上海大眾公用事業（集團）股份有限公司
SHANGHAI DAZHONG PUBLIC UTILITIES(GROUP)CO.LTD.
600635.SH/1635.HK

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

Address: 10th Floor,Building1,Zhongteng Building,No.2121 Longteng Avenue,Xuhui District,Shanghai

**Tel:** 021-64281688

**Fax:** 021-64288727

**Email:** dmbstock@dzug.cn

**Website:** www.dzug.cn

上海大眾公用事業（集團）股份有限公司
SHANGHAI DAZHONG PUBLIC UTILITIES(GROUP)CO.LTD.
600635.SH/1635.HK

# 2025

# Sustainability Development Report




SHANGHAI DAZHONG PUBLIC UTILITIES(GROUP)CO.LTD.

# CONTENTS

## About This Report


Report Profile 04
Reporting Period 04
Reporting Scope 04
Data Sources 04
Basis of Preparation 04
Statement of Information 04
Abbreviations 04
Preparation Principles 05
Report Release 05
Readers' Feedback 05



Message from the Chairman 06


## Company Profile


History 08
Business Segments 08
Honors and Awards 10


## Assessment of Material Issues


Due Diligence and Stakeholder Communications 12
Double Materiality Analysis 13



ESG Management 15


## 01 Environment


Environmental Management System 18
Climate Change Responses 19
Resource Utilization and Circular Economy 24
Pollution Prevention and Ecosystem Protection 28
Green Business and Green Public Welfare 30


## 02 Society

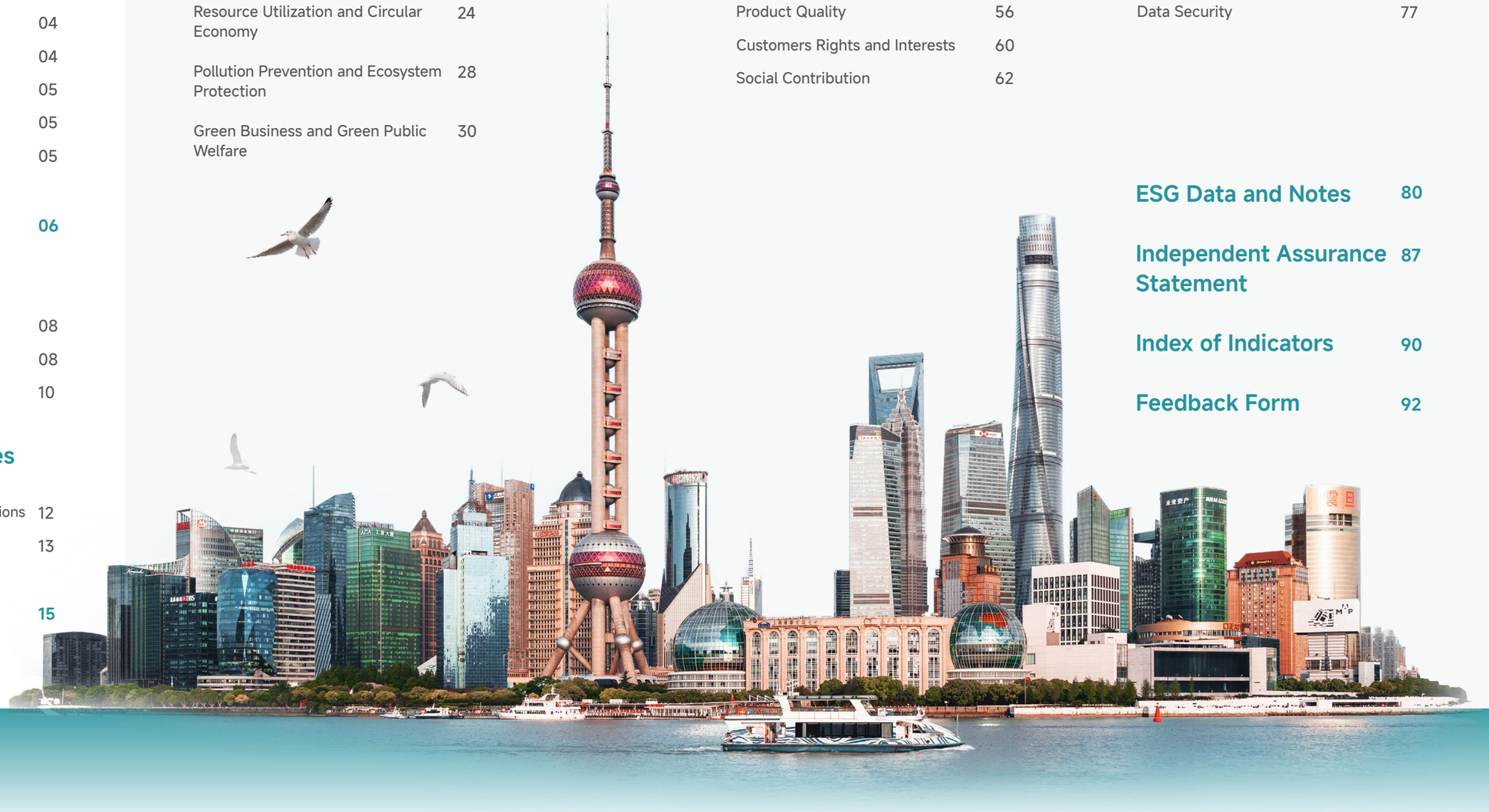

Employee Care 36
Workplace Safety 45
Supplier Responsibility 53
Product Quality 56
Customers Rights and Interests 60
Social Contribution 62


## 03 Governance


Better Corporate Governance 66
Enhanced Risk Management 72
Business Ethics 75
Data Security 77



ESG Data and Notes 80
Independent Assurance Statement 87
Index of Indicators 90
Feedback Form 92

# About This Report

## Report Profile

This Report is the second sustainability report and the 9th Environmental, Social and Governance (ESG) Report (this "Report") released by Shanghai Dazhong Public Utilities (Group) Co., Ltd., to disclose and exhibit the Company's performance in environmental, social and governance fields to its stakeholders. This Report has been reviewed by the Company's Board of Directors, which will be responsible for the authenticity and validity of the information contained herein.

## Reporting Scope

This Report encompasses primarily Shanghai Dazhong Public Utilities (Group) Co., Ltd. and covers the Company's headquarters and subsidiaries, with the scope of data disclosure being the same as in the consolidated financial statements of the Company for the corresponding period. If some associates of the Company are involved, they will be so specified in the Report.

## Reporting Period

The reporting period is from January 1, 2025 to December 31, 2025. All data contained in this Report is data within this period, unless otherwise specifically indicated.

## Data Sources

Data sources for all information contained herein include data published by government departments, official documents of the Company and publicly disclosed documents. Financial data referenced herein is subject to annual reports, while other data comes from the Company's internal statistics.

## Basis of Preparation

This Report has been prepared according to the *Guidelines No. 1 for Application of Self-Regulation Rules for Companies Listed on the Shanghai Stock Exchange- Standardized Operation, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE — Compilation of Sustainable Development Reports (Revised in January 2026),* and Hong Kong Stock Exchange's *Environmental, Social, and Governance Reporting Code* and by reference to internationally and domestically prevalent ESG, sustainability and social responsibility-related frameworks including standards of the Global Reporting Initiative (GRI) *Sustainability Reporting Standards* and International Standardization Organization ISO 26000: 2010 *Guidance on Social Responsibility.*

## Statement of Information

The monetary amounts involved in this Report are all denominated in RMB, unless otherwise specifically indicated.

## Abbreviations

To facilitate the exposition and reading, the abbreviations used in this report shall refer to the following companies respectively.

| Company Name | Abbreviation |
|---|---|
| Shanghai Dazhong Public Utilities (Group) Co., Ltd. | Dazhong Public Utilities, the Group, the Company and We |
| Shanghai Dazhong Jiading Sewage Treatment Co., Ltd. | Dazhong Jiading Sewage |
| Jiangsu Dazhong Water Group Co., Ltd. | Jiangsu Dazhong |
| Dazhong Transportation (Group) Co., Ltd[1] | Dazhong Transportation |
| Shanghai Dazhong Travel Information Technology Co., Ltd.[2] | Dazhong Travel |
| Shanghai Dazhong Run Logistics Shares Co., Ltd. | Dazhong Logistics |
| Shanghai Dazhong Gas Co., Ltd. | Shanghai Dazhong Gas |
| Nantong Dazhong Gas Co., Ltd. | Nantong Dazhong Gas |
| Shanghai Dazhong Financial Leasing Co., Ltd. | Dazhong Financial Leasing |
| Shanghai Dazhong Transportation Commerce Co., Ltd. | Dazhong Commerce |
| Shenzhen Capital Group Co., Ltd.[3] | Shenzhen Capital Group |
| Shanghai Seari Intelligent System Co., Ltd.[4] | SEISYS |

1 Dazhong Transportation (Group) Co., Ltd. is an important associate of Dazhong Public Utilities.
2 Shanghai Dazhong Travel Information Technology Co., Ltd. is a wholly-owned subsidiary of Dazhong Transportation (Group) Co., Ltd.
3 Shenzhen Capital Group Co., Ltd. is an important associate of Dazhong Public Utilities.
4 Shanghai Seari Intelligent System Co., Ltd. is an important associate of Dazhong Public Utilities.

## Preparation Principles

Materiality: The material issues are analyzed to determine the disclosure content of this report and the level of detail of each issue.

Quantification: The Report discloses quantitative data in both environmental and social dimensions to show performance in indicators.

Balance: All contents of the Company's report come from the Company's internal management documents, statistics and publicly disclosed information, as well as public media reports, without any improper modifications.

Consistency: Unless otherwise specifically indicated, the data disclosed in this Report are collected based on the Company's unified information collection process and working mechanism to ensure that the data are comparable year after year.

## Report Release

This Report is released in the form of electronic version and can be obtained from official websites of the Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited and the official website of the Company (https://www.dzug.cn/).

## Readers' Feedback

In order to continuously raise the level of the Company's ESG management, enhance the quality of ESG information disclosure and drive the Company to effectively implement the ESG development concepts, we would like to solicit opinions from readers for this report (as detailed in Appendix II "Feedback Form"). Readers are welcome to contact the Company with the following methods to provide suggestions on this Report.

Address: 10F, Block 1, Zhongteng Building, #2121 Longteng Avenue, Xuhui District, Shanghai

Tel: 021-64281688

Fax: 021-64288727

Email: dmbstock@dzug.cn

# Message from the Chairman



2025 marks a critical juncture—the concluding year of the 14th Five-Year Plan and the dawn of the 15th Five-Year Plan. As dedicated practitioners of urban public utilities, we remain guided by Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implementing the new development philosophy. Anchored in our positioning as a service provider for better urban living and with ESG management as our core leverage, we continued refining our public service systems. Through meticulous work in water supply, gas supply, and municipal operations, we were committed to delivering reliable utility support to millions of households and the city's daily functioning.

Setting our course, and strengthening governance, we have solidified the new foundation for Dazhong Public Utilities through standardized systems.

The Group has integrated modern governance into every aspect of operations, deepening a governance structure characterized by clear authority and effective checks and balances. We have enhanced decision-making mechanisms of Board of Directors, refined information disclosure and investor engagement, responded to market concerns through multiple channels, and diligently safeguarded shareholder rights—activating our internal momentum through governance effectiveness. Simultaneously, with compliant operations as our baseline, we upgraded internal controls and risk prevention systems, translating governance effectiveness into operational performance. Standardized and transparent governance has become the solid bedrock for sustainable and long-term development.

Deepening our main business, and enhancing quality and efficiency, we have fortified the foundation of Dazhong Public Utilities through pragmatic responsibility.

Grounded in our core positioning in urban public utilities, we have prioritized safe and reliable supply as our foremost responsibility. Throughout the year, we treated over 1,512.69 million tons of urban sewage and supplied 1,434.63 million cubic meters of gas. Leveraging convenience as our entry point, we upgraded our public services platform to achieve immediate response and one-click resolution for service requests including installations and repairs—making public utilities more efficient and heartwarming.

Forging ahead through innovation and green transformation, we pioneered new pathways for Dazhong Public Utilities through forward-looking planning.

Targeting critical areas such as sewage treatment and green transportation, we have actively explored new models for green and low-carbon development. We have deeply integrated sustainable development concepts throughout business operations and economic growth, earnestly practicing sustainability principles. We served both as protectors of urban operations and pioneers in ecological low-carbon development.

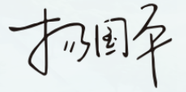
United in progress and shared success, we conveyed Dazhong's warmth and sense of responsibility through responsible engagement, fostering a strong sense of social responsibility and commitment to the broader community and country.

We have cared for our employees and given back to society, fostering a safe and inclusive work environment. We improved employee compensation, benefits, and training platforms, maintained open channels for democratic communication, and safeguarded female employees' rights and interests. As a result, our employees' sense of fulfillment and happiness has been steadily increasing. Together with partners, we built a common prosperous ecosystem. Through initiatives like "Learn from Lei Feng" campaign, we contributed to livelihood improvements, extending the warmth of public services to every corner of the city.

Amidst a thousand competing boats, the strivers lead the way; through unwavering commitment, the doers thrive.

Looking ahead to 2026, Dazhong Public Utilities will remain true to our original aspiration and mission. We will continue refining our ESG management framework and steadily elevating our responsible brand, growing together with stakeholders. Through unity we gather strength; through struggles we write new chapters. We are unwavering in our commitment to building a benchmark enterprise for urban public utilities that is high-quality, responsible, and sustainable.

**Chairman of Shanghai Dazhong Public Utilities (Group) Co., Ltd.**



# Company Profile

## History

Shanghai Dazhong Public Utilities (Group) Co., Ltd, established on December 24, 1991 and formerly known as Shanghai Pudong Dazhong Taxi Co., Ltd., is the first joint-stock company in China's taxi industry, and also the first listed company after the establishment of Pudong New Area. The Company officially went public on the Shanghai Stock Exchange on March 4, 1993 (stock code: 600635). The Company's foreign shares (H shares) were listed and commenced trading on the Main Board of the Stock Exchange of Hong Kong Ltd on December 5, 2016 (stock code: 1635.HK).

Over the three decades of business development, the Group evolved simultaneously with the development and opening-up of Shanghai Pudong New Area, from the first listed transportation company to an investment holding company focusing on public utilities and financial investment businesses.

**As of December 31, 2025**

| The Group's total assets | Net assets | Total market capitalisation RMB |
|---|---|---|
| 23.262 billion | 8.888 billion | 17.414 billion |

## Business Segments

The Group is principally engaged in public utilities and financial investment businesses. Public utilities consist of three business segments, i.e., city gas, environmental municipality and urban transportation; the financial investment comprises non-banking financial services and venture capital business.

### The core business (public utilities) has maintained stable and healthy development

**City gas**

Shanghai Dazhong Gas has taken significant steps to bolster its safety measures, rigorously implementing a safety responsibility system while enhancing construction site safety and safety management. The company is committed to advancing safety standardization and upgrading aging pipelines. By deepening and optimizing its services, Shanghai Dazhong Gas has introduced innovative solutions fueling business growth. With a focus on refined management to improve quality and efficiency, the company embraces digital transformation to accelerate its development. As a result, it continuously raises its management standards and enhances overall operational quality.

Nantong Dazhong Gas prioritizes safety throughout the entire process of its production, operations, and management. The company consistently strengthens its safety governance, diversifies its strategic initiatives for sustainable growth of the core business, and optimizes service efforts to enhance its brand reputation. Additionally, it reinforces internal controls to boost management efficiency and accelerates its transition to digital and intelligent governance, aligning with new quality productive forces to promote high-quality growth within the enterprise.

### The core business (public utilities) has maintained stable and healthy development

**Environmental municipality**

Dazhong Jiading sustains to make preparations for its production operations to meet the increasing demands of sewage treatment. During the reporting period, the company optimized its production organization and enhanced equipment maintenance, ensuring smooth operations while improving the accuracy of online monitoring systems. By adjusting process parameters in response to fluctuations in water quality, Dazhong Jiading ensured the continuous operation of its treatment system, maintaining stable and compliant effluent quality. The company also completed capacity expansion projects on schedule, successfully transitioning into the commissioning and trial operation phases as planned. Furthermore, it implemented energy-saving measures tailored to local conditions, utilizing approximately 60,000 square meters of plant space to establish the largest distributed photovoltaic project among suburban sewage treatment facilities in Shanghai. With an installed capacity of 9 MWp, this initiative has successfully achieved grid-connected power generation.

Jiangsu Dazhong focused on enhancing internal control management to ensure stable operational growth. During the reporting period, the company deepened its commitment to refined management practices, optimizing performance evaluation mechanisms and improving its internal control management system. Through regular self-inspections, Jiangsu Dazhong assured the smooth functioning of its operations, while practical measures were implemented to foster team development and talent growth, leading to increased operational efficiency and heightened employee motivation. The company also enhanced its dynamic asset management system, which now provides full coverage of equipment management, usage, maintenance, and repair across all facilities.

Xiangyin Road Tunnel preserved a rigorous approach to standardized management in its daily operations and maintenance, ensuring the safe and efficient functioning of the tunnel. The company diligently adhered to the requirements of the special schemes aimed at identifying and rectifying major accident hazards. It conducted multiple emergency drills, safety education and training sessions to reinforce its commitment to safety.

**Urban transportation**

Dazhong Transportation remains confident in fully leveraging institutional reforms, digital transformation, and industrial resource integration. The company actively explores pragmatic and flexible development models, adapting proactively to the dynamic market environment while effectively managing risks to maintain steady development. Dazhong Transportation is committed to finding the most effective operational management models for Shanghai's battery-swapping electric taxis. It plays a key role in advancing the electric vehicle industry and is making significant contributions toward achieving the dual carbon goals.

The 2024-2025 Energy Conservation and Carbon Reduction Action Plan emphasizes the continuous promotion of energy usage transformation and upgrading, as well as enhancing the service support capabilities for electric vehicle charging. Dazhong Logistics has advanced the construction of public charging stations, further improving the company's new energy industry chain. By integrating stations into their surrounding environments, the company aims to build a safer, more efficient, convenient, and intelligent charging infrastructure system, offering robust support for the growing charging needs of new energy vehicles. The company has already completed the construction of the four supercharging stations and will continue to focus on fast-charging stations as its primary growth area, exploring new locations for charging stations and innovative business models for charging facilities.

### Deepening the transformation of non-banking financial services

Dazhong Financial Leasing is steadfastly advancing its operations in two primary sectors: consumer finance and platform finance. The supply chain finance segment has demonstrated remarkable growth, while the consumer finance division has achieved significant advancements, particularly in the realm of vehicle installment programs. Furthermore, Dazhong Factoring's business is progressing steadily, indicating a robust trajectory. During the reporting period, Dazhong Asset Management successfully initiated entity-based operations, delivering financial services geared toward the preservation and appreciation of various assets held by the Group. This strategic initiative enhances the efficient management of assets and optimizes resource allocation, thereby reinforcing the Group's overall financial health and sustainability.

### Strengthening post-investment management

The Company has significantly enhanced its post-investment management of existing venture capital projects, thereby expediting project exits and facilitating fund withdrawals through diverse channels. Throughout the reporting period, the operational performance of both projects directly invested in by the Company and those funded via special funds remained stable. The Company consistently undertakes comprehensive analyses and reviews of its investment projects, implementing strategic exit plans to effectively mitigate risks and optimize returns.

