



Beijing Gas Blue Sky Holdings Limited 北京燃气蓝天控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 6828



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT **2024**

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1. ABOUT THIS REPORT

REPORT INTRODUCTION

We published this Environmental, Social and Governance (“ESG”) Report (this “Report”) to provide an overview of the initiatives, plans, results and performances of Beijing Gas Blue Sky Holdings Limited (stock code: 6828.HK) (the “Company”) and its subsidiaries (together, “Beijing Gas Blue Sky”, the “Group” or “we”) in the ESG aspects.

REPORTING STANDARDS

This Report is prepared in compliance with the Environmental, Social and Governance Reporting Guide (the “Guide”) as set out in Appendix C2 to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), with reference to the Sustainability Reporting Standards 2021 from Global Reporting Initiative (“GRI”). This Report has complied with the “Mandatory Disclosure” and the “Comply or Explain” provisions in the Guide.

This Report is prepared on the basis of four reporting principles of materiality, quantitative, balance and consistency in the Guide.

Materiality:	It has identified and disclosed the procedures and standards for selecting the material ESG factors, as well as the process and results of stakeholder engagement in the preparation of this Report.
Quantitative:	This Report has reported standards, methods, assumptions and/or calculation tools for the emission statistics, and the source of conversion factors.
Balance:	This Report provides a picture of the Company’s performance during the Year in an objective, fair and unbiased manner and avoids selections, omissions, or presentation formats that may inappropriately influence the reader’s decisions or judgments.
Consistency:	Unless otherwise stated, the statistical methods used in this Report are consistent with those of last year. Changes are clearly explained in this Report if any.

SCOPE OF REPORT

This Report focuses on the ESG-related efforts and key performance indicators (the “KPIs”) of the Company for the period from 1 January 2024 to 31 December 2024 (the “Year” or the “Reporting Period”). The scope of this Report covers the major operations of business and subsidiaries of the Group.

I. ABOUT THIS REPORT

ACCESS TO THIS REPORT

This Report is published in Chinese and English. In case of any discrepancy, the Chinese version shall prevail. This Report can be viewed or downloaded from the websites indicated below. In case of any conflict or inconsistency between this Report and the annual report of the Group, the annual report shall prevail.

Website of the Stock Exchange



<http://www.hkexnews.hk>



Website of Beijing Gas Blue Sky Holdings Limited



<http://www.bgbluesky.com>



CONFIRMATION AND APPROVAL

The Board of Directors of the Company (the “Board”) assumes full responsibility for the contents of this Report and has approved and confirmed the contents of this Report on 26 March 2025.

FEEDBACK

The Group highly values stakeholders’ constructive opinions and suggestions. If you have any feedback on this Report, please feel free to contact us by the following ways.

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2. MESSAGE FROM THE CHAIRMAN

On behalf of the Board, I would like to welcome you to the Group's ESG Report and thank you for your attention and support for Beijing Gas Blue Sky! Guided by the lofty mission of fostering a sustainable environment and a harmonious society, the Group actively contributes to the “dual-carbon” strategy set by the State, systematically transforms our operations to be cleaner, more low-carbon and diversified, ensures a balanced focus on economic growth, social development and environmental protection, and strives to improve the ESG governance standard, with the aim to drive meaningful progress toward sustainable development.

The year 2024 was marked by a complex and ever-changing global landscape, with the pressing challenges of climate change driving nations to hasten their shift toward a low-carbon economy. In China, 2024 commemorated a decade of advancing the new energy security strategy alongside the deepening implementation of the “dual-carbon” strategy. The energy sector saw rapid structural adjustments, with natural gas emerging as a pillar in clean and low-carbon energy and renewable energy sources gaining significant momentum. These developments presented both opportunities and challenges for the industry. To support green and low-carbon transition, promote high-quality development and ensure energy security, the National Energy Administration released the “2024 Energy Work Guidance” in March 2024, stating that the target for 2024 is to “increase the share of non-fossil energy in total energy consumption to approximately 18.9%”, further unleashing the growth potential of clean energy. Embracing sustainability as a core principle, the Group has embedded this vision into its strategic planning and daily operations. By proactively tackling challenges and capitalising on opportunities, we are committed to driving progress that benefits the economy, the society and the environment.

As a key player in China's energy sector, the Group is acutely aware of the responsibilities and mission it carries. Guided by our corporate mission to “develop clean energy, enhance customer value, create a bright future for Beijing Gas Blue Sky”, we harness our expertise in the natural gas industry to actively participate in the global shift toward green and low-carbon development, supporting the optimisation and upgrade of the energy landscape. In 2024, we were honored the “ESG Excellence Award – Outstanding Environmental Performance” in the GuruClub Awards sponsored by Gelonghui, marking a testament to our ESG commitment and achievements over the past year and further motivating us to advance our ESG management and practices with unwavering dedication. The Board prioritises ESG initiatives, embedding them into the core agenda of the Company's strategic decision-making. The ESG Working Group, led directly by Board members, is responsible for developing ESG strategies, monitoring goal implementation and evaluating performance. The Compliance Committee under the Board holds regular meetings to review critical ESG matters, ensuring robust leadership and decision-making support. Under the Board's oversight and leadership, we have established a comprehensive internal ESG management framework, clearly delineating departmental responsibilities to embed ESG principles across all operational facets. We have developed an ESG work mechanism to standardise ESG processes and criteria, alongside an ESG disclosure system, to improve operation transparency and keep shareholders and the public informed of our ESG progress and achievements.

In the environmental domain, the Group is committed to the idea of “harmonious coexistence of energy and the environment”, and steadfastly pursues the path of green development. We have deepened our focus on natural gas operations, streamlining processes and implementing robust energy-saving and emission-reduction measures to minimise our environmental footprint. At the same time, we are aggressively expanding our renewable energy portfolio, expediting the implementation of new energy projects. Over the past year, we achieved significant milestones in new energy technology development, including the acquisition of 49% equity interest in Beijing United in July, which significantly strengthened our technical expertise and competitive edge in the renewable energy market. Furthermore, our first energy storage power station in Yangzhou City was officially put into operation in the fourth quarter of the Year.



2. MESSAGE FROM THE CHAIRMAN

Safety is the cornerstone of the Group's operation. We deeply recognise that gas safety concerns millions of households, and the responsibility borne. To ensure safety, the Group has built an all-faceted, multi-tiered safety management system, meticulously overseeing every detail from work safety regulation development and employee training to equipment maintenance and emergency response plan refinement. Over the past year, we further detailed our safe operation procedures, intensified the rigour and frequency of safety inspections, and ensured early identification and resolution of potential risks. Key regulations introduced during the Year include "Beijing Gas Blue Sky Holdings Limited Production Safety Accident Management System (Trial)", "Beijing Gas Blue Sky Holdings Limited Safety Supervision and Inspection Implementation Measures", and "Beijing Gas Blue Sky Holdings Limited Work Safety Responsibility and Target Management and Assessment Measures". To enhance safety training for employees, we offered a variety of training programmes, both online and offline, such as training programmes titled "Faithfully Fulfilling Corporate Responsibility to Ensure Stable Conditions for Work Safety" and "Safety Management for Special Operations: Confined Space Safety Management". These programmes covered safety regulations, operational skills and emergency response actions, reaching all employees and effectively enhancing their safety awareness and emergency response abilities. The Year concluded with a stable work safety performance, providing a strong foundation for the Group's continued growth.

Talent is the core driving force behind the Group's development. We view our employees as our greatest treasure and are dedicated to fostering a fair, diverse and inclusive environment for their career development. To nurture talent, we continuously refine our training programmes, designing courses tailored to the specific needs and career stages of our staff, which cover multiple dimensions including professional skill enhancement, management capability development and sharing of cutting-edge industry knowledge, and offer diverse training modes including internal mentorship, expert-led workshops and hands-on experiences, thus empowering our employees to grow and excel. In caring for our employees, we consistently improve our welfare and benefits system and, besides statutory benefits, offer additional perks such as supplementary insurance, health check-ups, holiday gifts and support for those facing challenges, focusing on employees' physical and mental well-being, cultivating a warm and harmonious workplace and strengthening their sense of belonging and unity.

This Year, we have taken steady strides on our ESG journey, achieving numerous milestones. The Group was ranked among the top 30 in the 2024 Sustainable Development (ESG) Report of Energy Listed Companies in China published by China Energy Research Society, a testament to our exceptional commitment to sustainability. Moving forward, we will remain dedicated to the missions entrusted by the times, and driven by stronger resolve and more impactful actions to deepen our sustainable development strategy. We will further expand investments in clean energy, accelerate technological innovation and industry transformation, and strengthen energy supply reliability and service quality. By enhancing our ESG management framework and elevating our environmental and social governance practices, we aim to make greater contributions to combating climate change and fostering a better society. We will also collaborate with partners to pioneer new green development models, working together to build a sustainable future. Remaining responsive to investor concerns and expectations, we will capitalise on the opportunities presented by the national "dual-carbon" policies and our industry influence to drive sustainable development of the energy sector and contribute to a beautiful China. Through tangible actions, we will fulfill our corporate social responsibilities and embrace the demands of our era, advancing confidently toward our grand vision of becoming a world-class one-stop clean energy service provider.

Beijing Gas Blue Sky Holdings Limited

Li Weiqi

Chairman

3. ABOUT BEIJING GAS BLUE SKY

BUSINESS PROFILE

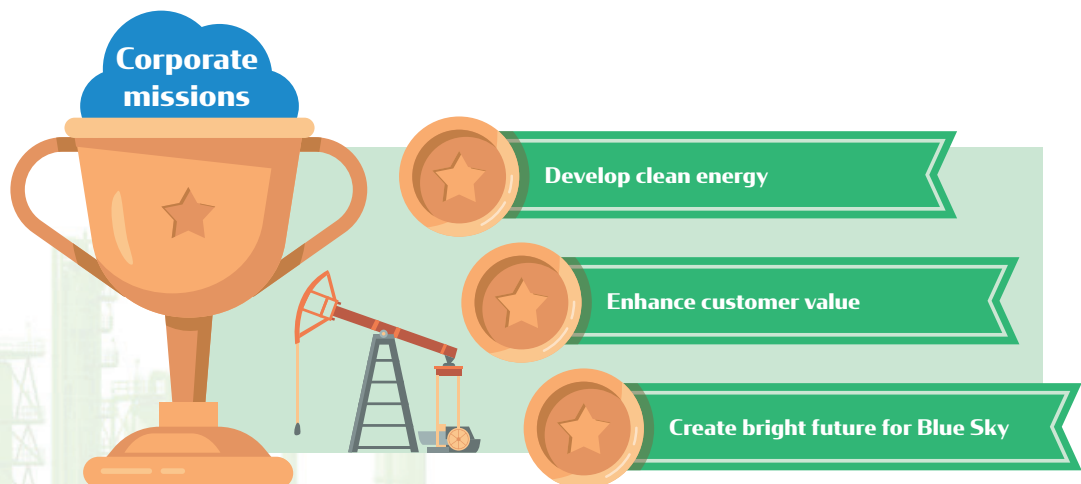
As an integrated clean energy service provider focusing on the mid- and downstream development of the entire natural gas industry chain, the Group continuously explores investment opportunities in the natural gas industry under the guidance of China's "Belt and Road" Initiative. We have built a diversified business portfolio that includes city gas distribution, industrial gas supply and trading and distribution, ensuring a stable foundation through critical livelihood guarantee projects, leveraging large-scale industrial gas usage as a core competitive edge, and expanding our reach with an extensive cross-regional logistics network, thereby comprehensively promoting the efficient utilisation of clean energy. Our operational network now spans multiple key regions in China, and we are proud to participate in national projects such as the PetroChina Jingtang LNG Receiving Terminal, achieving full-process integration from gas sourcing, pipeline transmission to end-user delivery.

Driven by the "dual-carbon" target, the energy consumption structure is undergoing significant changes, and the energy system is also accelerating its transition to clean, low-carbon and diversified sources. As demands for natural gas in China's industrial and commercial sectors continue to rise, natural gas has become increasingly vital as a "bridge energy". In response to the huge market demand and the urgency of low carbon transition, the Group will be consistently devoted to the development of the entire natural gas industry chain, strive to enhance the value of its premium city gas business, and gradually expand to the renewable energy sector, vigorously pursuing the transition toward a new type of gas enterprise. Beyond our core business, we make contribution to industry development and China's transition to a low-carbon society by actively participating in industry summits, seminars and providing technical and application support.

CORPORATE PHILOSOPHY

Beijing Gas Blue Sky's prime mission is to build a sustainable environment and a harmonious society. While providing the distribution and operation of natural gas throughout the entire industry chain, we continue to explore the end-use market and facilitate the integrated application and development of clean natural gas energy by leveraging our diversified gas sources and low-cost advantages.

We always uphold the following business philosophies and values in the course of our operations:



3. ABOUT BEIJING GAS BLUE SKY

Corporate Philosophy



Business Philosophy

Pursue the integration of economic, social and environmental benefits



Management Philosophy

People and results oriented, driven by professionalism and efficiency



Services Philosophy

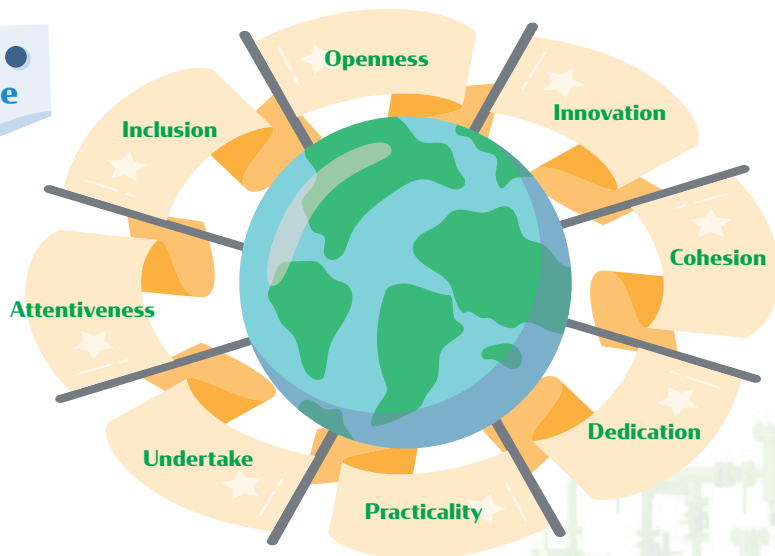
Provide wholehearted services, and win customers with professional expertise, warmth and passion



Safety Philosophy

Create harmony and focus on details from inception to ensure a high degree of safety

Corporate Value





3. ABOUT BEIJING GAS BLUE SKY

PROSPECTS

Natural gas, with its high efficiency and low emissions as a clean energy source, serves as a strategic cornerstone in the global energy transition. Its large-scale application not only reduces greenhouse gas emissions but also injects momentum into sustainable economic growth by reshaping the energy supply structure. As nations refine environmental regulations and enhance energy efficiency standards, this clean fuel is entering an unprecedented era of growth. Against the backdrop of China's pursuit of "dual-carbon" goals, the energy sector is rapidly shifting towards greener and more sustainable solutions. As a major player in the natural gas industry chain, the Group is committed to further consolidating the foundation of city gas supply for public welfare, expanding the LNG storage and transportation network, and delivering comprehensive energy service solutions for industrial clients, leveraging our expertise across the entire value chain to actively support the nation's strategy to optimise its energy structure.

Amid the global shift in energy dynamics, diversifying beyond a single clean energy source has become an imperative challenge of the times. While we continue to secure the "essential lifeline" of city gas for millions of households, we are also rapidly expanding into the renewable energy sector, with the goal to ensure reliable gas supply while focusing on developing integrated energy services. By accelerating the development and utilisation of renewable energy and expediting innovation of relevant technologies, we are making steady progress in the renewable energy sector and gradually creating a diversified clean energy supply system. Utilising our international capital platform, we are strengthening strategic collaborations and driving greater technological advancements, with a focus on enhancing regional energy service capabilities and establishing a smart and economically efficient clean energy management system. As we evolve from a traditional gas supplier to a modern energy service provider, we are integrating diverse energy sources and optimising their distribution, ensuring households not only have access to safe gas but also benefit from green energy solutions. This forward-looking approach prepares us to navigate and lead in the transformative global energy landscape.

RECOGNITION FROM THE MARKET

In addition, the Company has received positive reports and sound ratings from external parties including institutions engaged in professional services of green finance and responsible investment and professional organizations, demonstrating the endorsement and recognitions of the Group from the market:

3. ABOUT BEIJING GAS BLUE SKY

Highlights of ESG Ratings

- SynTao Green Finance further renders A- ESG rating
- Maintained outstanding performance in the CCXI ESG comprehensive evaluation.

Professional endorsement by market reports published by industry consultant – Frost & Sullivan



Ranked among the top 30 companies in the 2024 Sustainable Development (ESG) Report of Energy Listed Companies in China published by China Energy Research Society



3. ABOUT BEIJING GAS BLUE SKY

CORPORATE HONORS



Honour with “ESG Excellence Award – Outstanding Environmental Performance”

In the ESG GuruClub Awards sponsored by Gelonghui, Beijing Gas Blue Sky Holdings Limited was honored the “Excellence Award – Outstanding Environmental Performance” for scientific approaches in environmental governance and benchmarked practices in “pollution and carbon reduction for greater synergy and efficiency”, which represents the authoritative third-party recognition for the Company’s achievements in technological innovation for efficiency improvement, exploration of circular economy pattern and whole-chain carbon reduction practices. The accreditation will further motivate the Company to further improve its ESG governance framework, foster collaborative innovation with stakeholders in areas such as consolidation of strategic energy resources and construction of intelligent pipeline network, better adjust its business layout in alignment with China’s vision for a new energy system, and accelerate its evolution into a leading integrated energy service provider with core competitive advantages in green and low-carbon solutions.

Honour with “Listed Company of Most Potential” in 2023 China Financial Awards

On 8 July 2024, Beijing Gas Blue Sky Holdings Limited was honored “Listed Company of Most Potential” in the 2023 Financial Awards jointly sponsored by China Financial Market and Hong Kong-based professional institutions. The awards represent a comprehensive evaluation system that considers sustained corporate growth, achievements of strategic transformation and recognition of the capital market. The Company shines brightly among the candidates for its sustainable growth momentum and achievements in transition toward an integrated energy service provider, which are reflected by year-on-year increases in business performance metrics including total gas sales, total revenue and net profit. Additionally, the new energy business segment succeeds in unlocking a second growth path through operation of Jiangsu energy storage power station and acquisition of Beijing United Energy Engineering & Technology Company Limited. While enhancing the regional resilient energy storage capacity, these strategic initiatives shape the synergistic development of “traditional gas supply + innovative value-added services”, attracting the capital market to set heavyweight revaluation on the Company’s clean energy portfolio expansion.



3. ABOUT BEIJING GAS BLUE SKY



Honour with “Transformation Pioneer Enterprise of the Year (年度轉型先鋒企業)”

In the GuruClub Awards sponsored by Gelonghui in December 2024, Beijing Gas Blue Sky Holdings Limited was honored the “Transformation Pioneer Enterprise of the Year (年度轉型先鋒企業)” for its outstanding transformation and remarkable performance in the new energy sector. This accolade highlights its leading position and strong capabilities in the wave of energy transition. As a majority-owned subsidiary of Beijing Gas Group (wholly owned by BEHL (0392.HK)), Beijing Gas Blue Sky has steadily embarked on its new energy transformation journey, leveraging its unique strategic position and abundant resource reserves, backed by the substantial strength of its major shareholder and extensive industry resources.

3. ABOUT BEIJING GAS BLUE SKY

ACHIEVEMENT HIGHLIGHTS IN SUSTAINABLE DEVELOPMENT



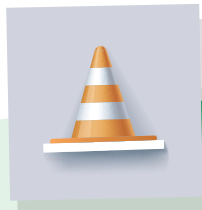
Environmental protection

- Greenhouse gas emissions of 967.45 tCO₂e
- Water consumption intensity of 0.0332 m³/ten thousand RMB revenue
- No significant incident of non-compliance in relation to environmental pollution

Occupational safety and health



- 0% of work-related fatalities in the past three years
- 100% of production safety education and training for employees
- No work day lost due to work-related injuries



Production safety

- Signing rate of the production safety responsibility statement for all staff amounting to 100%
- Organised 1 kick-off meeting and 7 promotion meetings for the implementation of certain measures to further prevent and curb major production safety accidents
- Organised 15 monthly safety inspections by the general manager throughout the Year
- Organised 16 safety committee/production safety meetings throughout the Year
- Organised a total of 13 emergency drills throughout the Year

3. ABOUT BEIJING GAS BLUE SKY



Human resources management

- Percentage of female employees of 35.99%
- Training coverage rate of 100%
- Total number of training hours of 11,783



Safety inspection

- Conducted safety inspections on 9 project companies throughout the Year
- With an inspection coverage rate of 100%
- Completion rate of rectification of potential hazards reaching 97%
- Overall household safety inspection rate for residents reaching 82.10%
- Household safety inspection rate for non-residents reaching 100%
- 6 safety management systems amended



Governance

- 0 corruption or bribery incidents
- 10 integrity training sessions organized during the Year
- Independent non-executive Directors representing 38% of the number of the Directors

4.

**SUSTAINABLE
DEVELOPMENT
GOVERNANCE**





4. SUSTAINABLE DEVELOPMENT GOVERNANCE

4.1 STATEMENT OF THE BOARD

Sustainable development is a cornerstone of our corporate strategy, and we are dedicated to integrating this principle into every aspect of our daily operation and management framework and faithfully fulfilling corporate social responsibilities. In this process, the Board serves as the navigator of ESG initiatives, fully responsible for developing ESG strategies, guidelines and reports. In addition to reviewing and setting management principles, strategies and goals, the Board oversees the overall progress, including evaluating, prioritising and managing significant ESG issues, risks and opportunities.

To effectively manage ESG issues and advance related initiatives, the Board has delegated authority to the Compliance Committee to serve as the management role and to form the ESG Working Group, with responsibilities of driving and monitoring the execution of ESG policies and tasks across all departments. The Compliance Committee incorporates ESG issues into its regular meeting agendas and has discussions on regular basis, with an aim to integrate ESG strategies and goals seamlessly into the Group's ordinary operation and business activities and to ensure that ESG initiatives are implemented effectively and consistently.

In the meantime, the Board places great emphasis on the progress of achieving ESG targets, and regularly reviews and monitors the performance of ESG-related issues and the progress towards target achievement, to ensure that the progress is in line with expectations and performance remains on track. Furthermore, the Board approves the content of the annual ESG report, reviews and ensures the effectiveness of ESG practices, thereby promoting the sustainable development of the Company and cultivating the culture of sustainability that permeates every level of the organisation.

4.2 SUSTAINABILITY MANAGEMENT SYSTEM

The Group always adheres to the concept of green and low-carbon development, practices the core value of long-term sustainable development, and embeds the ESG concepts into the Group's management approaches, strategic plans, business deployment and policy framework. To reinforce this commitment, we have formally introduced and implemented the "Beijing Gas Blue Sky Holdings Limited Environmental, Social, and Governance (ESG) Reporting Management System (Trial)", with which we establish a stricter and well-structured framework for sustainable development, covering the decision-making level, the management level, the organisational level and the executive level in the top-down manner, and clearly defining the roles and responsibilities at each level of the ESG management hierarchy, for the purpose of ensuring seamless collaboration and efficient coordination across all tiers and thus driving the thorough integration and effective execution of ESG initiatives throughout the organisation.

4. SUSTAINABLE DEVELOPMENT GOVERNANCE

The Group's ESG governance structure and the responsibilities at each level are as follows:

ESG GOVERNANCE STRUCTURE






4. SUSTAINABLE DEVELOPMENT GOVERNANCE





Level	Responsibilities
Decision-making level: The Board	<ul style="list-style-type: none"> Resolve and approve the Group's ESG management approaches, strategies, objectives and annual work, including the assessment, priorities and management of material ESG issues, risks and opportunities; Establish and oversee the ESG risk management and internal control system; and Regularly review and monitor the performance of ESG-related issues and the progress towards target achievement.
Management level: Compliance Committee	<ul style="list-style-type: none"> Identify, assess, review and manage material ESG-related risks and opportunities; Formulate ESG's management approach, strategy, planning, annual work and objectives for the Board's approval and promote the implementation of such work; and Responsible for reviewing and monitoring the Group's ESG policies and practices to ensure compliance with relevant statutory and regulatory requirements.
Organisational level: ESG Working Group – representatives from relevant departments of the Group	<ul style="list-style-type: none"> Collect, understand and respond to stakeholders' views on material ESG issues through appropriate channels; Continuously track and review ESG performance and progress against targets to ensure that all ESG issues are properly managed and implemented; and Convene regular meetings with relevant departments to coordinate and promote the implementation of various ESG-related policies in each department and monitor the ESG-related efforts of each functional department.
Execution level: Relevant departments and subordinate units of the Group	<ul style="list-style-type: none"> Organise, promote and execute various ESG-related work in accordance with the Group's ESG management policy, strategy, planning, annual work and target deployment, requirements and division of labour; and Collect and report internal ESG policies, systems and ESG-related performance indicators.

4. SUSTAINABLE DEVELOPMENT GOVERNANCE

4.3 COMMUNICATION WITH STAKEHOLDERS

Major Stakeholders	Issues of Concern	Communication Channels	Communication Frequency
The Board and senior management 	<ul style="list-style-type: none"> Operation compliance 	<ul style="list-style-type: none"> Board meetings Daily communication and reporting Various seminars and forums 	Periodic Periodic Periodic
Employees 	<ul style="list-style-type: none"> Protection of employees' rights and interests Occupational health and safety Training and development Compliance management 	<ul style="list-style-type: none"> Employee performance appraisal Employee suggestion box/ interview Various seminars and training Team sharing sessions 	Periodic Periodic Periodic Periodic
Customers 	<ul style="list-style-type: none"> Protection of customers' rights and interests Protection of customers' privacy Provision of high-quality products and services Responsible marketing Protection of intellectual property rights Compliance management 	<ul style="list-style-type: none"> Conducting business return visit Satisfaction survey Website Customer service hotline Social media 	Periodic Periodic Year-round Year-round Year-round

4. SUSTAINABLE DEVELOPMENT GOVERNANCE

Major Stakeholders	Issues of Concern	Communication Channels	Communication Frequency
Suppliers and partners 	<ul style="list-style-type: none"> Fair and public sourcing Sustainable supply chain management 	<ul style="list-style-type: none"> On-site visit to suppliers' plants to conduct investigation, on-spot check and evaluation Meetings and activities On-site audit of the management system of suppliers 	Periodic Periodic Periodic
Government and regulators 	<ul style="list-style-type: none"> Compliance management Tax payment 	<ul style="list-style-type: none"> Participating in improvement programs organised by the industry and local government regulators Actively cooperating with the government for spot-check arrangements 	Periodic Year-round
Investors and shareholders 	<ul style="list-style-type: none"> Compliance management Governance 	<ul style="list-style-type: none"> General meetings Interim report, annual report and results announcement Corporate communications, such as meeting notices Company website Information disclosure Investor meetings Timely handling of investor enquiries by investor relations mailboxes 	Periodic Periodic Periodic Year-round Periodic Periodic Year-round
Community 	<ul style="list-style-type: none"> Safe and stable gas supply Community relations Community public welfare and poverty alleviation 	<ul style="list-style-type: none"> Charitable activities and community service activities Community investment program Seminars/lectures/workshops 	Periodic Periodic Periodic

4. SUSTAINABLE DEVELOPMENT GOVERNANCE

At the 9th Gelonghui Global Investment Carnival held in December 2024, Beijing Gas Blue Sky played an active role in networking and presenting during the roadshow. The Company engaged in meaningful discussions and explored potential collaborations with various listed companies, investment institutions and industry leaders, not only unlocking new business prospects and market opportunities but also paving the way for potential partnerships and investment ventures. By exchanging ideas extensively with industry peers and absorbing forward-looking management concepts and practices, Beijing Gas Blue Sky will sharpen its market acumen and strengthen its competitive edge, which will enable the Company to develop a better understanding of market dynamics, accurately seize opportunities and tackle challenges with confidence, ultimately achieving solid and ever sustainable growth.

