2025

Environmental, Social and Governance Report

BINHAI INVESTMENT COMPANY LIMITED

濱海投資有限公司
BINHAI INVESTMENT COMPANY LIMITED

(Incorporated in the Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

Stock Code 股份代號: 2886

ABOUT THE REPORT

Binhai Investment Company Limited (Stock Code: 2886), hereinafter referred to as the "Company" or "the Company", together with its subsidiaries, collectively referred to as "the Group", "Group" or "Binhai Investment", hereby officially publishes the 2025 Environmental, Social and Governance Report (hereinafter referred to as the "Report"), to comprehensively present the Group's latest progress and achievements in the field of sustainable development. The Report focuses on material Environmental, Social and Governance ("ESG") issues of concern to various stakeholders, and provides a public and transparent disclosure of the Group's ESG strategy, practice and performance in detail, etc. It is recommended that the Report be read in conjunction with the Group's Annual Report, in particular the "Corporate Governance Report" contained within, for a comprehensive overview of the Group's performance in sustainable development.

Scope of the Report

The Group's core businesses include the construction of gas pipelines, gas pipeline installation, sales of piped natural gas and, gas passing through service and value-added services, and these are extensively distributed in Tianjin, Beijing, Hebei Province, Shandong Province, Jiangsu Province, Jiangxi Province, Hunan Province, Hainan Province, Zhejiang Province and Guangdong Province. Currently, the Group owns over 40 project companies. Unless otherwise stated, the Report contains information pertaining to the Group's direct operations in the Chinese mainland, which include the head office in Tianjin and subsidiaries in various provinces and cities. Unless otherwise stated, the information and data disclosed in the Report covers the period from 1 January 2025 to 31 December 2025.
Unless otherwise stated, all amounts disclosed in the Report are denominated in Renminbi ("RMB")

Basis of Preparation

The Group has prepared the Report in accordance with the Environmental, Social and Governance Reporting Code set out in Appendix C2 (the "Code") to the Main Board Listing Rules issued by The Stock Exchange of Hong Kong Limited ("SEHK"), and complies with the mandatory disclosure requirements and "Comply or Explain" provisions therein.
The Report is prepared based on the four reporting principles outlined in the Code: materiality, quantification, balance, and consistency, with specific explanations as follows:
–**Materiality:** The Report discloses the identification process and assessment approach of material issues, as detailed in the "Materiality Analysis" section.
–**Quantification:** The Report provides calculation details of emissions and energy consumption, as detailed in the "ESG Performance Data" section.
–**Balance:** The Report presents the Group's performance in an unbiased manner, avoiding selections, omissions or presentation formats that may inappropriately influence the decisions or judgements of the report reader, and objectively demonstrates the Group's ESG performance and management status.
–**Consistency:** The Report generally adopts disclosure and statistical methodologies consistent with those used in previous years, and explains changes in key performance indicators or statistical methodologies (if any) or any other relevant factors that affect meaningful comparisons, as detailed in the "ESG Performance Data" section.

Reporting Statement

Disclosures in the Report are strictly based on the Group's internal documents and statistics. The board of directors (the "Board") of the Group is responsible for the reliability, authenticity, objectivity and completeness of the Report. The Report is published in Traditional Chinese and English. Should there be any discrepancies between the two versions, the Traditional Chinese version shall prevail. Should there be any inconsistency between the Report and the Annual Report, the final statements in the Annual Report shall prevail.

Reporting Feedback

From an environmental point of view, the Report is published in electronic form, which is available on the website of the HKEX (www.hkexnews.hk) and the Group's official website (www.binhaiinv.com). For further information on the Group's environmental, social and governance aspects, please refer to the official website (www.binhaiinv.com). The Group looks forward to receiving your valuable comments and feedback on the content of the Report, and this may be directed to: prd@binhaiinv.com.

