## Optimizing Customer Service to Drive Industry Development



### Communication and coordination

The Group is stationed in the community within its jurisdiction, deeply understands the user's evaluation of the service and actively solicits suggestions. For issues of special concern to users, such as heating price and heating time, the Group will reach consensus with administrative units, residents' representatives, property management companies and other parties through the mechanism of discussion and consultation.



### CASE: DIVERSIFIED SERVICE MODELS FOR A PREMIUM CUSTOMER EXPERIENCE

At Hulunbuir Shuangliang, Wise Living always places customer needs at the forefront. To this end, a 7\*24-hour customer service hotline has been established to ensure that customers can access support and assistance anytime, anywhere. To enhance service for a multicultural clientele, Hulunbuir Shuangliang has specifically appointed customer service representatives fluent in minority languages, ensuring prompt and effective responses to inquiries from customers across diverse linguistic backgrounds.

Hulunbuir Shuangliang's customer service team is committed to improving the efficiency of handling complaints as soon as they are received, achieving a 100% case acceptance rate. Whenever a customer raises a problem or request, Wise Living will handle it within the same day, guaranteeing timely solutions to customer problems. In addition, to enhance customer satisfaction, Wise Living follows up with customers within 48 hours of issue resolution to gauge their satisfaction and identify further needs.

This series of service measures not only enhances customer experience but also demonstrates Hulunbuir Shuangliang's commitment to high-quality service. We are convinced that continuous customer care and an efficient service system will further solidify our leadership in the market.



### Publicity and promotion

The Group regularly sends people to distribute brochures in the community, and shares heating knowledge with users in the form of short videos through social platforms, so that users can understand heating safety knowledge, investigate potential safety hazards, and further reduce the incidence of accidents.



## Optimizing Customer Service to Drive Industry Development



### 8.2 INDUSTRY DEVELOPMENT AND WIN-WIN COOPERATION

#### 8.2.1 Whole process management of supply chain

The high-quality development of the Group is inseparable from the support of partners. Wise Living regards suppliers as important partners, integrates the concept of sustainable development into supplier management, builds a responsible supply chain system, and achieves win-win cooperation with suppliers to create a better future. The Group always adheres to the procurement policy of “fairness, openness, quality and quantity”, and determines at least three suppliers for fair evaluation of each type of materials and equipment. The Group has formulated a series of supplier management systems, such as the Supplier Management Measures (《供應商管理辦法》) and the Procurement and Supply Business Management System (《採供業務管理制度》), to strictly control the whole process of supplier access, selection, review and evaluation, manage supply chain risks, improve the transparency and standardization of procurement, and fully protect the interests of both parties.





## Optimizing Customer Service to Drive Industry Development

For supplier process management, the Group mainly carries out annual “qualified suppliers” evaluation and “excellent suppliers” evaluation from five aspects of quality level, contract performance, delivery capacity, after-sales service and price level.



### Supplier level

Qualified suppliers	Excellent suppliers
<p>In the evaluation of qualified suppliers, the Group conducts evaluations of the suppliers it has collaborated with over the past year in a face-to-face manner, assessing their brand, scale, qualifications, production capacity, service, and financing capabilities. Suppliers who pass the evaluation are awarded the “Annual Qualified Supplier Certificate”.</p>	<p>On the basis of qualified suppliers, the Group further selects excellent suppliers, conducts annual thematic evaluation on qualified suppliers mainly according to the performance in terms of product qualification rate, price, on-time delivery rate and after-sales service in supply cooperation, selects excellent suppliers of the Year and awards the honorary certificate of “Excellent Supplier of the Year”. For suppliers who have won the title of “Excellent Supplier of the Year”, the Group will give priority to the procurement of relevant aspects in the next year’s supply cooperation.</p>



## Optimizing Customer Service to Drive Industry Development



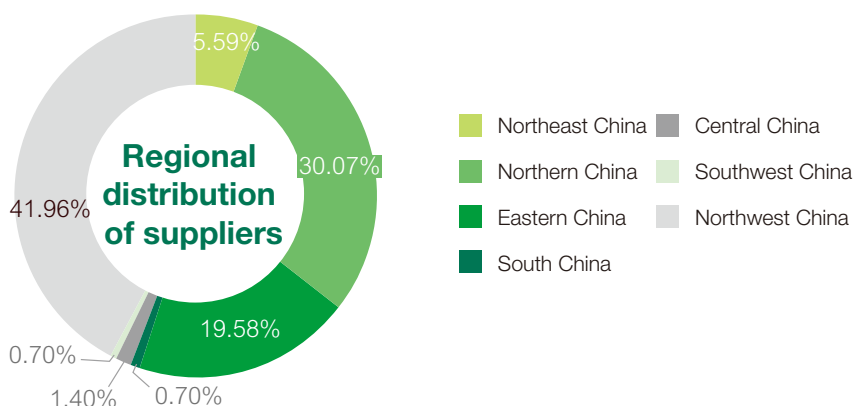
### *Effectiveness of “Youyuncai” on its first anniversary*

“Youyuncai” is a bidding and procurement platform launched by the Group in 2023, designed to achieve full-process information management of suppliers and enhance the transparency and standardization of the supply chain. By 2024, the platform has delivered remarkable results, including improved operational efficiency, streamlined workflows, and reduced decision-making time, making business operations smoother and more efficient.

At the same time, “Youyuncai” plays a pivotal role in supplier appraisal and selection. We conduct comprehensive evaluations and scoring of suppliers recommended by each subsidiary, rigorously selecting those with excellent performance and superior product quality as long-term partners, thereby further consolidating the stability of the supply chain.

The Group always adheres to the procurement policy of “fairness, openness, quality and quantity”. The successful operation of “Youyuncai” has not only strengthened supply chain management but also comprehensively improved product quality and service level, cementing the solid foundation for the Group’s sustainable development.

In 2024, the number of suppliers of the Group by region is as follows:





## Optimizing Customer Service to Drive Industry Development

### 8.2.2 Supply chain ESG management

Wise Living also pays attention to ESG management of suppliers and tends to cooperate with suppliers with excellent ESG performance. The Group incorporates ESG issues such as environmental protection, protection of employee rights and interests, occupational health and safety, business ethics and anti-corruption into the supply chain management system and sets ESG-related requirements in all aspects of procurement and supplier management to ensure the effective implementation of sustainable development requirements in supply chain management. In addition, the Group prioritizes cooperation with suppliers in the province to reduce GHG emissions caused by transportation and ensure on-time delivery.

In 2024, there were no major ESG negative impacts or serious violations of laws and regulations by suppliers of the Group.