Gelonghui Investment Carnival & Roadshow



4. SUSTAINABLE DEVELOPMENT GOVERNANCE

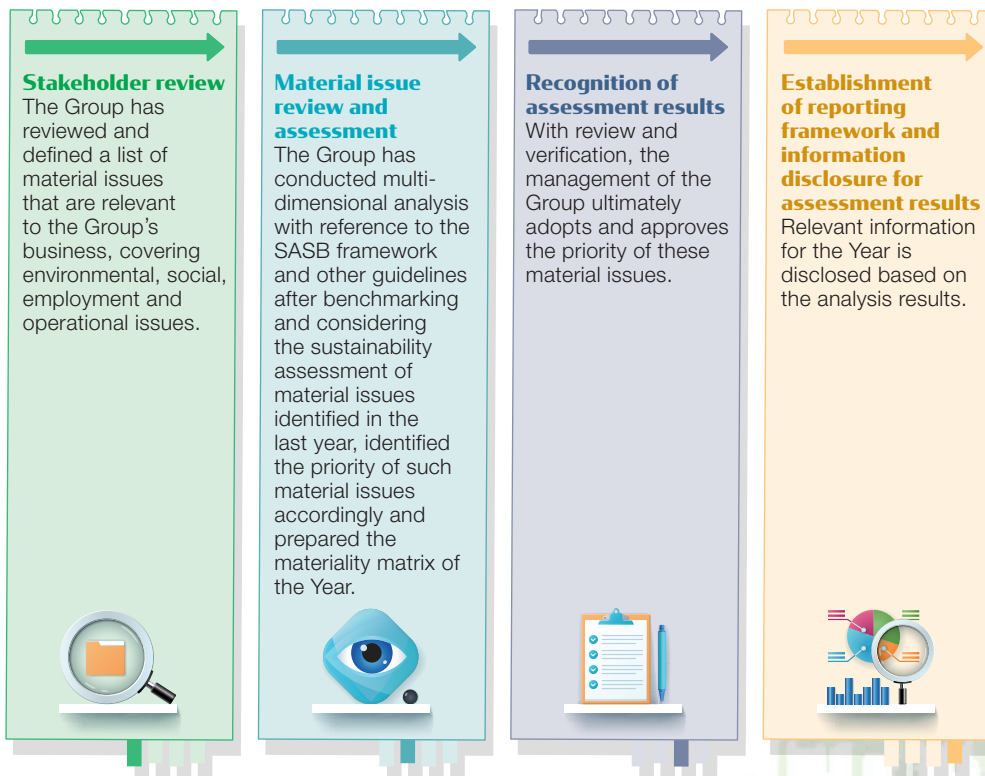
4.4 MATERIALITY ASSESSMENT

The Group highly values strong relationships with all stakeholders, closely communicating with them to understand the issues of concern and remaining committed to addressing their needs. To effectively drive our sustainability strategy, we have engaged a team of third-party experts to serve as advisors for materiality assessment. In this process, we established a well-conceived and comprehensive ESG issue framework through incorporating multiple reference frameworks, such as the Guide and the Materiality Map of the Sustainability Accounting Standards Board (SASB), and carefully considering our own business conditions and best practices of the industry.

This Year, we have identified material ESG issues for the Group by leveraging this framework and considering the expectations of both internal and external stakeholders and the industry developments. Prioritising material issues as the core driving force, we allocate resources reasonably with a scientific approach and ensure every initiative is impactful and effective, thereby steering the Group steadily toward a more sustainable future.

The key steps of the materiality assessment are as follows:

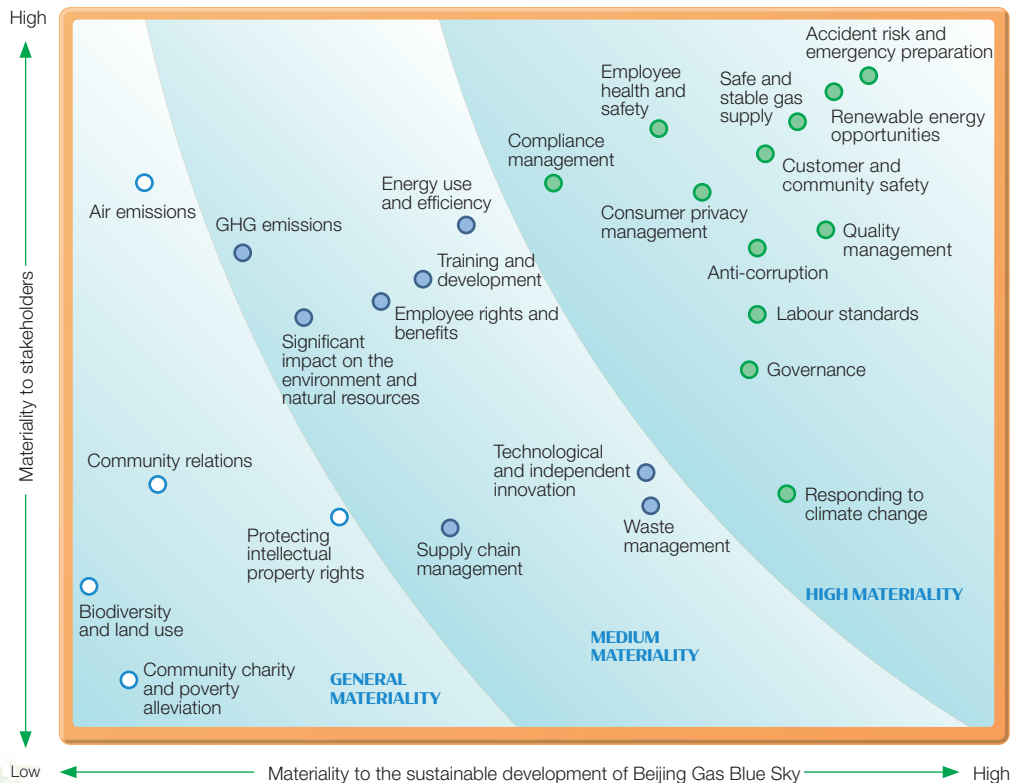
ASSESSMENT STEPS



4. SUSTAINABLE DEVELOPMENT GOVERNANCE

The Group reviews the applicability of the assessment results of material ESG issues in the previous year. Taking into account the business development during the Year, the management adjusts and revises the materiality ranking of the ESG issues. New material issues introduced in the Year are “renewable energy opportunities” and “technological and independent innovation”; the priority of “supply chain management” has been revised; material issues of “internal communication” and “advertising and labelling” have been deleted. During the Year, we have identified a total of 25 material ESG issues after materiality ranking adjustments, and assessed and prioritised these issues systematically with analysis of benchmarking ESG practices and consideration of industry-wide study of material issues. Among these issues, 12 are of high materiality, 8 of medium materiality and 5 of general materiality, which have been approved and adopted by the Board. The results of the materiality assessment for the Year are as follows:

MATERIALITY MATRIX OF BEIJING GAS BLUE SKY



4. SUSTAINABLE DEVELOPMENT GOVERNANCE

We have responded to stakeholders in this Report on issues of high materiality. The corresponding sections of this Report are as follows:

Issues of high materiality	Related sections
Accident risk and emergency preparation	5. Safety
Safe and stable gas supply	5. Safety
Renewable energy opportunities	6. Services 7. Increasing Efficiency
Customer and community safety	5. Safety
Employee health and safety	5. Safety
Quality management	5. Safety
Consumer privacy protection	6. Services
Anti-corruption	8. Compliance
Compliance management	8. Compliance
Labour standards	7. Increasing Efficiency
Governance	4. Sustainable Development Governance
Responding to climate change	7. Increasing Efficiency

5 SAFETY



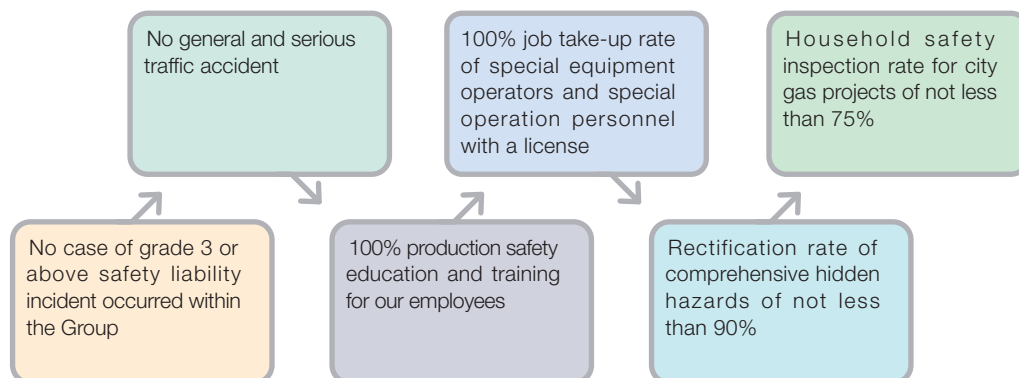
5. SAFETY

5.1 SAFE PRODUCTION, STEADY OPERATIONS

Beijing Gas Blue Sky regards safe and quality production as its top priority and is always dedicated to providing customers with safe and stable supply of high-quality gas. By constantly insisting on the safety concept of “creating harmony and focusing on details from inception to ensure a high level of safety” and implementing the safety approach of “safety first, prevention as a priority, and comprehensive governance”, we made effort to minimise the operational risk to always guarantee safety of work site, and were unwaveringly committed to pursuing the ultimate goal of zero accidents and spared no effort to eliminate potential risks in the supply, use and related services of gas. In addition, we have an in-depth understanding of the importance of safety awareness, therefore, we continuously enhance the safety awareness and ability of emergency response of our relevant stakeholders such as employees and contractors through a series of education and training activities.

We have set comprehensive safety objectives, which cover multiple dimensions such as production safety, safety education and training, professional qualification certification, safety hazards detection and treatment, and road safety to ensure that the safety concept is incorporated into every link of our daily operations, aiming to protect the safety and welfare of our employees, customers and all relevant stakeholders in all aspects. During the Year, the Group has achieved its established safety goals, demonstrating the great emphasis and steadfast determination of Beijing Gas Blue Sky on safety management work.

Safety indicators for the Group's main controls





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Improvement in the Establishment of Safety Management Systems

Adhering to the concept of safety management, the Group strictly complied with the relevant laws and regulations, such as the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Fire Protection Law of the People’s Republic of China” (《中華人民共和國消防法》), the “Road Traffic Safety Law of the People’s Republic of China” (《中華人民共和國道路交通安全法》), the “Special Equipment Safety Law of the People’s Republic of China” (《中華人民共和國特種設備安全法》) and the “Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents” (《生產安全事故報告和調查處理條例》). In view of the above, we have formulated and improved various internal rules and regulations including the “Safety Management Manual” (《安全管理手冊》) and the “Production Safety Responsibility System” (《安全生產責任制》), and set up safety management systems for a number of specialties covering a wide range of areas through the Safety Technology Department. Such systems not only involve production safety, facility operation and maintenance and pipe network operations, but also cover various aspects such as engineering constructions and engineering inspections, and all are equipped with detailed operating guidance.

We always emphasize that employees are the primary responsible person in production safety, and make every employee a guardian of safety through layer-by-layer transmission of safety responsibilities. The comprehensive management system of Beijing Gas Blue Sky has clarified the strategic deployment of the Group’s Safety Production Committee, implemented the professional guidance of various functional departments, and determined the responsibilities of various project departments and front-line employees in detail, forming an interlocking responsibility chain. This system not only clarifies the specific responsibilities of each post in the safe operation of the gas station, but also systematically standardises the management process of dangerous operations, the investigation and governance system of hidden dangers of accidents, the safety inspection mechanism and the study and education of safety laws and regulations. By formulating standardised operation guidelines and establishing the whole process supervision mechanism, we ensure that the safety requirements of each link can be translated into practical actions, so as to jointly build a gas safety defense line.

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Safe Work Principles



5. SAFETY

Case Study: 2024 Safety Work Meeting – Comprehensively Improve Safety Management and Control and Build a Solid Barrier to Safety Operation

In January 2024, Beijing Gas Blue Sky Holdings Limited convened the 2024 Safety Work Meeting. The meeting focused on the work report of “Improving the Safety Management System, Enhancing the Safety Inspection and Supervision; Comprehensively Improving Safety Management and Control and Building a Solid Barrier to Safety Operation”, emphasised the importance of production safety in the current social environment, and required the employees to raise safety awareness. To this end, the Company improved the safety management system, regulated the management of hazardous operations, and strengthened the management of safety hazards at the user end. Meanwhile, the Company enhanced the establishment of emergency system, improved emergency response speed, maintenance efficiency, and rescue capabilities. Additionally, it prioritized information reporting mechanisms to ensure timely transmission and handling of safety information.



Safety management has been determined as one of the core guidelines of our daily operation. In order to deepen organisation and leadership and system construction of safety work, we formally established the Beijing Gas Blue Sky Safety and Environment Committee and realised the integration of the three committees comprising Production Safety Committee, Fire Safety Committee and Traffic Safety Committee during the Year.

The Safety and Environment Committee and its executive agencies strictly complied with relevant provisions of the “Safety Management Manual of Beijing Gas Blue Sky Holdings Limited (Trial)” (《北京燃氣藍天控股有限公司安全管理手冊(試行)》) and the “Production Safety Responsibility System of Beijing Gas Blue Sky Holdings Limited (Trial)” (《北京燃氣藍天控股有限公司安全生產責任制(試行)》), systematically promoted the closed-loop management of system implementation, risk evaluation and process monitoring. Adhering to the safety management concept of “creating harmony and focusing on details from inception to ensure a high degree of safety”, the new committee firmly fulfilled the responsibilities of safety and environment, deepened the cooperation across departments, continued to improve the efficiency of safety and environment management, strove to build an essential safety management system of the gas enterprise with industry benchmark significance and provided strong support to the high quality development of the Group.

Scientific Treatment of Safety Accident

During the Year, in accordance with the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents” (《生產安全事故報告和調查處理條例》) and the internal safety management manual and accountability management and evaluation of the Company, Beijing Gas Blue Sky has formulated and issued the “Production Safety Accidents Management System of Beijing Gas Blue Sky Holdings Limited (Trial)” (《北京燃氣藍天控股有限公司生產安全事故管理制度(試行)》) for trial implementation. Such system focused on strengthening the accident management procedures, clarified the division of responsibilities and regulated the operation standard, with an aim to improve the efficiency of accident statistics and analysis and build a prevention mechanism in a systematic manner. In the system text, the definition of accident is accurately defined, the classification and grading standards are refined, and the rescue process, investigation procedures and responsible subjects are clearly clarified, forming a whole chain management framework.

In respect of system implementation, the Group strictly regulates the accident response mechanism. After the occurrence of an accident, the relevant departments must follow the principle of immediate reporting upon the occurrence of the accident to ensure the timeliness and accuracy of information transmission, and any form of concealment or false reporting is strictly prohibited. The Company has established the Special Accident Investigation Committee, which is solely responsible for tracing the causes of accidents and determining responsibilities. Accident rescue strictly follows the disposal principle of “saving people first, then saving properties”, giving priority to personnel rescue and controlling property losses simultaneously. The Company fully implements the principle of “Four Prohibitions” (the negligence of accident causes shall be prohibited, the negligence of responsible persons shall be prohibited, the negligence of rectification measures shall be prohibited, and the negligence of relevant personnel education shall be prohibited) in handling accidents. The Project Management Department cooperates with the Company to carry out technical verification, and the project company is responsible for establishing a complete accident file, forming a closed-loop management model of “investigation – rectification – education – archiving”.

In respect of emergency disposal, the Company adheres to the principle of “people-oriented and safety first”, and starts the response procedure in strict accordance with the “Comprehensive Emergency Plans for Production Safety Accidents” (《生產安全事故綜合應急預案》). The Safety Technology Department leads accident investigations and evaluation of work-related injuries and accurately identifies the sources of risks by relying on the intelligent monitoring platform and the digital rescue command system. The Company establishes an emergency command center at the site of accident to coordinate rescue resource scheduling and cross-departmental collaboration. After an accident, the Company optimizes the emergency plan and improves the list of risk prevention and control by conducting a retrospective analysis, and incorporate typical cases into the safety training system for all employees, continuously strengthening its full-cycle safety management capability of “prevention before accidents – control in the process of accidents – promotion after accidents”. In 2024, we organised 13 emergency drills for accidents with 230 participants. Among these activities, specialised fire emergency response drills covering escape drills and trainings for improving employees’ skills in self-rescue and mutual aid, focused on 5 practical training sessions on “fire extinguishers to put out real fires and fire hydrants to dispense real water”, with 75 participants.

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In addition, we established a sound production safety information reporting mechanism and expressly stipulated that each project company is required to submit the “Beijing Gas Blue Sky Monthly Safety Information Report” (《北燃藍天月度安全信息報表》) to ensure that the production safety information is calculated and reported in a complete and timely manner. The dedicated Safety Technology Department is responsible for strict review, verification, filing and in-depth analysis of data in the report, reaches a professional opinion and reports to the management of the Group. We simultaneously implemented the annual safety performance evaluation system and conducted a comprehensive evaluation on the effectiveness of the safety management of project companies. The Group always adheres to the principle of zero tolerance for safety accidents, strictly implements the accountability mechanism, continuously enhances the accident prevention system, and firmly promotes the construction of essential safety and improves the efficiency of production safety management in all aspects.

Case Study: Changling Minsheng Gas Co. (長嶺民生燃氣公司) Successfully Held the “Fire Publicity Month” Activity

In 2024, Changling Minsheng Gas Co., Ltd. (長嶺民生燃氣有限公司) systematically promoted the special work of the theme fire publicity month of “National Fire Fighting · Life First”. Through organizing mobilization meetings, and carrying out multi-scene practical exercises such as initial fire fighting and emergency evacuation and escape, the company implemented safety hazard investigation and governance and organized employees to watch warning education films, realizing the “three-dimensional improvement” of employees’ fire safety awareness level, emergency handling skills and risk prevention and control mechanism, highlighting our standardization construction process of “full chain control and full process participation” in the field of public safety.



Life-cycle Safety Risk Identification Mechanism

Beijing Gas Blue Sky deeply recognises accurate identification of safety risk is the first defense line of preventing the occurrence of accidents. Therefore, the Group formulated and implemented the “Safety Evaluation Management Measures (Trial)” (《安全評價管理辦法(試行)》) to provide clear guidelines for the safety status evaluation and focus on strengthening the ability of risk identification and risk classification control in the process of production. Such measures definitely stipulate the safety evaluation shall review organizational structure, systems and rules, on-site operation, training system, emergency response mechanism and other core aspects, predict the possibility of potential accidents and the severity of occupational hazards they may cause by checking the compliance of management measures item by item with reference to the national regulations, scientifically estimating the possibility of accidents and the impact of occupational hazards, accordingly putting forward recommendations for safety improvement that are scientific, reasonable and feasible.

We require project companies to engage a safety evaluation organisation with appropriate qualifications and conditions to implement external safety status evaluation at least once every three years, and conduct an internal safety status evaluation at least once a year on a voluntary basis. Units with occupational hazards are required to take effective protective measures against the production of toxins, dust, noise, vibration, heat, radiation, and other occupational hazards in their workplaces in accordance with relevant national regulations. At the same time, these units are also required to commission an organisation with appropriate qualifications to conduct an inspection of occupational hazard factors at least once a year and current occupational hazard evaluation at least once every three years, so as to ensure a healthy and safe work environment. Meanwhile, before commencing on-site operation activities, we will instruct project companies and their contractors on how to carry out work safety analysis in a standardised manner according to the “Operation Safety Analysis and Management Guidelines” (《作業安全分析管理指引》). This process is designed to identify potential hazards in advance in accordance with the order of operations, explore effective ways to eliminate or control such hazardous factors, so as to establish safe operation procedures or work standards, enhance work efficiency and quality, and reduce the possibility of the occurrence of accidents.

In order to ensure the effective implementation of the evaluation mechanism, the Group developed a dual-track standard for the implementation. On the one hand, the Group requires all project companies to engage a safety evaluation organisation with appropriate qualifications and conditions to implement external safety status evaluation at least once every three years, and conduct an internal safety status evaluation at least once a year on a voluntary basis. On the other hand, workplaces with occupational hazards are required to take effective protective measures against the production of toxins, dust, noise, vibration, heat, radiation, and other occupational hazard factors, and conduct a current occupational hazard evaluation at least once every three years on a voluntary basis. In this process, the “Operation Safety Analysis and Management Guidelines” (《作業安全分析管理指引》) becomes a proactive control tool to instruct the identification of potential risk, design of prevention and control measures according to the process before commencing operations and minimise the probability of accidents through standardised operation practices. This model of “external diagnosis + internal control” ensures the professionalism and objectivity of the evaluation, and also strengthens the autonomous management capabilities of basic-level business units.



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In view of the key risk point of major hazardous sources, the Group specially formulated the “Major Hazardous Sources Management Guidelines (Trial)” (《重大危險源管理指引(試行)》) and established a full-cycle management system from the identification and assessment, classifications by levels and safety monitoring to emergency prevention and control of major hazardous sources. Through the real-time collection of core parameters such as pressure, temperature and leakage concentration by equipment, and in combination with manual inspection, the Company has formed a dual monitoring network of “intelligence + manpower”. For key areas such as storage and distribution stations and pressure regulating stations, the Company allocated emergency material storage points and conducted quarterly stress tests to ensure that risks were always under control, thus achieving full coverage control from routine risks to major risks.

During the Year, our products and services performed well in terms of health and safety impacts and we have no significant projects that are assessed for improvement. In the future, Beijing Gas Blue Sky will continue to focus on building the capacity of risk prevention and control, and establish a more resilient safety protection system by dynamically optimizing the management system so as to provide a solid guarantee for urban energy security.

Multi-level Safety Inspections System

Beijing Gas Blue Sky regards safety as the fundamental guarantee and solid support of its ongoing prosperity and stable development. We adhere to the safety management approach of “safety first, prevention as a priority, and comprehensive governance” to establish a management and control system covering the entire business chain. Through the systematic implementation of the “Safety Inspection Guidelines” (《安全檢查指引》), the Company has established a normalised supervision mechanism of “Annual Inspection by the Group + Monthly Inspection by the General Manager”, focusing on the grid investigation of potential risks such as design defects of gas facilities, unconventional wear and tear of equipment, and employee operation norms. These guidelines provide standardised checklists for personnel at all levels, especially strengthen the ability to identify hidden risks, and ensure that risks can be controlled in each link of the design and operation of gas facilities.

On this basis, the “Guidelines for Establishing Potential Safety Hazard Investigation and Governance Mechanism” (《安全隱患排查治理機制建立指引》) was refined to form a periodic investigation specification, which clearly specifies the detailed tasks of weekly, monthly, seasonal and special safety inspections, aiming to further strengthen the supervision and management of accident hazards, thoroughly investigate potential risks and completely eliminate potential safety hazards. Safety inspectors are strictly required to develop an inspection plan on gas supply facilities, key operation procedures, operating sites and equipment, engineering projects, and customer gas installations prior to inspections, covering regular inspection projects such as daily, weekly, and monthly inspections, and irregular inspection projects such as pre-holiday inspections and special inspections. After the completion of inspections, inspectors shall make records in detail and make analysis on inspection results to ensure that all safety hazards are identified and dealt with in a timely manner.

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In order to ensure the essential safety of the engineering, the “Engineering Inspection System (Trial)” (《工程巡查制度(試行)》) establishes a regulatory framework throughout the full-cycle of projects, which covers all types of engineering projects including conventional and non-conventional gas projects. The Project Management Department implemented penetrating supervision on key nodes such as preparation of project budgets, review of design schemes and management and control of construction quality through the combination of annual routine inspections and special surprise inspections. The “Annual Safety Inspection and Rating System” (《年度安全巡查評分制度》) implemented simultaneously set multi-dimensional evaluation standards according to the national safety production laws and regulations such as the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》) and the “Interim Provisions on the Investigation and Control of Safety Accidents” (《安全生產事故隱患排查治理暫行規定》), and the Company conducted compliance review and risk rating for urban gas projects, LNG gasification station projects, gas filling station projects and LNG transportation projects, and incorporated the scoring results into the performance appraisal systems of project companies. For the problems found in the inspections, the project company should strictly implement the progressive management process of rectification plan filing, monthly progress tracking and rectification effect verification, and form a virtuous circle of “finding problems – supervising rectification – solidifying results”.

In 2024, Beijing Gas Blue Sky:



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Case Study: Safety Inspection and Supervision

In August 2024, the Safety Operation Department of Beijing Gas Blue Sky conducted a systematic safety inspection on the project of Beiqijia Business Park Energy Center. This inspection adopted the “four-dimensional verification” mode: focusing on real-time monitoring of operating parameters of energy supply equipment to ensure that key equipment such as compressors and pressure regulating devices are in standard working conditions; conducting comprehensive spot checks on daily inspection records, personnel post qualification certificates, and safety training files to verify the completeness of system implementation; focusing on checking the safety hazard governance ledger, and verifying the effect of closed-loop rectification item by item against the list of hidden dangers; inspecting the operation status of gas meters, pipeline interfaces, and alarm devices of end users synchronously. After investigation, the equipment and facilities in the site, the operating specifications of the personnel on duty, the logs of the intelligent inspection system and the configuration of fire-fighting equipment all met the safety management standards. As an important energy hub in the region, this project covers office buildings, commercial buildings and residential users, with a total energy supply area of 180,000 square meters, including 131,000 square meters of commercial areas and 51,900 square meters of residential areas. This project continuously provides safe and stable combined cooling and heating services for the jurisdiction.