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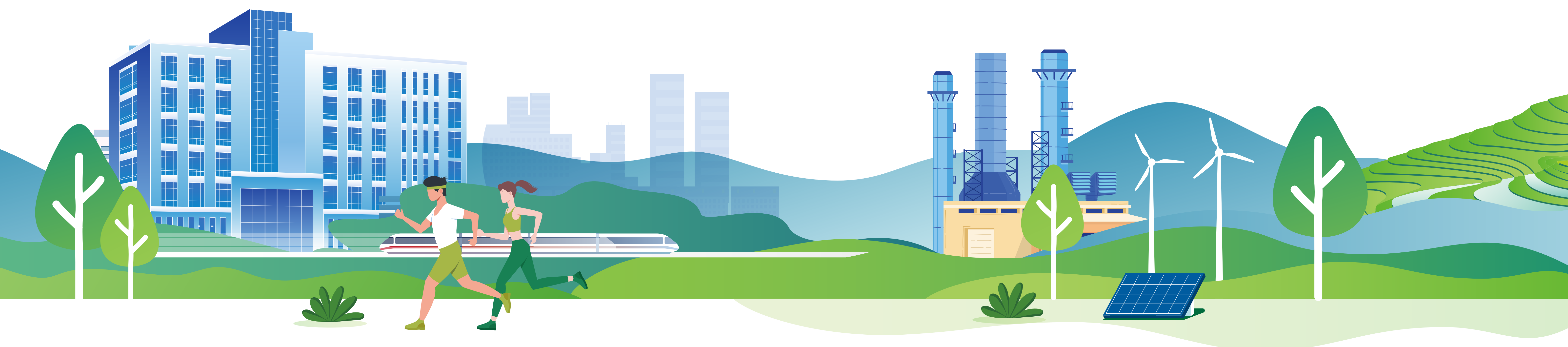


ABOUT THE GROUP

Corporate Profile

As one of the first enterprises to enter China's urban utility market, Binhai Investment actively responds to national policy orientation, continuously expands the urban gas market in the Chinese mainland, and while deeply cultivating its main natural gas business, comprehensively deploys and enhances the synergistic efficiency of the upstream and downstream industry chain, orderly promotes the implementation of integrated energy and intelligent energy projects, and is committed to becoming a leader and operator of integrated energy in China. Meanwhile, the Group takes the energy-saving renovation of public institutions such as hospitals, schools and government buildings as an entry point to explore and advance business development pathways, and gradually expands into the industrial and commercial energy performance contracting sector.

The Group's main business is rooted in the Chinese mainland, covering investments and operations of city gas pipeline networks, gas pipeline installation and construction services, supply of natural gas and liquefied petroleum gas, and value-added services, providing safe, reliable and environment-friendly energy solutions to industrial and commercial users as well as urban citizens. In 2025, the Group continued to reach strategic cooperation with downstream enterprises to jointly build an integrated energy business ecosystem. Meanwhile, the Group established an integrated energy subsidiary in early 2026, and plans to adopt a county-wide promotion approach, focusing on the integrated energy conservation of public institution buildings such as hospitals, schools and government buildings, and is currently making every effort to promote the construction of demonstration projects.

In 2025, the Group has cumulatively served 2.468 million residential end-users and 16,000 non-residential end-users, steadily expanding its user service network. Focusing on clean energy promotion, the Group continuously deepens application practices and expands the scale of clean energy use. During the year, the Group recorded a total sales volume of 2.44 billion cubic metres of natural gas, which can replace 3.25 million tonnes of coal, achieving carbon dioxide emission reductions of 3.46 million tonnes and sulphur dioxide emission reductions of 50 thousand tonnes, practicing green and low-carbon development through actual operating results.

The Group always regards the sustainable development strategy as its core orientation, actively responds to the national goals of "achieving carbon peaking by 2030 and carbon neutrality by 2060" (the "dual carbon" goals), pays close attention to frontier developments in the field of sustainable development, continuously deepens ESG management practices, and strives to build a new pattern of sustainable development featuring multi-party collaboration and mutually beneficial win-win outcomes.