#### ESG Management Requirements of the Group's Supply Chain

Environmental protection	<ul style="list-style-type: none"> <li>• <b>Procurement standard formulation:</b> In terms of the procurement contracts of production equipment, we set the terms of equipment energy-saving indicators to implement the requirements of green production, energy saving and emission reduction. For coal purchase contracts, we set coal quality requirements such as low sulfur content, moisture content and volatile content to control the emission of waste gas from coal-fired boiler heating;</li> <li>• <b>Supplier access:</b> We inspect the environmental protection qualification of suppliers, and require them to provide certification documents such as ISO 14001 Environmental Management System Certificate;</li> <li>• <b>Supplier process management:</b> We implement category management, carry out environmental protection capability audits on suppliers providing environmental protection equipment/services, and regularly check the validity period of waste gas, wastewater and other pollutants treatment qualification of environmental protection service providers. For construction units, we urge them to implement pollution prevention measures during the infrastructure phase in accordance with national environmental protection laws and regulations. These measures include centralized stacking and unified removal of construction waste, implementation of noise protection methods, etc. Additionally, we conduct regular on-site inspections of construction projects. Should any violations be found, immediate corrective action is demanded.</li> </ul>
Employee rights protection	<ul style="list-style-type: none"> <li>• <b>Contract signing:</b> When signing contracts with all bidding construction units, we will require them to sign the Agreement on Guaranteeing the Payment of Migrant Workers' Wages (《保障農民工工資支付協議》), supervise their employment management, and prevent and stop the contractors of the project from defaulting on the wages of migrant workers;</li> <li>• In case of any violation of the above agreement, the corresponding liquidated damages shall be deducted from the project payment to effectively protect the legitimate rights and interests of the supplier's employees.</li> </ul>





## Optimizing Customer Service to Drive Industry Development



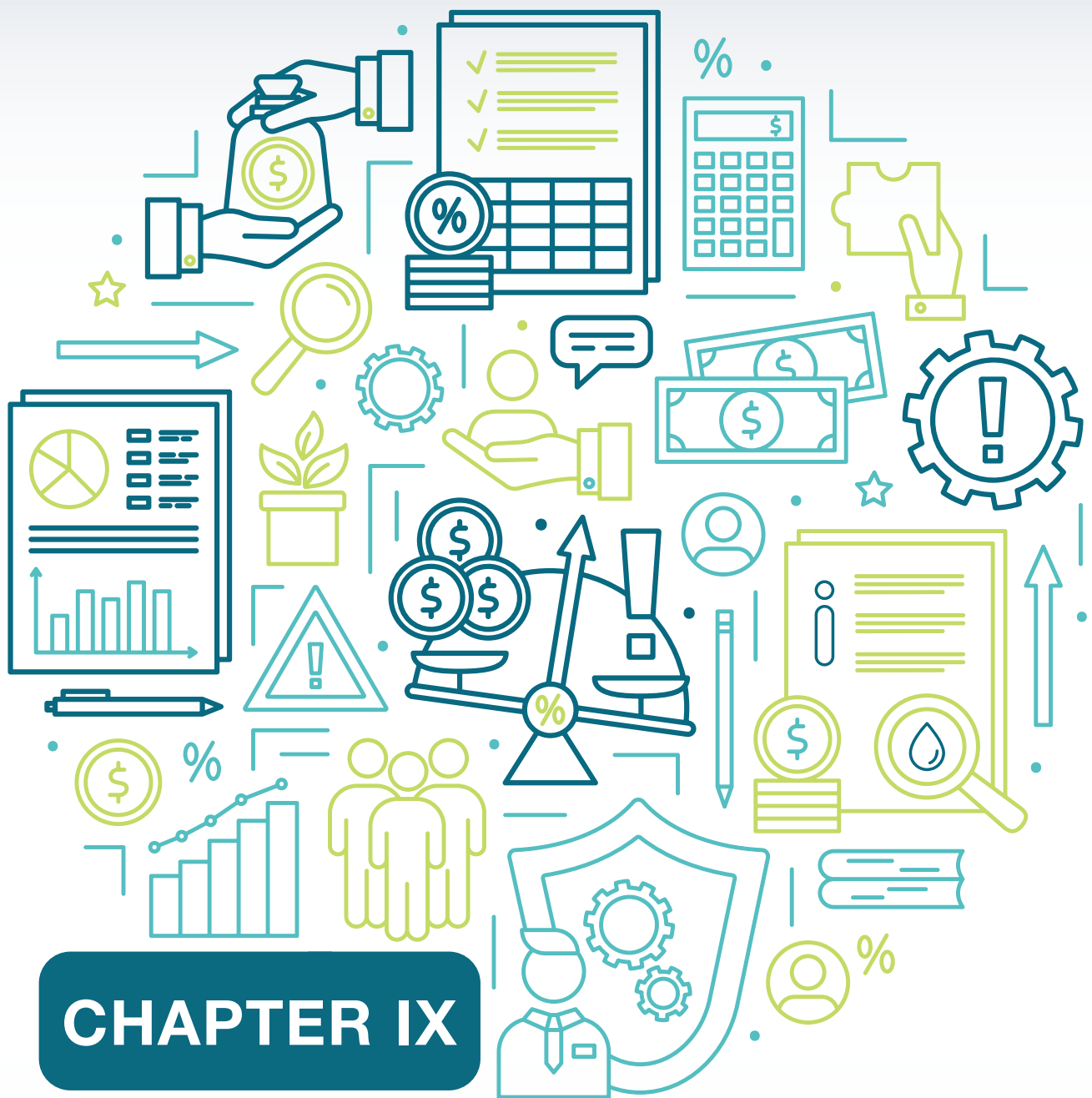
ESG Management Requirements of the Group's Supply Chain	
Occupational health and safety	<ul style="list-style-type: none"> <li>• <b>Supplier access:</b> We inspect the production license and occupational health qualification of suppliers, and require them to provide documents such as production license and ISO 45001 Occupational Health Management System Certification;</li> <li>• <b>Supplier process management:</b> In the construction process of the project, the Construction Organization Plan (《施工组织方案》) formulated by the construction unit of the project stipulates measures to ensure safe and civilized construction, such as requiring the construction party to equip and properly wear necessary labor protection supplies, setting up safety enclosure, safety signs and safety propaganda slogans on the site, and conducting regular on-site inspection. At the same time, a full-time safety officer is specially appointed to be responsible for the safety management of the project site, and also to carry out safety training and education for the construction party to improve its safety production awareness.</li> </ul>
Business ethics and anti-corruption	<ul style="list-style-type: none"> <li>• <b>Procurement bidding:</b> “Youyuncai” bidding and procurement platform features an anti-corruption monitoring function. The system backend monitors the bidding management dynamics of bidders during the admission, bid quoting and other processes through the bidder's IP address, so as to effectively prevent the occurrence of collusive bidding. Once collusive bidding is found, the involved supplier is immediately blacklisted, and no further collaboration will occur;</li> <li>• <b>Supplier access:</b> Suppliers are required to provide proof of their integrity qualifications and their performance in terms of business ethics. For example, suppliers should not be listed on websites such as the “National Enterprise Credit Information Publicity System” as severely illegal and untrustworthy enterprises. Additionally, the heads of suppliers should not have any record of bribery or criminal behavior on the “China Judgments Online” website;</li> <li>• <b>Contract signing:</b> All suppliers are required to sign an integrity procurement agreement, namely the Integrity Responsibility Statement (《廉政责任书》), to regulate the activities between business parties, prevent any illegal or disciplinary actions aimed at gaining improper benefits, thereby protecting the rights and interests of all parties involved in the contract.</li> </ul>

### 8.2.3 Supplier communication and training

For the Year, Wise Living has actively engaged in business discussions and communications with supplier partners. Not only have we exchanged technical insights and conducted training sessions in our day-to-day operations, but we have also participated in industry forums organized by suppliers. By continuously deepening our exchanges up and down the value chain, we aim to promote the collective development of the heating industry.


In terms of daily technical exchanges and training, the Group invites suppliers to give on-site equipment explanations from time to time according to business needs or organizes suppliers to carry out safety production education and training together.