Beijing Gas Blue Sky has established a dual safety management mechanism at both the user end and the equipment end to effectively ensure the safe operation of the gas system. In terms of user safety management, the Group strictly adheres to the “Regulation on the Administration of Urban Gas” (《城镇燃气管理条例》) and local gas administration requirements, implementing systematic governance in accordance with the “Beijing Gas Blue Sky Holdings Limited Safety Inspection Guidelines (Trial)” (《北京燃气蓝天控股有限公司安全检查指引(试行)》). The framework places particular emphasis on gas installations at the user end and the safety management of gas supply facilities at the equipment end, implements standardized safety inspection procedures for end-user gas installations while conducting comprehensive risk assessments of supply facilities and operational sites. Through a combination of routine and ad-hoc inspections, the Group maintains full control over end-user gas safety, thereby guaranteeing the secure and stable operation of its gas infrastructure.



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In respect of equipment safety management, we strictly implement national safety production regulations and technical standards. In accordance with the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), we have formulated the “Safety Facility Management Regulations (Trial)” (《安全設施管理規定(試行)》), which regulates key maintenance items such as equipment safety protection and detection and alarm. We have formulated the “Production and Operation Equipment Management System” (《生產運營設備管理制度》) based on the “Safety Technical Specification for Operation, Maintenance and Rush-repair of City Gas Facilities” (《城鎮燃氣設施運行、維護和搶修安全技術規程》), clarifying the inspection procedures for key facilities such as pressure regulating stations and gas storage tanks. We have also specially formulated the “Special Equipment Management Guidelines” (《特種設備管理指引》), and established special mechanisms for annual flaw detection for pressure vessels and quarterly insulation test for explosion-proof electrical appliances. For the equipment in explosive gas environments, we implement a double-person operation confirmation system and real-time monitoring of operation parameters, and realize advanced risk warning and precise intervention through hierarchical management and control, providing system guarantees for the safe and stable operations of gas facilities.

Safety Advocacy and Training for All Employees

We are deeply aware that the key to ensure the safe operation of the gas business is to cultivate the safety awareness of our employees and develop a corporate safety culture. Therefore, we attached great importance on and actively carried out various safety training and activities. In this regard, the Group prepared the “Safety Training Management System” (《安全培訓管理制度》) with a view to realise the planning, systematisation and standardisation of safety training. The system specifies the comprehensive content of the Company’s safety education in detail, covering safety trainings for operators, professional trainings for special operators, three-level safety education system for new recruits, and the “Four New” safety education in adopting new technologies, new techniques, new materials and new equipment, as well as the specialised training on safety management techniques.

We expressly require that all new employees in production positions should pass the three-level safety management assessment before they are qualified to the job, and the existing operators should receive no less than 20 hours of retraining each year to constantly enhance employees’ safety awareness and effectively reduce the occurrence of safety accidents. In order to guarantee the effectiveness of trainings, the Company requires the trainees to record the learning process in detail and participate in the assessment to make sure that they fully grasp the safety technical requirements required by their respective posts. During the Year, we focused on the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Fire Protection Law of the People’s Republic of China” (《中華人民共和國消防法》), as well as the “Gas Engineering Project Specifications” (《燃氣工程項目規範》), the “Safety Technical Specification for Operation, Maintenance and Rush-repair of City Gas Facilities” (《城鎮燃氣設施運行、維護和搶修安全技術規程》), the Beijing Gas Blue Sky safety management regulations and systems, and typical cases of accidents in the gas industry to conduct 12 online trainings, with cumulative 2,360 participants.

5. SAFETY

Three-level safety education for new employees

1

COMPANY-LEVEL SAFETY EDUCATION

New employees will be briefed on safety education by the Company's safety management department before work.

The "Work Safety Law of the People's Republic of China" (《中华人民共和国安全生产法》), the "Labor Law of the People's Republic of China" (《中华人民共和国劳动法》) and other laws and regulations related to production safety;

Introduction to the Company's business related to production safety;

General knowledge of safety technology, etc.

2

DEPARTMENT-LEVEL SAFETY EDUCATION

New employees will further receive safety education from their respective departments after their assignment to the department.

The production overview and process flow of the department;

The production safety situation of the department and positive and negative cases;

The operation practice of the department and safety concerns.

3

TEAM-LEVEL SAFETY EDUCATION

New employees will further receive safety education from their respective teams after their assignment to the team.

The production safety status, work nature, scope of duties and safety rules and regulations of the post;

The use and management of machinery and equipment and safety protection facilities;

Safety operating procedures for posts;

Accident review, emergency measures and safe evacuation routes.

Case Study: Convened the First Quarterly Safety Committee and the "Hundred-Day Action" Project Promotion Meeting

In April 2024, Beijing Gas Blue Sky convened the 2024 First Quarterly Safety Committee and the "Hundred-Day Action" Project Promotion Meeting, analysed and summarised the safety work of the Group in the first quarter of 2024, mobilized all units to further understand the situation, specify the division of duties and tasks, reinforce the implementation, earnestly implement the instructions of the leaders at all levels and superior units, deployed the safety priorities in the second quarter, and faithfully implemented the "Hundred-Day Action" Project.



Accident Alert Education Project



Safety Production Discussion Project



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Ensuring the Safety of Public Gas Use

Safety is the lifeline of the gas industry and the constant pursuit of Beijing Gas Blue Sky. During the Year, we further strengthened the safety education for users. Through multi-channel publicity, we guided users to ensure good ventilation conditions when using gas, adhere to the principle of having someone supervise during cooking, and close the gas valves immediately after use, which are basic and key safety measures. At the same time, we have formulated a detailed emergency guidance to guide users to take actions quickly and correctly in case of gas leakage and other emergencies, including closing valves, ventilating, avoiding electrical operation and naked flame use, and contacting us by our emergency service hotline in a timely manner.

In terms of maintaining the safety of gas facilities, we strictly comply with relevant laws and regulations, and prohibit any unauthorised demolition and modification. According to the provisions of the "Regulation on the Administration of Urban Gas" (《城镇燃气管理条例》), we continue to strengthen supervision and hold liable those who illegally dismantle or modify gas facilities according to law, so as to ensure the safe operation of gas facilities. For users who really need renovation, we provide formal and professional service processes, which are implemented by professional teams to ensure the safety and compliance of the renovation process. In addition, we have particularly emphasised the standardisation of the installation of gas wall-hung boilers, and resolutely opposed the installation of gas wall-hung boilers in non-compliant places such as basements, bathrooms, closed garages and corridors to prevent potential safety hazards such as carbon monoxide poisoning. For the improper installation of the smoke exhaust pipes of wall-hung boilers, we have intensified the inspection and rectification efforts to ensure that every installation meets the safety standards, so as to safeguard public safety interests.

We take a firm and strict stand in cracking down on gas theft. Stealing gas is not only illegal, but also a serious threat to social security. We have established a perfect monitoring and accountability mechanism. Once such acts are found, we will severely punish the relevant personnel according to law and transfer them to judicial authorities as appropriate. At the same time, we also remind all users to be alert to the fraud of counterfeit gas companies and protect their rights and interests from infringement.

We encourage every user to be a guardian of gas safety, actively participate in the compliance with and implementation of gas safety laws and regulations, and dare to report violations and irregularities. For users who provide valuable reports, we will keep their personal information strictly confidential and reward them according to the actual situation, so as to express our fulfillment of safety commitments and gratitude to users for their support.



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Guarantee Superior Quality with Craftsmanship

Beijing Gas Blue Sky is committed to providing customers with natural gas which is up to standard and of high quality and dedicated to providing customers with complete, authentic, reliable and high-quality products and services. We are in strict compliance with the “Regulation on the Administration of Urban Gas” (《城鎮燃氣管理條例》) and the GB17820 national standard “Natural Gas”.

In order to control the quality of natural gas, we have set up the Safety Technology Department as the head office responsible for inspecting the quality of natural gas at corporate level. The subordinated production and operations department is responsible for inspecting the quality of natural gas in the subordinated project companies. Upstream suppliers are required to submit a gas quality report, and a semi-annual inspection report is required for the city gas project, while the LNG procurement project should include a gas quality report as a product annex to delivery together. In addition, we also formulated the “Odorants Safety Management Guidelines (Trial)” (《加臭劑安全管理指引(試行)》) to regulate the quality requirements for odorants, and hired a third-party institution to inspect the quality of natural gas odorisation every year to ensure that any gas leaks are detectable in a timely manner. At the same time, we paid close attention to the quality of the equipment used by customers. All natural gas measuring instruments are subject to preliminary inspection or regular inspection according to national standards. We arrange a household inspection at least once a year to check whether the natural gas pressure of gas equipment at the user’s home is qualified. Calibration and inspection rate for gas meters was 100%.

We attach great importance to the quality of gas construction projects, the engineering design, construction and acceptance of natural gas projects, as well as the operation, maintenance and repair of gas facilities. We strictly comply with all relevant national standards and industry practices, and have formulated the “Gas Construction Safety Management System (Trial)” (《燃氣工程施工安全管理制度(試行)》) and the “Pipe Network Operation Safety Management System (Trial)” (《管網作業安全管理制度(試行)》) to guarantee the hassle-free construction, high-quality engineering and qualified processes of gas pipelines.

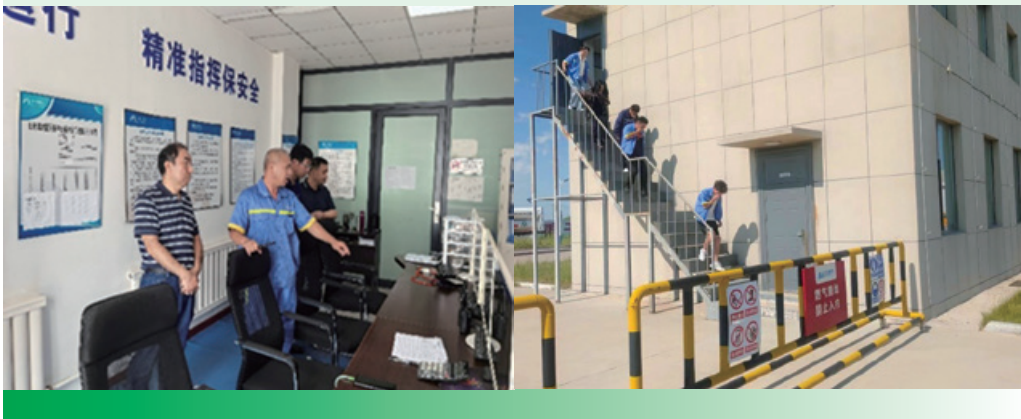
During the Year, Beijing Gas Blue Sky did not have any non-compliance cases that had a significant impact on the Group’s operation as a result of product quality, nor did it have any products to be recalled due to safety and health reasons.

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Case Study: “Production Safety Month” Activity of Beijing Gas Blue Sky

On 28 May 2024, Beijing Gas Blue Sky convened a kick-off meeting of the “Production Safety Month” activity to deploy the implementation of production safety work for 2024. The meeting focused on the core philosophy of “people-oriented and safe development”, systematically determined the activity programme with “Four Specialities” as the subject, simultaneously clarified safety responsibility at all levels, and promoted embedding the awareness of production safety into their mind.

The production safety month has been comprehensively advanced through four key measures: firstly, carrying out safety publicity and education activities to deepen the safety concept of all employees; secondly, implementing the propaganda and practical exercises of unblocked life channels, and strengthening emergency response capabilities; thirdly, organising safety publicity and consultation day activities, and establishing an interactive platform among government, enterprises and society; fourthly, promoting the “Five Enters” (entering enterprises, entering communities, entering campuses, entering homes and entering public places) of safety publicity, and building a multidimensional publicity network.



5.2 EMPLOYEE PROTECTION, WELL-BEING COMMITMENT

Improvement of Employee Rights Guarantee System

Beijing Gas Blue Sky regards employees as the most valuable intangible asset and the source of power to promote our continuous advancement. Therefore, we have always been committed to safeguard the employees' physical and mental health and safety. In order to achieve this goal, the Group is in strict compliance with a series of laws and regulations such as the “Labor Law of the People’s Republic of China” (《中華人民共和國勞動法》), the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases” (《中華人民共和國職業病防治法》) and the “Occupational Safety and Health Ordinance” (《職業安全及健康條例》) in Hong Kong, and continuously improve the occupational health and safety management mechanism. On this basis, we have formulated a series of internal documents such as the “Measures for Special Labor Protection of Female Employees” (《女職工特殊勞動保護辦法》), the “Labor Protection Equipment Management System” (《勞動防護用品管理制度》) and the “Prevention and Management of Occupational Disease Hazards” (《職業病危害預防及管理》) to control and eliminate



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the unfavourable factors affecting occupational health of employees in all aspects. At the same time, we attach great importance to occupational diseases prevention and control and comply with the GB/T45001 occupational health and safety management systems, adhere to the principle of “Three Simultaneities” in occupational disease-prevention facilities to ensure the prevention of occupational diseases from the source.

In order to strengthen employee benefit management, we formulated the “Administrative Measures on Employees’ Physical Examination of Beijing Gas Blue Sky” (《北京燃氣藍天員工體檢管理辦法》), organised comprehensive health examination for employees every year, and effectively translate the Company’s profound care for our employees into concrete actions. With these efforts, during the Year, the Company had not experienced any non-compliance with health and safety regulations or any work days lost due to work-related injuries. In the past three years, the Group did not have any work-related fatalities.

We assume the responsibility of protecting our employees’ health and safety and focus on the promotion of the continuous safe operation. With respect to high-risk processes, equipment, articles, premises and posts, we have formulated the “Management System on the Double Prevention Mechanism” (《雙重預防機制管理制度》) based on the “Classification for Casualty Accidents of Enterprises” (《企業傷亡事故分類》) and the “Classification and Code for the Hazardous and Harmful Factors in the Production Process” (《生產過程危險和有害因素分類與代碼》) to carry out regular risk assessments and hazard identification. We have established hierarchical management and control system and set up standards for the classification, investigation and treatment of potential production safety accidents. Safety risks in positions, enterprises and regions are predicted in advance. Through the implementation of institutional, technical, engineering and management measures, we can effectively control, investigate and prevent major accident hazards, and identify and eliminate all types of potential accident hazards in a timely manner so as to minimise risks.

In order to fully prevent, effectively control and completely eliminate occupational disease hazards, we have formulated the “Occupational Disease Hazards and Prevention Management Guidelines (Trial)” (《職業病危害及預防管理指引(試行)》), which stipulates that our project companies are required to conduct occupational disease hazard testing and evaluation on a regular basis, and once it is found that there are occupational disease hazards in the workplace that do not comply with the national occupational health standards and health requirements, we shall immediately take treatment measures to ensure that the occupational health environment and conditions meet required standards. We are fully aware that protecting the occupational health rights and interests of workers is our unshirkable responsibility. Therefore, with respect to addressing occupational disease hazards, we have always maintained high vigilance and a strong sense of responsibility, striving to achieve early detection, early prevention, and early treatment and create a safe, healthy and harmonious work environment for the workers.

In the future, Beijing Gas Blue Sky will continue to dedicate itself to safeguarding the employees’ physical and mental health and safety, effectively protect the occupational health rights and interests of workers through relentless efforts, thereby driving the sustainable development of the enterprise.

5. SAFETY

The preventative measures for occupational diseases of Beijing Gas Blue Sky are as follows:

"THREE SIMULTANEITIES" IN OCCUPATIONAL DISEASE PREVENTATIVE FACILITIES

Occupational disease-preventative facilities for construction projects must be designed, constructed and put into use in production simultaneously with the main body of the project;

Priority is given to the adoption of new technologies, processes, equipment and materials conducive to the protection of workers' health.

REGULAR INSPECTION OF HAZARDS

For workplaces with occupational hazards, regular inspection and status assessment of occupational hazards shall be carried out.

OCCUPATIONAL HEALTH SURVEILLANCE

Organise employees to receive pre-employment, on-the-job, post-transfer, post-leaving and other occupational physical examinations, and truthfully inform employees of the results in writing and on file;

Set aside the special funding required to implement the internal annual plan for occupational health inspections.

DISTRIBUTION OF PERSONAL PROTECTIVE EQUIPMENT

Provide employees with personal protective articles and appliances appropriate for occupational safety risks in line with national standards or industrial standards, and supervise and guide employees to wear and use personal protective equipment and apparatus properly according to relevant provisions.



5. SAFETY

Strengthening Occupational Health Training

Beijing Gas Blue Sky regards occupational health education as an important measure to ensure the health and safety of employees. We have built a systematic training system covering the whole group, and developed an overall occupational health education and training program with unified planning and hierarchical implementation through the integration of the annual training plans of the functional departments of the headquarters, professional institutions and various subsidiaries. The hierarchical coordination mechanism ensures that employees in different positions obtain targeted safety knowledge, and comprehensively improves employees' awareness and prevention ability of occupational health risks.

In terms of course design, we focus on the actual needs of work and pay attention to the development of core modules such as workplace safety regulations, emergency evacuation skills and occupational disease prevention points. The interactive model of "case education + scenario simulation" is adopted during the training process to help employees deepen their understanding in the process of practical drills by analyzing typical industry cases and simulating accident handling processes. For example, in the training of confined space operations, trainees are required to complete the full-process practical operation assessment of gas testing, protective equipment wear, emergency rescue, etc., to ensure that key skills are transformed into actual work capabilities.

Upon completing the initial training program, we will conduct regular follow-up training to consolidate and update employees' occupational health knowledge. In addition, in order to ensure the effectiveness of training and improve the quality of training, we regularly monitor and inspect the implementation of training, including collection of feedbacks from employees through questionnaires, interviews, on-site observations, etc., analysis of possible problems in the training and making corresponding adjustment to the education program. Through such systematic occupational health education and training activities, we aim to improve the well-being of employees and create a safer and more harmonious workplace.

In order to ensure the effectiveness of training, we have established a management system of "pre-training planning-in-training supervision-post-training follow-up". We iteratively optimize the course content every year in accordance with the updates of laws and regulations and technological advancements. Through data analysis provided from online learning platforms, on-site practical operation assessment, satisfaction survey and other multi-dimensional assessment methods, we can obtain the training results in real time, and dynamically optimize the training plan based on the assessment results, so as to create a safer and more harmonious working environment for employees.

5.3 QUALITY FIRST, COLLABORATIVE SYNERGY

Supply chain management is a key element of sustainable development. The Group is committed to establishing a supplier cooperation network that is compliant, rigorous, clean, efficient, fair, just, transparent and open. For this purpose, we have specially established the “Material Suppliers Management System” (《物資供應商管理制度》) in accordance with the national laws and regulations and the relevant provisions of the Group such as the “Bidding Law of the People’s Republic of China” (《中華人民共和國招標投標法》) and the “Measures on Competitive Biddings for Goods for Engineering Construction Projects” (《工程建設項目貨物招標投標辦法》), so as to improve the management system of material suppliers.

We are well aware of the importance of assessing the social and environmental qualifications of suppliers in supply chain risk management. At present, we have included ISO 9001 Quality Management System, ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System certifications in the qualification review conditions for suppliers. In the future, we will further consider formulating a system to incorporate relevant risks into the performance evaluation and management of suppliers to monitor their conduct and the quality of products supplied.

In addition, the Group firmly maintains fair competition in the supply chain, strictly prohibits suppliers from engaging in commercial fraud in any way, clearly defines the obligations of suppliers, and prohibits suppliers from using improper means to engage in vicious competition. Meanwhile, in order to support the development of the local economy, Beijing Gas Blue Sky prioritizes local suppliers. As an integrated natural gas supplier and operator, we comprehensively consider the scale of suppliers and the quality and timeliness of their gas supply in selecting and reviewing of natural gas suppliers to ensure selection of the most suitable natural gas suppliers.

Safe and Stable Gas Supply

Case Study: Intelligent Operation and Management of Pipe Network

In recent years, the Company has steadily developed in the field of gas pipe network and is committed to building a fine geographic information system (GIS) to strengthen pipe network data detection and improve safe operation capabilities. GIS records the location, status and data of pipe network in detail and monitors in real-time, providing data support for operation decisions. At the same time, the Company has established an advanced Supervisory Control and Data Acquisition (SCADA) system to monitor the operation of gas equipment in real time, analyze and process data in a centralized manner and ensure the safety of the pipe network through dual supervision. Such dual supervision model provides a solid guarantee for the safe operation of the pipe network and stable gas supply. In terms of equipment management, the Company strictly implements a regular maintenance system and comprehensively inspects special equipment to ensure the optimal condition, extend the service life and reduce the risks of safety accidents. Through such measures, Beijing Gas Blue Sky has realized the steady development and safe operation of the pipe network, thereby setting an industry model and providing safer and more reliable gas services.



5. SAFETY

Sustainable Supplier Management

In order to handle supplier management issues in a comprehensive, efficient and standardised manner, the Group has built a special management structure, comprising the Group's material suppliers management leading team, material suppliers management execution team and material suppliers tender evaluation team. We have formulated the "Tender Management System for Projects and Materials" (《工程及物資招標管理制度》) and the "Material Suppliers Shortlisting Process" (《物資供應商入圍流程》) to standardise the entire tendering process in accordance with the "Bidding Law of the People's Republic of China" (《中華人民共和國招投標法》), the "Regulation on the Implementation of the Bidding Law of the People's Republic of China" (《中華人民共和國招投標法實施條例》), the "Provisions on Engineering Projects Which Must Be Subject to Bidding" (《必須招標的工程項目規定》) and other national laws and regulations related to the tendering of projects and materials. In the process of supplier qualification review, we set strict prequalification standards, requiring suppliers to provide their financial status, sales performance and after-sales service records in the past three years, as well as proof of no violation of laws and regulations on environmental protection, labor protection and occupational health and hygiene.

In terms of bidding methods, we have adopted a combination of open tender and invitation to tender. The bidding is carried out by the project and materials tender leading team, execution team and tender evaluation committee to ensure the fairness, impartiality and transparency of the bidding. Meanwhile, we have established a comprehensive list of materials suppliers and formulated the "Evaluation Criteria for Selecting Materials Suppliers" (《選擇物資供應商的評審標準》). We conduct strict qualification review and on-site inspection on all shortlisted suppliers to ensure that they have complete certification in terms of production license, environment, quality and safety, and possess the ability to continuously provide high-quality products and services. In order to further enhance the transparency and standardisation of supplier management, we require all suppliers to sign the "Supplier Integrity Commitment" (《供應商廉潔承諾書》), in which suppliers undertake that they will strictly comply with the relevant laws and regulations as well as the requirements on integrity practices, thereby preventing the occurrence of corruption matters and ensuring the integrity of procurement and bidding activities at source.

In the field of environmental protection, we uphold a high sense of responsibility and mission, and regard environmental factors as one of the important considerations for selecting suppliers. We encourage suppliers to actively establish and improve their own environmental management systems to reduce the environmental risks in their production processes. Therefore, we have conducted comprehensive review on the qualification of environment, quality management and occupational health and safety management system. In order to promote the adoption of more environmentally friendly products or services by suppliers, we clearly require suppliers to obtain ISO 14001 Environmental Management System certification. On this basis, we are constantly reviewing and optimizing our supplier management measures to further encourage suppliers to increase their investment in environmental protection and actively use more environmentally friendly products or services.

5. SAFETY

In order to create a fair and competitive procurement environment, we have set up the tender evaluation committee, comprising representatives of the bidder or its appointed tender agent familiar with the relevant business, as well as experts in technical and economic aspects, to conduct detailed review and comprehensive comparison of the bidding documents. Throughout the bidding process, we have always upheld the principles of openness, fairness, impartiality, honesty and credibility, recused ourselves from the committee with financial interests or relatives of the bidder, and made every effort to avoid any illegal interference in the tender bidding activities, so as to ensure the fairness and transparency of tenders. In addition, in order to continuously improve the transparency and effectiveness of the tendering system, we have specially assigned the tender execution team and the project management department to be responsible for promoting the tendering management system and training so that all parties concerned can have a better understanding of the tendering system and its obligations and responsibilities.

In terms of supplier assessment and evaluation, we have established a conventional assessment and evaluation mechanism to continuously monitor the supply quality of suppliers. Through regular acceptance, evaluation and annual assessment, we can promptly keep abreast of the performance of suppliers and take corresponding management measures based on the assessment results. For underperforming suppliers, we will take measures such as “suspended”, “locked up”, “withdrawn”, “disqualified” or “blacklisted”, to ensure the stability and reliability of the supply chain.

During the Year, we engaged a total of 89 suppliers, which were all located in the PRC, and implemented the above systems and principles, with the following geographical distribution:

Geographical Distribution of Suppliers



6. SERVICES



6. SERVICES

6.1 CUSTOMER-CENTRIC, EXCELLENT SERVICE

Beijing Gas Blue Sky upholds its commitment and responsibility to society, adheres to the customer-oriented principle, deeply practices the service concept of “providing wholehearted services and winning customers with professional expertise, warmth and passion”, and is committed to providing reliable and high-quality services for customers. In order to promote the standardization and specialization of services of the Group’s customer service centre, we have formulated the “Customer Service Standards of Beijing Gas Blue Sky” (《北京燃氣藍天客戶服務規範》). Meanwhile, with regard to handling customer complaints, we have clarified the “Guidelines on Handling User Complaints of Beijing Gas Blue Sky” (《北京燃氣藍天用戶投訴處理流程指引》) to ensure transparency and efficiency of service processes.

We value every feedback from our customers and regard it as the key to our continuous improvement. Customers who have queries or dissatisfaction with our products, marketing, services or pricing factors can file complaints by phone or through the Group’s website. Upon receipt of the complaints, the relevant employee or department should immediately and truthfully record them in the “User Complaint Record” (《用戶投訴記錄》) and promptly forward the feedback to the complaint management department. The management department will promptly start the investigation and handling mechanism, and strive to successfully solve the user problem within three days.

In the process of complaint handling, we adopt various methods such as personnel interviews, data review and on-site inspection to ensure the objectivity and authenticity of the investigation results, clearly define the attribution of liability and propose specific and feasible improvement plans. Subsequently, we incorporate these investigation results and improvement suggestions into the performance appraisal framework of departments and employees, and implement corresponding reward and punishment measures fairly. Meanwhile, we fully respect the right of both parties to the complaint to appeal. If customers disagree with the handling results, we will actively listen to their appeals and properly handle them. During the Year, there were no significant complaints in relation to products and services within our business scope.

Based on the concept of optimizing customer experience, we have established a dynamic management mechanism of “demand collection-analysis and improvement-verification and assessment”. In accordance with the “Repeat Customers Administrative Measures of Beijing Gas Blue Sky” (《北京燃氣藍天客戶回訪管理辦法》), we systematically make plans for the return visit and require the management department at each level to devise an annual return visit plan and submit it to the service management committee for approval and documentation. We will collect customers’ opinions extensively through telephone interviews, sampling questionnaires and other methods to assess service quality and customer satisfaction, and incorporate customer satisfaction into the department management evaluation system.

Beijing Gas Blue Sky will continue to push forward the service capacity building, set up an intelligent service platform to optimize circulation efficiency of job orders, improve professional training system for service personnel and promote visual transformation of service process. Through systematic upgrading of service infrastructure, service response efficiency and service quality are continuously improved to ensure the stability and reliability of customer service experience.