# Honors and Awards






"GuruClub's Jinge Award "– "Annual Outstanding Leader" Award

Board of Directors "Golden Round Table Award" – "Chairman with the Most Strategic Vision" Award








"GuruClub's Jinge Award" – "Annual A+H Outstanding Enterprise Award"

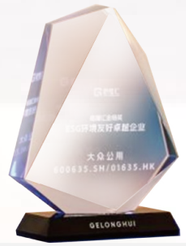
Special Contribution to Governance Award at the 20th "Gold Prize of Round Table" organized by Directors & Boards Magazine

ESG rating upgraded from A+ to AA-










2025 Excellent Practice of Listed Companies' Board Office

2025 Excellent Practice Cases of Sustainable Development of Listed Companies

"GuruClub's Jinge Award " – "ESG Environment-Friendly Outstanding Enterprise" Award










Ranked 36th on the 2025 Shanghai Top 100 Private Service Enterprises List

Ranked 66th on the 2025 Shanghai Top 100 Private Enterprises List

Ranked 70th on the 2025 Shanghai Top 100 Service Enterprises












The Highest Green Company Rating of Ge-1 Level

Investor Relations Golden Bull Award

The 6th Panorama Investor Relations Golden Award - Outstanding Market Value Management Award

"2024 Annual Earnings Conference of Listed Companies" Excellent Practice










"Easy-Board ESG Value Online" - 2025 Annual AI Frontier Innovation Award

2025 Easy-Board Annual Compliance Value Communication Award

Evergreen Award - 2025 Annual ESG Innovative Practice Award

# Assessment of Material Issues

## Due Diligence and Stakeholder Communications

Dazhong Public Utilities prioritizes the expectations and needs of all stakeholders. By considering industry characteristics and operational features, we have established diverse communication mechanisms with government and regulatory authorities, shareholders and investors, employees, customers, suppliers, communities, and the media. Through regular exchanges and dialogue, we effectively gather feedback and suggestions from all parties, enabling us to continuously optimize corporate management and operations. This collaborative approach fosters the sustainable and healthy development of the Group.

| Stakeholders | Concerns and expectations | Responses |
|---|---|---|
| Government and regulatory authorities | • Compliant operations and risk management<br>• Climate change responses<br>• Greenhouse gas emissions reduction | • Ensuring compliance and legal adherence while enhancing corporate governance and compliance management systems<br>• Developing a robust, standardized, and effective internal control system<br>• Actively supporting the dual carbon goals and driving green business transformation |
| Employees | • Protection of rights and interests of employees<br>• Employee training and career development paths<br>• Protection of female employees' rights and interests<br>• Safe and healthy working environment | • Enhancing employee compensation and benefits systems, organizing diverse activities, and strengthening employee well-being initiatives<br>• Offering training and development opportunities to motivate employees to achieve their goals<br>• Caring for female employees and organizing relevant activities<br>• Conducting regular safety inspections and managing hazard identification |
| Investors | • Effective corporate governance mechanisms<br>• Regulated information disclosure<br>• Smooth communication channels<br>• Good risk management<br>• Stronger investment and financing management | • Holding shareholder meetings to address matters of interest to investors<br>• Regularly publishing reports and announcements<br>• Maintaining investor interactions<br>• Facilitating investor communication and engagement activities |
| Customers and consumers | • Protection of customer rights<br>• Convenient and efficient service experience<br>• Customer privacy protection | • Conducting customer satisfaction surveys, providing timely feedback, and addressing complaints<br>• Performing regular equipment maintenance, and enhancing the customer service experience<br>• Strengthening customer privacy protection systems |
| Suppliers and partners | • Supply chain/supplier management;<br>• Stable partnerships | • Standardizing procurement processes and establishing regulated bidding and supplier management systems<br>• Communicating with partners and fostering collaborative and faithful relationships |
| Media and community | • Harmonious community development<br>• Contribution to public welfare | • Participating in various community welfare activities and offering practical support to those in need<br>• Organizing volunteer initiatives and awareness campaigns to promote healthy social development<br>• Creating multi-channel information dissemination platforms |

# Double Materiality Analysis

Dazhong Public Utilities prioritizes the expectations and needs of all stakeholders and adheres meticulously to the double-materiality requirements stipulated in the Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial). In 2025, the Company executed a comprehensive assessment of double materiality issues across all levels. Building on the insights derived from the 2024 matrix of material issues and factoring in industry development trends along with capital market priorities, we conducted extensive stakeholder engagement. This involved interviews with departments directly related to ESG topics and surveys targeting a broad array of stakeholders. The process gathered evaluations from internal and external stakeholders—including directors, senior executives, employees, and suppliers—regarding the material impacts and financial implications of various ESG topics, leading to the formulation of the 2025 ESG Materiality Matrix of Dazhong Public Utilities.

## Determination of Material Issues

### Identify

By referencing core indicators from domestic and international ESG reporting guidelines, such as the Global Reporting Initiative (GRI) Sustainability Reporting Standards, Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial), the Hong Kong Stock Exchange's Environmental, Social, and Governance Reporting Guide—and integrating national policy directives, industry development trends, and corporate strategic planning, we identified 28 key ESG issues.

### Assess

Building on the results of the 2024 material issue matrix and incorporating industry development trends, peer benchmarking analysis, and capital market priorities, we systematically conducted research through questionnaire surveys. This process culminated in a robust assessment of the financial materiality and impact materiality of ESG issues.

### Determine

Based on the assessment results of financial materiality and impact materiality, we developed the double materiality matrix.

### Confirm

The materiality topic matrix was presented to the Strategic Development and ESG Committee for review and approval, leading to the finalization of the 2025 ESG Materiality Matrix.

## ESG Materiality Matrix

The Group prioritized materiality topics across two dimensions—impact materiality and financial materiality—resulting in the creation of a materiality issue matrix diagram.

ESG Materiality Matrix of Dazhong Public Utilities






# ESG Management

Dazhong Public Utilities has established a robust three-tier ESG framework that encompasses a decision-making level providing overarching guidance, a management level coordinating implementation, and an execution level ensuring the delivery of initiatives. This framework seamlessly integrates the principles of sustainable development into the Company's long-term strategic planning. Supported by this clearly defined, efficient, and effective governance system, the Group consistently advances its ESG management objectives. It actively promotes the synergistic integration of environmentally friendly operations and the fulfillment of social responsibilities, thereby establishing a solid foundation for achieving high-quality, sustainable development outcomes.

### Decision-making level

The Board of Directors serves as the paramount decision-making entity regarding the Group's ESG management. It is tasked with the critical responsibility of reviewing and approving the Group's medium- to long-term ESG development strategies and annual objectives. Additionally, the Board establishes institutional frameworks and management systems that encompass the three core dimensions of ESG: environmental stewardship, social responsibility, and governance integrity. It ensures the thorough integration of ESG strategies with the Group's overall development plans.

Moreover, the Board engages in deliberations concerning the identification, assessment, and mitigation of significant ESG risks, overseeing the implementation of control measures in high-risk areas such as carbon emissions, supply chain responsibility, and compliance governance.

It also safeguards against risks related to sustainable development. Furthermore, the Board reviews and approves ESG reports and other non-financial disclosures, ensuring that all information released is authentic, accurate, complete, and compliant with regulatory requirements, thereby enhancing the transparency of the Group's ESG practices.

### Management level

The management is tasked with conducting specialized research and providing professional recommendations regarding the long-term strategic development planning of the Group. Simultaneously, it oversees the entire process, dynamically monitoring the implementation progress of established strategic development plans.

In alignment with the Group's sustainable development strategy and the construction of its ESG management system, the management conducts in-depth research and delivers actionable solutions. Additionally, it regularly tracks, supervises, and reviews the progress and attainment of goals related to ESG initiatives.

### Execution level

The execution team is tasked with the regular collection and analysis of ESG-related data from various departments, systematically assessing progress toward established objectives. It compiles periodic reports for the Board of Directors, facilitating informed review. In response to any deviations in implementation, the team proposes strategic optimization and adjustment plans.

Furthermore, it fosters collaboration on ESG initiatives across departments such as production operations, procurement, human resources, and finance, effectively driving the implementation of ESG measures. By adeptly allocating internal resources, the team addresses bottlenecks in the execution process, ensuring the efficient advancement of ESG efforts.

To effectively mitigate ESG-related risks for the Group and its subsidiaries, the Board of Directors rigorously oversees the formulation of risk management policies and systematically integrates ESG risks into its risk identification, assessment, and management processes. Dazhong Public Utilities and its subsidiaries have established specific ESG targets in areas such as adoption of new energy vehicles, resource conservation, and safety management, with regular reviews of progress toward these goals.

The Group is firmly committed to enhancing the ESG professional competencies of personnel involved in sustainable development management. It consistently advances the dissemination and promotion of ESG principles, coordinates specialized internal and external training programs, and establishes a robust ESG training and promotion mechanism. By thoroughly integrating ESG requirements into the responsibilities and workflows of all relevant positions, the Group effectively embeds carbon reduction awareness and ESG concepts into every facet of business management. This strategic approach significantly enhances the Company's sense of social responsibility while bolstering its core market competitiveness. In 2025, the Company successfully organized annual specialized training sessions that concentrated on critical areas such as ESG policies and regulations, information disclosure, and other essential topics. These sessions engaged key personnel across the Group and its subsidiaries, further solidifying employees' theoretical foundations and practical capabilities in ESG.

# 01 Environment

Dazhong Public Utilities is committed to aligning with the nation's dual carbon goals, driving a comprehensive green transformation of the Group's development model. The Company embraces the new development philosophy featuring innovation, coordination, green development, openness, and sharing, serves the new development paradigm, and focuses on its core business by deeply integrating green and sustainable development into operations. Concentrating on core topics such as climate change, energy utilization, and green business, we continuously optimize environmental management systems, systematically manage climate-related challenges and opportunities, comprehensively practice energy conservation, emission reduction, and resource recycling, and earnestly implement the concept of green development.

**2025 Performance Highlights of Dazhong Public Utilities**

| Metric | Unit | 2025 Value |
|---|---|---|
| Total greenhouse gas emission | $tCO_2e$ | 28,123.82 |
| Comprehensive energy consumption | tce | 14,286.88 |
| Wastewater treatment capacity | 10,000 tons/day | 46.5 |


- Environmental Management System 18
- Climate Change Responses 19
- Resource Utilization and Circular Economy 24
- Pollution Prevention and Ecosystem Protection 28
- Green Business and Green Public Welfare 30


Contribution to UN SDGs:



# Environmental Management System

Dazhong Public Utilities adopts a strategic approach to environmental risk management, actively refining and enhancing its environmental management system. The Company is committed to establishing a comprehensive framework for effective environmental oversight, ensuring that responsibilities are clearly defined across all divisions. By implementing a variety of targeted initiatives to address environmental tasks, Dazhong Public Utilities continually enhances the effectiveness of its environmental risk management efforts. This steadfast commitment effectively mitigates environmental risk exposure and lays a solid foundation for the Company's long-term sustainability.

## Organizational management

The Group strictly complies with external laws and regulations, including the Environmental Protection Law of the People's Republic of China, focusing on the construction of internal environmental governance systems. Based on its business characteristics and attributes, the Group has established an environmental management organizational structure and is fully committed to promoting the harmonious integration of economic benefits with social and environmental benefits.

In 2025, Jiangsu Dazhong and Nantong Dazhong Gas proactively aligned with Group directives by establishing comprehensive environmental governance committees and dedicated working groups. Additionally, they implemented company-level emergency response systems for environmental incidents. These initiatives effectively upheld their responsibilities, demonstrating a robust commitment to environmental protection.

**In 2025**

The Group reported no significant incidents of litigation or penalties related to environmental violations, nor did it experience any breaches of environmental laws or regulations.

## Environmental emergency response management

The Group rigorously adheres to the Emergency Response Law of the People's Republic of China, the Environmental Protection Law of the People's Republic of China, and the Measures for the Administration of Emergency Response to Sudden Environmental Incidents. This commitment reinforces safety and environmental management throughout production and operations. In alignment with Group directives and tailored to their specific business contexts, Jiangsu Dazhong and Nantong Dazhong Gas have developed comprehensive environmental management emergency plans. These initiatives are designed to preempt sudden environmental incidents, thereby safeguarding the lives and properties of the Group, neighboring enterprises, and the broader public.

Environmental Emergency Response Plans of Jiangsu Dazhong and Nantong Dazhong Gas

| Company | Plan | Description and implications |
|---|---|---|
| Jiangsu Dazhong | Plan for Sudden Environmental Incidents | The plan delineates procedures for monitoring and early warning, information reporting, emergency response, and post-incident recovery related to sudden environmental incidents. This framework significantly bolsters emergency management capabilities for environmental emergencies, aiming to protect employee health and safety, prevent environmental pollution, and minimize property losses effectively. |
| Nantong Dazhong Gas | Comprehensive Plan for Sudden Environmental Incidents | The plan delineates the hierarchical command structure, emergency coordination mechanisms, and response procedures for environmental incidents, thereby standardizing the response to sudden environmental emergencies. Its primary objective is to minimize ecological damage from such incidents and to prevent and mitigate the occurrence of secondary disasters effectively. |



**In April 2025**

Nantong Dazhong Gas undertook comprehensive tabletop exercises focused on emergency response plans for sudden environmental incidents at its LNG vaporization station, high-pressure pipeline inspections, high-pressure operations and maintenance, and the Liuqiaomen station, thereby significantly enhancing its environmental risk management capabilities.

## Environmental management system certification

The Group is dedicated to enhancing the effective operation of environmental management systems within its affiliates. It conducts regular reviews to assess compliance, professionalism, and effectiveness, ensuring that these systems achieve standardization, refinement, and precise implementation. This ongoing effort contributes to the continuous improvement of environmental management standards.



**HONOR**

In 2025, Jiangsu Dazhong attained the ISO 14001:2015 Environmental Management System certification, further solidifying its commitment to environmental excellence.




Jiangsu Dazhong's Certificate of Environmental Management System

# Climate Change Responses

Dazhong Public Utilities consistently enhances its governance framework, strategic initiatives, and impact assessment processes, alongside its management of risks and opportunities related to climate change. This commitment aligns with the Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE — Compilation of Sustainable Development Reports issued by the Shanghai Stock Exchange (specifically Issue No. 2: Addressing Climate Change). The Company proactively mitigates climate change risks, capitalizes on associated opportunities, and fortifies its adaptive capacity to address climate-related challenges.

## Climate-related governance

The Group's Strategic Development and ESG Committee is tasked with effectively tracking, supervising, managing, and reviewing strategic development plans that encompass ESG factors, including the impacts, risks, and opportunities associated with climate change. The Committee actively enhances research on the implications of climate change for the Group's business operations, thereby strengthening the Group's resilience in addressing these challenges. Operating under the Committee's directions, the Board Secretary's Office manages daily operations, while ad hoc climate working groups are formed as necessary to address specialized tasks.

## Climate-related strategies

The Group systematically incorporates climate change considerations into its production and operational characteristics, conducting a thorough analysis of how climate change impacts its financial position, financial performance, and cash flows. Additionally, the Group evaluates the effects of its production and operations on the economy, environment, and society. It proactively develops targeted measures for risk response and opportunity management, thereby enhancing its capacity to address climate change.

Climate Transition Risks Identified by Dazhong Public Utilities

| Risk type | | Risk factor | Risk description | Time-frame and impact level |
|---|---|---|---|---|
| Transition risk | Policy and legal risk | Climate policies | Climate policies driving the transition to a low-carbon economy may result in reduced demand for natural gas.<br>Stricter environmental regulations could lead to higher operational costs, including those associated with natural gas transportation. | Time frame: Medium to long term<br>Impact level: Moderate |
| | | Dual carbon policy | The 1+N top-level policy framework for carbon peaking and carbon neutrality is undergoing continual refinement.<br>These policies are contributing to a rise in carbon market prices. | |
| | | Risk of non-compliance with pollutant emission standards | As environmental regulations and emission standards tighten, businesses will face higher compliance costs in their operations. | |
| | Technology risk | Costs of low-carbon technologies | To mitigate climate change and gradually transition to new energy businesses, such as purchasing new energy vehicles and promoting charging and battery replacement services, upfront investment costs will be increased.<br>Achieving carbon reduction goals will necessitate low-carbon upgrades and upgrading and retrofitting of production equipment, resulting in higher R&D and investment costs. | Time frame: Medium to long term<br>Impact level: Moderate |
| | Market risk | Market demand change | Customers increasingly prefer to collaborate with companies that operate with low-carbon practices, driving up demand for clean energy while reducing natural gas sales.<br>Rapid changes in market demand lead to fluctuations in gas supply prices. | Time frame: near to medium term<br>Impact level: Moderate |
| | Reputation risk | Stakeholder concerns | The Company's proactive measures to mitigate climate change risks have significantly attracted stakeholders' attention. The effectiveness of these climate actions has been integrated as a fundamental component in mainstream ESG rating systems. Organizations that neglect to implement robust climate change risk management strategies face an increased risk of reputational damage, consequently diminishing their operating revenue. | Time frame: near to medium term<br>Impact level: low |

Climate-related Physical Risks Identified by Dazhong Public Utilities

| Risk type | | Risk factor | Risk description | Impact level |
|---|---|---|---|---|
| Physical risk | Acute risk | Extreme weather events | Increased operating costs pose significant challenges for organizations. The rising frequency of extreme weather events can result in asset damage, reduced power generation, and equipment failures, necessitating higher operation and maintenance expenses while also introducing risks of operational interruptions. Furthermore, extreme heat, typhoons, and severe cold weather can escalate health and safety risks for employees, leading to increased subsidies and compensation investments for on-site workers, thus driving up overall staff costs. | Time frame: near term<br>Impact level: high |
| | Chronic risk | Global warming | Rising average temperatures and extreme heat can impair employees' productivity, requiring increased use of cooling, insulation, and ventilation systems, which in turn drives up operational costs. | Time frame: long term<br>Impact level: high |

Climate-related Opportunities Identified by Dazhong Public Utilities

| Opportunity type | Opportunity Description |
|---|---|
| Resource efficiency | Enhancing resource and energy efficiency across production, distribution, buildings, facilities, equipment, and transportation will significantly reduce operating costs. |
| Energy sourcing | Natural gas, recognized as the cleanest fossil fuel, is experiencing a notable increase in both supply and demand, which is poised to drive substantial business growth.<br>By effectively leveraging existing resources, companies can successfully develop integrated energy projects that will enhance revenue generation. |
| Products and services | Developing and delivering cleaner products and services will align with customers' evolving low-carbon development and lifestyle needs, thereby enhancing competitiveness of products and services. |
| Market | The Company is strategically expanding into new business areas to effectively adapt to evolving customers' demands, thereby furthering its business transformation. |
| Adaptability | Through the implementation of climate-related risk management, the Company will better adapt to climate change and significantly enhance the climate resilience of its financial statements. |

# Climate-related impacts, risks and opportunities

The Group systematically assesses the financial materiality and impact materiality of diverse climate change risks utilizing qualitative methods, including data analysis, management interviews, and internal discussions, alongside risk scoring methodologies. This comprehensive evaluation enables the prioritization of these risks and the formulation of effective response measures to mitigate the Group's exposure to climate risks within its business operations.

Climate Transition Risks Management by Dazhong Public Utilities

| Risk type | | Risk factor | Responses |
|---|---|---|---|
| Transition risk | Policy and legal risk | Climate policies | Expanding our diversified business portfolio, we are actively exploring new energy markets while promoting a low-carbon transition.<br>We are committed to strengthening our environmental protection efforts and enhancing energy utilization efficiency. |
| | | Dual-carbon policy | We are actively phasing out outdated, carbon-intensive equipment and implementing energy-efficient measures to reduce consumption. Additionally, we are enhancing our energy management practices to align with the "dual carbon" goals. |
| | | Compliance risk related to pollutant emissions | We are committed to continuously monitoring legal developments related to climate change and adjusting our operational plans accordingly. |
| | Technology risk | Costs of low-carbon technologies | We enhance research and investment in low-carbon technologies to create a comprehensive operational ecosystem and model.<br>We also actively track the latest advancements in low-carbon technologies while improving the development and integration of energy-efficient and emission-reduction equipment. |
| | Market risk | Market demand change | We are diversifying our services and actively transitioning to cleaner energy supply services, while also extending the industry chains.<br>We are enhancing market sensitivity, flexibly adjusting pricing strategies, strengthening risk resilience, and conducting short-term, medium-term, and long-term forecasts for the natural gas business, while planning business development in advance. |
| | Reputation risk | Stakeholder concerns | Any public sentiment detected by the Group and its affiliates is promptly analyzed, evaluated, and properly addressed. The Group also emphasizes active communication with stakeholders. |



Climate Physical Risks Management by Dazhong Public Utilities

| Risk type | | Risk factor | Responses |
|---|---|---|---|
| Physical risk | Acute risk | Extreme weather events, including heatwaves, severe cold, as well as natural disasters. | We have compiled the Work Accident Emergency Plan and the Natural Gas Supply Emergency Plan. Additionally, we have developed emergency plans for flood control, typhoon resistance, and extreme weather events such as heavy rain, snow, and ice. Emergency measures have also been put in place to address situations where the gas supply is disrupted due to sudden incidents, including lightning strikes, rainstorms, and typhoons. |
| | | Extreme precipitation and other disasters | We have developed the Special Emergency Plan for Natural Disasters alongside the Emergency Plan for Flood Control, Typhoon Resilience, and Rain, Snow, and Ice Disasters. These plans aim to effectively prevent and mitigate the impacts of natural disasters—such as earthquakes, severe storms, rainstorms, heavy snowfall, and typhoons—on our gas facilities. By doing so, we will ensure the continuity of our operations. |
| | Chronic risk | Global warming | The Company has developed the Safety Management Measures for High-Temperature Operations, implementing strategies such as heat insulation, ventilation, and providing cool drinks and heatstroke prevention medications to minimize the negative impact of high temperatures on employees' work. |

# Climate-related metrics and targets

The Group employs greenhouse gas (GHG) emissions management as a pivotal strategy for advancing climate-related metrics and target management. It systematically monitors and tracks GHG emissions from its operations and business processes, continuously optimizing management practices. The Group actively implements measures to promote GHG emissions reduction and encourages its subsidiaries to conduct comprehensive carbon inventories. Notably, both Dazhong Jiading and Jiangsu Dazhong have executed GHG emissions accounting initiatives, thereby establishing a robust foundation for future reduction efforts.