## CHAPTER IX

# Care for Employees and Growing Together



Wise Living adheres to the management concept of “people-oriented”, and builds a unique talent view of “recruiting people attentively, employing people earnestly and retaining people with good benefits, feelings and environment” to guide talent management. The Group respects each employee, advocates mutual assistance among employees, fully protects their rights and interests, attaches importance to the training of talents, pays attention to their health and safety, and is committed to strengthening the construction of “family-oriented” cohesion to jointly promote the development of the enterprise.



## 01 INDICATOR RESPONSE



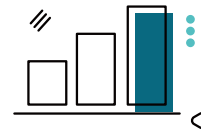
- B1 Employment
- B2 Health & safety
- B3 Development and training
- B4 Labor standard

## 02 ISSUE RESPONSE



- Employment practice
- Diversity, equality and inclusion
- Employee rights protection
- Occupational health and safety
- Development and training

## 03 PERFORMANCE HIGHLIGHT



**Total number of employees:**

**849**

**Training hours per capita:**

**17.21** hours



## Care for Employees and Growing Together

### 9.1 COMPLIANT EMPLOYMENT AND EQUAL TREATMENT

#### 9.1.1 Compliant employment and protection of labor rights and interests

Wise Living strictly abides by the Labor Law of the People's Republic of China and Provisions on the Prohibition of Using Child Labor and other employment and labor-related laws and regulations, formulates the Basic System of Human Resources (《人力资源基本制度》) and Employees' Code of Conduct (《员工行为规范》), sticks to the bottom line of compliant employment, signs labor contracts with employees in accordance with the law and provides employees with such working conditions and benefits as agreed in the contracts. The Group explicitly prohibits the use of child labor and forced labor, and strengthens the verification of employee information. The Human Resources Department checks employee information and certificates, once it finds that the information submitted by an employee is materially inaccurate, the labor contract will be terminated immediately according to the system, and the serious circumstances will be dealt with in accordance with the law. In daily work, the Group requires each department to arrange work tasks reasonably and strictly control employees' work and overtime hours to prevent illegal employment of forced labor. In 2024, there was no child labor and forced labor in the Group.

#### 9.1.2 Inclusive workplace

Guided by the talent policy of "respecting and attracting talents, employing talents in an unconventional manner, and pursuing the best possible use of talents", Wise Living creates a diverse workplace environment, actively supports the Universal Declaration of Human Rights and the International Covenants on Human Rights, adheres to the requirements of international conventions such as the Discrimination (Employment and Occupation) Convention of International Labour Organization and the United Nations Global Compact, advocates diversity and equal opportunities, prohibits any forms of discrimination and prejudice, and treats employees of different nationalities, races, genders, religious beliefs and cultural backgrounds fairly. In 2024, the Group received 0 complaints about human rights issues and no major labor disputes occurred.

#### 9.1.3 Talent recruitment

Wise Living has established a comprehensive talent recruitment system and an internal competition mechanism. Based on the principles of openness, fairness and impartiality, internal competition creates a growth environment for the Group to compete on an equal footing by selecting outstanding employees with good professional qualities, strong business skills and enterprising spirit to join the management team. As for external competitive recruitment, the Group recruits social talents through various channels, such as social recruitment and school-enterprise cooperation, to promote the continuous growth of the talent team.

**Social recruitment:** Wise Living recruits talents through online channels such as third-party recruitment platforms and the official website of the Group. For the recruitment of heating station staff in remote areas, Wise Living actively cooperates with the local village committees to recruit suitable personnel through on-site job fairs.

**School-enterprise cooperation:** In order to strengthen the talent pool, Wise Living actively opens up the channels for choosing jobs with colleges and vocational colleges. During the year, Wise Living has launched school-enterprise cooperation programs together with Lanzhou University of Technology, Lanzhou Jiaotong University, Lanzhou University of Information Science and Technology, Taiyuan University of Technology, etc. Such schools focus on the key areas of Wise Living's concern such as clean energy technology to train outstanding talents and recommend outstanding graduates to Wise Living. Based on the goal of industry-education integration, Wise Living's school-enterprise cooperation aims to build an industry-education integration platform that integrates talent cultivation, scientific research and development, innovation and entrepreneurship, and vocational training.



## Care for Employees and Growing Together



### 9.2 TALENT DEVELOPMENT AND WORKING TOGETHER

#### 9.2.1 Employee compensation and performance management

In terms of remuneration, Wise Living regulates remuneration management based on the principle of “distribution according to labor”. The Remuneration System (《薪酬體系》) sets clear remuneration standards for all levels and positions to ensure equal remuneration for equal work, without the discriminatory effects of gender, ethnicity, disability, etc. Employees’ remuneration mainly consists of basic salary, performance payroll, seniority allowance and academic allowance. The remuneration committee of Wise Living is responsible for regularly evaluating the overall remuneration standard according to national policies, price levels, industry and regional competition, combined with the overall effectiveness of the Group, to ensure that employees are provided with remuneration standards that have a competitive edge in the region and the industry, so as to fully demonstrate the recognition of the value of the employees and their contribution to the Group.

In terms of performance, the Group sets up different appraisal plans for supervisors and grass-roots employees in accordance with the Performance Appraisal Measures (《業績考核辦法》), and organizes monthly, annual and specialized performance appraisals, to reasonably evaluate the work effectiveness of employees.

#### 9.2.2 Employee development and training opportunities

The personal development of employees is also an important part of the growth of Wise Living. During the year, Wise Living focused on formulating the Talent System Building (《人才體系建設》) program and conducting regular talent inventory, assessing typical talent standards through horizontal comparisons of employees in various business segments, and building a talent pool in order to select reserve talents for key positions and strengthen the construction of the talent team. Wise Living continuously optimizes the mechanism of selecting, educating, employing and retaining staff.



#### CASE: WISE LIVING’S SPECIAL TALENT INCENTIVE PROGRAM

In the case of incentive mechanism innovation, Wise Living has specifically designed an array of incentive measures for special talents, such as core members involved in new projects and business partners. These measures include the general manager talent recruitment program, aimed at attracting strategically important professional talents to join.

Wise Living not only provides financial incentives but also includes opportunities for career development and support for market expansion, such as offering professional training and resource assistance, to help the talents achieve substantial progress in business and market. Such incentive strategies not only help enhance the professional capabilities of employees but also contribute to expanding the Company’s market influence, thereby propelling the overall development of the Company.





## Care for Employees and Growing Together

At the same time, Wise Living has established the Training Manual (《培訓大手冊》) to guide the systematic construction of the talent training mechanism of the Group, and has developed systematic training programs, covering employees at the grass-roots level, middle and senior managers. The annual employee training coverage rate was 100%, with the per capita training hours reached 17.21 hours. The types of regular employee training are diverse and comprehensive, including new employee induction training, party building thematic training, reading and learning, and specialized business training. Wise Living has also invited external experts from time to time to give lectures on professional knowledge, so as to fully enhance the basic quality of our employees.

- ***New hire orientation helps employee quickly adapt to job needs***

Wise Living produced online course for new hire orientation as one of their standardized measures to assist the new employee for their onboarding, which includes code of conduct, foundation of safety management, etc., and also conducted training tests and training satisfaction surveys for employee.

- ***Business-specific training to enhance the professionalism of staff***

As an important measure to enhance the professional competence and compliance awareness of talents, the Human Resources Department of Wise Living actively plans and implements specialized training. The training content covers key areas such as fire safety, occupational health and safety, heating industry regulations, and legal knowledge including the Civil Code, aiming to enhance employees' professional capabilities and legal compliance awareness in all aspects.