During the Reporting Period

The Group has cumulatively served residential end-users

2.468 million

The Group has cumulatively served non-residential end-users

16 thousand

During the year

The Group had recorded a total sales volume of natural gas

2.44 billion cubic metres

That can replace coal

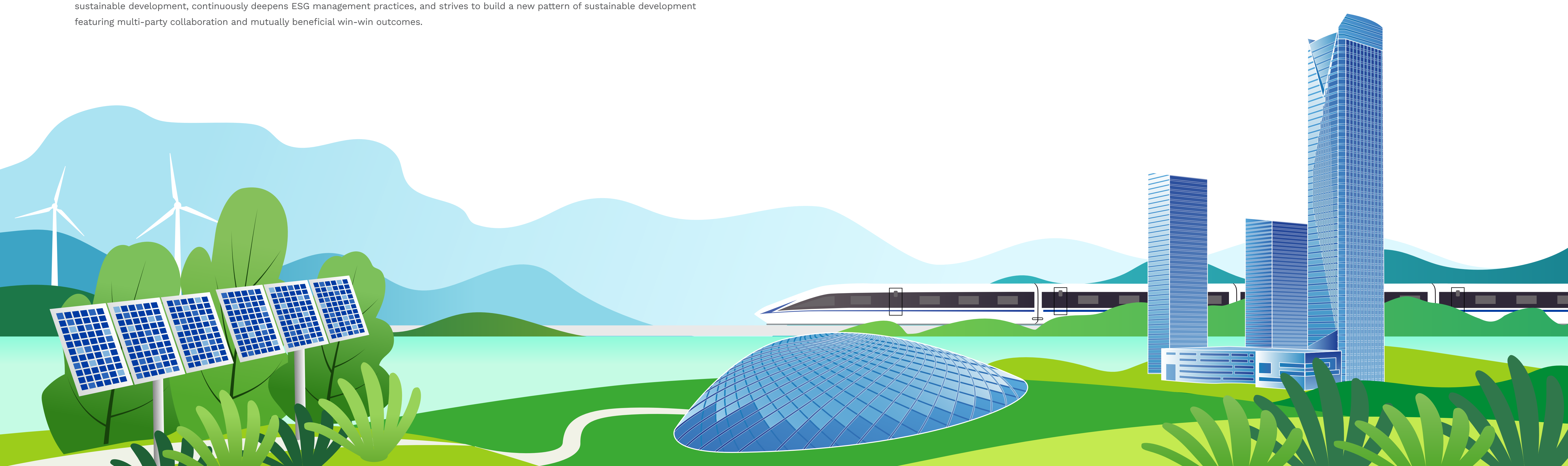
3.25 million tonnes

Reducing carbon dioxide (CO_2)

3.46 million tonnes

Reducing sulphur dioxide (SO_2)

50 thousand tonnes



Honours Achieved

"Best Infrastructure and Public Utilities Company" & "Best IR Team"

Tianjin Company successfully applied for the Digital Transformation Project for Small and Medium-sized Enterprises in Tianjin Binhai New Area.

Tianjin Company was successfully selected as one of the first batch of "Cheetah Enterprises" in Tianjin.

The project "Research on Safety Early Warning Technology for Regional Medium and Low-Pressure Gas Pipeline Networks" of Tianjin Company was awarded the Third Prize of Quality Improvement Project in Tianjin Binhai New Area.

Tianjin Company and Technology Company refer to Tianjin Teda Binhai Clean Energy Group Co., Ltd. and Tianjin Bintou Xinzhi Technology Co., Ltd., subsidiaries of the Company, respectively.

The Group was honoured with two awards: "Best 100 IRM Companies of Judongmi" and "Best 100 ESG Companies of Judongmi".

Tianjin Company was approved for the "2025 Project Supporting Enterprises to Strengthen R&D Capability Construction" by Tianjin Municipal Science and Technology Bureau.

As a national high-tech enterprise, the Technology Company won the Third Prize and Excellence Award from the state-owned assets supervision and administration authority with "Improvement of Detection Accuracy for Minor Leaks in Gas Pipeline Networks by PPB Inspection Vehicle" and "R&D of Safety Technology for Vibration and Displacement Monitoring of Buried Gas Pipeline Leaks".

SUSTAINABLE DEVELOPMENT MANAGEMENT

Board Statement

The Group's Board of Directors attaches great importance to ESG management and has established a top-to-bottom ESG management system with clear rights and responsibilities, forming a closed-loop management mechanism covering the entire chain where the Board provides overall guidance, the management coordinates and promotes, and various departments and subsidiaries implement specifically.