6. SERVICES

Responsible Marketing

In the brand marketing and market promotion activities, the Group strictly complies with the “Work Safety Law of the People’s Republic of China” (《中華人民共和國安全生產法》), the “Patent Law of the People’s Republic of China” (《中華人民共和國專利法》), the “Advertising Law of the People’s Republic of China” (《中華人民共和國廣告法》) and the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests” (《中華人民共和國消費者權益保護法》) and other laws and regulations to ensure the standardization of advertising and marketing activities. The Group has formulated the “Administrative Measures on Advertising, Marketing and Publicity of Beijing Gas Blue Sky” (《北京燃氣藍天廣告營銷宣傳管理辦法》) and the “Advertising Application Process for Project Companies of Beijing Gas Blue Sky” (《北京燃氣藍天項目公司廣告宣傳申請流程》) to form a control mechanism of “system standardization-approval and implementation-strict supervision” and clarify the advertising-related systems, tools, rules and methods. The Group is responsible for monitoring the implementation of the enterprises to fully fulfil our responsibilities in advertising and label management.

At the specific implementation level, we strengthen the compliance control of advertising content, promotion channels and user data processing through the dual-track review model of compliance review by the legal department and technical evaluation by the professional team. During the Year, there were no cases of non-compliance in relation to health and safety, advertising, labelling or privacy matters relating to products and services that had a material impact on the Group’s operations.

Promotion of the Efficient Interaction between the Government and Enterprises Services

Good cooperation between the government and enterprises is a solid guarantee to ensure that enterprises can maintain long-term and stable development in a complex and changeable market environment. Therefore, reinforcing the cooperation between the government and enterprises is not only an effective way for enterprises to enhance brand image and strengthen market competitiveness, but also an important strategic choice for enterprises to explore new business models and open up new market space for future development. We will continue to optimize the dialogue mechanism between the government and enterprises. Through regular cooperation modes such as policy interpretation coordination, development planning docking and mutual consultation for major projects, we will not only ensure the compliance of current operations, but also inject corporate vitality into the construction of regional economic and ecological, thereby realizing the organic unity of commercial value and social benefits.



6. SERVICES

Case Study: Holding a Public Lecture on Talent Management to Help Enterprises Improve Their Core Competitiveness

On 23 July 2024, Teng County Bureau of Commerce and Guangxi Teng County Company jointly held a public lecture on “How to Identify and Motivate Talents”, aiming at improving the theoretical literacy of personnel teams of enterprises in Teng County and the core competitiveness of enterprises. The lecture was delivered by Wang Boyan, an expert in talent management, and discussed the key elements of talent system construction in the new economic era, including how to scientifically and reasonably set talent standards to ensure that enterprises can accurately identify and attract outstanding talents, and also focused on how to construct an efficient and forward-looking talent training and motivation system to promote the continuous growth of employees and the rapid development of organizations. The deputy head of Teng County and the general manager of Guangxi Teng County Company (廣西藤縣公司) attended and delivered speeches. Participants expressed that they had gained a lot. The lecture provided new ideas and strong support for talent management of enterprises in Teng County.

6.2 FORWARD INNOVATION, GREEN REVITALIZATION

Actively Respond to the Major Trend of Energy Transition

The energy market in China is entering a new era, and the clean and low-carbon-oriented energy transformation has become the main development direction. The government actively promotes the development of clean energy and increases its investment and support for clean energy such as renewable energy and natural gas. Against such background, Beijing Gas Blue Sky constantly explores market opportunities and strives to enhance the comprehensive competitiveness of the Company. On the basis of maintaining the steady development of traditional natural gas projects, we actively seek a balance and diversification of the investment structure. For this purpose, we are actively engaged in innovative exploration in the fields of comprehensive energy combination, low carbon technologies, energy digitisation and intelligence, and optimisation of traditional energy, with a view to further consolidating and enhancing our core competitiveness in the energy industry, opening up new growth sources in the Group’s business, and promoting steady growth in the long-term value.

In order to accelerate the expansion of the new energy business and strengthen its professional management, the Group has established a new energy business segment, which is responsible for researching the business model of the new energy industry, carrying out preliminary surveys, feasibility analysis, and supervising the implementation of projects, identifying and expanding potential development opportunities along the new energy industry chain, managing the technology research and development and other project management work. In addition to adjustments and optimization in organisational structure, we will also actively seek market opportunities through various means such as internal growth and acquisitions. In terms of energy solutions design and technology, we have provided strong support for the Group’s business transformation. Beijing Gas Blue Sky unswervingly promotes the implementation of clean energy and new energy cooperation projects, accelerates the construction of a new energy business system and facilitates the Company’s deployment and strategic implementation in the “dual-carbon” market.

6. SERVICES

At the same time, we also continuously deepen cooperation with relevant organisations or enterprises in clean energy. Through signing agreements of intent on industry-university-research cooperation with institutions of higher learning, we actively explore the new cooperation model between universities and enterprises and jointly construct an innovation system for industry-university-research alliances. In this system, we will work together on the research of new energy and promote the clean energy to play a more active role in energy transformation, which will not only promote our own business development, but also contribute to the transformation and upgrading of the entire energy industry.

Case Study: Successful Opening up of Diversified Energy Strategic Deployment and Expansion of the Integrated Energy and New Energy Businesses

In July 2024, Beijing Gas Blue Sky has acquired Beijing United Energy Engineering & Technology Company Limited* (北京優奈特能源工程技術有限公司), which is principally engaged in the planning, designing and consulting of gas, heat, comprehensive energy utilisation and new energy power generation projects and has more than 20 industry and professional qualifications in gas, new energy power generation, engineering supervision and general contracting of municipal public works. In recent years, the target company has undertaken more than 40 research projects for enterprises and governments, and conducted research in various disciplines such as energy-saving technology, green energy and comprehensive energy utilisation technology, smart energy technology, urban gas planning technology, natural gas storage and peaking technology, natural gas transmission and distribution technology, and natural gas application technology. The acquisition will further strengthen the technical strength of Beijing Gas Blue Sky in the field of comprehensive energy and new energy, thereby laying a solid foundation for its long-term layout in the field of energy transformation and green development.



6. SERVICES

Seizure of the Opportunity of Renewable Energy

China has established a diversified clean energy supply system, including renewable energy such as wind energy, solar energy and hydropower, as well as clean fossil energy such as nuclear energy and natural gas, and the development of renewable energy has been promoted worldwide in recent years. It is predicted that by 2050, the global supply quantity of renewable energy will show a rapid increase trend, and the global energy supply structure will undergo a significant change.

Beijing Gas Blue Sky closely follows the trend of global energy transformation, turning its attention to the renewable energy market and actively grasping this historic development opportunity. We have not only increased investment in research and development of renewable energy technologies, but also devoted ourselves to exploring innovative models of these clean energy sources in practical applications. By optimizing the allocation of resources, strengthening technological innovation and deepening industrial chain cooperation, we are fully committed to building a series of renewable energy projects with demonstration significance and economic benefits.



Case Study: Beiqijia Business Park Energy Center

The Beiqijia Business Park Energy Center, located in Changping District, Beijing, is anchored by its core “Triple-Supply Energy Center” facility. Leveraging a combined cooling, heating, and power (CCHP) technology framework, the project establishes a multi-energy coordinated low-carbon energy supply system through the integration of ground-source heat pump systems and smart control technologies, achieving comprehensive cooling, heating, and electricity provision. Since commissioning, the facility has consistently delivered renewable energy-promoted cooling and heating services to both residential and non-residential users. While ensuring a stable energy supply for surrounding buildings, it has significantly reduced carbon emission intensity and effectively driven regional green transition.

6. SERVICES

Technological Progress and Independent Innovation

In order to comply with China's important position in scientific and technological innovation in the energy market, Beijing Gas Blue Sky actively participates in the research and development of new technologies and practical innovation. We deeply realize that the government's encouragement and support for intelligent grid, efficient energy storage technology, advanced digital energy management system and other fields are the key forces to promote the transformation and upgrading of the energy industry. Beijing Gas Blue Sky has devoted great attention and investment to the frontier science and technology field, established a team consisting of industry elites, and allocated sufficient resources to break through technical difficulties, aiming at developing more excellent, environmentally friendly and intelligent energy solutions. The energy storage power station project in Yangzhou Economic Development Zone is a landmark new energy project invested and constructed by Zhejiang Boxin Energy Co., Ltd. (浙江博信能源有限公司), a wholly-owned subsidiary of Beijing Gas Blue Sky Holdings Limited. This project focuses on the user-side demand of Yangzhou WuTingQiao Cylinder Liner Co., Ltd. (揚州五亭橋缸套有限公司), aiming at optimizing the distribution and use of electric energy by building an efficient energy storage system.

The total investment of this project is as high as RMB18 million. The energy storage station will charge during off-peak hours with lower electricity tariffs and supply power to industrial production during peak tariff periods. This strategy achieves the goal of peak shaving and valley filling, significantly reducing corporate electricity costs. In terms of technology and equipment, this project adopted the battery cells of a well-known brand and was equipped with an advanced energy management system (EMS) and a remote operation management platform, effectively ensuring the high-quality operation, high safety standards and intelligent operation level of the energy storage power station. At the same time, this energy storage power station will also actively participate in the power market service, and contribute to the regional power supply and demand balance and the improvement of power production and supply efficiency.

The commencement of this project marks that Beijing Gas Blue Sky has taken a solid step in the layout of the new energy business, and also lays a solid foundation for us to focus on and vigorously develop the new energy business in the future.

The user-side energy storage system project of Yangzhou WuTingQiao Cylinder Liner Co., Ltd.* (揚州五亭橋缸套有限公司)





6. SERVICES

6.3 DEEP COMMUNITY TIES, ADVANCING SOCIAL GOOD

With the service philosophy and sense of mission of “winning customers with warmth”, Beijing Gas Blue Sky has been actively fulfilling its social responsibility, considering public welfare and social contribution as an indispensable part of its sustainable development strategy. For this purpose, we have formulated the internal guiding document- “Policy on Community Commitment, Sponsorship and Donation” (《社區參與、贊助及捐贈政策》) as a guide for our participation in social welfare activities. In order to ensure that our policies can keep pace with the times and closely meet the needs of business development and environmental changes, we will conduct a comprehensive and detailed review and revision of the above document every three years. On this basis, we strive to contribute to the society through various forms and actively promote the development of public welfare undertakings. We continue to pay attention to and promote the investments in and construction of various projects, which not only directly benefit the general public and improve their quality of life, but also indirectly promote the improvement and upgrading of local infrastructure, injecting new vitality into the prosperity and development of local economy and society.

Case Study: Building a Green Home with Practical Actions

Guangxi Teng County Company (廣西藤縣公司) actively responded to the action of “Beautiful Teng County” and organized all employees to participate in environmental protection. Through voluntary registration and collective action, the company has formed a standardized environmental protection group. This group actively organizes volunteer service teams to carry out environmental protection activities such as garbage collection and sorting, aiming at cultivating employees’ good behavior habits of caring for the environment and protecting the earth. In 2024, taking the “Learn from Lei Feng Day” as an opportunity, the company called on employees to take the lead in practice, and drove the surrounding people to join in environmental protection together to become environmental protection sharers, practitioners, volunteers and supervisors. Through these practical actions, the company demonstrated the responsibility of state-owned enterprises and contributed to environmental protection.

6. SERVICES

Offering Warmth through Public Welfare Services

Beijing Gas Blue Sky has always regarded public safety as the top priority of its operation. We ensure that the safety of gas use not only relies on our own professional skills and strict management, but also on the active participation and joint cooperation of the general public. Only when the two parties work together can we really build an indestructible security line.

Under the guidance of this philosophy, Beijing Gas Blue Sky has always embraced the enthusiasm and mission of bringing gas safety into thousands of households, and is committed to enhancing the public's understanding of and attention to gas safety. Therefore, we have carried out a series of full and varied gas safety publicity activities by combining online and offline methods. Online, we have published gas safety knowledge through our official website, social media and other channels to answer the public's questions and raise the public's awareness of gas safety. Offline, we have conducted face-to-face communication with the public through various forms such as visiting residential areas, holding lectures and distributing promotional materials, providing in-depth explanations of gas safety knowledge and guiding the public to use gas correctly and safely.



6. SERVICES

Safety Education Entering All Households

In the field of gas supply, the timeliness and professionalism of services are directly related to the production and life of users. Therefore, we have constantly optimized the service process and improved the response speed to ensure that we can act quickly in any emergency or special situation to provide users with the best services. Therefore, in the new social service commitment letter, we have clearly promised to provide 24-hour convenient service to ensure that users can enjoy timely and professional support whenever and wherever.

In addition, we have also improved the time limit and acceptance efficiency of key service links such as construction, acceptance and complaint handling. By introducing advanced management concepts and technical means, we shortened the construction period, improved the acceptance efficiency and ensured the rapid and high-quality completion of the project. At the same time, we have also strengthened the construction of the complaint handling mechanism to ensure that every feedback from users can be responded and resolved in a timely and effective manner.



Case Study: Safety Publicity Day Consultation Activity

Beijing Gas Blue Sky regards safety education as its own responsibility and is committed to raising the public's safety awareness. Changling Minsheng Gas Co., Ltd. (長嶺民生燃氣有限公司), a subsidiary of Beijing Gas Blue Sky, actively responded to the Group's call, planned and organized the safety publicity and consultation activity of forest farm community, aiming at popularizing the knowledge of production safety, fire safety and gas safety to the residents of the community through this platform, and further enhancing their self-protection ability and emergency handling ability.

6. SERVICES

Jointly Drawing a Blueprint for the Green Development of Communities

As a responsible energy enterprise, Beijing Gas Blue Sky always upholds a high sense of social responsibility and is committed to environmental protection. In June 2024, the Company actively responded to the call of the Green Council and participated in the activity of the Hong Kong Green Day. As an important platform in the field of environmental protection in Hong Kong, this activity aims to advocate the concept of green living, raise the public's awareness of environmental protection and promote the extensive participation of all sectors of society in environmental protection.

In this activity, we organized professional teams and participated in a series of practical actions aimed at promoting environmental improvement and green development, which not only conveyed the concept of green life to employees and the public, but also contributed to environmental protection with practical actions. At the same time, we solemnly promised to create a green and environmentally friendly office environment. To this end, we vigorously promoted environmental protection measures such as energy conservation, emission reduction and resource recycling within the Company, and actively advocated employees to participate in environmental protection activities and jointly contribute to environmental protection.

After the end of the activity, the Company won the certificate issued by the Organizing Committee, which encouraged and spurred us to continue to promote the process of green development. We will take this activity as an opportunity to further increase the investment in and management of environmental protection work, and constantly improve our environmental awareness and ability.



7. INCREASING EFFICIENCY



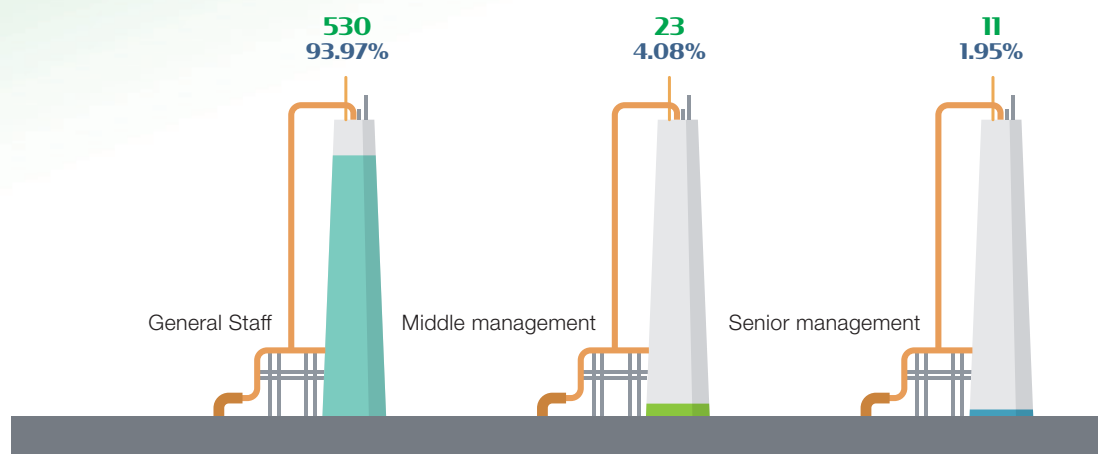
7. INCREASING EFFICIENCY

7.1 EMPOWERING TALENT, SHARING WELL-BEING

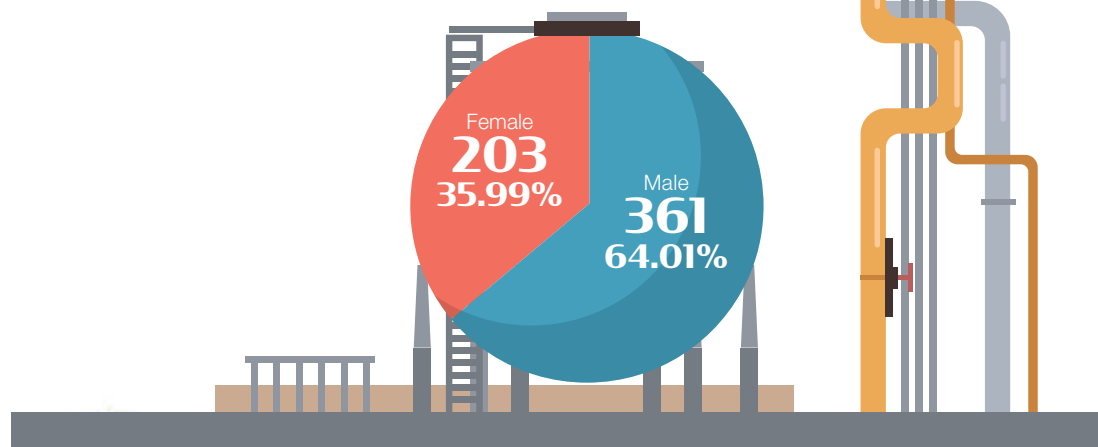
Employee Overview

As of 31 December 2024, Beijing Gas Blue Sky had a total of 564 employees, which are classified by gender, age group, region, and rank as follows:

Number of employees by rank

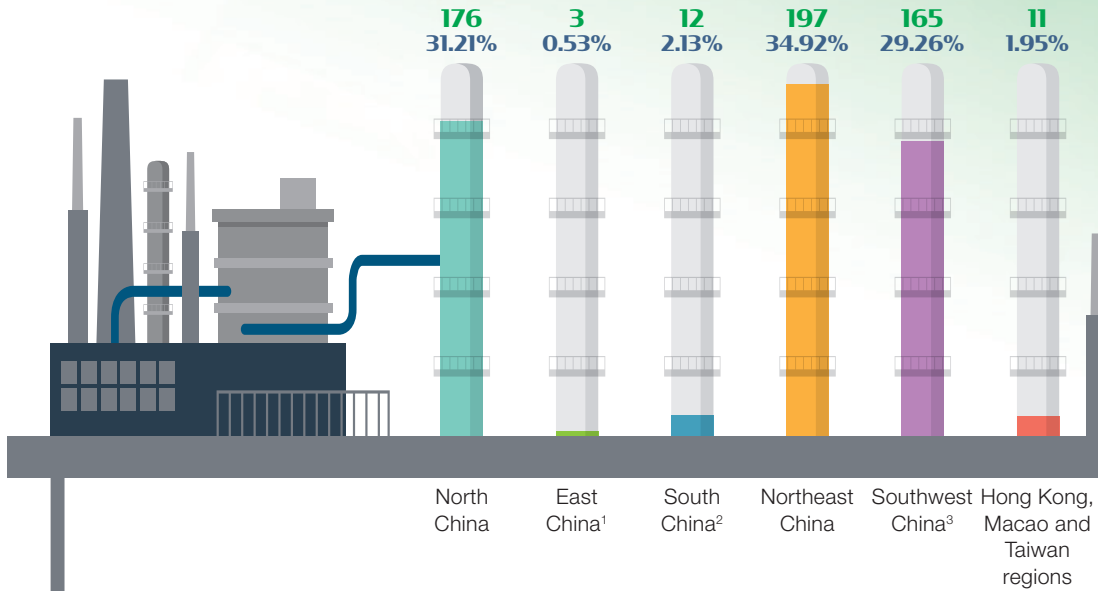


Number of employees by gender

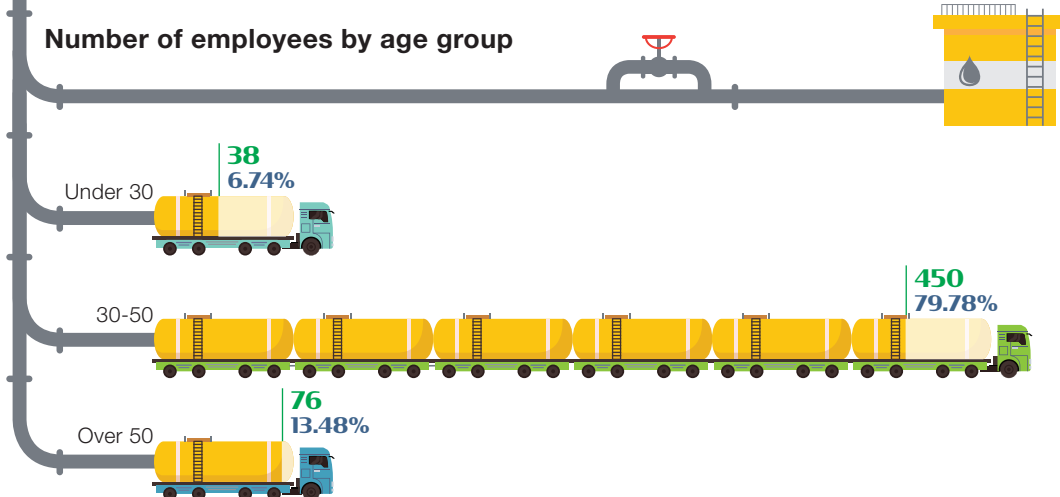


7. INCREASING EFFICIENCY

Number of employees by region



Number of employees by age group



¹ During the Year, certain enterprises in East China completed shareholding structure adjustment, and the relevant enterprises were no longer under the management of the Group. Therefore, the number of employees in the statistical caliber of this region decreased as compared with that of the previous year.

² During the Year, certain enterprises in South China completed shareholding structure adjustment, and the relevant enterprises were no longer under the management of the Group. Therefore, the number of employees in the statistical caliber of this region decreased as compared with that of the previous year.

³ During the Year, one new project company was added in Southwest China, and therefore the number of employees in the statistical caliber of this region increased compared with that of the previous year.



7. INCREASING EFFICIENCY

Fair and Compliant Talent Management System

Beijing Gas Blue Sky has regarded human resources as the core driving force for the sustainable development of the enterprise. Adhering to the principle of compliance with laws and regulations, we are committed to building a fair and compliant modern human resources management system. Based on the relevant provisions of laws and regulations such as the “Labour Law of the People’s Republic of China” (《中華人民共和國勞動法》), the “Labour Contract Law of the People’s Republic of China” (《中華人民共和國勞動合同法》), as well as the “Employment Ordinance”, the “Employees’ Compensation Ordinance”, and the “Mandatory Provident Fund Schemes Ordinance” of the Hong Kong Special Administrative Region, we have established a management system that covers the entire career cycle of our employees. We have formulated a series of internal normative documents such as the “Staff Handbook” (《員工手冊》) and the “External Recruitment and Introduction Management Measures (Trial)” (《外部招聘和引進管理辦法(試行)》), which systematically regulate the operational standards for the entire process of recruitment and employment, contract signing, remuneration payment, performance assessment, training and development, and departure management, so as to ensure that each aspect complies with the requirements of the national and local labour laws and regulations.

In terms of talent introduction, the Company implements a three-step strategy of “strategic forward-looking layout, dynamic optimization of demand, and precise matching of talents”. The Human Resources Department has coordinated the formulation of the “Annual Recruitment and Introduction Plan” (《年度人員招聘和引進計劃》), and scientifically planned the construction of talent echelon through departmental employment demand, position value assessment, talent structure analysis and other steps. We have set up a separate management module for dispatched employees and issued the “Management Measures for Dispatched Employees” (《勞務派遣管理辦法》), which specifies the management details of recruitment, compensation and benefits, training, performance appraisal and management, employment renewal, return and termination of dispatch and other aspects, so as to ensure that the entire process of labour dispatch is legal and compliant.

The Company adheres to the bottom line of business ethics, with the prohibition of using child labour and forced labour as an insurmountable red line. We have set up two lines of defence, namely online verification of identity cards upon onboarding and quarterly cross-checking of employee records. By clarifying the standard working hour system, improving the attendance management system and refining the leave approval process, the legitimate rights and interests of our employees are effectively protected. During the Year, the Company had no records of violation in relation to the employment of child labour or forced labour.



7. INCREASING EFFICIENCY

Providing Equal Employment Opportunities

Beijing Gas Blue Sky follows the talent philosophy of “people-oriented, fair and just”, and is committed to providing equal and open employment opportunities for every job applicant. We strictly follow the national labour laws and regulations, consistently implement the “Employment Promotion Law of the People’s Republic of China” (《中華人民共和國就業促進法》), the “Labor Law of the People’s Republic of China” (《中華人民共和國勞動法》) and other relevant regulations, and have established a sound recruitment management system. Throughout the recruitment process, we adhere to the principle of “fair competition, merit-based employment and dedication to providing fair employment opportunities”. We have established a scientific and normative recruitment process and adopted a standardized resume screening mechanism, focusing on the core elements related to the requirements of the position, such as the candidates’ professional abilities, vocational qualities, educational background and work experience. In the interview process, we adopt a combination of structured interviews and professional competence tests to ensure the objectivity and comprehensiveness of the evaluation.