- ***Corporate culture heritage training to deepen employees' understanding of the Company's culture and values***

As a regular activity to strengthen corporate culture and convey core values, Wise Living conducts employee training multiple times throughout the year. These training activities are designed to communicate the Company's culture, values and latest policies to employees, ensuring that they keenly understand and practice the Company's core concepts and strategies. This type of training helps to foster a work environment that shares the same values, promoting overall coordination and cooperation among employees.

In addition, we encourage employees to take the initiative to learn professional knowledge, actively support all employees in participating in various certificate certification examinations, obtain relevant professional qualifications, and provide reimbursement of professional qualifications and other examination fees, to help employees continue to improve professional strength and comprehensive literacy.



Care for Employees and Growing Together



9.3 SAFETY PRODUCTION AND HEALTH PROTECTION

9.3.1 Safety management system

Wise Living regards production safety as the top priority of operation and management, innovatively puts forward the production safety management concept of “seven ones”, and has maintained the safety production goal of “seven zeros” over the years. On the basis of strictly abiding by the laws and regulations including Work Safety Law of the PRC, the Group has established and improved rules and regulations in respect of production safety and a safety standardization management system with reference to ISO 45001 occupational health and safety management system certification.

In terms of system construction, the Group has formulated specialized systems such as Production Safety Laws and Regulations (《安全生產法律法規》), Production Safety Management System (《安全生產管理制度》) and Production Safety Operation Rules (《安全生產操作規程》) to ensure specific management and implementation work such as safety risk assessment, production safety supervision and investigation and management on potential hazards, special operation management and occupational health management are standardized, and production safety defense is well in place.

Production Safety Management Concept	Production Safety Objectives
<p><b>“Seven Ones” for Production Safety</b></p> <p>One report on safety status on a daily basis</p> <p>One-to-one file for entire employees</p> <p>One elimination of potential hazards on a weekly basis</p> <p>One risk assessment on a monthly basis</p> <p>One production safety report on a quarterly basis</p> <p>One benchmarking for safety work on a semi-annually basis</p> <p>One safety work appraisal on a yearly basis</p>	<p><b>“Seven Zeros” for Production Safety</b></p> <p>“Zero” serious injuries to personnel</p> <p>“Zero” fatality</p> <p>“Zero” major equipment damage</p> <p>“Zero” severe fires</p> <p>“Zero” explosion accidents</p> <p>“Zero” malignant and improper operation accidents</p> <p>“Zero” serious safety traffic accidents</p>

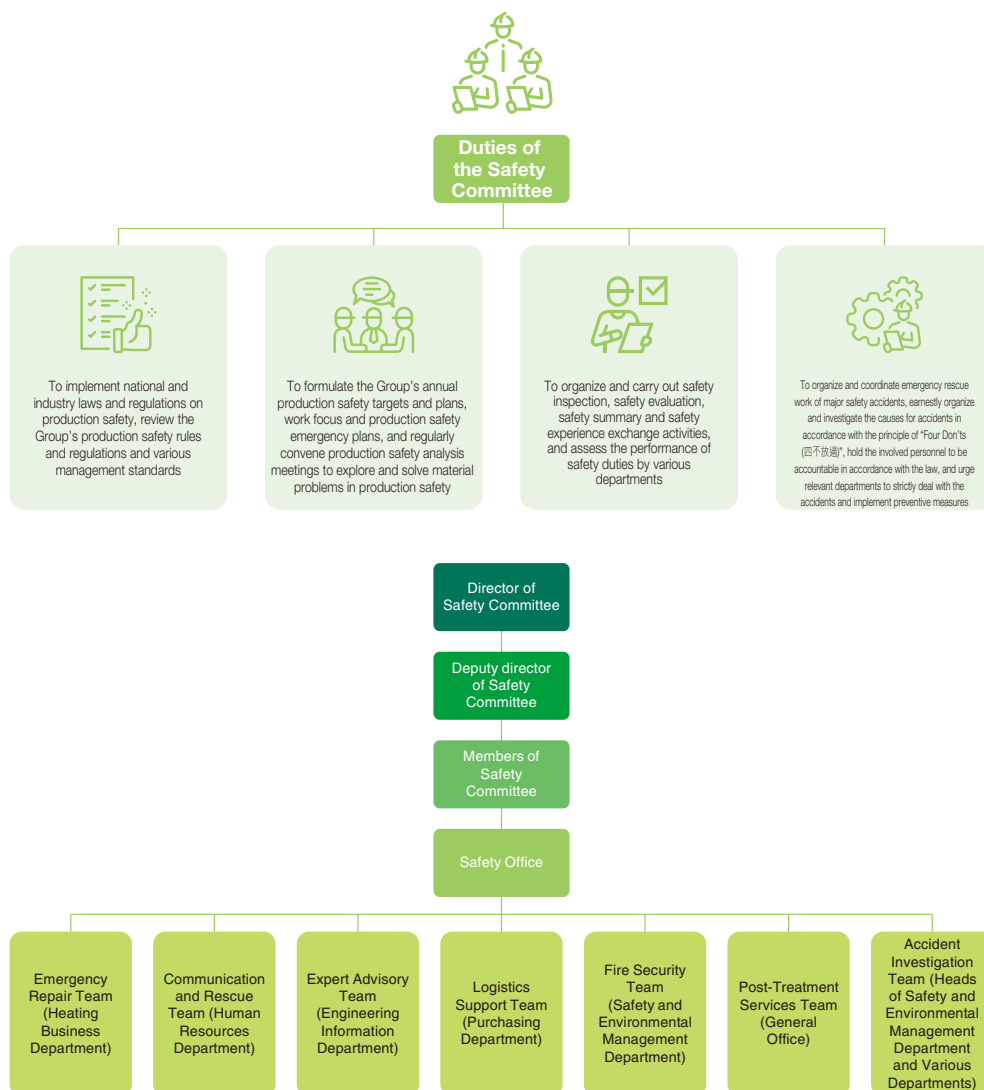






## Care for Employees and Growing Together

In terms of organizational construction, the headquarter of the Group has set up a safety committee fully responsible for the work arrangement in relation to production safety of the Group. In particular, the chairman of the Group serves as the director of the safety committee, each vice general chairman charge serves as the deputy director, and the members are composed of the heads of various departments and subsidiaries of the Group. A safety office has been established under the safety committee, which is mainly undertaken by the safety and environmental management departments of the headquarter and each subsidiary and headed by the department manager as the office director, providing assistance to the heating business department, human resources department, engineering information department and other departments on construction of the production safety management system.



Safety Organization Structure of the Group



## Care for Employees and Growing Together



### 9.3.2 Protection of safety operation

Wise Living practically establishes the principle of “safety first” and attaches great importance to ordinary and specialized production safety inspection to ensure operational safety. The Group regulates and directs the investigation of potential safety hazards:

- The ordinary inspection activities are conducted with a focus on the investigation of potential safety hazards. Professional evaluation methods and tools for potential safety hazards are adopted to inspect fire security, limited space operations, aerial work, hazardous chemicals, electric shock etc. Wise Living conducts ordinary inspection at least once a week. In response to matters such as water leakage of valves, aging equipment, insufficient fire-fighting equipment and non-standard production by personnel discovered in the course of inspection, the relevant persons in charge have implemented rectification measures in a timely manner by means of replacement, maintenance, purchase and training, etc. The Group has managed to eliminate potential accident hazards on a weekly basis and minimize such hazards.
- Special safety inspections are mainly conducted on a seasonal and professional basis. In view of the seasonal characteristics and the geographical conditions and climatic characteristics, Wise Living focuses on the seasonal safety inspections with emphasis on lightning prevention, flood control, winter protection and fire prevention. Professional safety inspections are carried out on special equipment, safety equipment, dangerous goods and other equipment at the start and stop of installations and the completion of new installations. Wise Living launched major safety activities such as safety production inspection “100-day Action” and safety production month to escort operation safety during the Year.