In 2025, the Group continued to optimise its governance structure and governance functions, revised the terms of reference of the Nomination Committee, and strengthened the whole-process management of director selection, evaluation and succession. Meanwhile, the Group compiled the "*Board Skills Matrix*", which is deeply aligned with the Group's long-term strategy to precisely enhance directors' professional capabilities, providing more solid governance support for ESG management. In addition, the Group engaged professional external institutions to build a scientific and comprehensive Board effectiveness evaluation system, which comprises two modules: overall Board effectiveness evaluation and individual director performance assessment, and is planned to be formally implemented in 2026. The overall Board effectiveness evaluation focuses on three core directions: strategic decision-making, risk supervision and operational standardisation, striving to enhance collective performance effectiveness. The individual director performance assessment centres on key dimensions such as diligence and responsibility, professional empowerment, and compliance and integrity, consolidating individual performance responsibilities and assisting directors in fully realising their value contribution.

The overall Board effectiveness evaluation focuses on three core directions

Strategic Decision-making

Risk Supervision

Operational Standardisation

The Board, as the highest decision-making body, has set up an ESG Leadership Working Group and an ESG Execution Working Group from the top down. The Leading Group, composed of members of the Group's management, is responsible for implementing and supervising the ESG strategy. The Working Group, composed of relevant personnel from various departments, is responsible for implementing sustainability-related work, and regularly reports to the Leading Group and the Board on work progress. The Board regularly reviews ESG work progress, provides guidance on ESG work direction and makes dynamic adjustments. Management is responsible for the specific implementation of ESG strategy and objectives, and regularly reports to the Board on major matters.

The Group attaches great importance to the materiality assessment of ESG issues, continuously optimises the communication mechanism with various stakeholders, accurately identifies, systematically assesses and effectively manages key ESG issues, and dynamically grasps changing trends through comparing the assessment results of the current year with those of previous years. The specific assessment process and results are detailed in the "Sustainable Development Management" section of the Report and thoroughly reviewed and confirmed by the Board.

In terms of ESG risk management, the Group has fully integrated ESG risk management into its daily risk management system, and the Board has explicitly incorporated the management of climate-related issues into the responsibilities of the Risk Management Committee. The Risk Management Committee actively collaborates with various departments and subsidiaries to identify material ESG risks and opportunities that the Group may face in the area of climate change. Meanwhile, the Risk Management Committee continuously monitors domestic and international ESG policy developments, formulates forward-looking and practical ESG goals and strategies based on the Group's actual operational situation, and ensures the Group's operational compliance. In addition, to strengthen ESG risk management and control, the Risk Management Committee has established a scientific management framework to oversee the implementation of risk management throughout the entire process, and reports regularly to the Board.

The Group has developed and implemented effective strategies to maintain a balance between its business development and its environmental and social impact, so as to promote sustainable development. The Board regularly reviews and evaluates the Group's ESG strategy to ensure that it is well aligned with the Group's overall development strategy.

The Group has set clear environmental targets closely related to its business operations, and comprehensively reviewed the achievement of targets in the previous year. The environmental targets

and review results are detailed in the "Green Development" section of the Report and submitted to the Board for review.

The progress and effectiveness of the Group's ESG efforts in 2025 are comprehensively and thoroughly disclosed in the Report, and were formally reviewed and approved by the Board on 20 March 2026.

ESG Governance Structure

The Group has established a top-down ESG governance framework to ensure the orderly advancement of ESG-related work. The framework takes the Board as the highest decision-making body, with the Risk Management Committee, the ESG Leadership Working Group and the ESG Execution Working Group established under it, and each level of entities reports regularly to the Board on work progress in accordance with the established mechanism.

- The Board is comprehensively responsible for the decision-making and supervision of ESG-related strategies and mechanisms of the Group.
- The Risk Management Committee is responsible for identifying material ESG risks and opportunities such as climate change, formulating corresponding objectives, strategies and frameworks, and supervising their implementation.
- The ESG Leadership Working Group and the ESG Execution Working Group perform their duties according to their hierarchical division of labour, forming a synergistic and coordinated working pattern. Among them, the ESG Leadership Working Group is chaired by the General Manager with members of senior management, and is mainly responsible for guiding and supervising the implementation and management of ESG-related matters of the Group.
- The ESG Execution Working Group is led by the Office of the Board of Directors, with participation of key personnel from relevant departments, and is mainly responsible for improving ESG management standards and processes, integrating and submitting relevant information, promoting the implementation of the Group's ESG practice projects, and assisting in carrying out ESG promotion, training and communication with stakeholders.