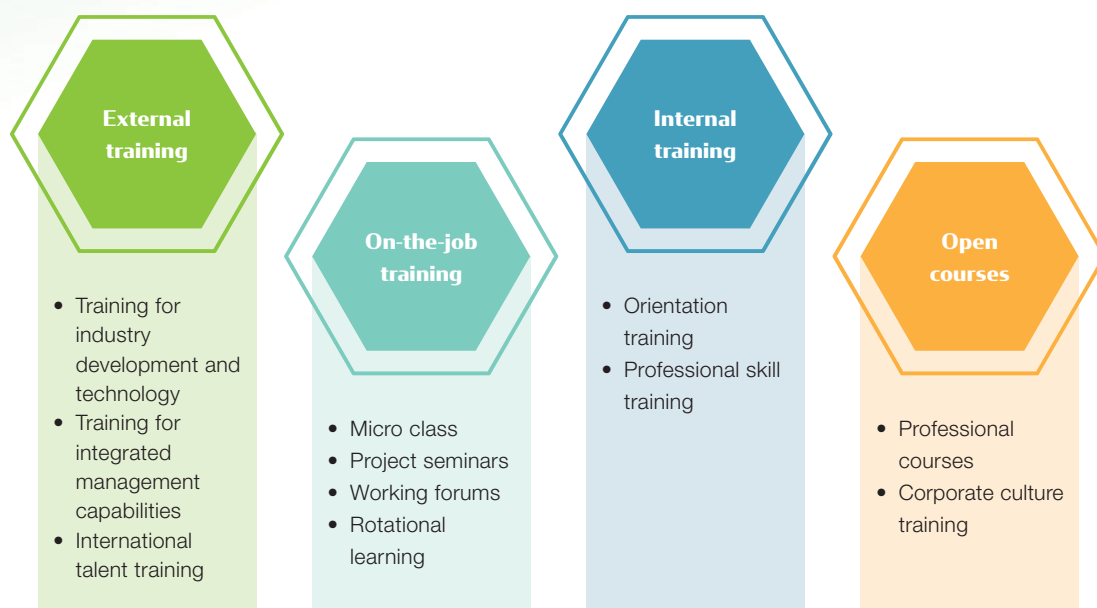
In order to ensure fairness in employment, we have formulated the “Staff Recruitment Management Provisions of Beijing Gas Blue Sky” (《北京燃氣藍天員工招聘管理規定》) and other internal system documents, which explicitly prohibit any form of discrimination in employment. During the recruitment process, we promise not to take gender, race, ethnicity and religious belief and other factors unrelated to work competence as employment criteria; not to set age, marital status and other restrictions unrelated to the requirements of the position; to provide the disabled with necessary job application conveniences and position adaptation; and to establish a recruitment complaint mechanism and accept social supervision.

Scientific Talent Cultivation System

Beijing Gas Blue Sky attaches great importance to the career planning and professional competence improvement of employees. We have established a systematic and multi-level talent cultivation system. In accordance with the “Training Management Regulations of Beijing Gas Blue Sky” (《北京燃氣藍天培訓管理規定》), we have clearly defined the organizational structure, division of responsibilities, implementation process and evaluation mechanism of the training work, so as to ensure the standardization and effectiveness of the training. Through a hierarchical and categorized training system that includes orientation training for new employees, basic training for all employees, professional competence enhancement training, management competence training and reserve talent training, we provide our employees with all-round development support from on-boarding adaptation to professional refinement, and from skill improvement to management competence cultivation. In terms of training forms, we adopt a combination of online and offline training, not only providing flexible and convenient digital learning resources, but also launching interactive and experiential offline training. Meanwhile, we construct a three-dimensional learning network through a variety of forms such as training for dispatched staff, mentorship and thematic seminars.

7. INCREASING EFFICIENCY

In terms of training content, we emphasize the integration of professionalism and practicality, and design a systematic curriculum framework around key areas such as production safety, compliance management, professional skills and language proficiency. We regularly invite industry experts to give lectures on special topics, organize cross-departmental experience exchanges and case sharing, set up an internal lecturer system to develop a professional team of internal trainers, and create a learning atmosphere by comparing and surpassing each other through professional skill competitions. In order to ensure the training effects, we have established a scientific training evaluation mechanism. From pre-training need analysis, training process control to post-training evaluation, we use the Kirkpatrick Model to comprehensively track the transformation of training effects, and establish training records for continuous follow-up and feedback.



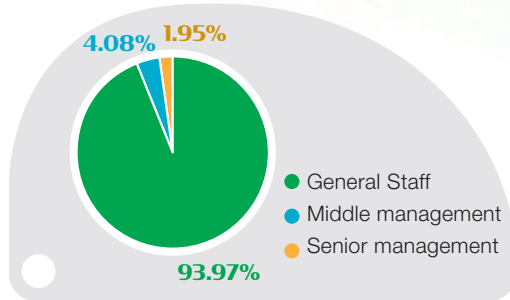
Meanwhile, we also attach importance to the cultivation of employees' compliance awareness and ensure that they have a comprehensive and in-depth understanding of the Group's various management systems through a systematic training mechanism. We adopt a combination of online and offline methods to regularly organize thematic training courses, helping employees to accurately grasp the requirements of the systems and ensuring that all systems are effectively implemented in practice.

In order to further strengthen our employees' legal awareness, we have uploaded relevant national laws and regulations to our internal system, and systematically collated and uploaded certain national laws and regulations closely related to our business, such as the "Regulation on the Administration of Urban Gas" (《城镇燃气管理条例》), the "Work Safety Law of the People's Republic of China" (《中华人民共和国安全生产法》) and the "Bidding Law of the People's Republic of China" (《中华人民共和国招标投标法》), for easy access and study by employees at any time. Meanwhile, we regularly update the latest policies and regulations, assist employees to understand the specific requirements of the laws and regulations through case analysis, thematic discussion and other forms, so as to enhance the legal literacy and compliance awareness of all employees, and lay a solid foundation for the standardized operation of the enterprise.

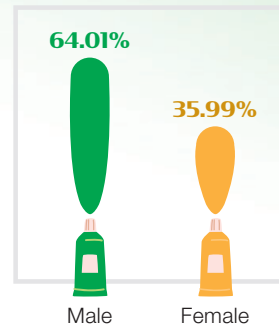
7. INCREASING EFFICIENCY

During the Year, the Group's systematic training framework achieved full staff coverage with a 100% participation rate for all ranks. The training details are set out below:

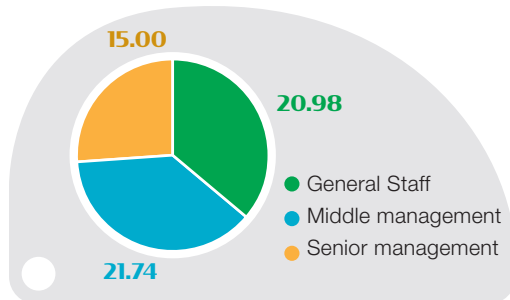
Percentage of trained employees by employee category⁴



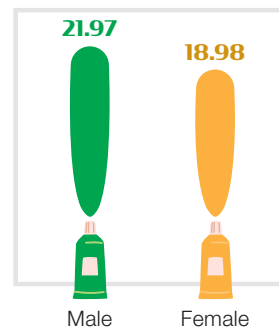
Percentage of trained employees by gender⁴



Average training hours for trained employees by employee category⁵



Average training hours for trained employees by gender⁵



Standardized Employee Promotion Paths

The Group regards the long-term development of its employees as the core driving force for the sustainable development of the enterprise. It is committed to creating a fair, just and open competition mechanism within the Company, aiming to spark the initiative and creativity of all employees, while continuing to improve their qualifications and professional capabilities. To this end, we have formulated and implemented the "Employee Promotion Administrative Measures of Beijing Gas Blue Sky" 《北京燃氣藍天員工晉升管理辦法》, which stipulates in detail the employee promotion processes, including promotion conditions, types and time, as well as application management and promotion procedures. This ensures that the promotion mechanism is transparent, standardized and scientific, and provides employees with clear career development paths and room for growth.

⁴ Percentage of employees trained = trained employees in the category ÷ total number of trained employees × 100%.

⁵ Average training hours for trained employees = total number of training hours of employees in the category ÷ number of employees in the category.



7. INCREASING EFFICIENCY

To comprehensively evaluate our employees' work performance, and set reasonable annual work targets and promotion plans based on their performance, we have established a sound performance appraisal system, including semi-annual and annual appraisals. Based on the "Employee Compensation and Performance Administrative Measures (Trial)" (《員工薪酬績效管理辦法(試行)》), we have further streamlined our performance management. We adhere to the remuneration and performance principle of "stressing on job value and performance orientation", continue to optimize our performance management system and deepen our performance appraisal and management concepts and practices. Performance appraisals are initially assessed by the direct supervisor of the employee and are thoroughly reviewed and approved by senior management to ensure the fairness and authority of the assessment results.

The professional growth of employees is highly synergistic with the strategic development of the enterprise. We encourage employees to leverage their strengths in more significant responsibilities and projects. By gaining experience in key positions and participating in core projects, we provide employees with a platform to enhance their capabilities, which enables them to achieve a dual improvement in professional competence and organizational effectiveness while tackling business challenges.

Strategic Compensation System Development

Under the guidance of our strategic direction and incentive goals, we have formulated and implemented the "Employee Compensation and Performance Administrative Measures (Trial)" (《員工薪酬績效管理辦法(試行)》), which has fully illustrated the principles of fairness, balance, motivation and legitimacy in remuneration management. We scientifically determine the ranks of our employees through a comprehensive assessment of multi-dimensional factors such as their positions, work experience, professional competence, knowledge level and management authorization and responsibilities, and ensure that each employee enjoys a remuneration package that matches his or her rank. This system not only gives full consideration to the realization of employees' personal values, but also takes into account dynamic changes in market conditions to ensure that the enterprise maintains its competitive edge in attracting, retaining and motivating talents.

The Company simultaneously strengthens the transparency of the remuneration system through the disclosure of rank evaluation standards and clear salary distribution mechanism, which enables every employee to clearly understand his or her own career development path and salary growth room. We firmly believe that a fair and reasonable remuneration system can not only stimulate the enthusiasm and creativity of employees, but also lay a solid foundation for the mutual growth of the enterprise and its employees. In the future, we will further promote the in-depth synergy between our remuneration system and strategic targets, explore innovative distribution methods such as project bonus and equity incentives, and build a more sustainable value-sharing system, thus to inject talent impetus into the business transformation and upgrading.



7. INCREASING EFFICIENCY

Diversity and Inclusiveness

Beijing Gas Blue Sky has regarded diversified team building as an important strategy for corporate development. We incorporate the concept of “respecting differences and promoting inclusivity for mutual progress” into all aspects of our operation, striving to create an equal and open working atmosphere.

In terms of talent selection, we strictly follow the capability-oriented principle. We have established a scientific talent evaluation system, whereby candidates are selected only on the basis of their professional quality, working ability and moral integrity, resolutely prohibiting any discrimination based on gender, race, religion, skin colour, disability, age, marital status and other factors.

We also focus on diversity of the Board composition, which provides a multi-dimensional perspective for the Company’s decision-making through the integration of members of different age levels, professional fields and industry experience. Currently, the Board members maintain a reasonable distribution in terms of professional background, industry experience and age structure, which provides a diversified perspective for the Company’s strategic decisions.

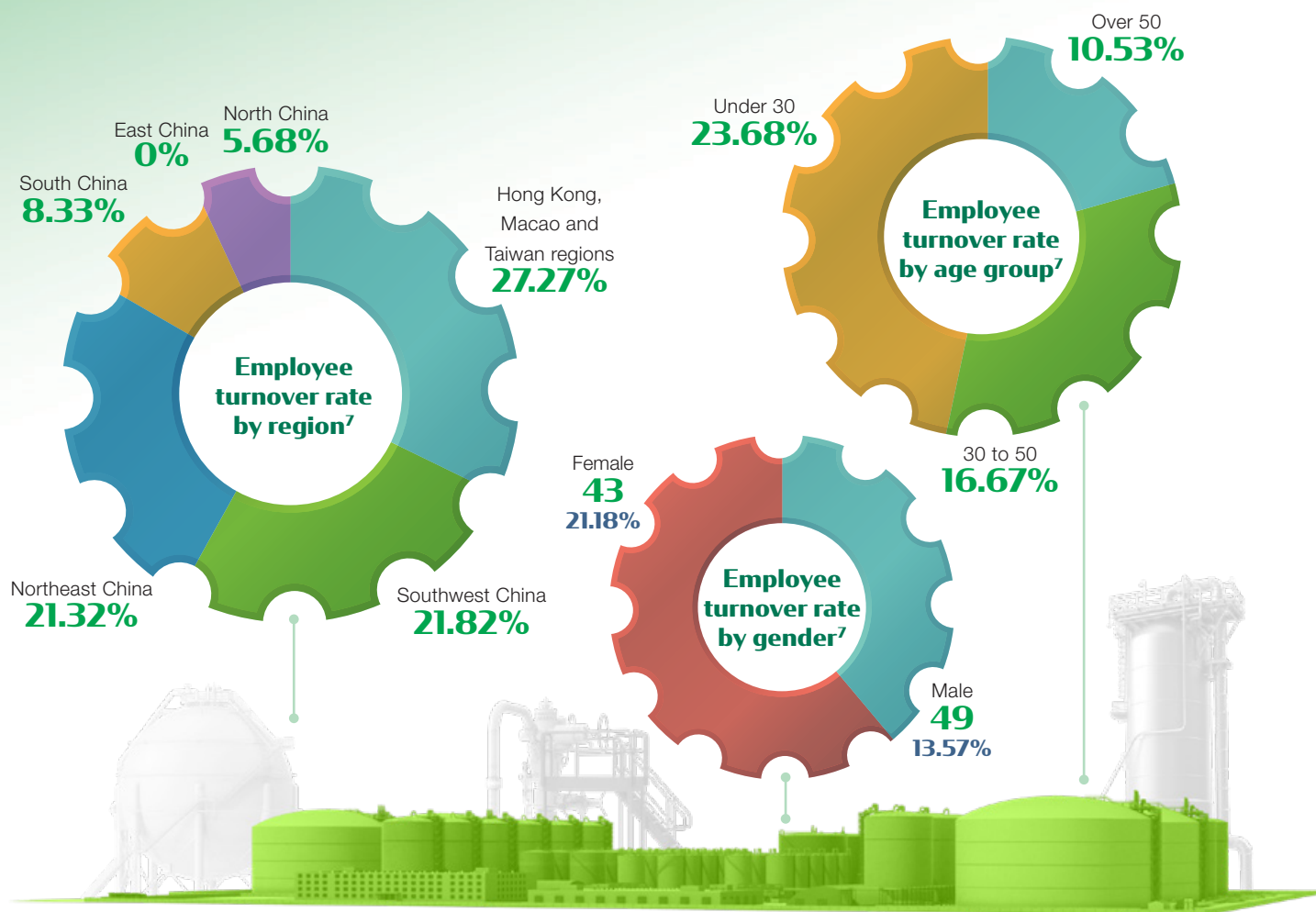
Furthermore, the Company has established a diversified employee care system and is committed to providing barrier-free facilities and work adaptations for employees with disabilities, including career development channels, comprehensive social insurance and employee assistance programs. The Company is dedicated to building a truly diversified and inclusive working environment, so that every employee can fully realize their potential and grow together with the Company.

In terms of employee relationship management, we continue to pay attention to staff turnover and optimize management measures in a timely manner by regularly analyzing turnover data of different departments and positions. During the Year, the Company’s overall employee turnover rate⁶ was 16.31%, showing a significant downward trend compared with the previous year.

⁶

Employee turnover rate = number of employees lost ÷ number of employees at the end of the Year x 100%.

7. INCREASING EFFICIENCY



In order for standardizing the resignation management process, we have clearly defined the resignation procedures in the “Staff Handbook”. The Human Resources Department is responsible for arranging face-to-face interviews with the resigned employees, focusing on the reasons for the employee’s resignation, suggestions for the Company, etc., and incorporating valuable information into the management improvement plan. Also, we have established a talent pool of resigned employees to keep in touch with outstanding resigned employees and to make room for possible future cooperation. In the future, we will continue to improve our diversified management system, so that our inclusive and open corporate culture can truly become a competitive advantage for the Company’s sustainable development.

⁷

Employee turnover rate by category = number of employees in the category ÷ total number of employees in the category × 100%.



7. INCREASING EFFICIENCY

Caring about Our Employees' Welfare and Benefits

The Group follows the people-oriented core management philosophy, and regards its employees as the most valuable asset of the enterprise. We recognize that only by paying close attention to the needs of our employees and creating a favourable working environment and development platform for them can we realize mutual growth of the enterprise and our employees. To this end, we have established a complete employee care system, covering multiple dimensions such as compensation and benefits, medical security and difficulty assistance, thereby protecting the rights and interests of employees in an all-round way.

In terms of compensation and benefits, we strictly enforce national labour laws and regulations, fully implement the “Social Insurance and Housing Provident Fund Management System (Trial)” (《社會保險及住房公積金管理制度(試行)》), and pay the full amount of pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing provident fund for all employees. We have also formulated a scientific and standardized “Remuneration Management System” (《薪酬管理制度》), which clearly stipulates the details of the salary structure, payment standards and adjustment mechanism to ensure the fairness and transparency of the remuneration system. In terms of holiday management, in addition to strictly enforcing the statutory holidays stipulated by the state, we also provide our employees with paid holidays such as wedding leave, maternity leave, carer's leave and funeral leave in accordance with the “Staff Handbook”, which fully reflects the humanistic care for our employees. During the Spring Festival, Mid-Autumn Festival and other traditional festivals, we prepare holiday gifts or pay holiday allowances for all employees, allowing them to feel the warmth of the enterprise.

In terms of employee health protection, we have established a sound medical welfare system. We regularly organize free physical examinations for all our employees every year, covering a wide range of items such as routine examinations and special screenings, in a bid to help them understand their own health conditions timely. In the meantime, we have established partnerships with a bunch of high-quality medical institutions to provide employees with convenient medical services and health consultation. In addition, we regularly conduct health lectures and psychological counselling activities to help our employees develop a sense of health and maintain physical and mental balance.

We are always concerned about the needs of different employee groups. For female employees, we have formulated the “Measures for Special Labour Protection of Female Employees” (《女職工特殊勞動保護辦法》), which provide comprehensive protection for female employees in terms of working environment, labour intensity and protection during special periods. We set up a special room for mothers and babies to provide convenience for lactating female employees; hold regular women's health lectures to raise female employees' awareness of self-care. We take into account women's physiological characteristics in the arrangement of their positions, earnestly safeguarding the legitimate rights and interests of female employees.

We have established a robust assistance mechanism to help employees in special difficulties. In accordance with the “Administrative Measures on Employee Hardship Allowance and Consolation” (《職工生活困難補助及慰問管理辦法》), we have set up a special assistance fund to provide effective help to employees in difficulties and their families through financial assistance, psychological counselling, resource allocation and other methods. During the Year, we provided hospitalization and disease relief funds to 7 employees in the total of RMB6,300, delivering our care and support to employees with practical actions.

7. INCREASING EFFICIENCY



BENEFITS

Five types of insurances and housing provident fund

Free physical examination

Remuneration system

Holiday management



DIFFICULTY ASSISTANCE

Subsidy for financially entangled employees

Condolences to employees

Painting a Colourful Life Picture for Employees

We regard the physical and mental health of our employees as an important cornerstone for the sustainable development of the enterprise. Through regular activities such as team cohesion building and cross-departmental collaboration and exchange, we continue to improve a multi-dimensional care mechanism covering health management, stress counselling and interest development, aiming to promote a balance between employees' career development and personal life. For employees facing unexpected difficulties, the Company has set up an "Employee Care Fund" to build a support network of mutual help among colleagues. Through the systematic development of mental health guidance, vocational skills upgrading and other thematic activities, we have deeply integrated humanistic care into the organizational culture and continued to enhance team cohesion and sense of belonging.

Our team participated in the Hong Kong Marathon and the 9th sports games of the Hong Kong Chinese Enterprises Association



7. INCREASING EFFICIENCY

Case Study: Participating in the 9th sports games of the Hong Kong Chinese Enterprises Association

On 26 October 2024, Beijing Gas Blue Sky Holdings Limited seized the opportunity presented by the sports games of the Hong Kong Chinese Enterprises Association to deepen industry collaboration and team building. It actively participated in diversified sporting events that showcased a vibrant, united and progressive spirit while demonstrating excellent competitive levels and a striving spirit of self-transcendence. During the events, the employees exhibited a spirit of tenacity and teamwork, manifesting the enterprise's vitality and cohesion through their outstanding performance. Looking ahead, Beijing Gas Blue Sky will continue to uphold its spirit of striving and progressing, and further enhance its teamwork capabilities and overall quality, relentlessly working towards building a highly competitive, first-class clean energy enterprise.



Attentively Listening to Employees' Voices

We recognize that employees are the most valuable assets of an enterprise, and the voice of every employee deserves to be heard and valued. To this end, we have established a comprehensive, multi-level, and three-dimensional communication mechanism, committed to fostering an open, transparent, and inclusive corporate culture atmosphere, which allows every employee to feel respected and cared for.

In terms of information dissemination, we ensure the timely communication of our company updates through multiple channels. Whether it involves the Company's strategic objectives, arrangements for major events, or updates to policies and systems, market dynamics analyses, personnel adjustment information, and employee recreational activities, we utilise various means such as internal announcements, the Enterprise WeChat, email systems, and departmental meetings to guarantee the accuracy and timeliness of information delivery. Meanwhile, we periodically organise symposiums, departmental communication sessions, and employee satisfaction surveys to provide employees with opportunities for direct dialogue with management, enabling us to listen to their voices and address their concerns.

7. INCREASING EFFICIENCY

Meanwhile, we encourage all employees to actively participate in corporate governance and offer suggestions for the Company's development. The Company has established a "Rationalization Proposal Platform" and an "Opinion Feedback Box", through which employees can submit improvement suggestions regarding its management, business processes, work environment, and other aspects at any time. For rationalization proposals put forward by employees, we will organize specialized evaluations and actively adopt and implement them to the extent feasible. Furthermore, we have established an "Innovation Reward Mechanism" to commend and reward employees who propose innovative suggestions that achieve significant results, thereby stimulating their creativity and sense of participation.

To enhance inclusivity and collaboration in the workplace, Beijing Gas Blue Sky has established a comprehensive mechanism to prevent harassment and combat discrimination. The Company has formulated a complete institutional system encompassing prevention, handling, accountability and other aspects, while raising awareness among all employees through regular training. The Company has also set up a robust complaint-handling mechanism, keeping strict confidentiality of all complaint information and committing to initiate an investigation immediately upon receiving a complaint. That would guarantee the investigation is completed and the complaint is resolved within a stipulated timeframe, thereby effectively safeguarding the legitimate rights and interests of every employee.

Communicating upward

- (1) Dedicated mailbox for employees' suggestions (suggestion@bgbluesky.com)
- (2) Employee satisfaction survey
- (3) Employee meetings, training meetings, mentoring sessions
- (4) Face-to-face conversations, corporate meetings, training meetings
- (5) The Company's WeChat account
- (6) "Beijing Gas Blue Sky" Journal



- (1) Email
- (2) OA platform
- (3) The Company's intranet
- (4) The Company's internal journal
- (5) The Company's WeChat official account
- (6) Staff meetings arranged by the Company in a timely manner



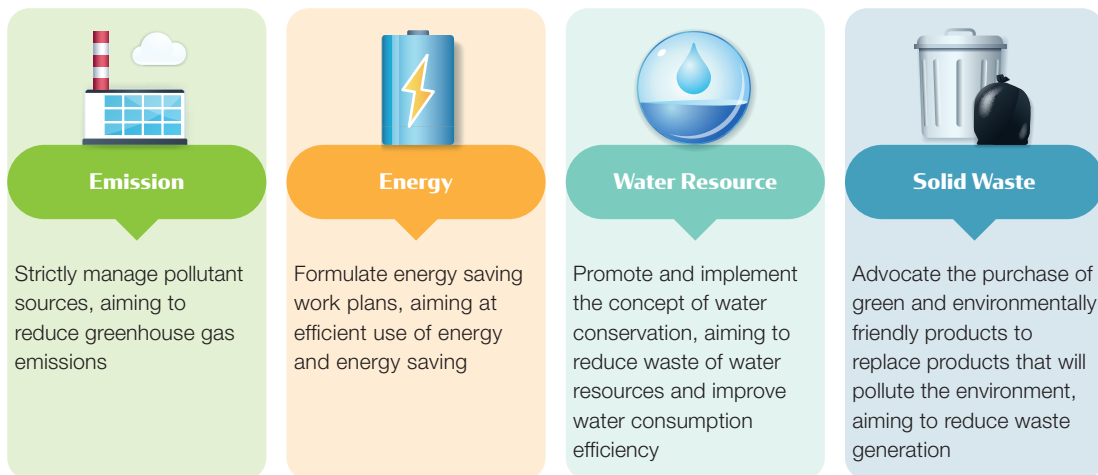
Communicating downward

7. INCREASING EFFICIENCY

7.2 GREEN FUTURE, SUSTAINABLE DEVELOPMENT

Against the backdrop of rapid national economic development driving sustained growth in energy demand, China has established the “dual-carbon” strategic goals to systematically advance structural reforms on the energy supply side. With a key focus on a combination of policies such as coal-to-gas conversion, China aims to address the problem of strong correlation between reliance on traditional fossil fuels and the increase in carbon emissions, while accelerating the development of a clean, low-carbon, safe and efficient modern energy system. As a clean energy service provider deeply engaged in the energy transition, Beijing Gas Blue Sky closely orients around the national environmental governance, adheres to the core principle of “harmonious coexistence of energy and environment”, concentrates on the innovative research and development as well as industrial transformation of clean energy solutions. Through practical approaches such as optimizing the supply structure of low-carbon energy sources like natural gas, establishing a full-cycle environmental management system, and promoting green production standards, the Company has effectively reduced the carbon footprint intensity in its operational processes, providing a feasible commercial paradigm for structural carbon reduction on the energy consumption side.

To achieve sustainable development goals, we have established specific environmental indicators and will continue to optimize relevant performance:



We have maintained a vigilant approach to the environmental impacts of our operations. During the Reporting Period, we further improved the disclosure of air pollutant emission data and systematically calculated the Scope 3 emission data of greenhouse gases for the first time, significantly enhancing the completeness and transparency of environmental information disclosure.



7. INCREASING EFFICIENCY

Looking ahead, we will continue to optimize our full value chain operating system and systematically promote a green and low-carbon transition. Building on our existing emission reduction achievements, we will further deepen supply chain collaboration, actively introduce clean production processes, and explore the application of innovative technologies such as carbon capture. We will establish a sound carbon emission monitoring system, conduct regular carbon footprint assessments, and dynamically adjust our emission reduction strategies based on the assessment results. Meanwhile, we will maintain close communication with stakeholders, periodically disclose our environmental performance, and improve our environmental management efforts, thereby contributing to the industry's green transformation.

Establishing a Full Process Environmental Management System

Beijing Gas Blue Sky always places environmental protection at the strategic level of corporate development and fully implements China's requirements on ecological civilization construction. During the course of production and operation, we strictly abide by the laws and regulations such as the "Environmental Protection Law of the People's Republic of China" (《中華人民共和國環境保護法》), the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution" (《中華人民共和國大氣污染防治法》), the "Law of the People's Republic of China on Prevention and Control of Water Pollution" (《中華人民共和國水污染防治法》), the "Law of the People's Republic of China on Promoting Clean Production" (《中華人民共和國清潔生產促進法》) and the "Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste" (《中華人民共和國固體廢物污染環境防治法》), and a comprehensive environmental management system has been established.

In terms of tax compliance, we pay the environmental protection tax in full and on time in accordance with relevant requirements of the "Law of the People's Republic of China on Environmental Protection Tax" (《中華人民共和國環境保護稅法》) and fulfil the enterprise's environmental protection responsibilities. Particularly, in the natural gas business area, we have strictly implemented the national standard GB17820-2018 "Natural Gas" to ensure that the sulfur dioxide emission per cubic meter of residential natural gas combustion shall be strictly controlled at less than 920 milligrams, thereby contributing to the improvement of regional air quality.