*Safety Inspection Modules*



## Care for Employees and Growing Together



### CASE: STRENGTHENING THE SAFETY MANAGEMENT OF SPECIAL EQUIPMENT

In 2024, Hulunbuir Shuangliang responded to Decree No. 74 of the State Administration for Market Regulation, “Regulations on the Supervision and Management of the Implementation of Safety Responsibilities by Special Equipment Users (《特種設備使用單位落實使用安全主體責任監督管理規定》)”, by establishing a dedicated organization for the safety management of special equipment. Hulunbuir Shuangliang places great emphasis on this initiative, organizing comprehensive professional training for all responsible personnel and the employees from the safety supervision department, who have obtained the required safety operation certificates. At the same time, the organization systematically disassembled, maintained and serviced the safety valves of all 153 heat exchange stations in Hulunbuir Shuangliang, ensuring the safe operation of the equipment. The organization also completed the annual calibration of special equipment, demonstrating its rigorous management and ongoing commitment to safety production.



### CASE: REAL-TIME MONITORING OF SAFETY OPERATIONS USING THE INTELLIGENT PRODUCTION PLATFORM

In order to ensure the operation safety of heating stations, Wise Living used the management and control distribution diagram on the intelligent production platform to remotely monitor each heating station. The staff could scan the QR code on the management and control distribution diagram to check the specific situation of each heat exchange station, including its name, address, introduction, principle, safety operation procedures, equipment, person in charge, etc., and use 360° HD cameras at each heat exchange station with remote monitoring software, to continuously monitor the safety of people, machines and objects at the heat exchange station and pay attention to potential safety hazards in real time.



## Care for Employees and Growing Together



### 9.3.3 Occupational health and safety training

“Production safety is everyone’s responsibility” is the safety standard of Wise Living. According to the Law of the People’s Republic of China on the Prevention and Control of Occupational Diseases, Provisions on the Supervision and Administration of Occupational Health at Worksites and other national and industry regulations, Wise Living has formulated and strictly implemented the Occupational Health Management System (《職業健康管理制度》), etc., to prevent and protect workers from the health impact caused by occupational harmful factors. During the Year, Wise Living invested RMB787,500 in protecting the health and safety of its employees. The main initiatives in occupational safety and security are as follows:

#### *Equipped with labor protection supplies*

According to the actual work features of the posts, the Group provided our employees with high-level labor protection products, such as safety helmets, work clothing, gas masks, dust-proof masks, anti-dust masks sets, etc., and provided the training of correct use methods to ensure the safety of employees’ work and operations.

#### *Creating health records*

In order to track the health of the employees, the Group established occupational health monitoring records for the employees, and conducted daily monitoring of workplaces with toxic and harmful risks, and realized dynamic management of employee health. The Group organized occupational health examinations for employees exposed to occupational disease hazard every year, and the testing items were identified according to the occupational hazard factors, including coal dust, noise, other dust, carbon monoxide, sulfur dioxide and nitrogen oxides, etc., to prevent occupational diseases for the employees.

#### *Conducting safety trainings*

The Group has developed the Management Approach of Safety Production Education and Training (《安全生產教育與培訓制度》) covering all employees to standardize safety education work, improve the safety production awareness of all employees, enhance the safety knowledge of all employees, and master the necessary safety skills. The Group actively organized and carried out three-level safety education for new employees or various safety training or drills (such as fire protection, occupational health, special equipment, limited space and special operations, etc.).





## Care for Employees and Growing Together

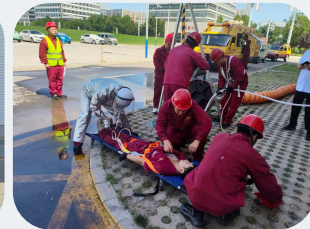


### CASE: SAFETY PRODUCTION MONTH SPECIAL – ALL EMPLOYEES BUILDING A SAFETY DEFENSE LINE TOGETHER

In 2024, Shanxi Shuangliang Renewable Energy meticulously organized a series of Safety Production Month activities, themed “Everyone Talks Safety, Everyone Can Respond — Clear the Path for Life”, aimed at enhancing all employees’ safety awareness and emergency response capabilities. Each branch actively responded by conducting a range of activities, including emergency drills and safety initiative signings, to reinforce the importance of production safety among employees.

In addition, Shanxi Shuangliang Renewable Energy also organized publicity activities to prevent carbon monoxide poisoning and conducted pre-employment “three-level” safety education and training for the maintenance and repair teams plus new employees in the office, ensuring that they strictly observed safety operating procedures in their actual work. Shanxi Shuangliang Renewable Energy specially invited hospital experts to provide on-site instructions on crucial emergency response skills such as cardio-pulmonary resuscitation (CPR), Heimlich manoeuvre and hemostasis by compression bandages, further enhancing employees’ practical emergency capabilities.

Daily safety training and education sessions were organized throughout the Safety Production Month activities, with a total of 3,510 employee participations. The sessions were testimony to Shanxi Shuangliang Renewable Energy’s firm commitment to enhancing employee safety awareness and fostering a safety production culture.



## Care for Employees and Growing Together



### CASE: COMPREHENSIVE SAFETY EQUIPMENT TRAINING TO ENHANCE SAFETY DURING THE HEATING SEASON

The subsidiary in Baotou conducted a raft of safety training sessions before the heating season. The company procured safety guarantee equipment and facilities, including four-in-one gas detectors, positive-pressure respirators, mini fire stations, and fire extinguishers, and provided training to employees on how to use these equipment and facilities. In addition, during the “Safety Production Month”, the company organized a series of safety activities to further strengthen employees’ awareness of safety production.



### CASE: VIDEO CASE STUDY AND MILITARY-STYLE DRILLS OF SAFETY ACCIDENTS

The subsidiary in Xinmi intensified its efforts in the training and examination of safety education, emphasizing the education and study of video cases of safety accidents. Safety education and training activities, such as military-style drills and confined space operations, were conducted, further strengthening the safety knowledge and skills of all employees.







## Care for Employees and Growing Together

### 9.4 EMPLOYEES' RIGHTS AND INTERESTS AND HARMONIOUS WORKPLACE

#### 9.4.1 Employee activities and care

Wise Living focused on enhancing employees' sense of work happiness and belonging by striving to provide comprehensive protection for employees' work life and enriching employees' spiritual and cultural life. The Group paid "five social insurances and one housing provident fund" for all employees in accordance with the laws, provided statutory holidays and actively cooperated with the relevant policies of the local government to help impoverished employees and migrant employees apply for rental subsidies and registration of collective residence. In addition, according to the Employee Manual (《員工手冊》), the Group provided employees with various kinds of benefits such as commercial insurance, holiday gifts, physical examination, high-temperature subsidy, shuttle bus, etc., so that employees can feel the care and warmth of the Group.