## In 2025

The Group's total GHG emissions
28,123.82 $tCO_2e$

Indirect GHG emissions
25,039.90 $tCO_2e$

Year-on-Year reduction of
242.29 $tCO_2e$

Greenhouse Gas Management Performance of Dazhong Public Utilities

| Metrics | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Total greenhouse gas emission | $tCO_2e$ | 29,289.34 | 27,804.89 | 28,123.82 |
| Direct greenhouse gas emissions (Scope 1) | $tCO_2e$ | 2,553.69 | 2,522.70 | 3,083.92 |
| Indirect greenhouse gas emissions (Scope 2) | $tCO_2e$ | 26,735.65 | 25,282.19 | 25,039.90 |

*Note: The greenhouse gas management performance data for 2025 encompasses the following entities: the Group, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong and Dazhong Jiading.

# Resource Utilization and Circular Economy

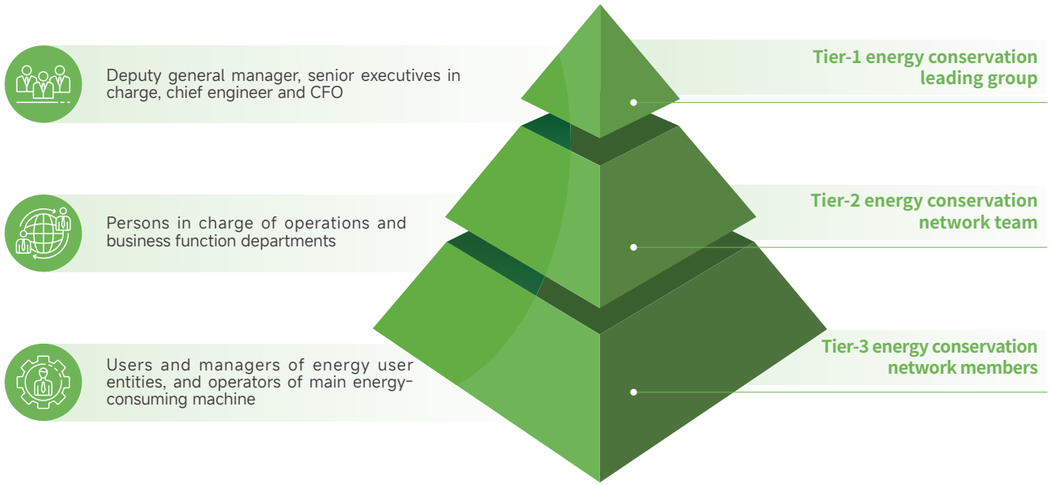
Dazhong Public Utilities prioritizes the rational, efficient, and circular utilization of resources. The Company is dedicated to enhancing energy management and optimizing the efficiency of resource use, including energy and water. To achieve this, Dazhong Public Utilities implements a range of initiatives that focus on energy management, water resource management, and the effective management of resources in offices operations. Committed to advancing energy conservation and emission reduction, it also seeks to integrate production and operational processes in a coordinated and sustainable manner.

## Energy

### Governance

The Group has implemented environmental awareness behavioral standards in its Employee Handbook to effectively regulate employees' energy and resource consumption. These standards mandate that employees turn off lights, computers, air conditioning, and other equipments upon leaving the office at the end of the day. Additionally, the Group provides guidance to its subsidiaries in formulating policies related to energy management, conservation, and emission reduction.

Dazhong Jiading has developed a comprehensive Energy Conservation and Emission Reduction Management Policy that establishes clear control and management standards for the use of lighting, air conditioning, computers, and other equipments, focusing on electricity and fuel management. Similarly, Nantong Dazhong has implemented a robust Energy Management Policy, which fosters a three-tier energy conservation network while enforcing an accountability framework for energy conservation efforts and conducting meticulous energy measurement management.




Three-tier Energy Conservation Network of Nantong Dazhong Gas

### Strategy

As a responsible publicly traded company, the Group is committed to advancing energy structure transformation and enhancing energy conservation initiatives. This strategic approach drives a transition within its operations and value chain toward clean energy, effectively minimizing carbon footprints at the source. Furthermore, the Group integrates lean management with technological innovation to significantly improve energy efficiency.



### Impacts, Risks and Opportunities

#### Risk Management

The Group consistently enhances risk management awareness and capacity for energy utilization and conservation at both the headquarters and subsidiary levels. The Employee Handbook delineates specific requirements for energy conservation and emission reduction within office operations. Furthermore, it mandates that subsidiaries advance their energy conservation initiatives effectively, tailored to their unique business characteristics.

Shanghai Dazhong Gas firmly adheres to principles of electricity and water conservation. Employees are consistently reminded to turn off lights and faucets promptly, effectively prohibiting the unnecessary use of running water and lights left on. Additionally, the company ensures a stable electricity supply for office buildings. Air conditioning usage is restricted when indoor temperatures do not exceed 25°C in summer or fall below 20°C in winter. When necessary, offices will implement regulatory measures based on electricity load, suspending the use of certain high-power appliances. Furthermore, windows must remain closed during air conditioning operation to optimize energy efficiency.

Dazhong Jiading has significantly enhanced gas combustion efficiency through the implementation of cutting-edge energy-saving technologies. The company actively promotes the adoption of energy-efficient water valves and lighting, as well as the use of advanced materials. It undertakes energy-saving retrofits and replaces high-energy-consuming equipment while strengthening vehicle fuel management and optimizing vehicle utilization efficiency. Utilizing historical electricity consumption data and forecasts for 2025 water treatment and sludge volumes, alongside an assessment of current equipment and facilities, Dazhong Jiading has successfully established robust electricity consumption management targets.

Nantong Dazhong Gas proactively addressed Group requirements by systematically analyzing energy consumption trends and implementing effective strategies to reduce energy use. The company has continuously enhanced its energy conservation training and awareness programs while actively adopting innovative energy-saving technologies. Additionally, it promotes the utilization of advanced energy-saving products and materials, rigorously executing retrofits and replacing high-energy-consuming equipment.

#### Opportunity management

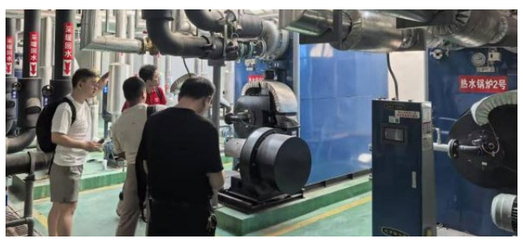
Based on its strategic and business segment framework, the Group conducted a thorough analysis of current energy utilization. It proactively explored business development opportunities within the energy sector and encouraged subsidiaries to implement integrated energy management practices.

**In 2025**

Nantong Dazhong Gas strategically aligned with the Group's overall objectives to capitalize on energy development opportunities. The company conducted comprehensive surveys targeting large gas consumers within the development zone to facilitate the transition from steam boilers to steam generators. Additionally, negotiations with enterprises in the development zone focused on implementing photovoltaic solutions through an energy performance contracting model. Further initiatives included researching waste heat recovery methods for substantial steam consumers in the urban area and engaging in renovations of low-nitrogen condensing boilers for hospitals. This approach underscores the company's proactive engagement in project bidding, successfully exploring new business opportunities within the integrated energy management sector.



On-site Investigation on Heating Decarbonization Project




Site Survey on the Low-Nitrogen Condensing Boiler Renovation Project in Hospital

## Energy-related metrics and targets.

The Group employs comprehensive energy consumption as a vital mechanism for managing energy utilization effectively.

### In 2025

The Group's total comprehensive energy consumption
14,286.88 tonnes of coal equivalent

Purchased electricity consumption
51,897,264.00 kWh

Year-on-Year decrease
10.16 %

Energy Management Performance of Dazhong Public Utilities

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Comprehensive energy consumption | tce | 14,596.37 | 13,148.29 | 14,286.88 |
| Natural gas | $m^3$ | 1,029,326.00 | 950,695.00 | 1,124,956.00 |
| Gasoline | Litre | 270,028.91 | 238,241.20 | 300,505.91 |
| Diesel | Litre | 9,130.20 | 7,912.20 | 10,206.00 |
| Purchased electricity | kWh | 59,421,554.00 | 57,763,723.00 | 51,897,264.00 |

*Note: In 2025, the statistical scope for the total comprehensive energy consumption, gasoline usage, and purchased electricity encompasses the Group, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong, and Dazhong Jiading. Furthermore, the statistical scope for natural gas includes Nantong Dazhong Gas and Dazhong Jiading, while the scope for diesel specifically pertains to Nantong Dazhong Gas.

## Water management

The Group rigorously adheres to national laws and regulations regarding water resource management. It consistently establishes and enhances water conservation management systems while fostering a robust awareness of the importance of water conservation. Through the implementation of effective measures and initiatives, the Group improves water use efficiency, promotes water-saving practices among employees, reduces bottled water consumption, and effectively mitigates incidences of running water waste. This comprehensive approach underscores the Group's commitment to sustainable water management practices.

Nantong Dazhong explicitly incorporates water conservation initiatives within its Energy Management System. The company assigns dedicated personnel to perform regular water meter readings, analyze consumption data, and conduct prompt investigations and repairs for any detected anomalies or leaks. Furthermore, it enforces strict control measures to address issues related to running, leaking, dripping, and seeping.

Water Management Performance of Dazhong Public Utilities

| Metric | Unit | 2023Value | 2024Value | 2025Value |
|---|---|---|---|---|
| Total water consumption | megalitre | 1,632.146 | 2,049.14 | 51,924.63 |

*Note: In 2025, the statistical scope for the Company's total water resource consumption includes the Group, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong, and Dazhong Jiading.



## Circular economy

Green buildings embody the principles of the circular economy and green office design. The Zhongteng Building, housing Dazhong Public Utilities, has achieved LEED Gold certification. The Group exemplifies its commitment to sustainable development by rigorously applying circular economy principles from site selection through operational practices.




The LEED Gold Certificate for Zhongteng Building

The Group adheres firmly to the waste treatment principles of reduction, recycling, and reuse, establishing clear protocols for the collection and treatment of various waste types. It actively promotes the recycling of general solid waste, standardizes the disposal of hazardous materials, and implements effective strategies to ensure resource recovery, environmental safety, and reduction across all waste categories. These initiatives significantly conserve resources and mitigate environmental pollution. Moreover, while addressing fundamental operational needs, the Group encourages employees to recycle water and mandates that subsidiaries actively implement water-saving technologies and models for reclaimed water reuse. This approach optimizes water resource efficiency and exemplifies the Group's commitment to sustainable practices.



Water Conservation Sign



Paper Conservation Sign



Cardboard Recycling - Point




Reclaimed Water Reuse Point at Dazhong Public Utilities

# Pollution Prevention and Ecosystem Protection

Dazhong Public Utilities strictly adheres to the requirements of relevant laws and regulations, including the Law of the People's Republic of China on the Prevention and Control of Air Pollution, the Law on the Prevention and Control of Water Pollution, and the Law on the Prevention and Control of Environmental Pollution by Solid Wastes. Focusing on key areas such as greenhouse gas emissions, exhaust emissions, wastewater discharge, waste emissions, and noise pollution, it continuously improves its internal management systems. Subsidiaries must actively implement measures to reduce pollutant emissions, maintain the stable operation of treatment facilities, and ensure the proper disposal and compliant discharge of all types of pollutants.

Pollution Prevention And Control Actions by Dazhong Public Utilities

| Metric | Measures |
|---|---|
| Waste gas management | Nantong Dazhong has taken significant steps to enhance dust control by issuing the Notice on Strengthening Dust Control at Construction Sites, which effectively standardizes dust mitigation practices during construction activities. This notice mandates that all dust-prone materials, including sand, gravel, soil, and mortar, must be fully covered with dust-proof fabric, ensuring an integrity rate of over 95%. Additionally, exposed ground must be regularly watered or treated with appropriate measures to minimize dust, maintaining a coverage measure integrity above 90%. Dust suppression through watering is required during road-breaking or excavation processes. Upon the completion of construction, work surfaces must be thoroughly cleaned, and all construction waste collected, thereby ensuring a pristine site with all materials properly removed.<br><br>Dazhong Jiading strictly adheres to the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants. It has implemented emission limits for atmospheric pollutants from the odor exhaust pipes of its sewage treatment plants, ensuring that exhaust emissions during operation consistently meet established standards. This proactive approach significantly contributes to reducing environmental pollution. |
| Wastewater management | The Group is committed to the principle of stable compliance in wastewater treatment, mandating that affiliates implement stringent controls on their discharges. This approach guarantees that wastewater emissions consistently meet park and national standards, effectively minimizing adverse environmental impacts.<br><br>Jiangsu Dazhong promotes water conservation efforts and aims to reduce domestic sewage generation. The company has implemented internal management systems, such as the Wastewater Management Measures, which prohibit the discharge of residual cooking oils, food waste, chemicals, hazardous waste, and other pollutants into drains. Furthermore, the company encourages the use of phosphorus-free detergents for washing tableware. After initial treatment in the oil interceptor, wastewater is directed through pipelines to the zone's sewage network for further treatment, ensuring effective management and reduction of water pollution.<br><br>Dazhong Jiading has developed operational guidelines for sewage treatment and strengthened the management of treatment facilities and equipment. As a result, the effluent consistently meets discharge standards, with concentrations well below the specified discharge limits. |
| Solid waste management | The Group implements waste separation by providing separate bins for dry and wet waste, enabling effective sorting, storage, and transportation of waste. Additionally, the Group and its affiliates have implemented specific requirements for paper management. They promote a paperless office environment and encourage double-sided printing. For recyclable materials, such as paper and cardboard free from oil contaminants generated through office activities and daily operations, cleaners are tasked with collecting and clearing these items. They then contact recycling entities or environmental protection agencies to ensure proper disposal. |
| Solid waste management | Dazhong Jiading has established the General Solid Waste Management Policy and Hazardous Waste Management Policy, delineating the responsibilities of each department along with the standards for waste sorting, collection, storage, treatment, disposal, and accountability. The management of dewatered sludge from urban sewage treatment plants has been enhanced, focusing on reduction, recycling, and the environmentally friendly disposal of sludge. Treated sludge is repurposed as fuel in coal-fired power plants, facilitating the effective recycling of solid waste.<br><br>Nantong Dazhong Gas has developed a comprehensive Waste Management Policy designed to standardize waste disposal practices. This policy effectively implements principles of a circular economy, promotes waste minimization, enhances resource recovery, and ensures safe waste management. Through these initiatives, the company is firmly committed to advancing its sustainable development efforts.<br><br>Similarly, Dazhong Automobile Leasing has introduced Solid Waste Management Rules. Upholding the principles of sorted collection, comprehensive utilization, and responsible disposal, the company has implemented distinct containers for recyclable and non-recyclable waste. Additionally, hazardous waste is routinely managed in collaboration with qualified recycling and treatment entities. Ongoing educational initiatives are in place to raise employee awareness and foster proper waste separation and sorting habits. |
| Noise management | Dazhong Jiading implements stringent noise control measures in compliance with the Emission Standard for Industrial Enterprises Noise at Boundary. To effectively minimize noise emissions during both operation and construction, the company adopts a range of technical strategies, including the selection of low-noise equipment and the management of noise propagation.<br><br>During the pipeline construction process, Shanghai Dazhong Gas adheres strictly to all relevant national and Shanghai-wide environmental control laws and regulations. Noise management practices align with the provisions of the Law of the People's Republic of China on the Prevention and Control of Noise Pollution, while nighttime operations comply with the Regulations of Shanghai Municipality on Civilized Construction Management of Construction Projects. In densely populated areas, noisy construction activities are controlled to avoid being conducted between 10:00 PM and 7:00 AM when possible. When continuous construction is necessary due to special circumstances, the site is equipped with hard enclosures, with construction being organized in sections and scheduled at appropriate times to minimize noise pollution. These measures are implemented to ensure that noise management is continually strengthened throughout the production process.<br><br>Dazhong Logistics has successfully transitioned from traditional fuel vehicles to new energy vehicles in its operational practices. Compared to the engines and exhaust systems of conventional vehicles, the power systems of new energy vehicles generate significantly lower noise levels during operation, thereby considerably mitigating urban noise pollution. |

Pollution Prevention and Control Performance of Dazhong Public Utilities

| Metric | Unit | 2023Value | 2024Value | 2025Value |
|---|---|---|---|---|
| Total wastewater discharge | Ton | 62,553,064.49 | 150,389,831.00 | 149,224,865.00 |
| General solid waste generation | Ton | 60,484.88 | 64,480.41 | 66,211.91 |
| Total hazardous waste generation | Ton | 8.01 | 5.92 | 9.10 |

*Note: In 2025, the statistical scope for wastewater discharge, general solid waste generation, and total hazardous waste generation includes Jiangsu Dazhong and Dazhong Jiading.

# Green Business and Green Public Welfare

Dazhong Public Utilities is committed to advancing carbon reduction, pollution mitigation, green expansion, and high-quality growth through collaborative efforts. By integrating green initiatives into its core operations, the Company explores innovative development models across various sectors, including urban municipal services, urban transportation, and non-bank financial services. The Company rigorously implements the principles of green development, organizes public welfare activities focused on environmental protection, and promotes sustainable development throughout its operations and economic strategies.

## Wastewater treatment

The environmental municipality segment has consistently enhanced its process control capabilities, implemented technical renovations at wastewater treatment plants, and upheld a stringent focus on bottom-line performance to guarantee the stable and compliant discharge of treated water.

**By the end of 2025**

The Company's wastewater treatment plants
9

Treatment capacity
465,000 tons/day

## Green transportation

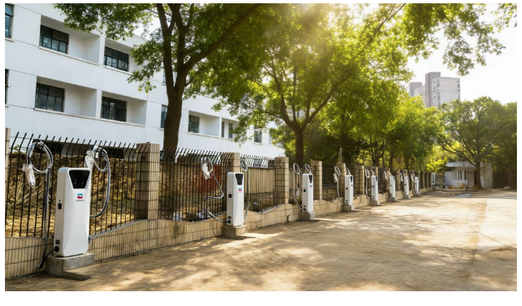
Dazhong Public Utilities fully responds to the national call for energy conservation and emission reduction. It leads green mobility through innovative battery-swapping technologies, advancing the electrification of transportation, efficient use of resources, and low-carbon travel structure. By raising the share of green urban mobility, it provides essential support for the high-quality development of the transportation sector.

**In 2025**

Dazhong Green Travel, a subsidiary of Dazhong Logistics, pursued a dual-wheel drive strategy centered on developing a platform-based driver service network alongside the operation and establishment of self-operated charging stations. By capitalizing on the synergy between its service network and these stations, the company proactively examined the feasibility of expanding services for new energy vehicles and supporting infrastructure, thereby positioning itself to identify new avenues for business growth.



Dazhong Green Travel's Charging Station at Jiangdong Road



Dazhong Green Travel's Charging Station at Dongge Road

Dazhong Automobile Leasing has initiated a battery-swapping model that enhances the sustainability of electric vehicles. This innovative approach involves the removal of batteries from vehicles and their subsequent intelligent slow charging within a controlled environment, ensuring proper disposal and reuse, while significantly minimizing environmental pollution.

Dazhong Automobile Leasing is proactively advancing the transition of its fleet to new energy vehicles while phasing out gasoline-powered cars.

**By the end of 2025**

Dazhong Automobile Leasing's new energy vehicles
6,563

Including:
Taxis
5,463

Rental vehicles
1,100

New-energy vehicle adoption rate for taxis
100 %

The Group's non-bank financial segment strategically leverages its resource advantages to foster the development of green transportation initiatives. Dazhong Financial Leasing actively offers financial leasing services to customers in the new energy vehicle sector. Concurrently, Dazhong Factoring is significantly increasing its business investments in Shanghai's charging and swapping industry, thereby facilitating the expansion of charging station construction and operations within the city. Through a comprehensive range of services, the Group unequivocally promotes the adoption of green, low-carbon travel, thereby reinforcing its commitment to "Green Travel".