During the Reporting Period, the Group continued to maintain an excellent record of environmental compliance, did not experience any significant operational events arising from the violations of any PRC environmental laws and regulations, and there were no significant environmental administrative penalties or litigation cases involving environmental issues. All production facilities, from design to operation, were in strict compliance with national environmental protection standards, demonstrating the Group's high attention and strong commitment to environmental management.



7. INCREASING EFFICIENCY

Setting a Benchmark for Environmentally Friendly Projects

The Group is well aware of the multiple impacts that construction projects may have on the environment and places environmental protection as a core element of project management. We have formulated and implemented the “Administrative Measures on the ‘Three Simultaneous’ in Construction Projects” (《建設項目「三同時」管理辦法》) and established an environmental management system covering the whole life cycle of the project in strict compliance with the requirements of laws and regulations including, amongst others, the “Technical Specification of Dust and Poison Control for City Gas Industry” (《城鎮燃氣行業防塵防毒技術規範》), the “Environmental Protection Law of the People’s Republic of China” (《中華人民共和國環境保護法》) and the “Regulations on Environmental Protection of Construction Projects” (《建設項目環境保護管理條例》) and in combination with the characteristics of the industry and the actual situation of the enterprise.

In practice, we have implemented a stringent “Three Simultaneous” management system for all gas production and supply-related projects including new construction, alteration, expansion and technical transformation projects. At the design stage of the project, the design unit is required that the environmental protection facilities must be designed simultaneously with the main body of the project, to ensure that the pollution prevention and control measures are scientific and feasible. At the construction stage, we clearly write the requirements for the construction of environmental protection facilities into construction contracts and arrange a full-time environmental supervision engineer for on-site supervision, so as to ensure the construction of environmental protection facilities simultaneously with the main body of the project. At the completion stage of the project, we establish a stringent environmental acceptance system, according to which where the project can be formally put into production only after the environmental protection facilities are accepted and put into operation simultaneously with the main body of the project. At the same time, we require all project units to prepare environmental protection chapters according to environmental protection design specifications, and to set aside sufficient funds for the construction of environmental protection facilities in the project investment budget, making sure that various pollution prevention and control measures are put in place.

We also place a strong emphasis on ecological protection and strictly implement the requirements of the “List of Systematic Management on Construction Projects Impact Assessment” (《建設項目環境影響評價分類管理名錄》). Environmental impact assessment organisations with corresponding qualifications are selected by way of public tender to carry out comprehensive environmental assessments for projects such as construction of urban pipeline networks and refuelling stations. The assessment includes not only the environmental suitability analysis on the project site selection, the environmental impact prediction during the construction and operation phases, but also pays special attention to the impact assessment of the project on surrounding ecologically sensitive areas. Based on the assessment results, we organise a team of experts to formulate practicable mitigation measures and alternative solutions, such as applying trenchless technology in pipeline network construction to minimize damage to surface vegetation, and adopting low-noise equipment and oil and gas recovery systems in the construction of refuelling stations. Through these measures, we strive to minimize the impact of projects on natural ecological resources such as the atmosphere, water and living organisms, while paying attention to the protection of human landscapes and historical sites around the projects.



7. INCREASING EFFICIENCY

In terms of environmental risk management, we have established a comprehensive emergency plan system. In accordance with relevant national laws and regulations, we have formulated the “Comprehensive Emergency Plans for Production Safety Accidents” (《生產安全事故綜合應急預案》), which specifies the grading standards for environmental accidents, emergency response procedures and disposal requirements. We require all project units to conduct environmental emergency drills on a regular basis to ensure that the emergency state can be lifted only when the impact of the emergency on society, environment and economy are minimized. For chemical management, we have specifically established the “Odorants Safety Management Guidelines (Trial)” (《加臭劑安全管理指引(試行)》), which sets out in detail the operational requirements for the storage, transportation and use of odorant, and clarifies leak prevention measures and the procedures for emergency response and disposal. We have also installed gas leakage monitoring and alarm systems and equipped professional emergency response equipment and materials in key areas, to ensure timely and effective response to possible environmental accidents.

Multi-dimensional Collaboration to Build a New Paradigm of Green Development

The Group incorporates environmental protection into its core strategy of sustainable development, and promotes ecological practices along the entire value chain with a systematic green operation system. At the operational level, we have comprehensively promoted the optimisation and upgrading of the energy structure, not only promoting the clean energy in the workplace, but also extending the concept of environmental protection to the whole industrial chain – promoting the use of compressed natural gas (CNG) power systems in business vehicles, the full upgrade of production and heating equipment to low-carbon gas-fired boilers, and the greening transformation of infrastructure.

In addition, we have innovatively created the “Green Ecosystem” corporate culture project to stimulate the participation of all employees through diversified carriers. The project includes organising environmental innovation proposal competitions, carrying out environmental knowledge competitions through the intelligent office platform, and participating in environmental education exhibitions. We supported green commuting, paperless office and other environmental behaviors, so that environmental protection concepts can be truly transformed into living habits.

Technology Leading the Intelligent Upgrading of Gas Management

While deepening internal management, technology innovation has become the key support for the implementation of strategies. In the field of energy management, technology innovation is regarded as the core force to promote efficiency enhancement and improve energy use and efficiency. Beijing Gas Blue Sky, keeping pace with the times, actively introduces cutting-edge technologies such as big data, cloud computing and artificial intelligence, and has built an intelligent gas management system, and realized the intelligent and refined upgrade of gas management.



7. INCREASING EFFICIENCY

Case Study: Technology enables gas safety and improves the level of gas service

With technology enabling safety management as the core, Guangxi Teng County Company has built a full-scene gas safety assurance system of “precise monitoring + dynamic prevention and control”. By introducing the advanced PPB-class Beidou high-precision gas leakage detection vehicle, the gas storage station, industrial park, old community and other scenarios with different risk levels are managed hierarchically. The platform integrating Beidou positioning and spectral analysis technology can capture trace gas leaks with concentrations as low as part per billion (PPB) in real time, and quickly complete three-dimensional coordinate positioning of the leak point with a positioning accuracy of centimeters. Combined with geographic information system (GIS), the risk thermal map is automatically generated and synchronously pushed to the emergency command center, which substantially reduces the response time of hidden danger disposal and the efficiency is significantly improved compared with the traditional mode.

On the basis of intelligent monitoring, the Company synchronously upgrades the manual inspection mechanism, forming a dual-track prevention and control network of “machine patrol + manual inspection”. The certified safety personnel are equipped with intelligent detectors to carry out pipe network health activities according to the standard of “daily inspection in key areas and weekly inspection in ordinary areas”, thus achieving predictive maintenance of most hidden dangers.

Energy Use and Efficiency

In strict compliance with the “Regulation on Energy Conservation in Civil Buildings” (《民用建築節能條例》), Beijing Gas Blue Sky focuses on energy conservation and emissions reduction, striving to improve the efficiency of resource utilization and carrying environmental protection concepts through its operations to achieve the goal of efficient utilization of resources. In our daily operations, the reportable segments use direct energy including petrol, diesel and LNG, while the indirect energy is mainly electricity.

We have established a systematic guideline system on environmental protection management to continuously keep track of energy use and variation trend, and to take targeted measures, comprehensively strengthen energy measurement management and statistical analysis. By improving energy consumption statistics and utilization analysis systems and establishing standardized original energy records and statistical ledgers, we have realized accurate collection and scientific management of energy source information. To further increase the efficiency of data management, we plan to introduce a cloud-based data management platform to realize real-time collection, analysis and comparison of energy source information using digital technology so that it would facilitate us to monitor energy usage and conduct in-depth analysis with historical data of the same period, providing a reliable basis for energy-saving decisions.

7. INCREASING EFFICIENCY

At the implementation level, separate meters for production electricity consumption and household electricity consumption are actively promoted to implement in stations to ensure the refined control of energy consumption. At the same time, we prioritize efficient and energy saving equipment, and have established a regular maintenance mechanism to ensure that the equipment is always in the best operating condition. The person in charge of the station shall continuously monitor power consumption of the equipment, regularly compile the energy use data and conduct comparative analysis with historical data, to discover and solve potential problems in a timely manner. In addition, for reducing the waste of paper, electricity and water resources, the administration department regularly conduct office patrol to comprehensively check resource usage, eliminate waste, promote the awareness of conservation among all staff, and jointly implement the concept of green office.

Energy consumption ⁸	Unit	Year 2024
Direct energy ⁹	MWh	1,180.51
Indirect energy	MWh	1,126.68
Total energy consumption ¹⁰	MWh	2,307.19
Intensity	MWh/ten thousand RMB revenue	0.0137

⁸ All KPIs in the environmental category cover the Group's headquarter and Hong Kong office, and the following subsidiaries: Shanxi Minsheng* (山西民生), Changling Minsheng* (長嶺民生), Benxi Liaoyou New Era* (本溪遼油新時代), Songyuan Beijing Gas Blue Sky* (松原北藍), Zhejiang Boxin* (浙江博信), Zhejiang Bochen* (浙江博臣), Shenzhen Beiran* (深圳北燃), Guangxi Teng Country Company, Shanghai Wanxing* (上海萬興), GuiZhou KunYu* (貴州坤煜) and Yongji Minsheng* (永濟民生). In addition, the intensities of environmental data is calculated on a per ten thousand RMB revenue basis. The Company's total revenue for the 2024 fiscal year amounted to RMB1,688,431,000.

⁹ The direct energy was calculated by converting the raw data into MWh, and its calculation and relevant conversion factors were referred to the "Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial)" issued by the National Development and Reform Commission of China and Gasoline for Motor Vehicles GB 17930-2016 (《車用汽油》(GB 17930-2016)) and Diesel Oil for Motor Vehicles GB 19147-2016 (《車用柴油》(GB 19147-2016)) issued by General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China and Standardization Administration of China and Natural Gas (《液化天然氣》(GB/T 38753-2020)) implemented by the Natural Gas Sub-committee of National Technical Committee on Petroleum and Natural Gas of Standardization Administration of China (SAC).

¹⁰ The scope of disclosure for this year differs from that of the previous year, resulting in a decrease in total energy consumption.

7. INCREASING EFFICIENCY

Energy conservation has become a key strategy for enterprises and organizations to achieve sustainable development. To this end, we are committed to building a comprehensive energy management system and promoting the participation of all employees in energy conservation actions to ensure the efficient use of energy in all aspects of production and operations. By continuously optimizing the performance of our equipment, raising the energy conservation awareness of our employees and adopting advanced energy-saving technologies, we aim to make a positive contribution to environmental protection and resource conservation. Specific measures are listed below:



Energy conservation management

- Strictly implement energy conservation policies and systems, conduct regular energy conservation inspections, promptly record and follow up with any problems;
- Carry out energy conservation education and make completion of the relevant training one of the conditions for taking up the position of operating energy consuming equipment;
- Establish energy management and energy conservation mechanisms and corresponding incentive and punishment mechanisms, and require all employees to participate; and
- Conduct heating and energy saving in accordance with relevant national regulations, including setting air conditioning temperatures at reasonable levels and using centralized heating or cooling to reduce unnecessary energy consumption.



Energy conservation for production

- Set up log books for major energy consuming equipment and make a comparison on a monthly or quarterly basis, so as to formulate control measures;
- Make regular inspection and maintenance of energy- consuming equipment for production to maintain their energy efficiency; and
- Arrange repair timely after an unusual condition is discovered.



Transportation energy conservation

- Make regular maintenance and repair to maintain an optimum energy efficiency state for vehicles;
- Promote car sharing practice;
- Develop a good driving habit to avoid any fuel consumption due to abrupt acceleration or deceleration;
- Minimize energy consumption in vehicle use, including reducing unnecessary vehicle use, reducing the number of vehicles, develop a good driving habit, etc.; and
- Purchase and use vehicles that meet environmental protection requirements.



Building energy conservation

- Promote effective lighting management such as using LED lights to replace traditional incandescent lights;
- Conduct air conditioning management such as regularly cleansing the air conditioning system to improve usage efficiency; and
- Try our best to purchase electric equipment with an energy efficiency of level 2 or above.

7. INCREASING EFFICIENCY

Water Efficiency and Management

The Group's water supply is sourced from the municipal water supply system. There was no issue in sourcing water during the Year. Beijing Gas Blue Sky places great importance on water conservation. We analyze water consumption and establish water conservation measures taking into account domestic water and production water are measured separately for analysis and measurement.

Water consumption data	Unit	Year 2024
Total water consumption	Cubic meters	5,600.89
Intensity	Cubic meter/ten thousand RMB revenue	0.0332

We regard water resources management as an important part of sustainable development, and have adopted a series of scientific and systematic water-saving measures. In the process of construction and operation of our stations, we strictly abide by the relevant national water conservation regulations and introduce advanced water-saving processes and technologies to achieve remarkable results. For example, at CNG filling stations, we have significantly reduced water consumption by optimizing process flow and equipment configuration; at LNG direct supply stations, we have adopted a closed circulating water system to maximize the utilization rate of water resources; and at the cleaning of transportation vehicles, we have introduced highly efficient and water-saving cleaning equipment, which significantly reduced water demand.

In the office area, we fully implement the renovation of water-saving facilities. We have installed efficient water-saving taps, and equipped with water limiting switches and automatic induction systems, effectively reducing unnecessary water waste. At the same time, we attach great importance to the cultivation of water-saving awareness among our employees, organizing regular water-saving knowledge training, and popularizing water conservation skills through our internal publicity platform. We have also established an employee participation mechanism to encourage our employees to take the initiative to report abnormalities such as water leakage, thus forming a water conservation culture with full participation of employees. To ensure the normal operation of the water supply system, we have formulated detailed monitoring and maintenance plans, regularly checking the water supply pipeline network, and fixing water leakage and damages in a timely manner to minimize the loss of water resources.

In the prevention of water pollution, we adhere to the concept of environmental protection and fully use environmental-friendly cleaning products to reduce the pollution of water resources caused by chemicals. In the meantime, we vigorously promote water resources recycling technology in our facilities. By investing in advanced wastewater reuse facilities, we use the treated wastewater for green irrigation and road cleaning; we also innovatively use the wastewater generated from cleansing activities to flush the toilet after simple treatment, thus realizing the cascade utilization of water resources.

In the future, we will continue to increase investment in the research and development of water-saving technologies, actively explore more efficient water resources management models, and promote the application of water-saving measures in more business scenarios.

7. INCREASING EFFICIENCY

Emissions Management

Beijing Gas Blue Sky regards the prevention and control of air pollution as an important part of its corporate social responsibility. We strictly manage the sources of pollutants and ensure that the air quality indoor and outdoor meets national standards by isolating, diluting, filtering and other technical means, combined with the efficient ventilation system to ventilate pollutants from buildings. In the course of project operation and construction, we strictly comply with the “Material Suppliers Management System” (《物资供应商管理制度》) and the “Tender Management System for Projects and Materials” (《工程及物资招標管理制度》), and prioritize the selection of equipment and processes that meet national environmental protection standards to reduce the generation of pollutants from the source. At the same time, we endeavour to achieve green and low-carbon operations by optimizing operational processes and enhancing energy utilization efficiency to further reduce unnecessary energy consumption.

The Group implements a no-smoking policy in all buildings and premises at all times, with an aim to create a healthy working environment. We have posted the “No Smoking” sign on prominent places in office areas, stations and vehicles, and through internal publicity and training, strengthened our employees’ awareness of no-smoking to ensure that the no-smoking policy is effectively implemented. In addition, we also regularly conduct air quality monitoring to ensure that the air in our office environment and public places is fresh and healthy.

As a clean energy operator, natural gas has significant environmental advantages over traditional fossil fuels such as coal and petroleum. The combustion process of natural gas can drastically reduce the emissions of nitrogen oxides (NOx), sulfur oxides (SOx) and particulate matters (PM), which has a positive effect on the improvement in air quality. During our operations, our emissions come primarily from the combustion of fossil fuels in equipment such as vehicles, generators and boilers.

Type of exhaust gas ¹¹	Unit	Year 2024
NOx	kg	204.71
SOx	kg	2.06
CO	kg	686.93
PM	kg	10.63

¹¹ The calculation scope for the air pollutant emissions includes stationary sources, non-road mobile sources and fuel use by vehicles. The emissions from stationary sources are referenced to the “Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial)” issued by the National Development and Reform Commission. The calculation methods and relevant emission factors for air pollutant emissions from non-road mobile sources are referenced to the “Technical Guidelines for Compiling Air Pollutant Emission Inventories for Non-Road Mobile Sources (Trial)” issued by the Ministry of Ecology and Environment of the People's Republic of China. The calculation methods and relevant emission factors for vehicle emissions are referenced to the “Technical Guidelines for Compiling Air Pollutant Emission Inventories for Road Vehicles (Trial)” issued by the Ministry of Ecology and Environment of the People's Republic of China. Emissions of air pollutant during the Year were lower than those of the previous year due to adjustments in the scope of disclosure of the report.



7. INCREASING EFFICIENCY

Vehicle operations are one of the main sources of carbon emissions during the Group's daily operations. We attach great importance to the management of carbon emissions in transportation and have taken a bunch of measures to reduce their impact on the environment. We hold key qualification certificates such as the Road Transport Operation Permit (《道路運營許可證》) for all of our transport vehicles which are equipped with advanced technical equipment to ensure efficient operations while minimizing energy consumption and emissions. By optimizing transportation routes, rationally dispatching vehicles and regularly maintaining them, we ensure that our vehicles are at economical and reasonable operation scale, thus achieving the dual objectives of economic and environmental efficiency.

Furthermore, natural gas leakage not only leads to additional carbon emissions, but also has the potential to cause losses to the environment. To this end, the Group has actively promoted the use of advanced meters in hundreds of thousands of natural gas pipeline users. These meters can not only accurately monitor the usage of natural gas, but also effectively reduce the risk of leakage, further enhancing economic and environmental efficiency. We reduce the possibility of gas leakage by regularly inspecting and maintaining the pipeline system to ensure its safe operation.

The Group's greenhouse gas (GHG) emissions are primarily divided into scope 1, scope 2 and scope 3. Scope 1 emissions are primarily generated from equipment owned or controlled by the business segments, including diesel fuel consumed by generators, natural gas consumed by boilers, as well as gasoline, diesel fuel and CNG consumed by vehicles. Scope 2 emissions are generated from electricity consumption by the Group. Scope 3 emissions represent indirect GHG emissions from business travels and waste papers in landfills.

7. INCREASING EFFICIENCY

GHG emissions	Unit	Year 2024
Scope 1 ¹²	tCO ₂ e	324.37
Scope 2 ¹³	tCO ₂ e	604.58
Scope 3 ¹⁴	tCO ₂ e	38.50
Total GHG emissions ¹⁵ (Scopes 1, 2 & 3)	tCO ₂ e	967.45
GHG emissions per ten thousand RMB (Scopes 1, 2 & 3)	tCO ₂ e/ten thousand RMB revenue	0.0057

Beijing Gas Blue Sky always adheres to the concept of environmental protection, unswervingly promotes GHG emission reduction, and actively implements various initiatives and measures. For example, we have carried out a tree planting plan in the vicinity of the factory in Songyuan, Jilin Province, to enhance carbon absorption capacity and improve the local ecological environment.

¹² The calculation scope for GHG emissions (scope 1) includes stationary sources, non-road mobile sources and fuel use by vehicles. The emissions from stationary sources are referenced to the "Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial)" issued by the National Development and Reform Commission of the PRC. The calculation methods and relevant emission factors for GHG emissions from the mechanical fuel used by non-road mobile sources are referenced to the "Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Other Industrial Enterprises (Trial)" issued by the National Development and Reform Commission of the PRC and the "Greenhouse Gas Inventory Guidance – Direct Emissions from Mobile Combustion Sources" issued by the Environmental Protection Agency of the United States. The calculation methods and relevant emission factors for GHG emissions from vehicle fuel usage are referenced to the "Calculation Method and Reporting Guidance on Greenhouse Gas Emissions by Road Transportation Enterprises (Trial)" issued by the National Development and Reform Commission of the PRC and the "2006 IPCC Guidelines for National Greenhouse Gas Inventories".

¹³ The calculation scope for GHG emissions (scope 2) includes purchased electricity. The calculation methods for GHG emissions from electricity usage in 2024 are referenced to the 2022 national average CO₂ emission factor for grid electricity, as stipulated in the "Announcement on the Release of 2022 CO₂ Emission Factors for Electricity" jointly issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of China.

¹⁴ The calculation scope for GHG emissions (scope 3) includes indirect GHG emissions generated in business trips and wastepaper disposed to landfill. The calculation methods and relevant emission factors for GHG emissions (scope 3) are referenced to the Carbon Emissions Calculator of the International Civil Aviation Organization under the United Nations.

¹⁵ Emissions of GHG during the Year were lower than those of the previous year due to adjustments in the scope of disclosure of the report.

7. INCREASING EFFICIENCY

Waste Management

Beijing Gas Blue Sky is committed to building a comprehensive solid waste management system, and actively promoting the reduction, recycling and harmless treatment of wastes. Our wastes mainly come from office wastes and household wastes. Our waste management measures are as follows:

Waste management measures



Implement paperless office and encourage our staff to use paper on both sides



Hong Kong office has carried out the paper recycling activities, and recycling companies regularly come to the Company to collect waste paper



Actively promote battery and ink cartridge recycling



Replace all disposable cups, wooden chopsticks, etc. with non-disposable items



Replace printed documents with emails for internal communication



Promote OA systems

During the Year, hazardous wastes generated from the reportable business segments were used batteries, waste ink cartridges, waste toner boxes and waste lights, which were properly disposed of according to law; and the total amount of non-hazardous wastes was approximately 15.64 tonnes.

Green operation is an important driving force for sustainable development. To this end, we continue to carry out a series of green office activities aimed at raising the environmental awareness of employees and promoting the popularization of green lifestyle. The Company actively promotes paper recycling activities by cooperating with professional recycling companies to regularly deliver the collected waste paper to the recycling center for reuse. In addition, the Company vigorously promotes the recycling of batteries and ink cartridges, and implements a strict waste sorting system in the office to help employees develop good waste sorting habits.

7. INCREASING EFFICIENCY

Non-hazardous waste generation data	Unit	Year 2024
Total discharge of non-hazardous waste	Tonnes	15.64
Intensity	Tonne/ten thousand RMB revenue	0.000093

Hazardous waste generation data	Unit	Year 2024
Used batteries ¹⁶	Pieces	7
Waste ink cartridges	Pieces	271
Waste toner cartridges	Pieces	2
Waste lights	Pieces	3
Total discharge of hazardous waste	Pieces	283

Hazardous waste intensity	Unit	Year 2024
Used batteries, waste ink cartridges, waste toner cartridges and waste lights	Piece/ten thousand RMB revenue	0.0017

The Group is committed to building a scientific and environmental waste treatment system to achieve efficient utilization of resources and sustainable development of the environment. In strict accordance with environmental regulations and industry standards, we sort the waste collected in a centralized manner, clearly differentiate the recyclable and non-recyclable waste and store it temporarily. Recyclable materials such as plastic bottles, waste paper and metals are delivered to professional recycling organizations for reuse to maximize the recycling of resources. Non-recyclable and non-hazardous wastes will be handed over to the municipal waste treatment unit for centralized disposal to ensure that they are properly disposed of in an environmental manner. For hazardous waste generated from gas stations and other places, we strictly comply with relevant national regulations to load it into special containers and label with clear hazardous waste identification signs, and then forwarded it to qualified recyclers for compliant processing, ensuring that hazardous materials will not cause harm to the environment and public health.

During the utilization, storage, transportation and disposal of solid waste, we have always insisted on high standards and strict requirements, and strictly implemented the environmental protection measures to prevent waste scattering, run-off or leakage. In storage, we use sealed containers and dedicated storage areas to prevent leakage of waste; in transportation, we use transportation vehicles that comply with environmental standards and take measures such as covering and securing them to avoid scattering or leakage of waste; and in disposal, we cooperate with qualified treatment organizations to ensure that the waste is treated in a safe and compliant manner. Meanwhile, we strictly forbid any form of dumping, discarding, stacking or scattering solid waste without authorization, so as to prevent the occurrence of land pollution and fulfill our social responsibility of protecting soil and water resources.

¹⁶

The used batteries of the Group are mainly AAA/AA batteries.



7. INCREASING EFFICIENCY

Wastewater Discharge

The Group's wastewater is mainly generated from domestic wastewater, wastewater from stations and construction sites, etc. During the Year, the total wastewater discharge of the reportable business segments was 5,061 tonnes, representing a decrease of 2% as compared to the last year.

We attach great importance to wastewater management and regard it as an essential component of environmental management. Through the Environmental Factors Identification and Evaluation Procedures, we have established a comprehensive wastewater identification mechanism to guide our employees to effectively identify various types of wastewater generated during production, and performed supervision in strict accordance with the "Law of the People's Republic of China on Prevention and Control of Water Pollution" (《中華人民共和國水污染防治法》) and the "Regulations on Urban Drainage and Sewage Disposal" (《城鎮排水與污水處理條例》) and other laws and regulations.

In terms of specific management measures, we have established a three-tier control system. Firstly, in source control, we explicitly prohibit our employees from discharging oil, acid, lye or highly toxic waste liquids into water bodies, and all hazardous wastes are disposed of by qualified units. Secondly, in process management, we prohibit cleaning vehicles and containers that contained oil or toxic pollutants in water bodies, and all cleansing operations must be carried out in designated areas using the recycled water system. Finally, the domestic sewage is filtered through the grille, precipitated, and goes through biochemical treatment and other processes, then discharged into the municipal sewage pipeline network once the water quality meets the requirements of the local environmental regulatory authorities.

7.3 CLIMATE PIONEERS, SKY GUARDIANS

As a responsible energy company, we actively promote the use of clean energy to reduce carbon emissions and mitigate the impact of climate change. Over the past year, we have made tangible progress in sustainable development by optimizing its energy structure, enhancing technological innovation and deepening green management. As of the end of the Reporting Period, the carbon emission intensity during operations demonstrated a measurable reduction, effectively showcasing the Company's operational alignment with its climate commitments.

According to the research of the International Energy Agency (IEA), climate change will affect our operating sites, supply chain systems and overall business model. Therefore, we have included "responding to climate change" in its overall risk management system as an important component of our sustainability strategy.

Beijing Gas Blue Sky is always highly concerned about the multiple impacts of climate change on its business and operations. We have identified the risks and opportunities related to climate change and formulated corresponding response strategies.