#### CASE: WISE LIVING'S DIVERSE ACTIVITIES TO CARE FOR EMPLOYEES

Wise Living carries out a variety of employee welfare activities to enhance employee cohesion, satisfaction, and happiness. The activities include regularly held "Quarterly Employee Birthday Celebrations" and special events for female employees on "March 8th" International Women's Day. In addition, during traditional festivals such as the Mid-Autumn Festival and the Dragon Boat Festival, the Group organizes an assortment of cultural and health activities including psychological counseling lectures, to further strengthen team cohesion. These activities not only enrich the social lives of employees but also enhance the harmonious atmosphere of the entire work environment.





## Care for Employees and Growing Together



### 9.4.2 Communication with employees

In order to understand the status of the operation and management, Wise Living conducted regular employee satisfaction surveys and collected employees' opinions and needs from the perspectives of work environment, work position, training and development opportunities and remuneration packages. The Human Resources Department assessed the effectiveness of human resources management, identified potential problems and formulated improvement plans in a timely manner based on the results of the surveys. In 2024, the overall employee participation rate of the Group remained at a relatively high level, with employee satisfaction score of 99 points.

Wise Living wished to establish a harmonious labour relationship to effectively resolve the conflicts arising from the employment. For this purpose, Wise Living continued to improve the internal communication mechanism of employees so as to listen to suggestions and requests in a timely manner and built a diversified communication channel for employees:

- The employees may submit feedback directly to the head of department, the person in charge and the manager of the human resources department, and the relevant departments may promptly investigate and resolve the matter;
- The Group set up employee mailbox and complaint mailbox to listen to the employees' concerns;
- The human resources department regularly reviewed the employees' situation through telephone communication, including their recent work arrangements, issues that need to be coordinated to address and training needs, to pay attention to the growth and livelihood of employees.



#### Labour Union Construction



The Group placed great emphasis on the labour union construction. In accordance with the relevant requirements of the Constitution of Trade Unions of China, the Trade Union Law of the People's Republic of China and the Regulations on the Work of Trade Unions of Enterprises (Trial), The Group had formulated the Trade Union Committee Management System (《工會委員會管理制度》) to protect the rights and interests of employees. All employees are automatically become union members upon entry, and the independent trade union represents 5% of all employees. We actively organize employees to participate in the Group's democratic elections, negotiations, decisions, management, and supervision, and organize learning and educational activities as required by the union.





## CHAPTER X



**Devoting Ourselves to  
Public Welfare Undertakings  
and  
Fulfilling Social Responsibilities**



Wise Living Technology always adheres to the original intention of serving people's livelihood, takes the initiative to participate in social welfare undertakings, and insists on giving back to the society with professional heat services and enthusiastic service attitude. The Group strives to organically integrate its core business, service network and corporate social responsibility, mobilize Wise Living employees to participate in person, actively shape the Group's humanistic care concept, and build dreams and promote goodness for the grassroots services in the PRC.



## 01 INDICATOR RESPONSE



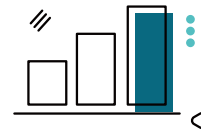
B8 Community investment

## 02 ISSUE RESPONSE



Engaging in social welfare

## 03 PERFORMANCE HIGHLIGHT



Donation projects and activities for public welfare since inception:

12

Accumulated amount of various donations: RMB **210,000**



## Devoting Ourselves to Public Welfare Undertakings and Fulfilling Social Responsibilities

### 10.1 SOCIAL CO-CONSTRUCTION WARMING PEOPLE'S HEARTS

Wise Living Technology adheres to public welfare and good deeds, and advocates and promotes the construction of community infrastructure by carrying out community public welfare activities and charitable activities. Since its establishment, the Group has participated in a total of 12 public welfare donation projects and activities which involved cash, materials and other forms, with an actual donation amount of nearly RMB210,000. Our responsibility and commitment have been recognized by the society.

Public welfare projects and activities



**in total 12 times**

Actual accumulated amount of donations nearly



**RMB210,000**

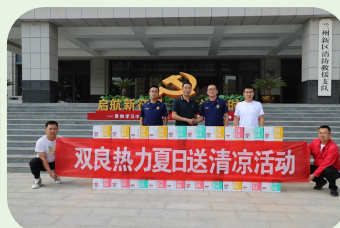
Wise Living specially formulated the Community Management Policy (《社區管理政策》) and established an inspection group for community services to standardize budget management of public welfare funding projects and the landing and implementation of community projects.

While making use of the professional and technical advantages and resources of heat services in various places to deliver warmth to thousands of households, the Group has developed public welfare activities with the theme of community construction and community care such as environmental protection, elderly care and child care, and organizes employees to go deep into the community every year, so that the acts of kindness and righteousness can be approached and reach the hearts of the people.



#### CASE: COOL OFF IN SUMMER

Wise Living sends warmth in winter and coolness in summer. This summer, while the traffic police, fire fighters and community service workers were working in the scorching summer heat, in order to alleviate their hard work, Lanzhou Shuangliang, a subsidiary of the Group, took the initiative to contact the community units it served and provided delicious summer cool drinks. The activity covered a wide range, with a total investment of RMB36,540.



## 2024 ESG Key Performance Indicators



### ECONOMY

Classification	KPIs	Unit	2023	2024
<b>Economy</b>	Operating income	RMB'000	1,534,035.00	1,648,287.30
<b>Business</b>	Total heat supply	GJ	25,297,002.95	26,183,274.28
	Total heat supply intensity	GJ/thousand of revenue	16.490	15.885

### ENVIRONMENTAL PERFORMANCE

Classification	KPIs	Unit	2023	2024
<b>Exhaust gas</b>	NO <sub>x</sub> emissions	Kg	45,703.90	88,471.36
	SO <sub>2</sub> emissions	Kg	7,660.76	19,417.87
	Particulate matter	Kg	1,421.94	5,976.66
	Total emissions of exhaust gas	Kg	54,786.60	113,865.89
	Total emission intensity of exhaust gas	Kg/thousand of revenue	0.036	0.069
<b>GHG</b>	GHG emissions (Scope 1)	tCO <sub>2</sub> e	251,437.51	423,391.07
	GHG emissions (Scope 2)	tCO <sub>2</sub> e	60,239.15	62,364.55
	Total GHG emissions (Scope 1 + Scope 2)	tCO <sub>2</sub> e	311,676.67	485,755.61
	Total GHG emission intensity	tCO <sub>2</sub> e/thousand of revenue	0.203	0.295





# 2024 ESG Key Performance Indicators

## ENVIRONMENTAL PERFORMANCE

Classification	KPIs	Unit	2023	2024
Non-renewable energy	Direct energy — coal	MWh	706,469.80	1,193,652.58
	Direct energy — gasoline	MWh	907.21	971.49
	Direct energy — diesel	MWh	576.64	457.48
	Direct energy — natural gas	MWh	2,051.97	2,854.12
	Total direct energy consumption	MWh	710,005.62	1,197,935.67
	Total direct energy consumption intensity	MWh/thousand of revenue	0.463	0.727
	Purchased energy — electricity	MWh	105,627.13	116,221.67
	Total purchased energy consumption	MWh	105,627.13	116,221.67
	Total consumption intensity of purchased energy	MWh/thousand of revenue	0.069	0.071
	Total non-renewable energy consumption	MWh	815,632.75	1,314,157.34
	Total non-renewable energy consumption intensity	MWh/thousand of revenue	0.532	0.797
Renewable energy	Geothermal energy mining (heating)	MWh	60,166.31	59,148.43
	Geothermal energy mining intensity	MWh/thousand of revenue	0.04	0.04
	Photovoltaic power generation	MWh	214.56	215.06
	Photovoltaic power generation intensity	MWh/thousand of revenue	0.00014	0.00013
	Total renewable energy consumption	MWh	60,380.87	59,363.49
	Total renewable energy consumption intensity	MWh/thousand of revenue	0.039	0.036
Comprehensive energy consumption	Total comprehensive energy consumption	MWh	876,013.62	1,373,520.82
	Total comprehensive energy consumption intensity	MWh/thousand of revenue	0.571	0.833