A Green Mobility+ Charging Station Project in Shanghai by Dazhong Factoring

# Green public welfare

Dazhong Public Utilities recognizes environmental protection and public welfare as pivotal strategies for enhancing public environmental awareness, supporting business growth, and establishing a robust green brand image. Tailoring its initiatives to align with its core business characteristics, the Company has actively engaged in various environmental public welfare campaigns. Notably, these campaigns coincide with significant events such as World Environment Day, Earth Hour, Energy Conservation Week, and Public Open Days, effectively promoting the principles of green development and significantly elevating public consciousness regarding environmental issues.

**Case** Dazhong Jiading's 2025 Public Open Day

On August 11, 2025, a team led by a professor from Tongji University participated in the Public Open Day at the Dazhong Jiading Wastewater Treatment Plant. Aligned with the philosophy of "Transparent Technology, Public Environmental Protection", the event effectively combined a full-plant sand table demonstration with an on-site tour, systematically showcasing the company's technological strengths and innovative business strategies. This initiative transformed the core processes and expansion practices of the enterprise into a dynamic environmental education experience, thereby enhancing the public's understanding of modern wastewater treatment. Additionally, the event served to uphold the public's right to environmental information and the company's commitment to social responsibility. By adopting an industry-education integration model, it significantly ingrained the principles of scientific environmental protection among young people, affirming the enterprise's role as a key player in collaborative environmental governance.




Public Open Day at Dazhong Jiading

The Group encourages employees to engage actively in diverse environmental protection initiatives, thereby enhancing their initiative and enthusiasm. This approach fosters a positive atmosphere for public welfare and environmental stewardship, collectively contributing to a more sustainable ecological environment.



**Case** Nantong Dazhong Gas held a tree-planting campaign themed Cultivating Our Commitment, Shouldering Our Responsibility

On March 17, 2024, Nantong Dazhong Gas organized a tree-planting activity titled Cultivating Our Commitment, Shouldering Our Responsibility at the Nantong Fumei Hat Museum. More than 20 young employees participated in this initiative, working collaboratively to complete various tasks: digging holes, supporting seedlings, filling soil, watering the plants, and fixing roots. Together, they planted sweet osmanthus saplings, created blessing cards, and affixed them to the trees for adoption. This activity effectively translated ecological principles into tangible actions. Through the immersive experience of tree planting and adoption, the endeavor enhanced the participants' commitment to environmental stewardship, fostered a low-carbon ethos rooted in respect for nature, and contributed to the collective effort of constructing a garden city. Furthermore, it cultivated a heightened sense of responsibility among the youth, injecting sustainable momentum into their future endeavors.




Tree-Planting Event



# 02 Society

Dazhong Public Utilities is resolutely committed to establishing a responsible operational framework and consistently fulfilling its obligations to employees, business partners, customers, and the general public. The Company actively engages with stakeholders to address their expectations and needs, fostering deeper community collaboration and shared achievements, thereby contributing significantly to the promotion of social harmony and stability.

## 2025 Social Performance Highlights of Dazhong Public Utilities

| Metric | Unit | 2025 Value |
|---|---|---|
| Employee training expenditure | RMB 10,000 | 144.61 |
| Total training attendances | 10,000 | 4.73 |
| Employee satisfaction | % | 100 |
| Safety training duration | Hour | 18,501 |
| Signing rate of employee workplace safety responsibility letters | % | 100 |
| Total duration of participation in public welfare activities | Hour | 169 |

Contribution to UN SDGs:





- Employee Care 36
- Workplace Safety 45
- Suppliers Responsibiity 53
- Product Quality 56
- Customers Rights and Interests 60
- Social Contribution 62

# Employee Care

Dazhong Public Utilities consistently embraces a people-oriented philosophy guided by the philosophy of providing employees with a platform for growth. The Company diligently enhances talent development pathways and optimizes its training systems to unlock employees' full potential. This is achieved through the establishment of a sound and equitable incentive mechanism and the expansion of career development opportunities. Concurrently, the Company is dedicated to cultivating a harmonious, friendly, fair, and impartial employment relationship, safeguarding employee benefits, and creating a healthy, safe, and comfortable work environment.

## Employee rights and interests

Dazhong Public Utilities adheres rigorously to the Labor Law of the People's Republic of China and the Labor Contract Law of the People's Republic of China, as well as other pertinent regulations. The Company has established comprehensive internal policies, including the Human Resources Management Policy, Employee Labor Contract Implementation Rules, and Employee Salary Management Rules. These policies effectively govern key areas such as employee recruitment, compensation and benefits, performance evaluation, career development, skills training, and livelihood security. By implementing these structured frameworks, Dazhong Public Utilities safeguards the legitimate rights and interests of both its employees and the Company.

The Group is committed to establishing a fair, just, diverse, and inclusive development platform. In its recruitment processes, it actively eliminates discrimination based on gender, age, region, ethnicity, marital status, disability, and other factors, thereby fostering a diverse talent pool. Furthermore, the Group resolutely opposes child labor and forced labor, ensuring the establishment of standardized and harmonious labor relationships. By 2025, the Group achieved a record of zero employment-related violations, with labor contract coverage reaching 100%.

**By 2025**

The Group achieved a record of zero employment-related violations, with labor contract coverage reaching 100%.

Employee Overview

| Metric | | Unit | 2025 Value |
|---|---|---|---|
| Total employees | | / | 2,721 |
| Employees by gender | Male | / | 2,120 |
| | Female | / | 601 |
| Employees by age group | Aged 30 years old and below | / | 398 |
| | Aged 30-50 years old | / | 1,452 |
| | Aged 50 years old and above | / | 871 |
| Employees by level | Senior management | / | 9 |
| | Middle-level employees | / | 162 |
| | Basic employees | / | 2,549 |

Employee Overview

| Metric | | Unit | 2025 Value |
|---|---|---|---|
| Employees by region | Headquarters (Shanghai) | / | 1,990 |
| | Other regions within Chinese mainland | / | 726 |
| | Overseas, Hong Kong, Macao and Taiwan | / | 5 |
| Employees by education background | Three-year college or below | / | 1,785 |
| | Bachelor's degree | / | 865 |
| | Master's degree or higher | / | 71 |
| Ethnic minority groups | | / | 11 |
| Employees with disabilities | | / | 55 |
| Employee turnover rate | | % | 5.55 |
| Employee turnover rate by gender | Male | % | 4.29 |
| | Female | % | 1.26 |

Performance on Employee Rights and Interests

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Employment contract rate | % | 100 | 100 | 100 |
| Social insurance coverage | % | 100 | 100 | 100 |

## Talent Development

Dazhong Public Utilities recognizes talent development as fundamental to its sustainable growth. In alignment with its strategic objectives, the Group is committed to designing diverse development pathways for employees at all levels through scientifically grounded mechanisms. This approach aims to cultivate and retain a high-quality management team and a skilled workforce, ensuring continued organizational excellence.

The Group has established a Talent Development Committee tasked with formulating comprehensive talent development programs and overseeing the construction of a robust talent pipeline. The Chairman of the Board serves as the Director of this Committee, while the President and the Party General Branch Secretary (Administrative Director) hold the positions of Deputy Directors. The Group places significant emphasis on the development of its talent pipeline, which is categorized into four levels: senior management, middle management, subordinate management, and core professionals. It actively promotes employee growth through a variety of strategies, including internal and external training courses, job rotation, performance coaching, and additional initiatives.

## Case The Group organized training on the future development of new energy

In August 2025, the Group successfully organized a specialized training session focused on the Future Development Trends of New Energy. Professor Zhang Wenhua, Dean of the College of Materials and Energy at Yunnan University, and Mr. Chen Darong, a prominent new energy authority, were invited to deliver presentations. This training significantly enhanced employees' comprehension of future trends in new energy, catalyzed the Group's exploration of innovative application scenarios, and provided substantial momentum for the Group's high-quality development within the new energy sector.





The Group Organized Training on the Future Development Trends of New Energy

## Case Dazhong Gas held employee onboarding training

In June 2025, Dazhong Gas implemented an orientation training program for new employees that encompassed corporate culture, regulations, workplace safety, and essential job skills. This comprehensive training facilitated the rapid integration of new hires into the team, enhanced their understanding of the business, and fostered a strong commitment to compliance and safety, thereby laying a robust foundation for their career development.






New Employee Training at Dazhong Gas



## Case Dazhong Gas launched a training program to empower reserve talents

In June 2025, Dazhong Gas instituted a specialized empowerment program aimed at reserve talent. This program offered centralized training for key employees across various departments, including technical management, transmission and distribution, sales and service, and frontline offices. The training concentrated on essential topics such as Managerial Role Awareness and Management Capability Improvement and 360-Degree Communication for Team Managers. The primary objective of this initiative was to systematically enhance the management literacy and communication skills of reserve talent, thereby securing the core capabilities necessary for the company's sustainable operations and future business development. This strategic approach underscores Dazhong Gas's commitment to cultivating a robust leadership pipeline that is adept at navigating the complexities of the industry landscape.






The Training Program to Empower Reserve Talents

Employee Training Performance

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Training expenditure | RMB 10,000 | 118.61 | 183.91 | 146.24 |
| Total training attendance | 10,000 | 4.43 | 4.78 | 4.73 |

*Note: The statistical scope includes the Group, Dazhong Jiading, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong, and Dazhong Logistics.

2025 Employee Training Performance of Dazhong Public Utilities and its Affiliates

| Metric | Unit | Dazhong Public Utilities | Shanghai Dazhong Gas | Nantong Dazhong Gas | Dazhong Jiading | Jiangsu Dazhong |
|---|---|---|---|---|---|---|
| Average training duration per senior manager | Hour | 12.39 | 57.6 | 60 | 42.50 | 41.6 |
| Average training duration per middle manager | Hour | 11.67 | 41.1 | 50 | 32.50 | 71 |
| Average training duration per average employee | Hour | 14.25 | 40.06 | 45 | 29.62 | 48 |
| Average duration training per male employee | Hour | 10.58 | 42.2 | 45 | 29.69 | 45.3 |
| Average training duration per female employee | Hour | 17.10 | 27.41 | 45 | 34.86 | 63.1 |

## Communication channels

Dazhong Public Utilities rigorously embraces the principle of democratic management, prioritizing the development of a workplace that is both inclusive and transparent. The Company has instituted a corporate democratic management system, anchored by the Employees' Representative Congress, which serves as the foundational mechanism for upholding employees' rights to information, participation, expression, and oversight. This commitment not only empowers employees but also ensures organizational accountability and responsiveness.

The Group conducts annual Employees' Representative Congress and Trade Union Members' Congress, rigorously adhering to the established systems for both. This approach leverages the vital role of trade union organizations in facilitating effective democratic management, ensuring timely communication with employees, and fostering robust two-way dialogue.

**Notably, in 2025**

The Group registered no employee complaints, achieving a remarkable 100% employee satisfaction rate.

Employee Communication Performance

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Employee satisfaction rate | % | 100 | 100 | 100 |

## Employee care

### Employee activities

Dazhong Public Utilities demonstrates a strong commitment to addressing employee needs by actively organizing diverse staff activities that enrich their leisure time. These initiatives foster a united and harmonious cultural atmosphere, promote a healthy work-life balance, enhance team cohesion, and reinforce employees' sense of belonging and cohesion.



**In 2025**

The Group successfully conducted 97 cultural, sports, and festival activities.

1 The statistical scope includes the Group, Dazhong Jiading, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong and Dazhong Logistics.

**Case** Jiangsu Dazhong held a New Year Gathering event

Prior to the 2025 Chinese New Year, Jiangsu Dazhong organized a New Year Gathering to collectively celebrate the Spring Festival. This event fostered a festive atmosphere, enhanced internal communication, and strengthened team cohesion. It featured a New Year's Eve dinner and interactive performances, during which the company's management extended heartfelt New Year greetings to all employees.



New Year Gathering Event at Jiangsu Dazhong

**Case** Dazhong Gas held a staff run event

In 2025, Dazhong Gas successfully organized a staff health run themed Passion and Journey. This event aimed to promote a healthy lifestyle and enhance employees' physical fitness by encouraging active participation in physical exercise. Furthermore, it fostered work-life balance, enriched employees' cultural experiences during their leisure time, and significantly contributed to their physical and mental well-being. Ultimately, the health run cultivated a positive and uplifting work environment, reflecting the company's commitment to employee wellness and cohesion.




Staff Run Event at Dazhong Gas

## Employee assistance

The Group has developed and refined a robust, long-term mechanism for employee support. It consistently offers assistance and care to frontline employees and those in need. Through on-site visits and expressions of sympathy, the Group gains a comprehensive understanding of employees' living conditions and actual needs, effectively implementing supportive measures and demonstrating a genuine commitment to employee welfare.



Sending Gifts to Front-line Employees During Summer

## Female rights and interests

Dazhong Public Utilities adheres rigorously to national laws and regulations, effectively safeguarding the legitimate rights and interests of female employees across various domains, including employment, remuneration, leave, and social insurance. To further this commitment, the Group has established a Female Employees Committee dedicated to facilitating open channels for women to voice their needs while prioritizing their physical and mental well-being. In conjunction with significant events such as International Women's Day, the Group has organized a series of targeted initiatives aimed at supporting female employees and extending celebratory greetings. These efforts are designed to inspire enthusiasm and excellence in the workplace, fostering an environment that is equitable, inclusive, and supportive for all.

**Case** Dragon Boat Festival event for female employees

In 2025, during the Dragon Boat Festival, Nantong Dazhong Gas organized a traditional handicraft experience for its female employees, which included activities such as rice dumpling wrapping and sachet sewing. These initiatives effectively alleviated work-related stress among participants, while promoting an inclusive and nurturing organizational culture. Furthermore, such endeavors underscore the company's commitment to the professional development of its female workforce and the preservation of traditional cultural practices.





Dragon Boat Festival Event for Female Employees

**Case** Qipao-Themed Event for International Women's Day

In March 2025, to commemorate International Women's Day, Nantong Dazhong Gas organized an event centered around the theme Elegant Demeanor and Grace of Qipao. This initiative aimed to enrich the leisure lives of female employees and bolster their cultural confidence. By integrating a traditional Chinese costume experience with posture training, the event effectively facilitated stress relief and enabled participants to showcase their charm through interactive communication. Such initiatives underscore the company's commitment to empowering women in the workplace.





Qipao Wearing Event on International Women's Day

## Occupational health

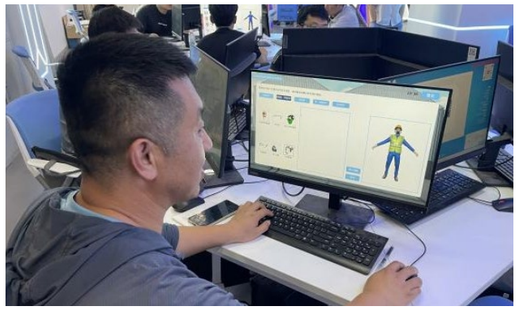
Dazhong Public Utilities prioritizes the occupational health and safety of its employees, emphasizing the importance of their physical and mental well-being. The Company is dedicated to cultivating a safe, healthy, and sustainable working environment while systematically establishing a robust employee health support system. It provides comprehensive occupational health examinations and implements specialized health monitoring for critical positions. The Group is committed to continuously improving workplace health environments and facilities and actively conducts specialized training on occupational health and safety. This training encompasses job risk identification, safe operating procedures, and emergency response protocols, effectively enhancing employees' awareness and capabilities regarding occupational health protection.

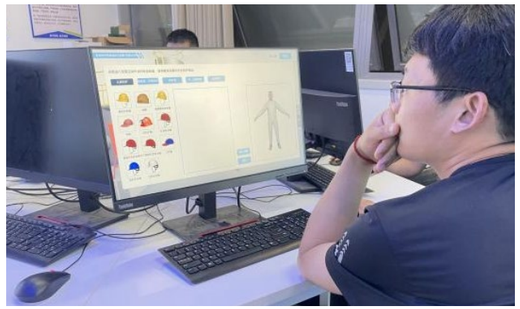
**In 2025**

subsidiaries of the Group implemented comprehensive measures to address occupational health, including the detection of disease hazards and specialized training in areas such as emergency response and psychological counseling. Jiangsu Dazhong engaged in rigorous noise detection and assessed occupational disease hazards, subsequently issuing detailed test reports. Concurrently, Dazhong Travel enhanced its comprehensive evaluation of drivers' mental and occupational health, effectively safeguarding employee well-being.

**In 2025**

Notably, the Group achieved a 100% coverage rate for occupational health examinations in 2025.





Online Test on the Use of Protective Protection Equipment





Occupational Disease Awareness Program

Additionally, the Group prioritizes the health protection of female employees by organizing targeted occupational health training sessions. These initiatives are designed to enhance awareness of health protection among female staff. The Group is genuinely committed to supporting the physical and mental well-being of its female workforce, facilitating their pursuit of healthy and sustainable career development.




Dazhong Public Utilities Special Occupational Health Training for Female Employees



# Workplace Safety

Dazhong Public Utilities has implemented a scientifically rigorous safety management system designed to enhance risk control efficiencies. This system includes regular safety hazard inspections, the promotion of a robust safety culture, and the establishment of a strong defense for safe production. These efforts effectively ensure both production safety and the health of employees.

## Safety governance

Dazhong Public Utilities has implemented a robust safety governance framework. At the governance level, the Company has formed a Work Safety Leading Group, led by the legal representative, which serves as the primary leadership body responsible for all safety-related matters. Furthermore, a dedicated working team operates under this Leading Group to effectively execute and coordinate work safety management initiatives.

The Company establishes safety management requirements through a comprehensive framework of multi-level institutional documents. Notably, the Social Responsibility Management Policy outlines programmatic provisions for work safety in Chapter III. The Work Safety Management Regulations, serving as the core Level-2 system, further delineate the management framework. Additionally, Level-3 systems, including the Fire Safety Management Policy, Work Safety Assessment, Reward and Punishment Policy, Project Contracting Safety Management Policy, and Work Safety Inspection Management Policy, provide specific operational directives for specialized areas. Each subsidiary has developed corresponding implementation rules tailored to their business conditions, ensuring the institutional system is thoroughly covered and effectively executed.

| Work Safety System | |
|---|---|
| Level-1 | Applicable sections in Social Responsibility Management Policy |
| Level-2 | Work Safety Management Regulations |
| Leve-3 | Fire Safety Management Policy, Work Safety Assessment, Reward and Punishment Policy, Project Contracting Safety Management Policy, and Work Safety Inspection Management Policy |
| Subsidiary-level | Each subsidiary has developed corresponding implementation rules tailored to their business conditions |

## Safety strategies

Dazhong Public Utilities adopts the strategic principle of Safety First, Prevention Oriented, Comprehensive Management in its approach to work safety. This principle is fully integrated into the Company's overall development strategy, reflecting a strong commitment to establishing a sustainable management mechanism. The Group actively promotes a holistic safety management model that encompasses all staff and processes. Furthermore, it formulates an annual work safety plan designed to systematically implement various safety initiatives.

In its operations, the Group embraces a prevention-oriented approach, enhancing employee safety awareness through diverse initiatives and strengthening on-the-job training programs. Additionally, it implements a stringent qualification system for specialized positions. The Group prioritizes regular maintenance of production equipment to swiftly identify and mitigate potential safety hazards. In the event of a work safety incident, the Group adheres strictly to established regulations, ensuring effective troubleshooting, loss control, and accountability. For major incidents, the emergency response plan is activated immediately, with mandatory prompt reporting, prohibiting delays, misrepresentation, or concealment of information.

## Safety-related impacts, risks and opportunities

Dazhong Public Utilities systematically identifies and addresses the significant safety risks associated with its business segments. The specific risks, along with their potential social and financial impacts, are detailed as follows:

| Business unit | Primary safety risks | Potential impacts |
|---|---|---|
| Dazhong Gas | Gas pipeline leakage | Gas leaks can lead to supply interruptions and pose serious public safety risks. Such incidents not only cause property damage and facility repair expenses but also result in the waste of valuable gas resources, imposing significant economic burdens on both individuals and businesses. |
| Dazhong Logistics | Hazardous chemicals transportation | In cases of leakage, collision, or fire during transportation, there is a substantial risk of toxic and harmful substances dispersing. This can lead to personnel poisoning, environmental pollution, traffic disruptions, and significant property damage. |
| Jiangsu Dazhong | Corrosion and poisoning, wastewater fire | In confined space operations, exposure to corrosive chemicals can lead to both acute and chronic poisoning, heightening fire risks and jeopardizing personnel safety. Such accidents result in significant economic losses, including equipment damage, production delays, and compensation claims. |

To effectively manage workplace safety risks, the Company has developed a robust multi-level safety management system. Through proactive emergency management of safety incidents, routine safety risk assessments, and thorough hazard investigations, alongside promoting safety awareness among all employees, the Company significantly reinforces its defense against workplace safety issues.