7. INCREASING EFFICIENCY

Risk Level	Risk Description	Potential Consequences	Corresponding Countermeasures
Intermediate	Physical climate risk (e.g. coastal floods, extreme heat, wildfires, cyclones, water scarcity)	<ul style="list-style-type: none"> In the event of severe and extreme weather, the office may need to be temporarily closed; Extreme weather can cause employee injury or death; The office is in power outage due to weather. 	<ul style="list-style-type: none"> Continuously improve the emergency response mechanism for natural disasters and formulate emergency response plans for natural disasters; Review and identify asset damage that may be caused by extreme weather, and purchase the necessary insurance; Keep electronic version of relevant documents for backup and the backup data storage center shall be located off-site.
Intermediate	Policy and legal risk	<ul style="list-style-type: none"> Failure to meet strict requirements may result in penalties for non-compliance; Investment amount is subject to stricter ESG standards; Lost orders and reduced revenue due to insufficient disclosure of carbon neutrality targets and data; Changes in the structure of energy use may lead to an increase in operating costs. 	<ul style="list-style-type: none"> Continuously track the latest climate change laws and regulations and integrate them into management strategies; Increase investment in the development of low-carbon emission reduction technologies and projects.
Intermediate	Market risk (e.g. market and customer preference for renewable energy)	<ul style="list-style-type: none"> Increased customer demand for the use of renewable energy. 	<ul style="list-style-type: none"> Pay close attention to the market demand for low carbon and green energy, and meet the needs of consumers in a timely manner.
Intermediate	Reputational risk (e.g. poor performance in addressing climate change and sustainability)	<ul style="list-style-type: none"> Undermine existing cooperation arrangements or weaken ability to attract new partners; Loss of competitive advantage over competitors with better sustainable performance. 	<ul style="list-style-type: none"> Disclose the Company's GHG emission data in ESG reports and efforts made in terms of green operations to maintain a good corporate image; Communicate with stakeholders to explain the sustainability initiatives implemented by the Group.

7. INCREASING EFFICIENCY

Climate-related Opportunities	Potential Benefits	Realization of Opportunity Measures
 <p>Energy-saving technology and equipment applications</p>	By adopting low-energy consumption equipment and developing energy-efficient process and technologies, we can improve the energy efficiency of business operations and thus reduce operating costs.	Continuously pay attention to the development of low-energy consumption equipment and energy-saving process and technology in the market, and adopt new technologies in a timely manner to strengthen technical exchanges with peers.
 <p>Development of natural gas business</p>	In the process of China's "dual-carbon" goals, the market tends to use clean energy. As a cleaner energy source, natural gas still has huge room in the energy market in the short to medium term, which can increase potential operating income.	Actively expand sources of natural gas supply.
 <p>Transition opportunities for renewable energy</p>	National policies vigorously promote the use of new energy, encourage low carbon transformation of enterprises, and provide low-carbon business opportunities. Expanding low-carbon business opportunities such as new energy projects and expanding business types can increase potential revenue.	Continuously review the existing energy structure, actively explore the possibility of adopting renewable energy, and actively expand the development and use of clean energy and green power procurement.
 <p>Green finance</p>	Under the call of the national "3060 dual-carbon goals", investors are increasingly inclined to buy green and low-carbon investment products, and the green bond issuance market is becoming increasingly stable. With the help of green financial instruments, the Company can increase potential funds and improve the resilience of the capital chain.	Actively explore the application of more environment-friendly technologies to meet the green transformation and low-carbon needs of more stakeholders.



7. INCREASING EFFICIENCY

Case Study: The first sustainability linked loan obtained by Beijing Gas Blue Sky

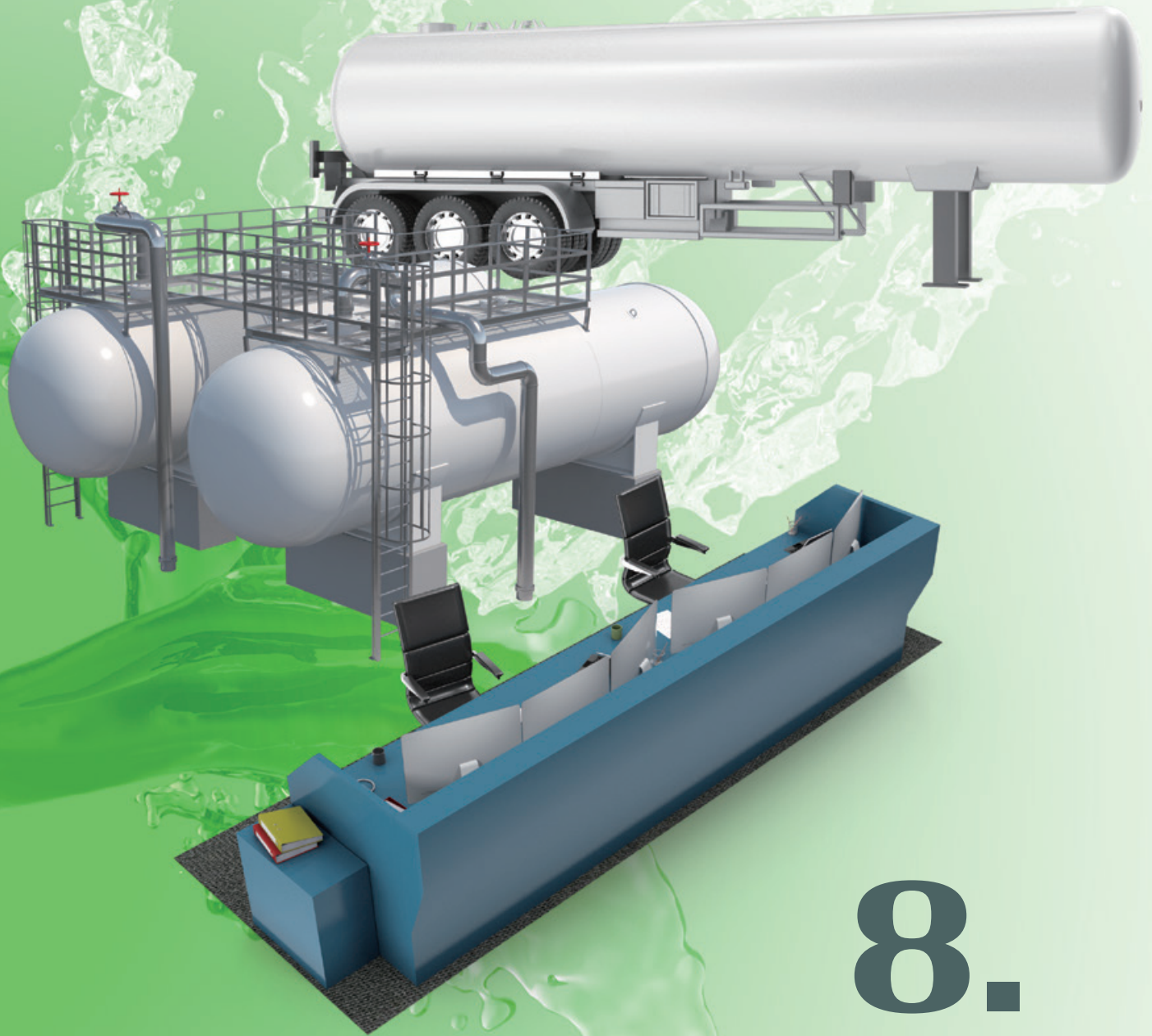
In 2024, the Company successfully obtained its first sustainability linked loan, marking a significant step in the field of green finance. The loan is provided by the Beijing Branch of The Bank of East Asia (China) Limited, with a maximum amount of RMB200 million. At the same time, the loan shall strictly comply with the “Sustainability-Linked Loan Principles”. The signing of loan agreement not only optimized the financial structure of the Company and reduced the financing costs, but also demonstrated the Company’s strong commitment to sustainable development and green transformation. As an active practitioner of the “dual-carbon” strategy, Beijing Gas Blue Sky will continue to promote the use of natural gas and other clean energies, and actively explore the development opportunities in the field of new energy and accelerate the pace of green transformation, contributing to the realization of low-carbon goals.

Future Prospect

Beijing Gas Blue Sky regards sustainable development as the core strategy of enterprise development, and is committed to building a sound ESG management system. Aiming to comprehensively monitor and enhance the Group’s sustainable development performance, we have established a multi-level and multi-dimensional monitoring mechanism, promoting the ESG management level to a higher level by practising the management concept of continuous improvement and striving for excellence. Through in-depth self-assessment and external benchmarking, we have systematically identified our strengths in clean energy transition, carbon emission management, community relations and corporate governance, while recognizing that there is still room for improvement in ESG data digitization management, supply chain ESG management, biodiversity conservation and information disclosure.

In order to seize the opportunities of green and low-carbon development, we are promoting a series of key initiatives, which include innovating green financial products, improving ESG data management system, and strengthening performance monitoring and improvement. At the same time, we are investing in the construction of ESG cloud data information management platform and developing ESG intelligent decision-making system by introducing artificial intelligence and big data analysis technologies to realize real-time monitoring and intelligent analysis of ESG data. In addition, we are planning to establish a unified ESG data standard and management specification, and intend to build a multi-dimensional analysis model for ESG performance, aiming to achieve horizontal benchmarking and vertical tracking to promote continuous improvement and optimization of ESG management.

In the meantime, we will continue to strengthen communication with stakeholders, actively share best practices, promote the entire energy industry to develop more sustainably, contributing more to achieving green and low-carbon transition and addressing climate change.



8. COMPLIANCE



8. COMPLIANCE

8.1 RISK CONTROL, STRENGTHENING DEFENSES

As an integrated energy service provider deeply involved in the midstream and downstream of the natural gas industry chain, we have established a whole industry chain operation system covering transmission and distribution network, trade circulation and terminal applications. Given the unique policy sensitivity and market volatility of the energy industry, we have regarded risk management as an important pillar to ensure the sustainable development of the enterprise. By building a four-in-one risk control structure of “prevention – monitoring – disposal – optimization”, we have optimized the design of the “Comprehensive Risk Management Provisions” (《全面風險管理規定》) taking into account our characteristics, and established a comprehensive risk management system in strict compliance with the regulatory requirements for national energy security. In our daily production and operation activities, we implement the basic process of risk management and collect, identify and evaluate potential risks in advance to develop and implement risk management strategies and solutions. In addition, we continuously monitor and improve the entire closed-loop risk management process to form a resilient defence system with characteristics of the energy industry.

Improving Corporate Governance Structure

The sustainable development of Beijing Gas Blue Sky is rooted in a scientific and standardized corporate governance system. As the strategic center of the enterprise, the Board has established a three-level governance structure with clear duties and responsibilities: at the strategic level, it coordinates the formulation of mid and long-term development plans and establishes a dynamic evaluation mechanism; at the operational level, it realizes the whole process control through the strategic execution supervision system and performance evaluation system; at the risk control level, it establishes the whole process control mechanism covering risk early warning, quantitative evaluation and closed-loop management. Through the institutional system design covering dimensions such as corporate governance, compliant operation and social responsibility, we continue to strengthen the scientificity of strategic decision-making and the transparency of business activities while combining with the regular optimization and upgrading of governance mechanisms.

8. COMPLIANCE

Effectiveness of the Board of Beijing Gas Blue Sky

Board independence

- The Board consists of three independent non-executive Directors, representing 38% of number of Directors.
- The position of chairman of the Board and chief executive officer (CEO) are held by different individuals. The chairman takes lead of the Board to ensure the operation of the Board, while the chief executive officer (CEO) is responsible for business, operation and daily management of the Group.
- The Company confirms that each independent non-executive Director complies with the independence guidelines under Rule 3.13 of the Listing Rules.

Board diversity

- The “Board Members Diversity Policy” has been developed.
- The Board members are appointed based on merit to ensure they provide balanced skills, experience and diverse perspectives required by the Group.
- When nominating candidates, the Nomination Committee takes multiple factors into consideration, including but not limited to gender, age, cultural and educational background, professional experience, skills, expertise and length of service.
- The Nomination Committee conducts regular reviews on the implementation of the Board diversity.

Board involvement

- A total of 5 Board meetings were held in 2024.
- Organisation of the training on the ESG issues for the Directors.

The Group upholds the principle of “meritocracy”, and constructs a scientific and reasonable composition structure in accordance with the “Board Members Diversity Policy”. Multiple dimensions including but not limited to gender, age, cultural and educational background and professional background, are comprehensively considered during the selection process of Directors. Through quantitative evaluation model and dynamic adjustment mechanism, the diversified value of the Board’s decision-making vision is continuously strengthened.

8. COMPLIANCE

*Data Showing Diversity of the Board of Beijing Gas Blue Sky**

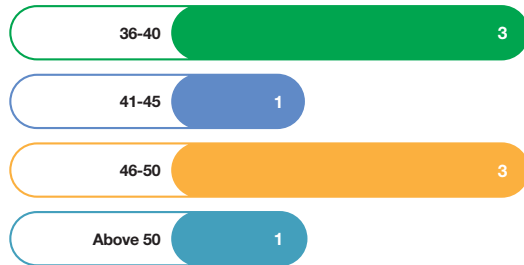
Position



Cultural and educational background



Age



Gender



Professional background



* Data as of 26 March 2025

8. COMPLIANCE

Strengthening the Line of Defence in Risk Management

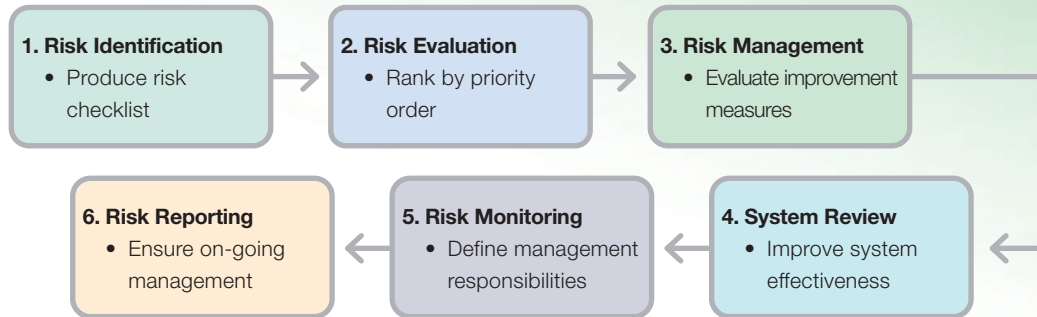
Beijing Gas Blue Sky adheres to the bottom-line mindset of compliant operation and builds a strategy-oriented risk management system. We have established “Three Lines of Defence in Risk Management” under the leadership of the Board, incorporating risk prevention and control into the core chain of corporate governance. The Board and its subordinate committees establish the risk preference framework and coordinate the decision-making supervision mechanism. Special risk assessment is implemented in the front-end business, joint prevention and control network is built in the mid-end system, and closed-loop supervision chain is formed in the back-end audit, which would collectively strengthen the urban gas safety barrier and ensure zero occurrence of major risks and controllability of daily risks during the whole process.

Three Lines of Defence in Risk Management



8. COMPLIANCE

Procedure for Risk Assessment



The Group has established a strategic risk prevention and control system and built a risk identification and response mechanism covering the entire business chain. Through the ESG risk assessment framework led by the Board, risks in key areas such as product safety and pipeline network operation are systematically screened; hierarchical prevention and control strategies are formulated and incorporated into the decision-making process to guarantee effective coordination between business expansion and risk management, thus safeguarding the high-quality development of the enterprise. For details, please refer to the section headed “Corporate Governance Report” in the annual report for the Year.

Under this framework, we authorize the Compliance Committee to be fully responsible for the full cycle management of significant ESG risks, including risk identification, evaluation and response strategy development. The Board coordinates the establishment and continuous optimization of ESG risk management and internal monitoring system to ensure the effective implementation of risk prevention and control measures and continuous improvement in the overall risk management and control capabilities of the Group.

The Company simultaneously strengthens the system construction of governing corporate in accordance with law. It has established a leading group dedicatedly for the development of the rule-of-law system, which is responsible for making strategic deployment for the development of corporate rule-of-law systems of state-owned enterprises, and for reviewing the Company’s work programs for rule-of-law system development and its annual rule-of-law work plans and for supervising the advancement and implementation thereof, and for integrating compliance requirements into key business processes such as procurement and engineering. By conducting regular legal training and compliance assessment, the awareness of legal risk prevention and control of all employees is enhanced, achieving an organic integration of legal compliance management and operation efficiency improvement, which solidify the legal foundation for sustainable development of the enterprise.



8. COMPLIANCE

Enhancing the Efficiency of Audit Supervision

Beijing Gas Blue Sky Holdings Limited continues to strengthen the construction of internal control system and comprehensively improve the efficiency of corporate governance. The Company has formulated the “Management System for Internal Audit Work” (《內部審計工作管理制度》) to effectively enhance the risk prevention and control capabilities through the institutionalized and standardized audit supervision system, and provide a solid guarantee for the achievement of strategic objectives in accordance with the relevant laws and regulations including, amongst others, the “Audit Law of the People’s Republic of China” (《中華人民共和國審計法》), the “Regulation on the Implementation of the Audit Law of the People’s Republic of China” (《中華人民共和國審計法實施條例》), the “Regulations of the National Audit Office on Internal Auditing” (《審計署關於內部審計工作的規定》) and the “China Internal Auditing Standards” (《中國內部審計準則》).

We have restructured the compliance functions of the audit and supervision department and the legal affairs department into the legal compliance department through organizational structure optimization, endowing it with the functions such as compliance system construction, legal risk prevention, conduct and behavior supervision and tendering management. As the core department of corporate governance, the department is responsible for coordinating the implementation of the compliance management plans, improving the institutional frameworks, and conducting regular self-examination of operations and investments. And by regularly reporting the internal audit results to the President’s office of Beijing Gas Blue Sky, the Audit Committee, and the Compliance Committee to achieve transparent and effective transmission of supervision information.

Moreover, a three-dimensional supervision system has been established at the Board level, with an Audit Committee and a Compliance Committee under the Board. Based on top-level design, the Compliance Committee is responsible for formulating and monitoring the Group’s policies and practices for compliance with legal and regulatory requirements. The Audit Committee is responsible for guiding and evaluating the audit supervision of the legal compliance department, and investigating and evaluating the improvement work. Relying on the collaborative prevention and control system of “professional operation of the department + strategic supervision of the committee”, a long-term guarantee mechanism has been formed to support the strategy implementation and sustainable development.

8.2 COMPLIANCE FOCUSED, INTEGRITY DRIVEN

Beijing Gas Blue Sky regards compliant operation as the lifeline of sustainable development of the enterprise. We strictly follow the laws and regulations such as the “Anti-Monopoly Law of the People’s Republic of China” (《中華人民共和國反壟斷法》), the “Anti-Unfair Competition Law of the People’s Republic of China” (《中華人民共和國反不正當競爭法》), the “Supervision Law of the People’s Republic of China” (《中華人民共和國監察法》), the “Anti-Money Laundering Law of the People’s Republic of China” (《中華人民共和國反洗錢法》), and the “Prevention of Bribery Ordinance”, the Listing Rules, “Companies Ordinance, Securities and Futures Ordinance”, and “Code on Takeovers and Mergers and Share Buy-backs” of Hong Kong. Through the two-wheel drive of institutionalized constraint and value guidance, all employees abide by the code of business ethics, to ensure that the whole process of business decision-making is legal and compliant, and continuously cultivate the corporate culture ecology of integrity and legality, laying a solid legal foundation for the long-term development of the enterprise.

8. COMPLIANCE

Building a Long-Term Anti-Corruption Mechanism

Beijing Gas Blue Sky regards the integrity building as a systematic project. The Company has formulated and implemented the “Rules of the General Committee of the Communist Party of China on Issuing the Measures on Integrity Practice of Employees with Business Discretions” (《中共總支部委員會關於印發有業務處置權員工廉潔從業若干規定》) in strict accordance with the “Code of Integrity and Self-discipline” (《廉潔自律準則》) and other regulations to prohibit any violation of integrity discipline, the use of power for personal gain, corruption and bribery, corruption and decadence, etc. The discipline inspection institution is responsible for conducting routine inspection and integrity patrol, reporting regularly to the higher-level discipline inspection institution, and strengthening the discipline and accountability with a zero-tolerance attitude.

Beijing Gas Blue Sky deeply integrates integrity education into enterprise management, and builds a long-term mechanism for anti-corruption and advocating and cultivating integrity through a multi-level and multi-form training system. The Company conducts targeted training for different post characteristics. For middle and senior management, it regularly organizes anti-fraud and anti-money laundering special training, explains common types of crimes and legal consequences through analyzing typical cases of duty crimes, to effectively enhance the awareness of risk prevention; for all employees, it adopts the model of combining warning education classroom with online learning platform to embed integrity requirement into business process training. In 2024, the members of the Board have completed a total of 20 hours of specialized integrity training, and all members received 200 hours of training in total and the concept of “everyone shall be responsible for integrity building” has taken root. During the Year, we did not have any corruption proceedings.

“Strengthening the Foundation of Integrity through Cultural Exploration, Embracing the Mission of Building a Strong Nation at Olympic Forest Park” – Olympic Forest Park Walking Activity



8. COMPLIANCE

Smoothing Reporting and Acceptance Channels

Beijing Gas Blue Sky takes integrity and compliance as its foundation and establishes a systematic reporting management system. The Company has formulated the “Whistleblower Policy” (《舉報政策》) to provide smooth supervision channels for employees and stakeholders, and to clarify the reporting process and guidelines for fraud, corruption, bribery and other serious malpractices. Employees or third parties may exercise supervision right through the following channels if find suspected violations:



E-mail for reports jjjian@bgbluesky.com

Mailbox for reports 3/F, Tower 5, Jiaobao Center, 59 Huagong Road,
Chaoyang District, Beijing
Beijing Gas Blue Sky Audit and Supervision
Department

The Group implements a dual-track guarantee mechanism through the Whistleblower Policy (《舉報政策》). On the one hand, it strictly implements the encryption management of whistleblowers' information throughout the process to ensure the privacy security of whistleblowers; on the other hand, it establishes a special review system for counter-retaliation, for reports that have not been verified after inspected, it still eliminates the concerns of whistleblowers through post protection mechanisms and psychological counseling services. The audit and supervision department is responsible for accepting reports, initiating investigations, handling investigations and executing results. The Compliance Committee regularly evaluates the performance of policy implementation and supervises subsequent rectification, thereby building a long-term supervision mechanism for compliant operation.

Case Study: Conducting training on occupational crime risk warnings and anti-fraud of Beijing Gas Blue Sky

To strengthen the construction of integrity and self-discipline at Beijing Gas Blue Sky, and to enhance employees' understanding of the harms of fraudulent practices, the Group has implemented targeted warning education on occupational crimes and specialized anti-fraud training according to the annual compliance training plan. Through diverse approaches such as in-depth analysis of typical cases, interpretation of legal consequences, and scenario-based simulation teaching, the training focuses on reinforcing the ability to perform duties in a compliant manner of middle and senior management as well as employees in key positions. The trainings are aligned with the requirements of regulations such as the “Anti-Unfair Competition Law of the People's Republic of China” (《中華人民共和國反不正當競爭法》) and the “Supervision Law of the People's Republic of China” (《中華人民共和國監察法》), alongside the Company's “Rules of the General Committee of the Communist Party of China on Issuing the Measures on Integrity Practice of Employees with Business Discretions” (《中共總支部委員會關於印發有業務處置權員工廉潔從業若干規定》), effectively enhancing all employees' awareness of the harm caused by fraudulent behavior and their vigilance in prevention, thereby building a robust integrity defence from the ideological source and safeguarding the healthy operating ecosystem of the enterprise.





8. COMPLIANCE

Compliance Training and Education

Beijing Gas Blue Sky regards legal and compliant operations as the bottom line of its business, strictly implementing the “Administrative Measures for Training, Publicity and Implementation of Laws and Regulations” (《法律法規培訓、宣貫和落實管理辦法》) to systematically control legal and compliance risks in business operations. These measures clearly standardize the entire process of identifying legal and regulatory requirements, conducting training and advocacy, and supervising implementation. The legal compliance department continuously enhances all employees’ awareness of the rule of law through methods such as regular training on basic knowledge of laws and online compliance assessments, with assessment results incorporated into post-compliance records. In response to dynamic updates to laws and regulations, a rapid response mechanism is established, utilizing channels such as emails and the regulation section of our internal portal to promptly disseminate the latest regulatory interpretations, ensuring that business adjustments are in sync with regulatory requirements. By integrating institutionalized management with routine advocacy, the Company effectively achieves proactive prevention and control of legal risks, providing a rule-of-law safeguard for its sound operations.

Case Study: Conducting compliance knowledge training of Beijing Gas Blue Sky

To systematically develop the compliance capabilities of all employees, Beijing Gas Blue Sky conducted multi-dimensional specialized training targeting compliance risk nodes within business scenarios. The legal compliance department organised interpretations of industry regulations, in-depth analyses of typical cases, and practical operational guidance, employing methods such as centralized lectures and scenario simulations to thoroughly dissect compliance requirements in areas including contract management, anti-commercial bribery, and data security. Through continuous and scenario-based knowledge dissemination, we effectively enhanced all employees’ awareness of the red line of compliance and risk prevention capabilities, thereby establishing a robust barrier for the steady development of the enterprise.



8. COMPLIANCE

Case Study: Training on reviewing key areas of compliance management from the perspective of illegal operation and investment accountability

In order to further standardize operation and investment activities of the Company, achieve the preservation and appreciation of state-owned capital, improve the operational compliance level of Beijing Gas Blue Sky, and establish an accountability working mechanism with clear duties, well-defined processes, and orderly regulation, a series of compliance training lectures were conducted based on the Company's actual circumstances, including the training on reviewing key areas of compliance management from the perspective of illegal operation and investment accountability.

Regulation on the Management of Connected Transactions

During the Year, Beijing Gas Blue Sky, in accordance with the Hong Kong Companies Ordinance, the Listing Rules, and the Articles of Association, has officially introduced the "Connected Transaction Management Measures (Trial)" (《關連交易管理辦法(試行)》), which are designed to establish a regulatory framework covering the entire transaction cycle, enhance the transparency of connected transaction pricing and the standardization of decision-making, and effectively safeguard the rights and interests of minority shareholders. This system, in line with regulatory requirements, categorizes connected transactions into one-off connected transactions and continuing connected transactions, and sets different approval authorities based on factors such as the transaction amount and the extent of its impact on profits.

In governance mechanism, the Company has established a multi-departmental collaborative oversight system. The Board is responsible for approving major transactions and takes into account recommendations from independent directors; the corporate management department coordinates the entire process supervision of connected transactions, undertakes responsibilities of maintaining information on related parties of subsidiaries, compiling transaction data statistics, and supporting decision-making procedures, while coordinating information disclosure efforts; the company secretarial department is specifically tasked with managing the related party relationships of Board members, organizing general meetings or Board approvals, and executing information disclosure in accordance with the requirements of the Stock Exchange; the financial monitoring department conducts financial accounting and impact analysis of transactions, establishing a dynamic monitoring system for transaction data. These departments, in tandem with the legal compliance department's contract review and the general office's data aggregation, have achieved full-process electronic recording from transaction application and approval to execution, with every step being traceable and documented, thereby building a solid institutional defence for the Company's stable operations and cross-border capital operation in a complex market environment.