## 2024 ESG Key Performance Indicators



### ENVIRONMENTAL PERFORMANCE

Classification	KPIs	Unit	2023	2024
<b>Solid waste</b>	General office waste	Tonne	10.11	7.22
	Kitchen waste	Tonne	5.77	5.13
	Fly ash and Slag after safe treatment	Tonne	34,425.30	58,485.91
	Desulphurized gypsum after safe treatment	Tonne	3,969.14	3,994.50
	Total amount of non-hazardous waste	Tonne	38,410.33	62,492.76
	Total non-hazardous waste intensity	Tonne/thousand of revenue	0.025	0.038
<b>Water resources</b>	Government water supply	m <sup>3</sup>	1,739,612.95	1,625,866.62
	Total water consumption	m <sup>3</sup>	1,739,612.95	1,625,866.62
	Water consumption intensity	m <sup>3</sup> /thousand of revenue	1.134	0.986







## 2024 ESG Key Performance Indicators

### DESCRIPTION OF ENVIRONMENTAL DATA AND COEFFICIENTS

1. The time span of environmental data is from 1 January 2024 to 31 December 2024. The scope of data collection covers the headquarters office of Wise Living Technology and its 11 project subsidiaries with actual business activities (Shanxi Shuangliang Renewable Energy Industry Group Company Limited, Taiyuan City Renewable Energy Heat Supply Company Limited, Datong City Renewable Energy Heating Company Limited, Shanxi Transformation and Comprehensive Reform Demonstration Zone Heat Supply Company Limited, Shuozhou City Renewable Energy Thermal Company Limited, Lanzhou New Area Shuangliang Thermal Power Company Limited, Gansu Shuangliang Smart Energy Management Company Limited, Hulunbuir Shuangliang Energy System Company Limited, Wise Living Tech-Thermal Power (Zhengzhou) Limited, Wise Living Energy (Baotou) Limited, and Shanxi Xixian Shuangliang Low Carbon Environmental Clean Energy Company Limited.
2. The exhaust gas emissions are mainly from coal-fired boilers and official vehicles. The specific types of exhaust gas include NO<sub>x</sub>, SO<sub>2</sub> and particulate matter. The source of exhaust gas emission data of coal-fired boilers is Lanzhou New Area Shuangliang; the emission coefficient of exhaust gas of official vehicles refers to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange.
3. GHG emissions (Scope 1) mainly come from the fuel consumption of coal-fired boilers and official vehicles, and GHG emissions (Scope 2) mainly come from the consumption of purchased electricity. The data sources are the payment bills of related expenses and the administrative statistical ledger. The 2024 Scope 1 direct energy emission coefficient refers to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange; the GHG emission coefficient of Scope 2 purchased electricity refers to the Notice on Doing a Good Job in the Reporting and Management of Greenhouse Gas Emissions of Enterprises in the Power Generation Industry from 2023 to 2025 issued by the Ministry of Ecology and Environment of the PRC.
4. The types of energy consumed by the Group include non-renewable energy and renewable energy. The direct energy involved in non-renewable energy is coal for heating boilers, natural gas, and fuel for official vehicles; the purchased energy involved in non-renewable energy is electricity, and the data are from relevant cost documents and administrative statistical ledgers. Renewable energy includes geothermal energy mined from heating business and photovoltaic power generation from projects. The energy consumption conversion factors in 2024 refer to the Reporting Guidance on Environmental KPIs issued by the Hong Kong Stock Exchange, the conversion factors provided by the International Energy Agency, and the calorific value of coal self-tested due to the needs of the Group's heating business.
5. All solid wastes are non-hazardous wastes, including general office waste, kitchen waste, fly ash after safe treatment, slag after safe treatment and desulphurized gypsum after safe treatment. Other hazardous waste is not counted due to its negligible quantity.
6. The Group's water supply comes from the municipal pipe network, including recycled water in the heating pipe network and office and domestic water. The sources of data are financial records and administrative statistical ledgers.
7. Lanzhou New Area Shuangliang and Shanxi Xixian Shuangliang are both coal-fired heating plants. Lanzhou New Area Shuangliang has increased its coal consumption this year, while Shanxi Xixian Shuangliang has been newly included in the scope of coverage this year, thus resulting in an increase in the overall GHG emissions, direct energy consumption and emissions of waste gases and waste emissions.
8. Since the fly ash and slag after safe treatment will be calculated together in the factory statistics when new data is collected, therefore, the fly ash and slag after safe treatment will be counted and disclosed together this year.



## 2024 ESG Key Performance Indicators



### SOCIAL PERFORMANCE

Classification	KPIs		Unit	2023	2024
Number of employees	Total number of employees		Person	816	849
	By gender	Female	Person	195	221
		Male	Person	621	628
	By age	Below 30 years old	Person	219	170
		30–50 years old	Person	546	618
		Over 50 years old	Person	51	61
	By region	Mainland China	Person	816	849
		Hong Kong, Macao and overseas	Person	0	0
	By employee type	Senior management	Person	35	15
		Middle management	Person	105	132
		Grass-roots employees	Person	585	380
		General employees	Person	91	322
	By employment contract type	Full-time	Person	816	849
		Part-time	Person	0	0
	By function type	Operation	Person	74	77
		Administration	Person	105	87
		Finance	Person	22	32
		Procurement	Person	7	6
		R&D	Person	20	28
		Others	Person	588	619





# 2024 ESG Key Performance Indicators

## SOCIAL PERFORMANCE

Classification	KPIs		Unit	2023	2024
Number of senior management	Total number of senior management personnel		Person	35	15
	By gender	Female	Person	3	0
		Male	Person	32	15
	By age	Below 30 years old	Person	0	0
		30–50 years old	Person	21	5
		Over 50 years old	Person	14	10
	Proportion of senior management hired locally	Mainland China	Person	35	15
		Hong Kong, Macao and overseas	Person	0	0
Number of new employees	Total number of new hires		Person	60	42
	By gender	Female	Person	20	10
		Male	Person	40	32
	By age	Below 30 years old	Person	35	24
		30–50 years old	Person	23	16
		Over 50 years old	Person	2	2
	By region	Mainland China	Person	60	42
		Hong Kong, Macao and overseas	Person	0	0
	By employee type	Senior management	Person	0	0
		Middle management	Person	2	2
		Grass-roots employees	Person	35	17
		General employees	Person	23	23