### Safety emergency management

In the realm of emergency management, all subsidiaries have developed specialized emergency plans in accordance with applicable national laws and regulations as well as the Group's Work Safety Management Policy. Adhering to the principles of centralized command, coordinated action, and rapid response, each has established a Work Safety Committee to delineate responsibilities and response protocols in emergencies. During critical periods, such as holidays and severe weather, enhanced support measures are deployed, resulting in an effective emergency response and management system. Additionally, subsidiaries have proactively acquired safety operation insurance to bolster their capacity to manage safety risks through risk transfer and protective measures.

The Company has established specialized emergency leadership and execution teams, which define standard operating procedures for early warning, prevention, and response to major emergencies. Regular emergency drills are conducted to ensure the efficient and orderly implementation of these measures, thereby safeguarding the normal operations of the enterprise during crisis situations.



**Case** Jiangsu Dazhong organized emergency drills

In 2025, Jiangsu Dazhong executed a series of practical emergency drills designed to enhance operational readiness. Fire drills focused on the effective use of firefighting equipment and the implementation of response procedures for fire suppression. Concurrently, specialized emergency drills for confined spaces were conducted, encompassing emergency rescue operations. These initiatives significantly improved employees' skills in risk identification and emergency response, thereby providing robust support for the company's commitment to safe production and operations.



Fire drill

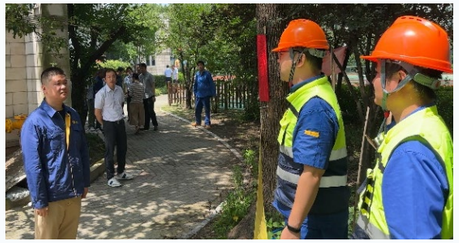


Confined Space Rescue Drill

**Case** Special Emergency Drill for Gas Leakage

In June 2025, Dazhong Gas conducted a comprehensive emergency drill addressing gas leakage at pressure regulators. This drill simulated a gas leak scenario within a residential community, encompassing the full range of actions from resident alerts to initial property management action, response by maintenance entity, site investigation and control, repair of leakage points, and restoration of gas supply. During the exercise, the company collaborated effectively with local regulatory authorities, sub-district offices, and property management firms. Adhering strictly to the formulated emergency response plan, the drill focused on assessing critical procedures such as information transmission, on-site control, and coordinated response. This initiative significantly enhanced the practical response capabilities of frontline personnel to gas leakage incidents and validated the emergency plan's applicability in real-world scenarios.





Dazhong Gas Held an Emergency Drill Addressing Gas Leakage At Pressure Regulators

## Safety Risk Control and Hidden Hazard Detection

In the realm of daily safety risk management and control, the Group conducts ongoing detections of latent hazards and performs targeted assessments on identified risk points. By recognizing the unique characteristics and potential impacts of each hazard, the Company enforces a graded management system. This system delineates control responsibilities and measures corresponding to varying risk levels, thereby establishing a comprehensive safety hazard register.

By implementing work safety responsibility letters at all levels, Dazhong Public Utilities confidently delegates safety management responsibilities and objectives to specific positions. This approach ensures the effective execution of primary responsibilities, thereby establishing a systematic and hierarchical framework for daily risk prevention and control.

**Case** Dazhong Public Utilities carried out pre-holiday safety inspection

Prior to the 2025 National Day, the Group Safety Committee conducted targeted safety inspections across key subsidiaries. In the wastewater treatment sector, the inspection team evaluated equipment operation and assessed the implementation of safety measures in critical areas, including chemical storage, sludge disposal, and confined space operations. In the logistics and transportation sector, the team performed rigorous on-site inspections, focusing on full-process monitoring technologies for hazardous material vehicles, safety management protocols at charging stations, and the adequacy of emergency response plans. Rectification recommendations were clearly articulated for all identified issues. Through strategic management enhancements and technological innovations, safety risks were systematically mitigated, ensuring stable and secure production operations.



Pre-holiday Safety Inspection



**Case** Nantong Dazhong Gas pipeline network leakage risk management

Nantong Dazhong Gas implements a rigorous risk grading system for managing pipeline leakage risks. Following a thorough assessment of risk levels, tailored control measures are developed, and risks categorized at or above a higher level are publicly disclosed. Detailed records of risk management activities are maintained, and a comprehensive Report on the Development of Risk Grading is compiled and disseminated to enhance overall risk management.




Public Notice of Risk Identification and Control List

**Case** Dazhong Travel Conducted Safety Inspections

Dazhong Travel employs a strategic approach that integrates routine patrols with specialized inspections to conduct thorough assessments of fire safety equipment, vehicle parking order, and other critical elements within its parking facilities. This proactive methodology guarantees the implementation of safety measures and the prompt rectification of potential hazards, effectively preventing and containing safety incidents.



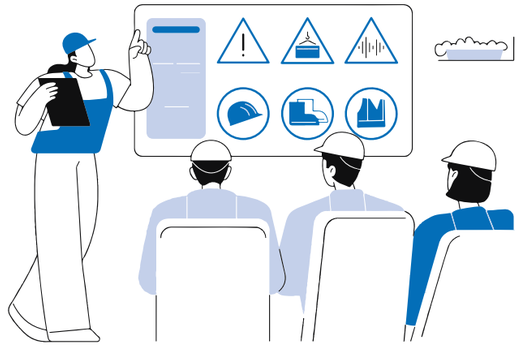



Safety Hazard Investigation

## Safety culture

To foster the development of a robust safety culture, the Group proactively organizes themed activities for Work Safety Month. These initiatives include targeted publicity campaigns and knowledge competitions, effectively enhancing safety awareness among all employees. Additionally, regular group-wide and multi-level safety meetings are convened to analyze safety conditions and strategize critical tasks.

The Group systematically implements comprehensive work safety training for all employees, encompassing safety rules and regulations, proper operational procedures, emergency response skills, and additional relevant content. It consistently promotes the safety philosophy of Safety First, Prevention Oriented, thereby enhancing employees' knowledge of workplace safety and their ability to mitigate risks effectively.



**Case** Dazhong Public Utilities Conducted Work Safety Month Activities

In June 2025, Dazhong Public Utilities effectively organized a comprehensive series of safety activities during the national Work Safety Month, centered around the theme Everyone Complies with Safety Rules, Everyone Knows How to Respond—Identify Hidden Dangers Around Us. Subsidiaries actively engaged in conducting confined space anti-poisoning drills, gas station inspections, tunnel fire drills, and numerous other safety initiatives. The Group enhanced safety awareness and emergency response capabilities among employees through targeted measures such as hanging informative banners, conducting specialized training sessions, organizing knowledge competitions, and implementing thorough inspections for hidden dangers. Throughout this campaign, a total of 48 safety training sessions, 92 hidden danger inspections, 63 rectified hazards, and 15 emergency drills were executed. These concerted efforts significantly solidified the foundation for safe production and advanced the Group's overall safety management framework.



Dazhong Public Utilities Activities during the Work Safety Month

**Case** The Group Held 2025 Annual Work Safety Meeting

The Group has firmly established the cultivation of a safety culture as a fundamental element of its management strategy. In February 2025, the Group convened its annual work safety meeting, reaffirming the centrality of safety culture development within its operational framework. The meeting evaluated past achievements and outlined key objectives for the upcoming year. This gathering not only reinforced the prevailing atmosphere of safety culture but also promoted the seamless integration of the safety production responsibility system into daily operations. Such initiatives provide robust support for the Group's commitment to sustainable development.



The Group Held 2025 Annual Work Safety Meeting

## Safety related metricss and targets

Dazhong Public Utilities has consistently enhanced its safety metrics and target system.

**In 2025**

| Safety emergency drills | Safety trainings | Safety production expenditure |
|---|---|---|
| 61 | 225 | RMB 142,092,300 |

Emergency Drill Performance

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Number of safety emergency drills | / | 41 | 56 | 61 |
| Safety emergency drill attendances | / | 981 | 1,254 | 1,466 |

*Note: The statistical scope includes Dazhong Jiading, Jiangsu Dazhong, Dazhong Logistics, Shanghai Dazhong Gas and Nantong Dazhong Gas.

Work Safety Performance

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Number of safety training sessions | / | 124 | 337 | 225 |
| Safety training duration | Hour | 3278 | 18,940 | 19,043 |
| Safety training attendances | / | 7426 | 11,528 | 9,450 |
| Employee signing rate for the work safety responsibility agreement | % | - | 100 | 100 |

*Note: The statistical scope includes Dazhong Jiading, Jiangsu Dazhong, Dazhong Logistics, Shanghai Dazhong Gas and Nantong Dazhong Gas

## Targets

Each business segment establishes safety targets specifically tailored to its operational needs, taking into account actual conditions. These targets encompass metrics such as safety training, safety incidents, and safety production investment. The status of these targets is monitored regularly to ensure robust progress in safety management initiatives.

Selected Safety Targets of Dazhong Travel and Completion Status

| Metric | Target | Completion |
|---|---|---|
| Major instability incidents | 0 | 0 |
| Work-related fatal accidents | | 0 |
| Accountable work safety accidents | | 0 |
| security incidents investigated and punished by relevant competent industrial authorities | | 0 |
| Integrity rate of safety technical prevention and fire-fighting facilities and equipment | 100% | 100% |
| Safety training rate | | 100% |

Selected Safety Targets of Shanghai Dazhong Gas and Completion Status

| Metric | Target | Completion |
|---|---|---|
| Personal fatality accidents | 0 | Completed |
| Grade 1 to Grade 4 work-related injury accidents | 0 | Completed |
| Equipment incidents caused by improper operation and operation modes | 0 | Completed |

Shanghai Dazhong Gas' s Some Safety Targets and Completion

| Metric | Target | Completion |
|---|---|---|
| Number of accountable major-or-above public gas-use accidents | 0 | Completed |
| Fatality rate of public gas-use accidents | < 4.5 persons/ million households | Completed |
| Rectification rate of | 100% | Completed |
| Work safety expense | According to the Measures for the Extraction and Use of Enterprise Work Safety Expenses (Caizi [2022] No. 136), work safety expenses are calculated at 1.5% of the annual actual operating revenue. This calculation references the category of pipeline transportation within the transportation industry. | Full provision and utilization |
| Signing rate of safety responsibility letter | 100% | Completed |

# Supplier Responsibility

Dazhong Public Utilities is committed to developing a sustainable supply chain by continuously refining its mechanisms for supplier access, evaluation, and exit. The Company enhances its auditing and supervisory processes to ensure compliance with operational standards, workplace safety, environmental protection, and labor rights. This proactive approach strengthens the overall performance capacity of the supply chain. By fostering long-term, stable partnerships, the Group aims to establish a sustainable supply chain ecosystem characterized by coordinated development and mutual benefit.

## Supplier overview

Supplier Overview

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Total suppliers | / | 359 | 441 | 425 |
| Including: Suppliers in Shanghai | / | 296 | 243 | 214 |
| Percentage of suppliers in Shanghai | % | 54.6 | 55.10 | 50.35 |
| Suppliers in other regions | / | 163 | 198 | 211 |
| Percentage of suppliers in other regions | % | 45.4 | 44.90 | 49.65 |

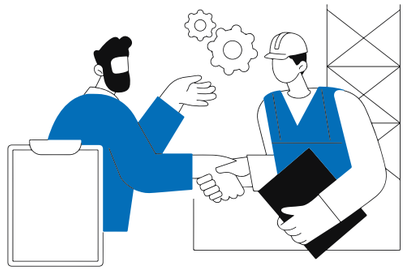
*Note: The statistical scope includes Dazhong Public Utilities, Dazhong Jiading, Jiangsu Dazhong, Dazhong Logistics, Shanghai Dazhong Gas and Nantong Dazhong Gas

# Procurement management

Dazhong Public Utilities adheres rigorously to the Law of the People's Republic of China on Tenders and Bids, along with other applicable statutes and regulations. The Group has established a centralized Procurement Committee that oversees decision-making, supervision, and administration of procurement activities for both the Group and its subsidiaries. In line with these efforts, the Group has developed the Procurement Business Management Policy and the Dazhong Public Utilities Procurement Work Management Rules. Regular supplier evaluations and timely risk assessments are conducted, with comprehensive risk response strategies implemented based on assessment outcomes to create a stable and sustainable supply chain.

Procurement Risk Identification and Management by Dazhong Public Utilities

| Risk | Response |
|---|---|
| Inadequate procurement planning and imprecise forecasting of market trends can lead to inventory discrepancies, resulting in either shortages or overstocking. Such issues may subsequently disrupt production processes and cause resource wastage for the enterprise. | The Company develops its procurement plans with flexibility in response to market conditions. It employs a variety of procurement methods, including bidding, inquiries, targeted procurement, and direct purchase, to effectively implement its strategies. |
| Improper bidding, tendering, or pricing mechanisms, along with non-standard authorization and approval processes, can lead to low-quality and high-cost materials, as well as potential fraud or deception. | The Company delineates the responsibilities and approval authorities involved in requisition, review and approval, purchasing, acceptance, payment, and post-purchase evaluation. It conducts procurement activities in strict adherence to the established approval authorities and procedures while implementing a robust price supervision mechanism. |
| Non-standard procurement acceptance and inadequate payment reviews can lead to significant losses in procured materials and funds, potentially harming the company's reputation. | The Company has implemented a comprehensive procurement acceptance system that delineates inspection methodologies. Designated departments or personnel are responsible for assessing the type, specifications, quantity, quality, and other pertinent details of purchased items, thereby issuing acceptance certificates accordingly. |



The Group diligently engages in responsible and green procurement practices, thoroughly incorporating the principles of sustainable development into its supply chain management framework. By implementing rigorous supplier access and evaluation processes, the Group consistently refines its supply system, prioritizing suppliers who possess certifications in quality management, safety management, environmental management systems, green product certification, and environmental labeling. This strategic approach enhances the quality, safety, and environmental performance of products and services procured at the source.

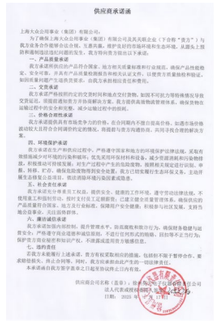
## HONOR

Three ISO Certifications for Suppliers

| Environmental management system | Occupational health and safety management system | Quality management system |
|---|---|---|
|  |  |  |
|  |  |  |
|  |  |  |

Furthermore, the Group actively invites all suppliers to endorse the Supplier Code of Conduct Commitment Letter, affirming their dedication to product quality, environmental protection, social responsibility, integrity, and credibility. This collective effort fosters a legal, compliant, and mutually beneficial environment while promoting a sound market and ecological landscape. Together, we are committed to steering the supply chain toward a more standardized, green, and sustainable development trajectory.





Supplier Code of Conduct Commitment Letter

# Product Quality

Dazhong Public Utilities integrates quality management throughout its entire production and operational processes, establishing a comprehensive quality management system that adheres to national and industry standards. By developing and meticulously enforcing these quality management systems, coupled with robust full-process supervision and regular evaluations, the Group guarantees that its products and services consistently meet regulatory requirements. Moreover, it enhances its quality metrics and target systems, thereby fostering systematic management that drives continuous improvement in quality performance.

## Quality governance

Dazhong Public Utilities has implemented a comprehensive governance and institutional framework for quality management. The Group outlines its quality management provisions through the product quality section of its level-1 policy, which is part of the Social Responsibility Management Policy. Consequently, each subsidiary has developed its own tailored quality management organizational structure and institutional system, aligning with its unique business characteristics.

Dazhong Gas, a subsidiary of the Group, has established project teams alongside a dedicated Quality and Safety Department within its Engineering Management Department to bolster governance efforts. These entities are responsible for conducting random inspections and assessments throughout the construction phase. At the operational level, an external supervision mechanism has been instituted to ensure oversight of project quality from inception to completion. Additionally, Dazhong Gas has developed a comprehensive range of standard systems and management procedures tailored to its specific business characteristics, which include the Gas Pipeline Engineering Construction Management Policy and the Gas Pipeline Engineering Quality Management Policy. Furthermore, the Group has proactively promoted the certification of its quality management system, thereby enhancing the standardization of quality control processes across its operations.




Dazhong Logistics Quality Management System Certification




Jiangsu Dazhong Quality Management System Certification

## Quality-related strategies

Dazhong Public Utilities conducts its production and business operations in strict accordance with national and industry standards pertaining to product quality. The Company is committed to enhancing product quality and service standards, striving to deliver high-quality, safe, and healthy products and services to society. By addressing consumer demand effectively, Dazhong Public Utilities assumes responsibility for social welfare, welcomes public scrutiny, and actively fulfills its social responsibilities. In its daily operations, the Group diligently monitors updates in laws and regulations related to quality management, implementing quality management practices that consistently exceed industry standards, tailored to its specific operational context.

## Quality-related impacts, risks and opportunities

Product quality profoundly affects consumer rights, industry integrity, and public safety. Quality issues can expose Dazhong Public Utilities to significant risks, including reputational damage, legal liabilities, and market share loss. Conversely, delivering high-quality products fosters consumer trust, enables market expansion, enhances competitiveness, and increases opportunities for policy support.

### Quality management

Dazhong Public Utilities has developed a robust product quality management process, consistently enhancing its oversight of impacts, risks, and opportunities associated with product quality. The Company has implemented a standardized quality management framework that encompasses design disclosure, incoming inspection, in-process self-inspection, patrol inspection, rectification supervision, and completion confirmation. This proactive approach effectively addresses quality-related risks and optimizes management efficiency.

Dazhong Public Utilities effectively mitigates potential quality hazards by optimizing design and reinforcing material acceptance protocols. In its process management approach, the Company emphasizes the primary responsibility of construction units while enhancing the supervisory role of oversight personnel. By employing comprehensive engineering management systems, Dazhong Public Utilities ensures full-process, information-driven control. Furthermore, through benchmarking exchanges, the selection of model projects, and regular quality-focused meetings, the Company systematically infuses experience feedback into its management system, thereby facilitating continuous improvements in engineering quality.

| Quality Improvement Actions | |
|---|---|
| We strictly control design and procurement to ensure project quality from the source | We conduct design quality improvement meetings aimed at optimizing design plans through robust multi-department collaboration. We rigorously enforce material supply management regulations to enhance procurement timeliness and bolster materials warehousing acceptance and management. |
| Joint management is employed to strengthen construction quality | We assert the crucial role of construction units in enhancing project construction quality and reinforce their management capabilities. We maximize the supervisory function of oversight units in project quality management. Furthermore, we strengthen the leadership of engineering management departments in quality control, adhere to regulations in fulfilling the client's responsibilities, and improve inspection and acceptance management processes. |
| We enhance whole-process construction management by implementing information-based tools, such as an engineering management system. | By employing information-based management methods, we streamline workflows, enhance transparency across all construction procedures, standardize the practices of construction and supervision units, and ultimately improve project quality. |
| Through training, benchmarking exchanges, and model projects, we cultivate a quality-oriented environment that promotes emulation, learning, collaboration, and continuous improvement. | We engage in benchmarking exchanges to acquire advanced management practices, establish model projects through annual awards, and host regular meetings focused on quality improvement to evaluate experiences and identify shortcomings. |

## Gas supply assurance

Dazhong Public Utilities prioritizes the stable supply of gas, recognizing its critical importance for operational continuity. To maintain the long-term reliable function of gas infrastructure, the Company consistently deploys specialized operation and maintenance teams tasked with conducting thorough and frequent inspections and assessments of gas pipelines. Additionally, the Company undertakes systematic renovations of aging pipe networks. These renovation efforts adhere rigorously to high safety and quality standards, utilizing premium materials and advanced technologies to ensure the durability and reliability of the gas supply system.



Gas Pipeline Renovation

Dazhong Public Utilities has developed comprehensive emergency gas supply guarantee plans specifically for the winter peak period. These plans aim to minimize the impact of emergencies on domestic gas usage among urban residents while ensuring public order and social stability. The Company proactively arranges upstream pipeline gas resources and collaborates with large non-residential downstream users to coordinate winter gas usage plans, thereby ensuring a safe and stable gas supply.