To ensure the efficient operation of the governance framework and enhance ESG management capabilities, the Group conducted nine professional training sessions for Directors throughout the year, covering core dimensions such as new governance regulations, comprehensive risk management, industry frontier developments, sustainable development and climate risk management, comprehensively strengthening the Board's professional performance capabilities and strategic leadership.

In accordance with the three-year special work programme for ESG capacity enhancement approved by the Board, the Group invited professional institutions to conduct special training for ESG management and executive members, focusing on interpreting the requirements of SEHK's ESG Code which has come into effect, clarifying the key enhancement directions for the Group in ESG management work and tool application, and consolidating the overall foundation of ESG management. The three-year ESG capacity enhancement project of 2025 was successfully concluded.

Building on the enhancements of the past two years, the Group engaged professional institutions to conduct special training on scenario analysis and financial data linkage for senior executives and middle management of the Group, focusing on key points of ESG capacity enhancement and climate risk-related policies.

The Group attaches great importance to the diversity of Board members, comprehensively taking into account multi-dimensional factors such as gender, age, educational background, professional experience, skills and industry experience, and has updated and improved the "Board Diversity Policy", adding quantitative diversity targets in terms of gender, business and professional expertise. As at the end of 2025, the Group's Board consisted of 10 members, of whom one was female, bringing a more detailed and steady female perspective to Board decision-making.

In addition, the Group engaged professional intermediary during the Year to formulate a Board effectiveness evaluation scheme. The evaluation scheme is fact-based, combining subjective questionnaire assessments with objective compliance indicators to ensure that the evaluation results truthfully reflect the Board's performance status. The evaluation indicators are set around the overall quality and governance capability of the Board, with a focus on the long-term strategic implementation needs of the Company, highlighting the strategic leadership and supervisory value of the Board. Board effectiveness is evaluated once every two years, and the evaluation results are classified based on comprehensive scores as: Excellent, Good, Qualified, and To be Improved. The Group will use the evaluation results as a lever to establish a closed-loop mechanism of "Evaluation - Rectification - Enhancement", driving the iterative optimisation of Board effectiveness. The Group plans to conduct its first Board effectiveness assessment in 2026 by combining internal and external evaluation methods. Meanwhile, the Group has formulated an annual Director performance evaluation scheme to assess each Director's time commitment and contribution to the Board on an annual basis. The evaluation results are classified into three grades based on comprehensive scores: Competent, Basically Competent, and Incompetent, which will subsequently serve as important bases for Director reappointment nomination, succession planning, personal improvement and training development.

To promote sustainable development and protect the legitimate rights and interests of the Group and its shareholders, the Group has established a sound risk management and governance system, and fully incorporated ESG factors into it. Management conducts regular communication with various departments to systematically identify significant risks, scientifically assess the probability of occurrence and potential impact of risks, and accordingly formulate differentiated risk response strategies and implementable specific measures to achieve precise control of ESG risks.