8. COMPLIANCE

Case Study: Training on the “Overview of the continuing responsibilities of main board issuers” and “Directors’ duties, inside information disclosure, and connected transactions of Hong Kong listed companies”, among other aspects

In order to further enhance employees’ awareness of listing compliance, Beijing Gas Blue Sky, based on the regulatory requirements of the Hong Kong capital market and in accordance with the annual compliance training plan and the requirements of the Listing Rules, organized training on the “overview of the continuing responsibilities of main board issuers” and “directors’ duties, inside information disclosure, and connected transactions of Hong Kong listed companies”, among other aspects. Focusing on core areas such as the continuing obligations of issuers, directors’ performance standards, inside information disclosure, and management and control of related party transactions, the training provided a detailed interpretation of practical requirements including periodic report disclosures, management of price-sensitive information, and prevention of insider trading, while reinforcing the rule application capabilities of key personnel through case analysis and interactive drills. With the above, we ensure that corporate governance fully aligns with the regulatory requirements of the Stock Exchange, thereby effectively safeguarding investors’ trust and the enterprise’s market credibility.





8. COMPLIANCE

Cementing the Line of Defence in Network Security

Beijing Gas Blue Sky regards network security and data governance as the core safeguards of its digital transformation, establishing a management system that places equal emphasis on institutional regulations and technological protection. Building on existing policies such as the “Information Security Management Regulations” (《信息化安全管理規定》) and the “Operation Guidelines for Data Backup and Disaster Recovery Contingency Plan” (《數據備份及災難恢復應急預案作業指引》), the newly introduced “Network and Information Security Management Regulations” (《網絡與信息安全管理規定》) during the Year has formed together with them a three-tier defence system. Beijing Gas Blue Sky network security and informatisation management committee, directly led by senior management, is responsible for strategic decision-making and major risks judging, while the general office coordinates system implementation and emergency response. Each department implements the division of labor for routine tasks such as terminal device protection and sensitive data encryption, thereby creating a “decision–execution–supervision” accountability network involving all employees. The new regulations cover the entire business chain, from account permission classification, device usage guidelines, and encrypted data storage to emergency incident response: strictly controlling the security strength and update cycles of account password, prohibiting unauthorized software installation or device dismantling, implementing classified encryption for sensitive information, and establishing graded procedures for handling unexpected safety issues, along with conducting regular practical drills.

In terms of technical protection, Beijing Gas Blue Sky adopts the IPv6 protocol to build its network architecture and deploys independent server clusters, which systematically strengthens its network security protection capabilities. The IPv6 protocol, through end-to-end encrypted data transmission mechanisms, effectively prevents man-in-the-middle attacks (MITM); the independent servers achieve dedicated resource usage, eliminating potential risks arising from shared environments while improving real-time monitoring and blocking efficiency against DDoS attacks, thereby optimizing system response performance. Looking ahead, the Company will continue to invest more in network security, organize comprehensive business-wide simulated attack and defence drills, implement round-the-clock on-duty monitoring and a daily system operation reporting regime, and accomplish its network security protection objectives with zero security incident in core business, which would satisfy business management needs while establishing a reliable technological foundation for intelligent upgrades.

Data security management has been synchronously enhanced, establishing an integrated defence network covering “storage - transmission - backup”. All confidential data is strictly prohibited from dissemination. Important documents and information are subject to encryption processing, with sensitive contents such as customer data included in the key protection register. A dedicated team conducts regular backup verifications and off-site disaster recovery to prevent data loss caused by computer malfunctions, virus intrusions, and other unforeseen incidents, thus to maintain complete preservation of business information and technical documents. In addition, we have formulated detailed backup management rules and emergency recovery plans to ensure rapid restoration of core business operations in the event of any unforeseen circumstances.

The informatization-based efficiency enhancement project continues to keep advancing. The Group, through upgrading its OA system, has optimized 88 commonly used process forms (such as approvals and reimbursements) under 4 major categories, making daily office operations more efficient and convenient. We have also established an intelligent multimedia conference system, enabling seamless cross-departmental remote collaboration, and progressively replaced outdated office equipment to increase document processing and system operation speeds.

8. COMPLIANCE



Intellectual Property Compliance Management

Beijing Gas Blue Sky strictly abides by laws and regulations such as the “Patent Law of the People’s Republic of China” (《中華人民共和國專利法》) as well as the “Trade Marks Ordinance” (《商標條例》), the “Prevention of Copyright Piracy Ordinance” (《防止盜用版權條例》) and the “Patents Ordinance” (《專利條例》) of Hong Kong, establishing a compliant usage system covering the entire software lifecycle. In the development, testing and operation of the Company’s information systems, the operating system, database and other foundational software are all lawfully licensed to eliminate the risk of using non-genuine software. Meanwhile, intellectual property protection is incorporated into the staff manual, explicitly requiring employees not to engage in or assist in any activities that infringe upon the intellectual property rights of the Company or third parties. Violators are subject to disciplinary actions ranging from warnings, demotions, to termination of employment contracts, depending on the severity of violation, maintaining a zero-tolerance stance to safeguard the innovation ecosystem. Through a dual approach of system constraints and compliance publicity, the Company continues to reinforce the foundation of its corporate culture that respects and protects innovation.

APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Compliance operation	Hong Kong, China	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (《香港聯合交易所有限公司證券上市規則》)
		The Companies Ordinance (《公司條例》)
		Companies (Non-Hong Kong Companies) Regulation (《公司 (非香港公司) 規例》)
		Non-Hong Kong Companies (Disclosure of Company Name, Place of Incorporation and Members' Limited Liability) Regulation (《非香港公司 (披露公司名稱、成立為法團所在地方及成員的有限法律責任) 規例》)
		Inland Revenue Ordinance (《稅務條例》)
		Business Registration Ordinance (《商業登記條例》)
		The Securities and Futures Ordinance (《證券及期貨條例》)
		The Codes on Takeovers and Mergers and Share Buy-back (《公司收購、合併及股份購回守則》)
		The Prevention of Bribery Ordinance (《防止賄賂條例》)
	Mainland China	The Anti-Monopoly Law of the People's Republic of China (《中華人民共和國反壟斷法》)
		The Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不正當競爭法》)
		The Supervision Law of the People's Republic of China (《中華人民共和國監察法》)
		The Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》)
Employment	Hong Kong, China	The Employment Ordinance (《僱傭條例》)
		The Employees' Compensation Ordinance (《僱員補償條例》)
		The Mandatory Provident Fund Schemes Ordinance (《強制性公積金計劃條例》)
	Mainland China	The Labor Law of the People's Republic of China (《中華人民共和國勞動法》)

APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Work environment and occupational health management	Hong Kong, China	The Occupational Safety and Health Ordinance (《職業安全及健康條例》)
	Mainland China	The Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)
		The Work Safety Law of the People's Republic of China (《中華人民共和國安全生產法》)
		The Fire Protection Law of the People's Republic of China (《中華人民共和國消防法》)
		The Regulations on the Reporting, Investigation and Disposition of Work Safety Accidents (《生產安全事故報告和調查處理條例》)
		The Measures on Administrative Penalties against Illegal Acts Concerning Work Safety (《安全生產違法行為行政處罰辦法》)
		The Special Equipment Safety Law of the People's Republic of China (《中華人民共和國特種設備安全法》)
		The Regulations on Safety Supervision over Special Equipment (《特種設備安全監察條例》)
		The Administrative Regulations on the Work Safety of Construction Projects (《建設工程安全生產管理條例》)
		The Regulations on the Safety Management of Hazardous Chemicals (《危險化學品安全管理條例》)
		The Road Traffic Safety Law of the People's Republic of China (《中華人民共和國道路交通安全法》)
		The Regulation of the People's Republic of China on Road Transport (《中華人民共和國道路運輸條例》)
		Administrative Measures for Business Permits for the Operation of Hazardous Chemicals (《危險化學品經營許可證管理辦法》)

APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Product responsibility	Mainland China	The Oil and Natural Gas Pipeline Protection Law of the People's Republic of China (《中華人民共和國石油天然氣管道保護法》)
		The Regulation on the Administration of Urban Gas (《城鎮燃氣管理條例》)
		The Administrative Measures for the Franchise Operation of Municipal Public Utilities (《市政公用事業特許經營管理辦法》)
		The Administrative Measures for Infrastructure and Public Utilities Concession (《基礎設施和公用事業特許經營管理辦法》)
		The Administrative Measures for the Verification of Working Measuring Instruments Subject to Compulsory Verification of the People's Republic of China (《中華人民共和國強制檢定的工作計量器具檢定管理辦法》)
		The Price Law of the People's Republic of China (《中華人民共和國價格法》)
		The Measures for Hearings of Government Price Decisions (《政府價格決策聽證辦法》)
		The Central Pricing Catalogue (《中央定價目錄》)
		The Measures for the Supervision and Examination of Prices and Costs Formulated by the Government (《政府制定價格成本監審辦法》)
		The Measurement Law of the People's Republic of China (《中華人民共和國計量法》)
Intellectual property protection	Hong Kong, China	The Law of the People's Republic of China on Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》)
		The Trade Marks Ordinance (《商標條例》)
		The Prevention of Copyright Piracy Ordinance (《防止盜用版權條例》)
	Mainland China	The Patents Ordinance (《專利條例》)
		The Patent Law of the People's Republic of China (《中華人民共和國專利法》)

APPENDIX I: LIST OF MAJOR APPLICABLE LAWS AND REGULATIONS

Scope	Source	Name
Emissions management	Mainland China	The Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》)
		The Environmental Protection Tax Law of the People's Republic of China (《中華人民共和國環境保護稅法》)
		The Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》)
		The Water Pollution Prevention and Control Law of the People's Republic of China (《中華人民共和國水污染防治法》)
		The Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《中華人民共和國固體廢物污染環境防治法》)
		The Law of the People's Republic of China on Promoting Clean Production (《中華人民共和國清潔生產促進法》)
Resource usage	Mainland China	The Regulation on Energy Conservation in Civil Buildings (《民用建築節能條例》)

APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs

Strategies by Beijing Gas Blue Sky



End poverty in all its forms everywhere

Beijing Gas Blue Sky has always upheld the corporate social responsibility philosophy of “winning customers with warmth” and systematically constructed a sustainable welfare system. Through the formulation and implementation of the Policy on Community Commitment, Sponsorship and Donation (《社區參與、贊助及捐贈政策》), we have established an institutionalized and regularized welfare operation mechanism, and continue to carry out diversified welfare activities covering energy assistance, community co-construction and education support, so as to transform our original mission of “Solving People’s Problems, Relieve People’s Burden and Offering Warm Support” (解民憂、紓民困、暖民心) into practical actions to benefit thousands of families.



Achieve food security and end hunger and promote sustainable agriculture

Beijing Gas Blue Sky has always put the physical and mental health of its employees in the first place, and promotes their awareness of health management through various systems and a series of employee activities. We continue to optimize workplace safety management standards and build a three-dimensional protection system covering workplace safety, mental health support, and health education, and are committed to creating a workplace ecosystem that combines safety and humanistic care for our employees.



Ensure and promote healthy lives and wellbeing for all at all ages

We have always adhered to the concept of equal development of talents, and we have established a layered training system for all employees throughout the entire career cycle. In accordance with our Training Management Regulations of Beijing Gas Blue Sky (《北京燃氣藍天培訓管理規定》), we customize diversified training programs for all employees, including on-the-job tutoring and learning, industry certification, and on-the-job training, etc. Through systematic internal and external training resources, we help our employees realize skill upgrading and career development, so as to achieve personal growth and corporate development resonate at the same time.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs

Strategies by Beijing Gas Blue Sky



Achieve gender equality and empower all women and girls

Beijing Gas Blue Sky has always adhered to the principle of equal employment and has established an anti-discrimination mechanism from recruitment to promotion. Through standardized position evaluation and a transparent promotion system, we focus on breaking down barriers to women's career development and ensuring that promotion opportunities are fair and open. This Year, 35.99% of our employees are women, representing an increase of approximately 3 percentage points as compared to last year.



Ensure availability and sustainable management of water and sanitation for all

Understanding that construction projects may bring about water pollution, we have formulated the Administrative Measures on the "Three Simultaneous" in Construction Projects (《建設項目「三同時」管理辦法》) in order to meet the requirements of relevant national laws and regulations. Meanwhile, we strictly manage the discharge of sewage, domestic sewage will be discharged into the municipal sewage system after treatment. In addition, all sewage treatment procedures are in line with the requirements of environmental regulatory authorities, so that we can do our best to avoid water pollution and protect clean water resources.



Ensure access to affordable, reliable, sustainable and modern energy for all

As an integrated clean energy supplier, we strive to promote the development of new energy and contribute in low-carbon transformation. During the Year, the Company focused on increasing the research and development of renewable energy technologies, accelerating the implementation of energy storage projects, and deepening the upgrading of integrated energy services and the deployment of new energy fields, in order to build a green energy ecosystem through the synergistic development of multiple fields.



Promote inclusive and sustainable economic growth and decent work for all

We regard employees as the core resources of the Company and adhere to a people-oriented management philosophy. On the basis of establishing a standardized employment mechanism in accordance with the law, the Company builds an open and equal career development platform. At the same time, we continue to enhance the sense of belonging and values of employees through the construction of a multi-dimensional incentive payment system and a comprehensive welfare protection system.

APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs

Strategies by Beijing Gas Blue Sky

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote sustainable industrialization and foster innovation

The Group focuses on the digital transformation and intelligent upgrading of energy resources, and simultaneously promotes the optimization of the traditional energy structure. During the Year, the Group successfully established a diversified technology research and development matrix by investing in new energy storage power stations and implementing strategic mergers and acquisitions of multi-energy coupling renewable energy centers, focusing on key technology areas such as energy-saving technology innovations, integrated application of green energy, development of intelligent energy systems, as well as planning and designing of city gas, natural gas storage and peaking, and optimization of the transmission and distribution system.

10 REDUCED INEQUALITIES



Reduce inequality within and among countries

The cross-provincial gas supply network constructed by Beijing Gas Blue Sky has formed an energy pipeline artery covering multiple provinces. Through our intelligent pipeline system, we ensure balanced and stable gas consumption in various regions. While we continue to expand the scale of investment in energy infrastructure, we rely on the implementation of natural gas projects to effectively promote the upgrading of regional transportation, pipeline networks and other ancillary facilities, thus realizing the positive interaction between energy supply and local development.

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and countries inclusive, safe, resilient and sustainable

Beijing Gas Blue Sky has established a safety inspection mechanism, and Conducted special inspections at 9 project companies throughout the Year, with a 97% completion rate of rectification of potential problems. Relying on the digital monitoring platform, we realized the dynamic zero risk of pipeline network, and the Company joined hands with the local government to innovate and implement the system of “Network Security Steward (網絡化安全管家)”, so as to build a safe lifeline for gas industry in the city.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



Promote green economy, ensure sustainable consumption and production patterns

Beijing Gas Blue Sky adheres to the principle of customer-oriented, establishes a customer service rapid response mechanism, receives feedback in real time through the official website and hotline, immediately activates the specialized handling process for the problems received, and simultaneously implements the service quality tracking system to form a good cycle of complaint handling and service quality enhancement.

APPENDIX II: UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS PRACTICE

SDGs

Strategies by Beijing Gas Blue Sky

13

CLIMATE ACTION



Perfect mitigation and adaptation actions to combat climate change and its impacts

Based on natural gas, Beijing Gas Blue Sky is actively expanding its new energy deployment and renewable energy applications. By optimizing the energy structure and improving the efficiency of energy use, we systematically reduce the carbon footprint of energy use and build a sustainable energy system that responds to climate change.

14

LIFE BELOW WATER



Conserve and sustainably use the oceans and seas to ensure biodiversity and prevent environmental degradation

Beijing Gas Blue Sky strictly follows the norms of ecological protection, and in accordance with the List of Systematic Management on Construction Projects Impact Assessment (《建設項目環境影響評價分類管理名錄》), commissions professional quality organizations to implement the whole process of environmental assessment, focuses on monitoring the impact indicators of biodiversity, and establishes a mechanism for dynamic balance between project development and ecological protection.

15

LIFE ON LAND



Protect and sustainable use of terrestrial ecosystems, ensure biodiversity and halt land degradation

Beijing Gas Blue Sky has established a compliance control system covering the entire operation process and strictly abides by the national laws and regulations on anti-corruption, anti-money laundering and anti-fraud. The Company has formulated a number of systems including Rules of the General Committee of the Communist Party of China on Issuing the Measures on Integrity Practice of Employees with Business Discretions (《中共總支部委員會關於印發有業務處置權員工廉潔從業若干規定》), to strictly prohibit non-compliance, such as the use of power for personal gain, etc. The Group did not have any judicial litigation cases related to corruption, fraud and money laundering in 2024.

16

PEACE, JUSTICE AND STRONG INSTITUTIONS



Promote peaceful and inclusive societies, ensure equality in the administration of justice and build credible and inclusive systems

We are committed to building a sustainable supply chain system, and have established a control mechanism covering supplier access audit, compliance assessment, and social responsibility traceability management. We identify and prevent and control risky points in the supply chain, such as labor regulations and ecological protection, to ensure the reliability of the gas supply system.

17

PARTNERSHIPS FOR THE GOALS



Build diverse partnerships for sustainable development

APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
A. Environmental Area			
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to exhaust gas and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	7.2 Green Future, Sustainable Development
	A1.1	Types of emissions and respective emissions data.	7.2 Green Future, Sustainable Development
	A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and intensity.	7.2 Green Future, Sustainable Development
	A1.3	Total hazardous waste produced and intensity.	7.2 Green Future, Sustainable Development
	A1.4	Total non-hazardous waste produced and intensity.	7.2 Green Future, Sustainable Development
	A1.5	Description of emissions target(s) set and steps taken to achieve them.	7.2 Green Future, Sustainable Development
	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.	7.2 Green Future, Sustainable Development
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	7.2 Green Future, Sustainable Development
	A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) and intensity.	7.2 Green Future, Sustainable Development
	A2.2	Water consumption in total and intensity.	7.2 Green Future, Sustainable Development
	A2.3	Description of energy use efficiency target(s) set, and steps taken to achieve them.	7.2 Green Future, Sustainable Development
	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.	7.2 Green Future, Sustainable Development
	A2.5	Total packaging material used for finished products, and with reference to per unit produced.	Due to the nature of our business, no packaging materials have been used.

APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
A3: The Environment and Natural Resources	General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	7.2 Green Future, Sustainable Development
	A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	7.2 Green Future, Sustainable Development
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	7.3 Climate Pioneers, Sky Guardians
	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.	7.3 Climate Pioneers, Sky Guardians
B. Social Area			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	7.1 Empowering Talent, Sharing Well-being
	B1.1	Total workforce by gender, employment type, age group and geographical region.	7.1 Empowering Talent, Sharing Well-being
	B1.2	Employee turnover rate by gender, age group and geographical region.	7.1 Empowering Talent, Sharing Well-being

APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) 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.	5.2 Employee Protection, Well-being Commitment
	B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	5.2 Employee Protection, Well-being Commitment
	B2.2	Lost days due to work injury.	5.2 Employee Protection, Well-being Commitment
	B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	5.2 Employee Protection, Well-being Commitment
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	7.1 Empowering Talent, Sharing Well-being
	B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	7.1 Empowering Talent, Sharing Well-being
	B3.2	The average training hours completed per employee by gender and employee category.	7.1 Empowering Talent, Sharing Well-being
B4: Labor Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced Labor.	7.1 Empowering Talent, Sharing Well-being
	B4.1	Description of measures to review employment practices to avoid child and forced Labor.	7.1 Empowering Talent, Sharing Well-being
	B4.2	Description of steps taken to eliminate such practices when discovered.	7.1 Empowering Talent, Sharing Well-being

APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	5.3 Quality First, Collaborative Synergy
	B5.1	Number of suppliers by geographical region.	5.3 Quality First, Collaborative Synergy
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	5.3 Quality First, Collaborative Synergy
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	5.3 Quality First, Collaborative Synergy
	B5.4	Description of practices used to promote environmental preferable products and services when selecting suppliers, and how they are implemented and monitored.	5.3 Quality First, Collaborative Synergy
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labeling and privacy matters relating to products and services provided and methods of redress.	5.1 Safe Production, Steady Operations 8.2 Compliance Focused, Integrity Driven
	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	5.1 Safe Production, Steady Operations
	B6.2	Number of products and service related complaints received and how they are dealt with.	6.1 Customer-Centric, Excellent Service
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	8.2 Compliance Focused, Integrity Driven
	B6.4	Description of quality assurance process and recall procedures.	5.1 Safe Production, Steady Operations
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	8.2 Compliance Focused, Integrity Driven

APPENDIX III: ESG REPORTING GUIDE INDEX

Subject Areas, Aspects, General Disclosures and KPIs			Related Sections
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	8.2 Compliance Focused, Integrity Driven
	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.	8.2 Compliance Focused, Integrity Driven
	B7.2	Description of preventive measures and whistleblowing procedures, how they are implemented and monitored.	8.2 Compliance Focused, Integrity Driven
	B7.3	Description of anti-corruption training provided to directors and staff.	8.2 Compliance Focused, Integrity Driven
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	6.3 Deep Community Ties, Advancing Social Good
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labor needs, health, culture, sports).	6.3 Deep Community Ties, Advancing Social Good
	B8.2	Resources contributed to the focus area.	6.3 Deep Community Ties, Advancing Social Good

APPENDIX IV: GRI CONTENT INDEX

Instruction for Use	Beijing Gas Blue Sky Holdings Limited has reported the performance of sustainable development within the Reporting Period covering from 1 January 2024 to 31 December 2024 with reference to the GRI Sustainability Reporting Standards of 2021.
GRI used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location in the Report
GRI 2: General Disclosures 2021	2-1 Organizational details	3. About Beijing Gas Blue Sky
	2-2 Entities included in the organization's sustainability reporting	1. About This Report
	2-3 Reporting Period, frequency and contact point	1. About This Report
	2-4 Restatements of information	1. About This Report
	2-6 Activities, value chain and other business relationships	1. About This Report
	2-7 Employees	7.1 Empowering Talent, Sharing Well-being
	2-9 Governance structure and composition	4.2 Sustainability management system
	2-10 Nomination and selection of the highest governance body	8.1 Risk Control, Strengthening Defenses/ 2024 annual report
	2-11 Chair of the highest governance body	8.1 Risk Control, Strengthening Defenses/ 2024 annual report
	2-12 Role of the highest governance body in overseeing the management of impacts	4.2 Sustainability management system
	2-13 Delegation of responsibility for managing impacts	4.2 Sustainability management system
	2-14 Role of the highest governance body in sustainability reporting	4.2 Sustainability management system
	2-15 Conflicts of interest	8.2 Compliance Focused, Integrity Driven/2024 annual report
	2-16 Communication of critical concerns	7.1 Empowering Talent, Sharing Well-being
	2-17 Collective knowledge of the highest governance body	4.2 Sustainability management system

APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
	2-22 Statement on sustainable development strategy	4.2 Sustainability management system
	2-26 Mechanisms for seeking advice and raising concerns	6.1 Customer-Centric, Excellent Service
		7.1 Empowering Talent, Sharing Well-being
	2-27 Compliance with laws and regulations	7.1 Empowering Talent, Sharing Well-being
		6.2 Forward Innovation, Green Revitalization
		8.2 Compliance Focused, Integrity Driven
	2-28 Membership associations	4.3 Communication with Stakeholders
	2-29 Approach to stakeholder engagement	4.3 Communication with Stakeholders
GRI 3: Material Topics 2021	3-1 Process to determine material topics	4.4 Materiality Assessment
	3-2 List of material topics	4.4 Materiality Assessment
	3-3 Management of material topics	4.4 Materiality Assessment
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	2024 annual report
	201-2 Financial implications and other risks and opportunities due to climate change	7.3 Climate Pioneers, Sky Guardians
GRI 205: Anti-corruption 2016	205-2 Communication and training about anticorruption policies and procedures	8.2 Compliance Focused, Integrity Driven
	205-3 Confirmed incidents of corruption and actions taken	8.2 Compliance Focused, Integrity Driven

APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 302: Energy 2016	302-1 Energy consumption within the organization	7.2 Green Future, Sustainable Development
	302-3 Energy intensity	7.2 Green Future, Sustainable Development
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	7.2 Green Future, Sustainable Development
	303-2 Management of water discharge-related impacts	7.2 Green Future, Sustainable Development
	303-3 Water withdrawal	7.2 Green Future, Sustainable Development In this Report, water withdrawal refers to 'water consumption', representing the amount of water we received from municipal services and directly used in our operations. The water resources for each project mainly sourced from the municipal water supply system of the city where it is located. Specific sources of water resources, such as surface water or groundwater, are not applicable.
	303-4 Water discharge	7.2 Green Future, Sustainable Development Wastewater generated from each project was transported to the municipal wastewater system of the city where it is located for discharge.
	303-5 Water consumption	7.2 Green Future, Sustainable Development

APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	7.2 Green Future, Sustainable Development
	305-2 Energy indirect (Scope 2) GHG emissions	7.2 Green Future, Sustainable Development
	305-4 GHG emissions intensity	7.2 Green Future, Sustainable Development
	305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	7.2 Green Future, Sustainable Development
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	7.2 Green Future, Sustainable Development
	306-2 Management of significant waste-related impacts	7.2 Green Future, Sustainable Development
	306-3 Waste generated	7.2 Green Future, Sustainable Development
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	5.3 Quality First, Collaborative Synergy
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	7.1 Empowering Talent, Sharing Well-being
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	7.1 Empowering Talent, Sharing Well-being

APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.2 Employee Protection, Well-being Commitment
	403-2 Hazard identification, risk assessment, and incident investigation	5.2 Employee Protection, Well-being Commitment
	403-3 Occupational health services	5.2 Employee Protection, Well-being Commitment
	403-5 Worker training on occupational health and safety	5.2 Employee Protection, Well-being Commitment
	403-6 Promotion of worker health	5.2 Employee Protection, Well-being Commitment
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.2 Employee Protection, Well-being Commitment
	403-9 Work-related injuries	5.2 Employee Protection, Well-being Commitment
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	7.1 Empowering Talent, Sharing Well-being
	404-2 Programs for upgrading employee skills and transition assistance programs	7.1 Empowering Talent, Sharing Well-being
	404-3 Percentage of employees receiving regular performance and career development reviews	7.1 Empowering Talent, Sharing Well-being

APPENDIX IV: GRI CONTENT INDEX

GRI Standard	Disclosure	Location in the Report
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.2 Sustainability management system 8.1 Risk Control, Strengthening Defenses
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	7.1 Empowering Talent, Sharing Well-being
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5.3 Quality first, Collaborative Synergy
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	5.1 Safe Production, Steady Operations
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	6.1 Customer-Centric, Excellent Service
	417-2 Incidents of non-compliance concerning product and service information and labeling	6.1 Customer-Centric, Excellent Service
	417-3 Incidents of non-compliance concerning marketing communications	6.1 Customer-Centric, Excellent Service
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.1 Customer-Centric, Excellent Service



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