Performance on Stable Supply of Gas of Shanghai Dazhong Gas

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Gas pipeline replacement | km | 113.00 | 347.13 | 581.78 |
| Percentage of pipelines aged over 20 years | % | 27.15 | 30.00 | 41.82 |
| Household participation rate in gas safety inspections | % | 88.98 | 90.15 | 91.76 |
| Number of residential households inspected | Household | 780,178 | 957,963 | 1,006,534 |
| Inspection completion rate | % | 90.33 | 100.00 | 99.54 |
| Rectification rate of serious hazards | % | 89.59 | 90.00 | 92.00 |
| Gas loss rate | % | 7.80 | 7.49 | 6.93 |

Performance on Stable Supply of Gas of Nantong Dazhong Gas

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Gas pipeline replacement | km | 13.71 | 10.75 | 56.79 |
| Percentage of pipelines aged over 20 years | % | 5.35 | 4.61 | 6.07 |
| Household participation rate in gas safety inspections | % | 83.80 | 84.70 | 90.50 |
| Residential inspection households | Household | 291,788 | 343,198 | 541,707 |
| Inspection completion rate | % | 100.00 | 100.00 | 100.00 |
| Gas loss rate | % | 2.61 | 1.32 | 1.69 |

## Quality-related metrics and targets

Dazhong Public Utilities consistently enhances its management of quality metrics and targets. Each subsidiary develops a tailored metric and target management system, aligned with industry characteristics, to effectively monitor progress toward achieving these targets.

Dazhong Jiading’s 2025 Operating Quality Control Targets and Completion Status

| Quality control target | Completion |
|---|---|
| The target for water treatment volume by 2025 is set at an average of 171,000 tons per day. The actual volume of treated water is expected to meet or exceed 100% of this goal. | Completed |
| The quality control targets for water quality, including tail water disinfection, and sludge quality are designed to ensure 100% compliance with discharge standards. | Completed |
| The noise produced by all equipment during operation must not exceed 85 dB. Furthermore, all noise at the factory boundary will fully comply with existing noise emission limits. | Completed |
| Odor collection and treatment facilities function effectively, ensuring that the concentration of odors at exhaust outlets and plant boundaries consistently meets required emission limits. | Completed |
| The integrity rate of facilities, equipment, instruments, and meters must exceed 95%. | Completed |
| The testing and analysis frequency for water, gas, and sludge must adhere to the Technical Specification for the Operation, Maintenance, and Safety of Urban Wastewater Treatment Plants (CJJ60-2011) and relevant environmental protection discharge permits. Additionally, it is imperative to enhance quality control measures in accordance with established quality standards to guarantee that data quality consistently meets operational quality control requirements. | Completed |

2025 Annual Quality Target Management of Nantong Dazhong Gas

| Quality target | Completion |
|---|---|
| Ensure the safe and stable operation of gas facilities. | Completed |
| Ensure the installation quality and safety of gas pipelines. | Completed |
| Optimize customer services and achieve 100% user satisfaction. | Completed |

# Customers Rights and Interests

Dazhong Public Utilities rigorously adheres to national laws and regulations that safeguard customer rights and interests. The Company is dedicated to continuously optimizing service processes, thereby enhancing service response efficiency and quality. It places a high priority on customer information security and privacy protection, actively collecting and responding to customer feedback through multiple channels. Committed to fostering transparent and trustworthy relationships, Dazhong Public Utilities consistently strives to elevate customer satisfaction through reliable products and services.

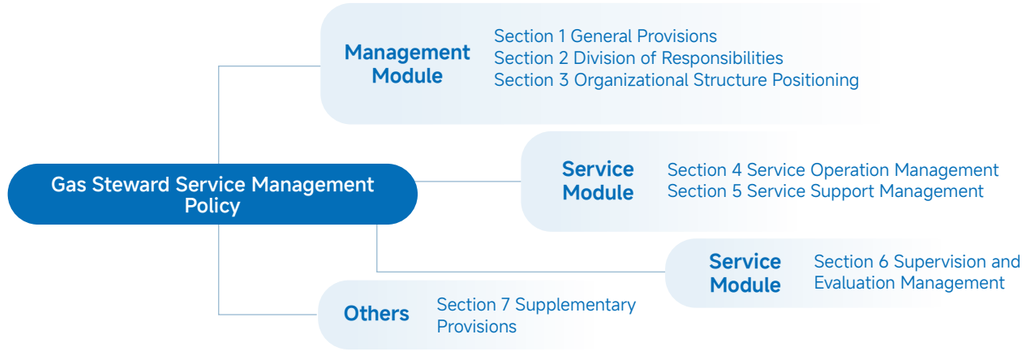
## Privacy protection

Dazhong Public Utilities strictly adheres to relevant laws and regulations regarding data security and privacy protection, having established the Management Regulations on Cybersecurity and Informatization. The Company effectively implements stringent oversight of sensitive data, including gas user information and safety inspection records, and engages in formal information security and confidentiality agreements with associated cooperative institutions. Through a combination of technical and managerial measures, the Group consistently enhances the comprehensive protection of customer data, thereby ensuring the safeguarding of customer privacy and security.

## Better services

Dazhong Public Utilities is committed to the continuous optimization of its customer service processes. By enhancing service standards and refining response mechanisms, the Company effectively addresses customer issues with both efficiency and professionalism. Furthermore, it actively expands its online and offline service channels while strengthening the training of service personnel. These initiatives ensure greater consistency and accessibility of services, ultimately leading to a markedly improved customer service experience.

Dazhong Public Utilities is committed to establishing a standardized service network and a highly professional service team, thereby enhancing the quality of customer service. Shanghai Dazhong Gas has developed the Administration Specification for the Construction of "SHGAS Station" and has implemented physical service stations at various levels. These stations facilitate a range of customer services, including business operations, safety promotions, and consultations. Additionally, the Company has introduced the Administration Measures for the "Gas Steward" Service, employing a grid management model to deliver comprehensive support that encompasses gas maintenance, safety inspections, meter management, and personalized demand responses. A robust service supervision and customer feedback mechanism has been instituted to continuously refine service processes and enhance the overall customer experience.




"Gas Steward" Service for better Customer Service Management Framework

## Customer communication

Dazhong Public Utilities has effectively established and maintained diverse channels for customer communication, including on-site feedback at service counters, an official website, and mobile applications. Furthermore, the Company has implemented a centralized customer service center and hotline, systematically gathering customer feedback and demands through email correspondence, satisfaction surveys, online questionnaires, and various other methods.

Shanghai Dazhong Gas has developed the Complaint Handling Management Measures, consistently optimizing its complaint resolution process and implementing a comprehensive closed-loop management mechanism for customer follow-ups. Utilizing a customer information management platform, the company conducts random inspections and verifications of service outcomes through secondary follow-ups, ensuring effective resolution of customer issues while promoting continuous improvement in service processes and quality.

**In 2025**

Shanghai Dazhong Gas initiated an industry satisfaction survey, achieving an impressive customer satisfaction rate of
92.35 %

Reduction in customer complaints
55 %

Issue resolution rate
100 %



# Social Contribution

Dazhong Public Utilities effectively fulfills its corporate social responsibility by actively engaging in various social welfare initiatives. Leveraging its business strengths, the Group participates in community development, supports rural revitalization, and implements diverse public welfare activities, including promoting safe gas usage and providing services accessible to residents. Through these efforts, Dazhong reaffirms its commitment to societal services, community contributions, and fostering harmonious community development.

## Community services

Dazhong Public Utilities effectively organizes and encourages employee participation in volunteer services, ensuring the regular execution of these activities. Through initiatives such as promoting safe gas usage and enhancing community services, the Group strengthens its ties with residents, fosters a supportive and harmonious community environment, and drives collaborative development between the enterprise and the community.

Social Welfare Performance

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Number of public welfare activities | / | 27 | 20 | 15 |
| Public welfare activities attendances | / | 70 | 80 | 38 |
| Public welfare activities Hours | Hour | 197 | 191 | 61 |

*Note: The statistical scope encompass Dazhong Jiading, Jiangsu Dazhong, and Dazhong Logistics.

**Case** Jiangsu Dazhong participated in the Lighting with Care outreach program for minors

Jiangsu Dazhong actively engaged in the Lighting with Care outreach program targeting minors in need. Through this initiative, the company mobilized employee volunteers to visit families within the community, focusing on enhancing the growth environment for children. This effort exemplifies the company's unwavering commitment to fulfilling its corporate social responsibility and significantly contributing to community development, thereby fostering social well-being.



Lighting with Care Outreach Program for Minors



Dazhong Gas carries out community outreach programs to promote gas safety education.

## Rural revitalization

Dazhong Public Utilities confidently aligns itself with the national rural revitalization strategy, effectively merging corporate development with rural infrastructure initiatives. Leveraging its core competencies, the Group identifies innovative solutions to enhance rural living conditions and promote the application of clean energy. This strategic approach not only advances rural development but also improves citizens' livelihoods, clearly reflecting the Group's commitment to corporate social responsibility.

## Charitable donations

Dazhong Public Utilities demonstrates its commitment to corporate social responsibility by actively engaging in various charitable initiatives through established channels. The Company has made significant donations to the Shanghai Red Cross Society, supporting rescue operations for the Tai Po fire in Hong Kong and the earthquake in Dingri County, Xigaze City, Xizang. Furthermore, Dazhong participated in a donation program at Shanghai Jiao Tong University aimed at enhancing educational development, underscoring the Group's steadfast dedication to disaster relief and educational advancement.

**HONOR**

2025 Social Donations Performance of Dazhong Public Utilities




RMB 500,000 Donated to Support Rescue Operations for Tai Po Fire in Hong Kong




RMB 250,000 Donated To the Support Rescue Operations for Earthquake-stricken Dingri County, Xigaze City, Xizang




Dazhong Public Utilities Donated to Shanghai Jiao Tong University to Support the Development of Education

# 03 Governance

Dazhong Public Utilities regards compliance governance as the cornerstone of its high-quality development. The Company adheres strictly to laws, regulations, and industry ethical standards while consistently implementing its sustainable development strategy. It has established a comprehensive internal governance and oversight system that enhances operational efficiency and ensures transparency through refined risk management and internal controls. By improving its information disclosure mechanisms and optimizing investor relations management, Dazhong effectively safeguards the legitimate rights and interests of investors, thereby establishing a robust compliance foundation for the enterprise's steady operation.

Contribution to UN SDGs:




**2025 Performance Highlights of Dazhong Public Utilities**

| Metric | Unit | 2025 Value |
|---|---|---|
| Director attendance rate at general meetings | % | 100 |
| Percentage of independent directors on the Board | % | 44.44 |
| Number of female directors on the Board | / | 1 |

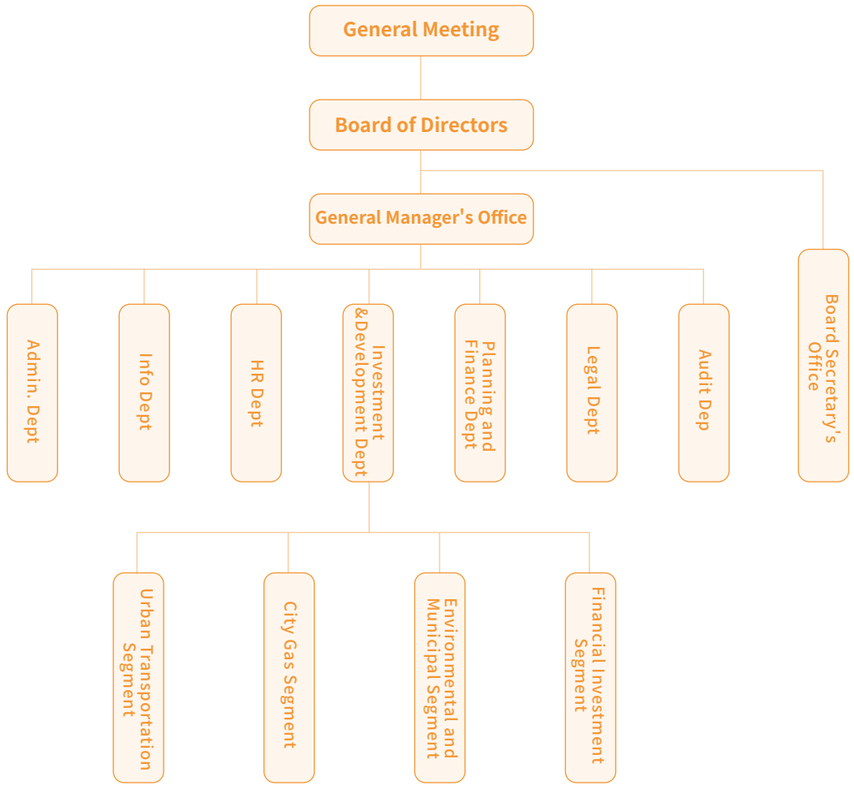

- Better Corporate Governance 66
- Enhanced Risk Management 72
- Business Ethics 75
- Data Security 77

# Better Corporate Governance

Dazhong Public Utilities upholds the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Guidelines for the Governance of Listed Companies, and other relevant regulations, rigorously implementing all mandates issued by regulatory authorities. The Company consistently enhances its modern corporate governance framework, refines its long-term development incentive mechanisms, and meticulously updates essential institutional documents, including the Articles of Association and the Rules of Procedure for the Board of Directors. These proactive measures significantly elevate operational efficiency and solidify the governance foundation necessary for the enterprise's high-quality development.

## Governance structure

Dazhong Public Utilities operates under a robust governance framework comprising the General Meeting of Shareholders, the Board of Directors, and management. By prioritizing the enhancement of procedural regulations, the Group continually optimizes the composition and expertise of its Board, while systematically reinforcing the directors' capacity to fulfill their responsibilities. Through the clear delineation of rights and obligations for each governance entity, alongside the standardization of decision-making protocols, the Group facilitates effective duty performance and fosters efficient collaboration among the General Meeting of Shareholders, the Board of Directors, and the management. This strategic approach not only ensures the successful implementation of governance measures but also drives the ongoing refinement and long-term advancement of corporate governance.




Organizational Structure of Dazhong Public Utilities

### General Meeting of Shareholders

The General Meeting of Shareholders is convened and conducted in strict adherence to the Articles of Association and the Rules of Procedure for these meetings. The Group meticulously implements all procedural aspects, including meeting notifications, proposal deliberations, and voting processes. This thorough approach guarantees the equal standing of all shareholders and enables them to effectively exercise their rights as prescribed by law. Shareholders are assured of their rights to information, participation, inquiry, and voting.

### Board and its Committees

The Board of Directors, as the authoritative entity responsible for implementing the resolutions of the General Meeting of Shareholders, serves as the primary decision-making body overseeing corporate operations and management. It exercises comprehensive operational decision-making authority in accordance with the statutory powers conferred by the Company Law of the People's Republic of China and the Articles of Association, as well as the mandates from the General Meeting of Shareholders. This enables the Board to effectively fulfill its essential role in formulating strategy, making critical decisions, and managing risks.

### The Management

The management, operating under its statutory functions and the authorization granted by the Board of Directors, is responsible for enhancing daily production and business operations. It effectively implements the Board's resolutions and provides regular reports on progress. In doing so, management confidently fulfills its core duties of formulating business strategies, executing decisions, and strengthening operational management.

**Case** Dazhong Public Utilities held 2024 annual general meeting of shareholders

On the afternoon of June 13, 2025, the 2024 Annual General Meeting of Shanghai Dazhong Public Utilities (Group) Co., Ltd. convened both in-person and online. The meeting was presided over by Liang Jiawei, the Executive Director and President. The entire management team participated in the discussions, engaging with shareholders on critical topics, including the 2024 operating performance, future strategic planning, profit distribution policies, and market value management measures. President Liang Jiawei articulated that in light of the complex and challenging external environment in 2025, the Company was resolutely committed to implementing the strategy of dual-wheel drive of public utilities and financial investment & venture capital. This approach aims to consolidate the company's developmental foundation by deepening its core businesses while strategically positioning itself for future opportunities. The company was dedicated to pursuing high-quality development through innovation, thereby establishing a robust foundation for the next Five-Year Plan, ensuring the successful completion of the 14th Five-Year Plan, and effectively advancing the formulation and organization of the 15th Five-Year Plan.




Dazhong Public Utilities Held 2024 Annual General Meeting of Shareholders

2025 Performance on General Meeting of Shareholders of Dazhong Public Utilities

| Metric | Unit | 2025 Value |
|---|---|---|
| General meetings | / | 1 |
| Expected attendance of directors on general meetings | / | 9 |
| Actual attendance of directors on general meetings | / | 9 |

## Board of Directors

Dazhong Public Utilities has established and enacted a board diversity policy designed to enhance the operational efficiency of its Board of Directors while upholding rigorous standards of corporate governance. This policy articulates clear objectives and strategies for fostering diversity. It mandates that the selection of board members considers various factors, including gender, age, professional background, industry experience, and regional expertise. This approach aims to cultivate a decision-making team characterized by a diversified structure and complementary strengths.

**Independence**

The Audit Committee is exclusively composed of independent directors. Additionally, the Nomination Committee and the Remuneration and Evaluation Committee are each chaired by an independent director, with independent directors comprising more than half of the membership of both committees. This structure fully guarantees the independence and objectivity of decision-making within each special committee.

**Diversity**

During the nomination process for director candidates, the Company undertakes a thorough evaluation of their educational backgrounds, professional experiences, and relevant information. The Board of Directors' Nomination Committee conducts annual assessments focusing on professional skills, industry experience, knowledge, and gender composition. Furthermore, the Committee actively monitors the representation and professional qualifications of female directors, ensuring a diverse and effective Board structure.

Currently, the Board of Directors comprises nine members, including four independent directors and one female director. Additionally, there is one female member on the Nomination Committee.

**Professionalism**

The Company strategically selects and appoints qualified professionals and senior experts with specialized expertise in accounting, finance, law, and related fields to bolster the membership of its special committees. This approach enhances the effectiveness of the Board of Directors, elevates the Company's overall governance capacity, and establishes a robust professional foundation for informed decision-making by the Board.



**Case** Dazhong Public Utilities held the 12th meeting of the 12th Board of Directors

On August 29, 2025, Shanghai Dazhong Public Utilities (Group) Co., Ltd. convened its 12th meeting of the 12th Board of Directors in a hybrid format, combining on-site and video conference participation. The meeting, chaired by Mr. Yang Guoping, Chairman of the Board, included senior management in a non-voting capacity. Following a thorough review and rigorous discussions among the attending directors, the meeting approved several significant proposals, including the 2025 Semi-Annual Business Operation Report, the 2025 Semi-Annual Report and Summary, and the Proposal Concerning The Factoring Financing Business Conducted by a Subsidiary with Related Parties. Additionally, the Board approved revisions to the Working Rules of the Audit Committee, the Working Rules of the President, and Information Disclosure Management Measures, among other proposals. The adoption of these proposals enhances the Company's governance framework, optimizes its internal control systems, and strengthens the foundational practices for standardized operational decisions and secure capital management, thereby ensuring compliance with information disclosure requirements and supporting the Company's high-quality, sustainable development.




Dazhong Public Utilities Held the 12th Session of the 12th Board of Directors

**Case** Independent Directors of the Group conducted comprehensive research and provided strategic guidance to subsidiaries under Shanghai Dazhong Gas

On November 11, 2025, Mr. Jiang Guofang, Mr. Yang Ping, and Mr. Liu Feng, independent directors of the Group, undertook a dedicated research and guidance tour at the pipeline inspection station affiliated with Shanghai Dazhong Gas. During their visit, key personnel provided the directors with a comprehensive overview of the station's background, current operational status, and developmental history. The directors were also escorted on a field visit to the historically significant gas river-crossing shaft. Following the on-site inspection, the independent directors engaged with the management team of Shanghai Dazhong Gas, who presented a special report detailing pivotal aspects, including the scientific management of gas pipeline facilities and advancements in inspection technologies. In-depth discussions ensued on critical issues, such as the evolving trends within the gas industry, regulatory requirements, and strategies for ensuring winter supply security. This research tour not only enabled the independent directors to acquire a thorough understanding of the operational and management intricacies of urban gas services at the grassroots level, but it also served as a vital reference for informing the strategic optimization and high-quality development of the Group's gas business. Moving forward, the Group will consistently facilitate regular on-site research by independent directors, enhancing corporate governance through diverse perspectives and fostering the stable operation and long-term growth of the Group.



Independent Directors of the Group Conducted Comprehensive Research and Provided Strategic Guidance

## Board effectiveness

Dazhong Public Utilities adheres strictly to the provisions outlined in its Articles of Association to regulate the selection, appointment, and removal of directors, thereby ensuring that the Board of Directors effectively fulfills its critical role in major decision-making and operational management. The Group has established and refined a performance evaluation mechanism for the Board, which consistently guarantees the effectiveness of board governance through regular assessments of directors' performance. The evaluation of directors and senior management is led and executed by the Board of Directors or its Remuneration and Evaluation Committee. The performance evaluation process for independent directors utilizes a blend of self-evaluation and mutual assessment. To further ensure the efficient operation of the Board, the Company implements comprehensive annual performance evaluations for all directors.