## 2024 ESG Key Performance Indicators



### SOCIAL PERFORMANCE

Classification	KPIs	Unit	2023	2024
Employee turnover	<b>Total number of resigned employees</b>	<b>Person</b>	<b>21</b>	<b>42</b>
	By gender			
	Female	%	4.10	3.17
	Male	%	2.09	5.57
	By age			
	Below 30 years old	%	3.65	10.59
	30–50 years old	%	2.20	2.75
	Over 50 years old	%	1.96	11.48
	By region			
	Mainland China	%	2.57	4.95
	Hong Kong, Macao and overseas	%	0	0
	By employee type			
	Senior management	%	0	6.67
	Middle management	%	0.95	4.55
	Grass-roots employees	%	1.71	4.74
	General employees	%	10.99	5.28
Compliant employment	<b>Coverage rate of labor contracts signed</b>	<b>%</b>	<b>100</b>	<b>100</b>
	Coverage rate of social insurance payment	%	100	100
	Increase in basic salary	%	10.00	7
	Percentage of employees covered by human rights due diligence to total employees	%	100	100
Employee wellbeing	<b>Parental leave days</b>	<b>days</b>	<b>180</b>	<b>180</b>
	Parental leave retention	%	100	100
	Paid leave implementation	%	100	100





# 2024 ESG Key Performance Indicators

## SOCIAL PERFORMANCE

Classification	KPIs		Unit	2023	2024
Development and training	Total number of employees trained		Person	816	855
	Number of employees trained by gender	Female	Person	195	222
		Male	Person	621	633
	Number of employees trained by employee type	Senior management	Person	35	55
		Middle management	Person	105	103
		Grass-roots employees	Person	585	354
		General employees	Person	91	343
	Training hours per employee		Hour	20.54	17.21
	Average training hours per employee by gender	Female	Hour	19.09	15.35
		Male	Hour	20.99	17.75
	Average training hours per employee by employee type	Senior management	Hour	22.31	10.31
		Middle management	Hour	20.35	17.20
		Grass-roots employees	Hour	17.69	25.44
		General employees	Hour	38.34	9.83
Supply chain management	Total number of suppliers		Units	328	143
	Number of suppliers by region	Northeast China	Units	47	8
		Northern China	Units	13	43
		Eastern China	Units	48	28
		South China	Units	5	1
		Central China	Units	4	2
		Southwest China	Units	2	60
		Northwest China	Units	209	0
		Hong Kong, Macao and overseas	Units	0	0



## 2024 ESG Key Performance Indicators



### SOCIAL PERFORMANCE

Classification	KPIs	Unit	2023	2024
Product responsibility	<b>Product recall</b>	<b>Times</b>	<b>0</b>	<b>0</b>
	Number of products and service related complaints received	Case	4,559	4,803
Anti-corruption	<b>Complaint resolution rate</b>	<b>%</b>	<b>100</b>	<b>100</b>
Health and safety	<b>Number of concluded legal cases regarding corrupt practices</b>	<b>Case</b>	<b>0</b>	<b>0</b>
	Number of work-related fatalities	Person	0	0
	Rate of work-related fatalities	%	0	0
	Number of working days lost due to work injury	Day	0	0

### DESCRIPTION OF SOCIAL DATA

1. Number and rate of work-related fatalities in 2022 are both 0.





## Environmental, Social and Governance Reporting Guide of HKEX

ESG Indicator		Disclosure	Section
<b>A1 Emissions General disclosure</b>	Information on the policies, and 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.		7.1 Opportunities for Coping with Climate Change 7.2 Green Development and Low-carbon Operation
A1.1	The types of emissions and respective emissions data.	Disclosed	Appendix 1 Environmental Performance
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).	Disclosed	Appendix 1 Environmental Performance
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A1.5	Description of emissions target(s) set and steps taken to achieve them.	Disclosed	7.2.1 Environmental goal, performance and progress
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	7.2.4 Emission management





## Environmental, Social and Governance Reporting Guide of HKEX



ESG Indicator		Disclosure	Section
<b>A2 Use of resources</b> <b>General disclosure</b>	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	7.2.2 Energy and resource management
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (MWh) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Appendix 1 Environmental Performance
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	7.2.2 Energy and resource management
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.	Disclosed	7.2.2 Energy and resource management
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Not applicable	Wise Living does not involve the use of packaging material for finished products
<b>A3 Environment and natural resources</b> <b>General disclosure</b>	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	7.2 Green Development and Low-carbon Operation
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	7.2.2 Energy and resource management 7.2.3 Eco-environmental protection management 7.2.4 Emission management 7.2.5 Green office





## Environmental, Social and Governance Reporting Guide of HKEX

ESG Indicator		Disclosure	Section
<b>A4 Climate change General disclosure</b>	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Disclosed	7.1 Opportunities for Coping with Climate Change
A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Disclosed	7.1.1 Climate change risks and countermeasures 7.1.2 Opportunities from climate change
<b>B1 Employment General disclosure</b>	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity and discrimination, and other benefits and welfare.	Disclosed	9.1 Compliant Employment and Equal Treatment 9.4 Employees' Rights and Interests and Harmonious Workplace
B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Disclosed	Appendix 1 Social Performance
B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	Appendix 1 Social Performance
<b>B2 Health and safety General disclosure</b>	Information on the policies, and 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.	Disclosed	9.3 Safety Production and Health Protection
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Appendix 1 Social Performance
B2.2	Lost days due to work injury.	Disclosed	Appendix 1 Social Performance
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	9.3.1 Safety management system 9.3.2 Protection of safety operation 9.3.3 Occupational health and safety training



## Environmental, Social and Governance Reporting Guide of HKEX



ESG Indicator		Disclosure	Section
<b>B3 Development and training</b> <b>General disclosure</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	9.2 Talent Development and Working Together
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Appendix 1 Social Performance
B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Appendix 1 Social Performance
<b>B4 Labour standard</b> <b>General disclosure</b>	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	9.1 Compliant Employment and Equal Treatment
B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	9.1.1 Compliant employment and protection of labor rights and interests
B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	9.1.1 Compliant employment and protection of labor rights and interests
<b>B5 Supply chain management</b> <b>General disclosure</b>	Policies on managing environmental and social risks of the supply chain.	Disclosed	8.2 Industry Development and Win-win Cooperation
B5.1	Number of suppliers by geographical region.	Disclosed	Appendix 1 Social Performance
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.	Disclosed	8.2.1 Whole process management of supply chain 8.2.3 Supplier communication and training
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	8.2.2 Supply chain ESG management
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	8.2.2 Supply chain ESG management





## Environmental, Social and Governance Reporting Guide of HKEX

ESG Indicator		Disclosure	Section
<b>B6 Product responsibility General disclosure</b>	Information on the policies, and 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.	Disclosed	6.1 Quality Heat and Quality Control 6.2 Technological Innovation and Intelligent Operation 8.1 Whole Network Heating and Customer Service
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Not applicable	Wise Living does not involve products that need to be recycled
B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Appendix 1 Social Performance
B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	6.2.3 Intellectual property management
B6.4	Description of quality assurance process and recall procedures.	Disclosed	6.1.1 Heating quality management system
B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	5.1.4 Information security and privacy protection
<b>B7 Anti-corruption General disclosure</b>	Information on the policies, and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	5.1 Responsibility and Management System
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.	Disclosed	Appendix 1 Social Performance
B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Disclosed	5.1.3 Anti-corruption and anti-fraud
B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	5.1.3 Anti-corruption and anti-fraud
<b>B8 Community investment General disclosure</b>	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.	Disclosed	10.1 Social Co-construction Warming People's Hearts
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Disclosed	10.1 Social Co-construction Warming People's Hearts
B8.2	Resources contributed (e.g. money or time) to the focus area.	Disclosed	10.1 Social Co-construction Warming People's Hearts





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Wise Living Technology Co., Ltd