2025 Performance on Board Governance of Dazhong Public Utilities

| Metric | Unit | 2025 Value |
|---|---|---|
| Percentage of independent directors in the Board | % | 44.44 |
| Female directors in the Board | / | 1 |
| Board meetings | Session | 5 |
| Expected attendance on board meetings | / | 45 |
| Actual attendance on board meetings | / | 45 |

## Investor relations

Dazhong Public Utilities places a significant emphasis on investor relations management. The Company effectively communicates its value to the capital market while promptly addressing investors' needs and suggestions, thereby actively responding to market dynamics and efficiently meeting investors' demands. This proactive approach fosters a strong and transparent communication channel with investors. The Company rigorously complies with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, and the Guidelines for Investor Relations Management of Listed Companies, alongside relevant provisions of its Articles of Association. Furthermore, Dazhong Public Utilities has established a clear and standardized investor communication platform designed to protect investors' rights to information, participation, and oversight, while continuously enhancing the quality of its investor relations management.

The Group assigns dedicated personnel to manage investor hotlines, respond to investor emails, receive visiting investors, and address a wide range of inquiries. Through diverse channels, including on-site meetings, telephone calls, faxes, and online platforms, the Group maintains open and transparent communication with investors, ensuring a comprehensive understanding of their needs and timely responses to market concerns. Furthermore, the Group has established and continually optimizes an investor relations management record to thoroughly document communication content and feedback, thereby ensuring that all investor requests are effectively managed and addressed.



**Case** Dazhong Public Utilities participated in the 2025 Q3 collective performance briefing session for listed companies in the Shanghai area

To enhance investor relations management, boost investor confidence, diversify communication channels, strengthen market value management, and establish a strong foundation of trust with investors, Dazhong Public Utilities participated in the 2025 collective performance briefing for listed companies in the Shanghai area, focusing on third-quarter reports. This event, jointly organized by the Shanghai Listed Companies Association and the Shanghai Stock Exchange Roadshow Center, took place on November 13. During the briefing, the Company's senior management engaged in comprehensive discussions with investors regarding key topics of interest, including core performance metrics for Q3 2025, operational results from the gas business segment, strategies for overseas investments, and measures for market value management. The performance briefing garnered significant market interest, and the Company addressed nearly 30 investor inquiries, achieving a 100% response rate. This proactive approach effectively established a value-sharing platform between the listed company and its investors, fostering sound interaction and resonance between both parties.



2025 Q3 Performance Briefing Session

**Case** Listed Company Value Discovery Tour – Go Into Dazhong Public Utilities: Decoding the Dual Wheel Drive of Stability + Innovation

On December 16, the Listed Company Value Discovery Tour, themed Wealth Together was successfully held, hosted by Quanjingwang (https://www.p5w.net/) and co-organized by the Shanghai Listed Companies Association and Ping An Securities. This event highlighted Dazhong Public Utilities, a leading company in the urban public utilities sector, and provided investors with a unique opportunity to explore the Company's strengths in environmental treatment and its significant achievements in intelligent upgrading. Attracted by the event's promise, over 40 investors participated in an immersive tour of the Shanghai Dazhong Jiading Wastewater Treatment Plant. During the visit, Deputy General Manager and Chief Engineer Wang Chong delivered a comprehensive introduction to the construction and operation of the Phase I, II, and III projects. He elucidated the intricate processes involved in wastewater treatment. Through close observation and on-site inspection, investors obtained direct insights into the Company's advanced technological capabilities and its efficient operational and management practices in wastewater treatment. This Value Discovery Tour, serving as a vital bridge between the capital market and listed companies, employed an innovative format combining on-site visits with in-depth dialogue. This approach not only facilitated effective communication between investors and the enterprise but also allowed investors to look beyond surface operations, gaining a profound understanding of the intrinsic investment value and long-term development potential of Dazhong Public Utilities. Consequently, this initiative injects new momentum into the high-quality development of the capital market.




Visit Dazhong Public Utilities

## Information disclosure

Dazhong Public Utilities has significantly optimized its information disclosure processes and rigorously implemented the Information Disclosure Management Measures. This commitment is aimed at enhancing the quality of information disclosure, ensuring that all disclosed information is true, accurate, complete, and timely, thereby effectively safeguarding investors' rights to information. Concurrently, the Group has strengthened the confidentiality of undisclosed information. Through targeted publicity, education, and diligent daily management, it has bolstered employees' compliance awareness, mitigated risks associated with information disclosure, and effectively prevented insider trading.

## Investor return

Dazhong Public Utilities has consistently embraced an investor-oriented philosophy while prioritizing its high-quality development. The Company has established and executed a continuous, stable cash dividend policy designed to effectively share its developmental gains with all investors. During the reporting period, Dazhong Public Utilities implemented its annual equity distribution for 2024. Based on a total share capital of 2.952 billion shares, the Group distributed cash dividends of RMB 0.36 for every 10 shares, culminating in total cash dividends of RMB 106 million to its shareholders.

# Enhanced Risk Management

Dazhong Public Utilities has deepened its reform and quality enhancement initiatives by perfecting its full-chain compliance management system. The Company consistently adheres to the principles of lawful operation, standardizing all business processes while significantly improving the foresight and efficacy of its risk prevention and control measures. Through robust internal control and compliance management, the Company confidently fulfills its corporate responsibilities, fostering the Group's steady and sustainable development.

## Law-based business governance

Dazhong Public Utilities has effectively enhanced its legal framework by strengthening its team of legal professionals and integrating legal compliance into operational management. By improving its capabilities for comprehensive risk identification, assessment, and response, the Company has refined its management practices to align with legal standards. This solid legal foundation supports the Company's ongoing reforms, innovation, and pursuit of high-quality development.

2025 Legal Compliance Performance of Dazhong Public Utilities

| Metric | Unit | 2025 Value |
|---|---|---|
| Legal compliance training sessions | / | 2 |
| Legal compliance training participation | / | 40-45 |
| Legal compliance training duration | Hour | 4 |

## Risk management

To ensure the stable operation and sustainable development of Dazhong Public Utilities, the Company has prioritized the establishment of a comprehensive risk management system. By systematically enhancing risk control mechanisms and optimizing its organizational structure, the Company has refined its management processes. This strategic focus effectively consolidates its foundation for risk prevention and establishes a robust safety barrier to protect the enterprise's long-term growth.

The Group has implemented a comprehensive organizational system for risk management under the leadership of the Board of Directors. This structure includes the Audit Committee, the management team, and a dedicated risk management working group. With clearly defined rights and responsibilities, as well as enhanced coordination and collaboration, this framework establishes a robust barrier for risk prevention and control, ensuring the Company's stable operations and supporting high-quality development.

2025 Risk Management Structure of Dazhong Public Utilities

| | |
|---|---|
| Board of Directors | The Board of Directors, as the primary decision-making authority, bears the responsibility for the comprehensive review and approval of strategic risk management plans and significant policies, thereby establishing the overarching direction for risk control. |
| Audit Committee | The Audit Committee confidently exercises its oversight functions by conducting thorough inspections and evaluations of the effectiveness of the risk management system. |
| Management team | Management spearheads the execution of strategies, fine-tunes control measures and responsibility distribution, while effectively coordinating critical operational issues within the system. |
| Risk control working group | The Risk Control Working Group, functioning as the executive unit, is committed to the comprehensive processes of risk identification, assessment, monitoring, reporting, and response. |

Risk Management Mechanism of Dazhong Public Utilities

### Risk identification

In light of the Group's overall business development and operational landscape, all departments systematically and continuously gather and analyze pertinent internal and external information. This proactive approach enables them to dynamically identify the various risks encountered during operations. Furthermore, they accurately assess the sources, characteristics, contributing factors, and potential impacts of these risks, implementing a classified and centralized management system based on risk type.

### Risk assessment

The Group has developed a standardized risk rating system focused on the core dimensions of risk impact and likelihood of occurrence. All departments and subsidiaries are required to employ qualitative and quantitative analyses to conduct a comprehensive assessment and precise measurement of identified risks. For quantifiable risks, such as market and credit risk, the Group will adeptly utilize professional methodologies and models, including Value at Risk (VaR), credit exposure assessments, sensitivity analyses, and stress testing. This approach ensures a robust scientific measurement and thorough evaluation of associated risks, reflecting the Group's commitment to effective risk management.

## Risk response

The Group develops precise risk response strategies that align with its risk appetite, informed by comprehensive risk assessments and early warning indicators. These strategies encompass risk avoidance, reduction, transfer, and acceptance. Concurrently, the Group implements robust supporting mechanisms, including asset impairment provisioning, risk hedging, capital replenishment, dynamic scale adjustments, and coordinated asset-liability management. Furthermore, for significant risks and emergencies, the Group has established a standardized, full-process emergency response mechanism, significantly enhancing the proactivity and effectiveness of its risk management efforts.

## Risk reporting and response

During the execution of its responsibilities, the risk management function must promptly report any identified risks in business operations or abnormal situations—such as risk indicators exceeding established thresholds—to the Group management. It is essential to coordinate swiftly with relevant departments and subsidiaries to conduct thorough investigations aimed at identifying root causes. Furthermore, the department will actively encourage responsible entities to implement corrective measures, ensuring the timely mitigation of identified risks.



2025 Risk Management Performance of Dazhong Public Utilities

| Metric | Unit | 2025 Value |
|---|---|---|
| Risk management training sessions | / | 1 |
| Risk management training participation | / | 45 |
| Risk management training hours | Hour | 1 |

## Internal auditing

Dazhong Public Utilities adheres rigorously to the Audit Law of the People's Republic of China as well as other pertinent laws and regulatory frameworks. The Company is dedicated to continuously strengthening its internal compliance reviews and has established the Basic Internal Control Policy to standardize its financial audit processes. This initiative enhances the internal audit's oversight function significantly. The Group Audit Department is tasked with auditing the compliance and authenticity of essential accounting documents, including earnings forecasts and financial reports, alongside relevant economic activities. It actively supervises and assesses the efficacy of internal controls and risk management, providing regular reports to the Audit Committee. Through these measures, the Group significantly bolsters its internal oversight capabilities, ensuring the legality and compliance of all operations, financial management, and associated activities.



**Case** Dazhong Public Utilities conducted a comprehensive training session on internal control management and data asset operations

In September 2025, Dazhong Public Utilities organized a specialized training session on Internal Control and Data Asset Management. Experts from BDO were invited to lead the on-site lectures. Over 50 employees participated, including senior executives, middle managers, heads of affiliated entities, and key personnel from finance and audit functions.

During the training, participants exhibited remarkable attentiveness and engaged in substantive discussions. They not only mastered practical methodologies for internal control within enterprises but also developed an intuitive and comprehensive understanding of the latest trends in data asset management. This training initiative represents a critical strategy for the Group to bolster its internal control framework and strategically navigate the landscape of data assets. It underscores the Group's commitment to prioritizing risk prevention, control, and digital transformation.





Training Session Focused on Internal Control Management and the Operation of Data Assets

# Business Ethics

Dazhong Public Utilities prioritizes integrity-based operations as a core principle, adhering strictly to business ethics and maintaining a commitment to compliant practices. In a competitive market landscape, the Group unequivocally opposes commercial bribery, money laundering, monopolistic conduct, and unfair competition. This commitment contributes to fostering a sustainable business environment. During the reporting period, the Group recorded no material litigation related to corruption, money laundering, or unfair competition.

## Anti-bribery and anti-corruption

Dazhong Public Utilities is resolutely committed to collaborating with all stakeholders to cultivate and sustain a transparent and robust business environment. The Group has instituted the Procurement Management Regulations, which delineate stringent anti-corruption and anti-bribery requirements for suppliers. These regulations integrate supplier commitment letters within the contract review and signing process, thereby establishing a formidable integrity framework through institutional rigor. At the governance level, the Company has established an Audit Committee tasked with overseeing and directing anti-corruption initiatives. The Audit and Inspection Department functions as the dedicated agency for anti-corruption efforts, spearheading comprehensive campaigns across departments. Additionally, it aids management and business divisions in executing annual self-assessments regarding anti-corruption and anti-fraud initiatives, thereby ensuring the sustained and effective operation of the integrity and risk control system.

Guided by the principles of integrity and righteousness, Dazhong Public Utilities actively enhances the professional ethics and moral conduct of its directors and employees through regular anti-corruption training. The Company strengthens legal and compliance awareness among all staff, thereby fortifying the cultural foundation of a clean and upright enterprise. In 2025, the Company initiated specialized anti-corruption training to further this commitment.

2025 Anti-bribery and Anti-corruptionTraining Performance of Dazhong Public Utilities

| Metric | Unit | 2025 Value |
|---|---|---|
| Anti-bribery and Anti-corruption training sessions for managers | / | 1-2 |
| Anti-bribery and Anti-corruption training participation for managers | / | 40-45 |
| Anti-bribery and Anti-corruption training duration for managers | Hour | 2-4 |
| Anti-bribery and Anti-corruption training sessions for employees | / | 1-2 |
| Anti-bribery and Anti-corruption training participation for employees | / | 40-45 |
| Anti-bribery and Anti-corruption training duration for employees | Hour | 2-4 |

## Anti-money laundering

Dazhong Public Utilities adheres strictly to the Anti-Money Laundering Law of the People's Republic of China and relevant regulations, fulfilling its statutory anti-money laundering obligations with diligence. The Group regularly assesses risks associated with money laundering and implements a range of targeted promotional and educational activities. These initiatives disseminate essential anti-money laundering knowledge and practical guidance to all employees, thereby reinforcing the foundation of compliance and risk management within the Company.

**Case** Dazhong Commerce held an anti-money laundering training

On June 23, 2025, Dazhong Commerce organized a specialized training session focused on the Anti-Money Laundering Law of the People's Republic of China. Expert lecturers were invited to provide comprehensive interpretations of legal provisions, practical insights, and analyses of typical cases. This approach effectively enhanced anti-money laundering compliance awareness among all employees. Moreover, an interactive Q&A session was incorporated into the training, allowing staff to accurately understand key aspects of identifying money laundering risks in their daily operations. This initiative further solidified the company's compliance management framework and contributed to the professionalization and standardization of its anti-money laundering efforts.



Anti-money Laundering Training at Dazhong Commerce

## Fair competition

Dazhong Public Utilities rigorously adheres to the Anti-Unfair Competition Law of the People's Republic of China, the Several Provisions on Prohibiting Infringement of Commercial Secrets, and regional anti-monopoly and fair competition laws and regulations. Compliance management, encompassing anti-unfair competition measures, is systematically promoted under the comprehensive oversight of the Board of Directors, ensuring adherence to legal and ethical standards.

The Group implements proactive and anticipatory control measures to guarantee that all business activities adhere to applicable laws and regulations. In 2025, the Group equipped employees with the necessary skills to accurately identify potential risk clauses in contracts while optimizing the contract approval process through enhanced compliance reviews. This ensures that all contractual terms align with relevant anti-monopoly and competition law requirements, effectively mitigating potential legal risks and fortifying the anti-monopoly compliance framework. Additionally, the Group emphasizes the importance of fostering a compliance culture against unfair competition, continually enhancing employee awareness through multi-tiered and targeted training initiatives.

## Whistleblowers protection

Dazhong Public Utilities is committed to enhancing the supervision of business ethics and improving reporting management. In strict adherence to the Regulations on Petition Work, the Rules for Disciplinary Inspection and Supervision Authorities regarding Handling Prosecutions and Accusations, and other regulatory requirements, the Group has developed and implemented the Petition Management Regulations. These regulations clearly delineate the authority, division of responsibilities, and operating procedures for addressing complaints and reports, ensuring that all matters are managed in a timely and efficient manner. The Group encourages employees, customers, and other stakeholders to report violations of laws, regulations, and ethical standards by providing diverse reporting channels, including hotlines and email addresses. All reported information will be processed in strict accordance with established procedures for handling prosecutions and accusations, reinforcing our commitment to accountability and transparency.

The Company has implemented a comprehensive whistleblower protection system that ensures the strict confidentiality of both the whistleblower's identity and their reports. We actively support anonymous reporting and have a zero-tolerance policy for retaliation. In instances where whistleblowers experience threats or infringements as a result of their disclosures, the Group will respond quickly and seek protective measures. Moreover, any retaliatory actions by the individuals being reported will be addressed rigorously in accordance with established regulations; those suspected of criminal activity will be referred to the appropriate judicial authorities.

# Data Security

Dazhong Public Utilities places paramount importance on information security and privacy protection within its operational and management frameworks. Through rigorous control measures, the Company comprehensively safeguards its corporate information assets, customer data, and stakeholders' privacy. The Group continually refreshes and enhances its information security management system, fortifying risk prevention and control mechanisms while proactively identifying and mitigating diverse cybersecurity threats. Additionally, the Company actively explores and implements cutting-edge information security technologies and protective strategies. These efforts significantly bolster the entity's information security defenses, thereby establishing a robust security framework that supports the enterprise's steady and sustainable development.

## Governance

Dazhong Public Utilities implements the principle of Large Group, Integrated Operation and adheres to the construction guideline of One Entirety, Three Tiers; Centralized Management, Divided Responsibilities in order to establish a standardized and systematic information security management system. This system effectively integrates the three-tier control chain: Group, Tier-2 subsidiaries, and project companies, thereby creating a clearly defined mechanism for the transmission of responsibilities across different layers. Through comprehensive closed-loop management, this framework fortifies the secure and stable operation of the Group's information security, ensuring robust protection of its information assets.

## Strategies

### Data security management

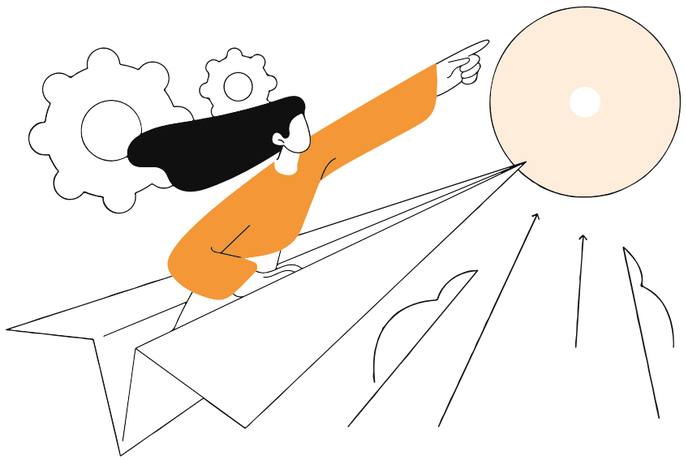
Dazhong Public Utilities adheres rigorously to the Cybersecurity Law of the People's Republic of China, the Regulations on the Security Protection of Computer Information Systems, and the Measures for the Administration of Classified Protection of Information Security, among other relevant laws and regulations. The Company has developed comprehensive information security strategies, management frameworks, and implementation standards applicable across the entire group. A unified information security baseline has been established, alongside an integrated technical support system addressing key dimensions such as the physical environment, network architecture, host systems, application platforms, and data assets. Moreover, Dazhong Public Utilities routinely conducts targeted information security supervision and inspections, collaborating with the Audit Department to perform thorough information security audits. This ensures that the entire information security management process is compliant, controlled, and traceable.

### Data security training

Dazhong Public Utilities takes a proactive approach to fostering a robust information security culture. It regularly conducts information security training for new employees during onboarding, as well as annual awareness sessions for all staff members. These training programs emphasize essential modules, including fundamental information security principles and operational standards. Such initiatives significantly enhance employees' awareness of information security and their ability to respond to risks, thereby establishing a formidable defense for the enterprise's information security infrastructure.

## Impacts, risks and opportunities

Dazhong Public Utilities has implemented a comprehensive, closed-loop mechanism for information security risk prevention and control. At the heart of this initiative is information risk management, guided by a series of standardized management policies, including the Regulations on Cybersecurity and Informatization Management and the Information Security Management Standards. These frameworks delineate management requirements and operational procedures, emphasizing critical areas such as information asset identification, classification, protection, and risk monitoring, along with early warning and response strategies. Consequently, a robust risk management system encompassing the entire information life cycle has been established, effectively mitigating various information security risks and ensuring the security and stability of the Group's information systems and data assets.



## Metrics and targets

Dazhong Public Utilities has adopted a holistic approach to its strategic development by outlining four core focus areas in its 15th Five-Year Information Technology Plan. Firstly, it identifies independent innovation and secure, controllable systems as foundational guarantees, emphasizing the importance of technological independence and information security. Secondly, the plan prioritizes the solidification of technological infrastructure and the integration of multiple systems as essential support mechanisms, aimed at dismantling data silos among business systems and establishing a cohesive digital platform. Thirdly, it emphasizes data governance and digital-real integration as pivotal strategies for enhancing full life cycle data management, thereby enabling industrial upgrading through data-driven insights. Lastly, the plan aspires to foster intelligence, environmental protection, and sustainable development in the long term, leveraging intelligent technologies to facilitate green, low-carbon transformation and achieve harmonious development between the enterprise and society.

**Case** Launch of Yonyou ERP system at Nantong Dazhong Gas

On January 1, 2025, Nantong Dazhong Gas successfully launched the first phase of its Yonyou ERP System. This phase concentrated on implementing core functions, including finance, HR payroll, and supply chain management. The primary objective is to establish a comprehensive business information management platform that dismantles information silos and facilitates data interoperability and collaboration across various business systems through the ERP platform. This integration will enhance the visual, transparent, and refined management of business processes, thereby improving overall operational efficiency. Following the successful stabilization of Phase I, the company will progressively expand its functional modules to include project management, comprehensive budgeting, and a more robust human resources system. This strategic progression aims to promote a digital and intelligent transformation centered on the integration of finance and business operations. By harnessing the power of informatization, this initiative will unlock management potential, strengthen core competitiveness, and provide a substantial impetus for enhancing the quality and efficiency within the urban gas industry through a thorough implementation of finance-business integration.




Mobilization Meeting Prior to the Launch of Yonyou ERP System at Nantong Dazhong Gas

# ESG Data and Notes

Environmental Performance

| Metric | Unit | 2025 Value |
|---|---|---|
| Total greenhouse gas emission | tCO2e | 28,123.82 |
| Direct greenhouse gas emissions (Scope 1) | tCO2e | 3,083.92 |
| Indirect greenhouse gas emissions (Scope 2) | tCO2e | 25,039.90 |
| Comprehensive energy consumption | tce | 14,286.88 |
| Natural gas | $m^3$ | 1,124,956.00 |
| Gasoline | Litre | 300,505.91 |
| Diesel | Litre | 10,206 |
| Purchased electricity | kWh | 51,897,264.00 |
| Total water consumption | megalitre | 51,924.63 |
| Total wastewater discharge | Ton | 149,224,865.00 |
| General solid waste generation | Ton | 66,211.91 |
| Total hazardous waste generation | Ton | 9.10 |

*Note: In 2025, the statistical scope for the total greenhouse gas emission, the total comprehensive energy consumption, gasoline usage, purchased electricity and water resource encompasses the Group, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong, and Dazhong Jiading. The statistical scope for natural gas includes Nantong Dazhong Gas and Dazhong Jiading, while the scope for diesel specifically pertains to Nantong Dazhong Gas. The statistical scope for wastewater discharge, general solid waste generation, and total hazardous waste generation includes Jiangsu Dazhong and Dazhong Jiading.

Governance Performance

| Metric | Unit | 2025 Value |
|---|---|---|
| Shareholders' meetings | / | 1 |
| Expected attendance of directors at shareholders' meetings | / | 9 |
| Actual attendance of directors at shareholders' meetings | / | 9 |
| Percentage of independent directors in the Board | % | 44.44 |
| Number of female directors on the Board | / | 1 |
| Board meetings | / | 5 |
| Expected attendance on board meetings | / | 45 |
| Actual attendance on board meetings | / | 45 |
| Legal compliance training sessions | / | 2 |
| Legal compliance training participation | / | 40-45 |
| Legal compliance training duration | Hours | 4 |
| Risk management training sessions | / | 1 |
| Risk management training participation | / | 45 |
| Risk management training hours | Hour | 1 |
| Anti-bribery and Anti-corruption training sessions for managers | / | 1 |
| Anti-bribery and Anti-corruption training participation for managers | / | 40-45 |
| Anti-bribery and Anti-corruption training duration for managers | Hour | 2-4 |
| Anti-bribery and Anti-corruption training sessions for employees | / | 1 |
| Anti-bribery and Anti-corruption training participation for employees | / | 40-45 |
| Anti-bribery and Anti-corruption training duration for employees | Hour | 2-4 |

Social Performance

| Metric | | Unit | 2025 Value |
|---|---|---|---|
| Total employees | | / | 2,721 |
| Employees by gender | Male | / | 2,120 |
| | Female | / | 601 |
| Employees by age group | Aged 30 years old and below | / | 398 |
| | Aged 30-50 years old | / | 1,452 |
| | Aged 50 years old and above | / | 871 |
| Employees by level | Senior managers | / | 9 |
| | Middle-level employees | / | 162 |
| | Basic employees | / | 2,549 |
| Employees by region | Headquarters（Shanghai） | / | 1,990 |
| | Other regions within Chinese mainland | / | 726 |
| | Overseas, Hong Kong, Macao and Taiwan | / | 5 |
| Employees by education background | Three-year college or below | / | 1,785 |
| | Bachelor's degree | / | 865 |
| | Master's degree or higher | / | 71 |
| Ethnic minority groups | | / | 11 |
| Employees with disabilities | | / | 55 |
| Employee turnover rate | | % | 5.55 |
| Employee turnover rate by gender | Male | % | 4.29 |
| | Female | % | 1.26 |
| Employment contract rate | | % | 100 |
| Social insurance coverage | | % | 100 |
| Occupational health examinations coverage | | % | 100 |



Social Performance

| Metric | Unit | 2025 Value |
|---|---|---|
| Number of employee activities conducted | / | 97 |
| Customer satisfaction rate of Shanghai Dazhong Gas | % | 92.35 |
| Reduction rate in customer complaints | % | 55 |
| Issue resolution rate | % | 100 |
| Safety production investment | RMB 10,000 | 14,209.23 |

| Metric | Unit | 2023 Value | 2024 Value | 2025 Value |
|---|---|---|---|---|
| Training Performance | | | | |
| Employee training expenditure | RMB 10,000 | 118.61 | 183.91 | 146.24 |
| Total training attendance | 10,000 | 4.43 | 4.78 | 4.73 |

Note: The statistical scope encompasses the Group, Dazhong Jiading, Shanghai Dazhong Gas, Nantong Dazhong Gas, Jiangsu Dazhong, and Dazhong Logistics.

| Employee Training Performance of Dazhong Public Utilities | | | | |
|---|---|---|---|---|
| Average training duration per senior manager | Hour | 2.5 | 15.26 | 12.39 |
| Average training duration per middle-level manager | Hour | 4 | 8.56 | 11.67 |
| Average training duration per frontline employee | Hour | / | 12.82 | 14.25 |
| Average training duration per male employee | Hour | 3 | 10.43 | 10.58 |
| Average training duration per female employee | Hour | 3.5 | 10.75 | 17.10 |
| **Employee Training Performance of Shanghai Dazhong Gas** | | | | |
| Average training duration per senior manager | Hour | 62 | 62 | 57.6 |
| Average training duration per middle-level manager | Hour | 3 | 33 | 41.1 |
| Average training duration per average employee | Hour | 12 | 21 | 40.06 |
| Average duration training per male employee | Hour | 12 | 21 | 42.2 |
| Average training duration per female employee | Hour | 12 | 21 | 27.41 |

| Employee Training Performance of Nantong Dazhong Gas | | | | |
|---|---|---|---|---|
| Average training duration per senior manager | Hour | 80 | 62 | 60 |
| Average training duration per middle-level manager | Hour | 70 | 55 | 50 |
| Average training duration per average employee | Hour | 50 | 47 | 45 |
| Average duration training per male employee | Hour | 50 | 47 | 45 |
| Average training duration per female employee | Hour | 50 | 47 | 45 |
| **Employee Training Performance of Dazhong Jiading** | | | | |
| Average training duration per senior manager | Hour | 10 | 11 | 42.50 |
| Average training duration per middle-level manager | Hour | 16.86 | 12.36 | 32.50 |
| Average training duration per average employee | Hour | 13.09 | 13.09 | 29.62 |
| Average duration training per male employee | Hour | 13.08 | 12.55 | 29.69 |
| Average training duration per female employee | Hour | 10.86 | 10.86 | 34.86 |
| **Employee Training Performance of Jiangsu Dazhong** | | | | |
| Average training duration per senior manager | Hour | 62 | 34 | 41.6 |
| Average training duration per middle-level manager | Hour | 31 | 74.1 | 71 |
| Average training duration per average employee | Hour | 12 | 42.1 | 48 |
| Average duration training per male employee | Hour | 12 | 23.24 | 45.3 |
| Average training duration per female employee | Hour | 12 | 18.77 | 63.1 |
| **Employee Communication Performance** | | | | |
| Employee satisfaction rate | % | 100 | 100 | 100 |
| Employee complaints rate | % | 0 | 0 | 0 |
| **Work Safety Performance** | | | | |
| Number of safety emergency drills | / | 41 | 56 | 61 |
| Safety emergency drill participation | / | 981 | 1,254 | 1,466 |

| Work Safety Performance | | | | |
|---|---|---|---|---|
| Number of safety training sessions | / | 124 | 337 | 225 |
| Safety training duration | Hour | 3278 | 18,940 | 19,043 |
| Safety training participation | / | 7426 | 11,528 | 9,450 |
| Employee signing rate for the work safety responsibility agreement | % | - | 100 | 100 |

Note: The statistical scope includes Dazhong Jiading, Jiangsu Dazhong, Dazhong Logistics, Shanghai Dazhong Gas and Nantong Dazhong Gas

| Suppliers | | | | |
|---|---|---|---|---|
| Total suppliers | / | 359 | 441 | 425 |
| Including: Suppliers in Shanghai | / | 296 | 243 | 214 |
| Percentage of suppliers in Shanghai | % | 54.6 | 55.10 | 50.35 |
| Suppliers in other regions | / | 163 | 198 | 211 |
| Percentage of suppliers in other regions | % | 45.4 | 44.90 | 49.65 |

Note: The statistical scope includes Dazhong Public Utilities, Dazhong Jiading, Jiangsu Dazhong, Dazhong Logistics, Shanghai Dazhong Gas and Nantong Dazhong Gas

| Performance on Stable Supply of Gas of Shanghai Dazhong Gas | | | | |
|---|---|---|---|---|
| Gas pipeline replacement | km | 113.00 | 347.13 | 581.78 |
| Percentage of pipelines aged over 20 years | % | 27.15 | 30.00 | 41.82 |
| Household participation rate in gas safety inspections | % | 88.98 | 90.15 | 91.76 |
| Number of residential households inspected | Household | 780,178 | 957,963 | 1,006,534 |
| Inspection completion rate | % | 90.33 | 100.00 | 99.54 |
| Rectification rate of serious hazards | % | 89.59 | 90.00 | 92.00 |
| Gas loss rate | % | 7.80 | 7.49 | 6.93 |
| **Performance on Stable Supply of Gas of Nantong Dazhong Gas** | | | | |
| Gas pipeline replacement | km | 13.71 | 10.75 | 56.79 |
| Percentage of pipelines aged over 20 years | % | 5.35 | 4.61 | 6.07 |

| Performance on Stable Supply of Gas of Nantong Dazhong Gas | | | | |
|---|---|---|---|---|
| Household participation rate in gas safety inspections | % | 83.80 | 84.70 | 90.50 |
| Residential inspection households | Household | 291,788 | 343,198 | 541,707 |
| Rectification rate of serious hazards | % | 100.00 | 100.00 | 100.00 |
| Gas loss rate | % | 2.61 | 1.32 | 1.69 |
| Social Contribution Performance | | | | |
| Number of public welfare activities | / | 27 | 20 | 15 |
| Public welfare activities participation | / | 70 | 80 | 38 |
| Public welfare activities Hours | Hour | 197 | 191 | 61 |



中诚信绿金 CCXGF

# Independent Assurance Statement

China Chengxin Green Finance Technology (Beijing) Ltd. ("CCXGF") has been engaged by Shanghai Dazhong Public Utilities (Group) Co., Ltd. ("Dazhong Public Utilities") to perform an independent assurance of the sustainability information disclosed in Dazhong Public Utilities's 2025 Sustainability Development Report. This assurance statement articulates our findings, providing insight and clarity for stakeholders and users of the Sustainability Development Report.

## 1. Independence and Competence

CCXGF is a reputable independent third-party firm that specializes in providing green financial services. The assurance team comprises seasoned professionals with extensive expertise in the Environmental, Social, and Governance (ESG) sector and a comprehensive understanding of the AA1000AS v3 framework, enabling them to conduct thorough ESG assurance. Importantly, neither CCXGF nor the assurance team maintains any business relationships with Dazhong Public Utilities, its directors, or senior management. Furthermore, robust measures, such as internal firewall isolation, are implemented within CCXGF to eliminate any potential conflicts of interest with Dazhong Public Utilities. This ensures the integrity and independence of the assurance process.

## 2. Dazhong Public Utilities's Responsibilities

Dazhong Public Utilities is responsible for preparing the Sustainability Development report in accordance with the Guidelines No. 1 for Application of Self-Regulation Rules for Companies Listed on the Shanghai Stock Exchange — Standardized Operation, Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE—Compilation of Sustainable Development Reports (Revised in January 2026), and Hong Kong Stock Exchange's Environmental, Social, and Governance Reporting Guide and by reference to internationally and domestically prevalent ESG, sustainability, and social responsibility-related frameworks including the Sustainability Reporting Standards of Global Reporting Initiative (GRI) and ISO 26000:2010 Guidance on Social Responsibility. Dazhong Public Utilities is required to adhere to the agreed-upon assurance matters and scope with the assurance provider, submit the necessary documentation required for the assurance process, establish an appropriate management and monitoring system for assurance performance indicators, and ensure that the assured performance information remains consistent across all post-assurance disclosure documents.

## 3. Assurance Provider's Responsibilities

In accordance with applicable assurance standards and the agreed-upon scope of work, Dazhong Public Utilities is responsible for conducting assurance procedures on the subjects addressed in Dazhong Public Utilities's Sustainability Development report. This process involves a thorough evaluation of the assured subjects through internal control assessments. Subsequently, CCXGF shall issue an independent assurance statement for the exclusive use of Dazhong Public Utilities's Board of Directors.

## 4. Basis for Assurance

CCXGF has conducted the "Type 2 Moderate Assurance" on Dazhong Public Utilities's 2025 Sustainability Development Report, in strict compliance with AA1000AS v3 standards.

**5. Subject Matters and Scope**

- Based on the type and depth of assurance, assure the degree to which the Dazhong Public Utilities's Report follows the four principles of AA1000 (Inclusivity, Materiality, Responsiveness, and Impact);
- Reliability and quality assessments on selected performance indicators;
- The assurance boundaries are generally aligned with the consolidated financial reporting scope of Dazhong Public Utilities, with adjusted coverage for specific performance indicators.

**6. Procedures**

To ensure the effective implementation of the assurance engagement, CCXGF has developed a detailed assurance implementation plan and schedule, conducting the review with strict objectivity through the following procedures:

- Assessed Dazhong Public Utilities's adherence to AA1000 principles, and reviewed stakeholder engagement practices and operational workflows based on collected evidence;
- Conducted sampling audits on specific performance information and evaluated their reliability and quality;
- Independently recalculated the selected performance information; and
- Other work deemed necessary by CCXGF.

**7. Conclusion**

CCXGF has conducted an assurance engagement on the sustainability information disclosed in Dazhong Public Utilities's Sustainability Development Report in accordance with the AA1000AS v3 standard, reaching the following conclusions:

**Sustainability Development Report's compliance with the AA1000 (2018) principles**

- **Inclusivity:** Dazhong Public Utilities has identified both internal and external stakeholders, including government and regulatory authorities, employees, investors, customers and consumers, suppliers and partners, media and community. It effectively responds to stakeholder concerns by optimizing institutional frameworks and establishing regular communication channels, integrating such input into internal management and strategic planning. Dazhong Public Utilities's report complies with the principle of Inclusivity.
- **Materiality:** Dazhong Public Utilities has established a materiality identification and assessment process based on the double materiality principle and has publicly disclosed the results of its materiality priority assessment. Dazhong Public Utilities's report complies with the principle of Materiality.
- **Responsiveness:** Dazhong Public Utilities has addressed the significant material issues raised by its stakeholders in its report. Dazhong Public Utilities's report



- **Impact:** Dazhong Public Utilities focuses on the long-term impact of material issues on its business development, managing the impacts, risks, and opportunities associated with key issues such as product quality and safety management. It also places significant emphasis on climate change response, enhancing climate-related governance and strategy, monitoring climate change trends, and establishing relevant climate-related objectives. Dazhong Public Utilities's report complies with the principle of Impact.

**Quality of the Specific Performance Information in the report**

- Direct greenhouse gas emissions (Scope 1)
- Indirect greenhouse gas emissions (Scope 2)
- Purchased electricity
- Total water consumption
- Natural Gas
- Gasoline
- Diesel
- Total training participation

The specific performance information set out above is consistent with the reporting scope of the Sustainability Development Report, and no material errors were found in the course of this assurance.

**8. Limitations**

- Due to the lack of internationally recognized and universal standards for evaluating and measuring non-financial information, these different but acceptable evaluation methods and measurement techniques may have a certain impact on the comparability of data among different institutions.
- The CCXGF team's assurance was explicitly confined to the specific performance indicators identified in this assurance statement, excluding other ESG metrics.
- The review process was conducted solely through interviews with Dazhong Public Utilities's internal management and the verification of documentation, and it did not include consultations with external stakeholders.

AA1000
Licensed Report
000-872V3-03P0U

China Chengxin Green Finance Technology (Beijing) Ltd.
March 30, 2026

# Index of Indicators

Index of Indicators of Shanghai Stock Exchange's Sustainability Report (Trial) and Hong Kong Stock Exchange's Environmental, Social, and Governance Reporting Guide

| Contents | | *Guide No.4 for Self-Regulatory Supervision on Listed Companies of the SSE — Compilation of Sustainable Development Reports (Revised in January 2026)* | Hong Kong Stock Exchange's *Environmental, Social, and Governance Reporting Guide* |
|---|---|---|---|
| About This Report | | / | / |
| Message from the Chairman | | / | / |
| Company Profile | | / | / |
| Assessment of Material Issues | | / | / |
| ESG Management | | / | / |
| Environmental | Environmental Management System | Article 29 | A3 General disclosure |
| | Climate Change Responses | Article 21,22,23,24 | A4 General disclosure, A4.1&A1.2&A1.5 |
| | Resource Utilization and Circular Economy | Article 34,35,36 | A2 General disclosure, A2.1&A2.2&A2.3&A2.4 |
| | Pollution Prevention and Ecosystem Protection | Article 30,31,37 | A1 General disclosure, A1.1&A1.3&A1.4&A1.5&A1.6 |
| | Green Business and Green Public Welfare | Article 35, 37 | A1 General disclosure, A1.5 |
| Social | Employee Care | Article 49, 50 | B1 General disclosure, B1.1&B1.2<br>B2 General disclosure, B2.3<br>B3 General disclosure, B3.1&B3.2&B4 General disclosure, B4.1 |
| | Workplace Safety | Article 47 | B2 General disclosure, B2.1&B2.2&B2.3 |
| | Product Quality | Article 47 | B6 General disclosure, B6.4 |
| Social | Suppliers Responsibility | Article 45 | B5 General disclosure, B5.1&B5.2 |
| | Customers Rights and Interests | Article 47,48 | B6 General disclosure, B6.2&B6.5 |
| | Social Contribution | Article 38,39,40 | B8 General disclosure, B8.1&B8.2 |
| Governance | Better Corporate Governance | / | / |
| | Enhanced Risk Management | / | / |
| | Business Ethics | Article 55, 56 | B7 General disclosure, B7.2&7.3 |
| | Data Security | Article 48 | / |
| ESG Data and Notes | | / | / |
| Independent Assurance Statement | | / | / |
| Index of Indicators | | / | / |
| Feedback Form | | / | / |

# Feedback Form

Dear readers:

Thank you for reading this report. We appreciate and look forward to your feedback. Your opinions and suggestions are important for us to continuously improve the Company's ESG information disclosures and promote sustainability management and practices. We sincerely thank you for your valuable opinions!

**1. Your overall assessment of our ESG performance is:**

☐ Excellent ☐ Good ☐ Average ☐ Poor ☐ Very Poor

**2. Your overall assessment of this report is:**

☐ Excellent ☐ Good ☐ Average ☐ Bad ☐ Very bad

**3. What do you think of our performance in communication with stakeholders?**

☐ Excellent ☐ Good ☐ Average ☐ Bad ☐ Very bad

**4. What do you think of our performance in product and service responsibility?**

☐ Excellent ☐ Good ☐ Average ☐ Bad ☐ Very bad

**5. What do you think of our performance in environmental management, safety and occupational health?**

☐ Excellent ☐ Good ☐ Average ☐ Bad ☐ Very bad

**6. What do you think of our performance in employee responsibility?**

☐ Excellent ☐ Good ☐ Average ☐ Bad ☐ Very bad

**7. What do you think of our ESG performance?**

☐ Excellent ☐ Good ☐ Average ☐ Bad ☐ Very bad

**8. What are your opinions and suggestions regarding our ESG performance and this report?**