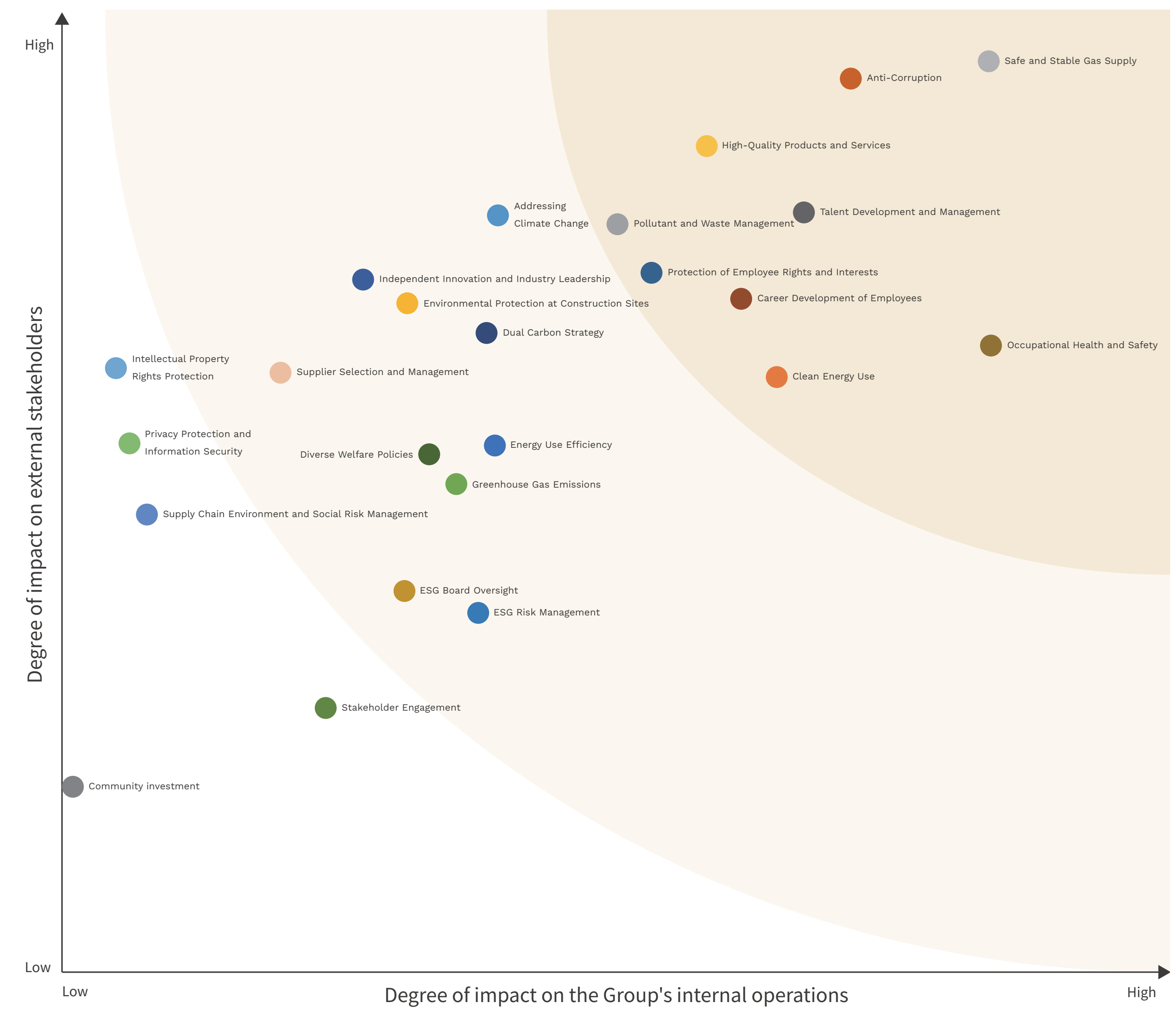
Stakeholder Communication

Stakeholder engagement is an important part of the Group's ESG management and daily operations, and is also a key pathway for the Group to examine potential ESG risks and identify sustainable development opportunities. By listening to the core demands of various stakeholders and their key concerns regarding ESG issues, the Group is able to accurately grasp the direction of strategic optimisation and make corresponding adjustments, ensuring that business strategies resonate with stakeholder expectations. The key stakeholders identified by the Group and the corresponding communication methods are as follows:

Key Stakeholders	Communication Methods
Shareholders, Investors or Professional Investment Institutes	Annual Reports, Interim Reports, Announcements, Press Releases, Annual General Meetings, Individual and Group Meetings, Reverse Roadshows
Regulatory Bodies, Policy-Making Institutions, Professional Associations or Chambers of Commerce	Government Meetings, Supervision, Assessments, Site Visits
Customers	Customer Meetings, Customer Satisfaction Surveys, Customer Visits
Employees	Company and Departmental Meetings, Annual Staff Meetings, Internal Emails
Suppliers and Other Partners	Partner Meetings, Seminars, Site Visits
News Media	Press Releases, Interviews and Announcements
Non-Profit Organisations, Public Welfare or Charitable Organisations, or Community Organisations	Media Conferences, Public Welfare Activities, Donations, Interviews
Directors, Supervisors, Senior Management	Board Meetings, Office Meetings and other Internal Meetings

Materiality Analysis

The Group systematically examined the characteristics of its main business, dynamics of the operating environment, strategic planning direction, and core demands of key stakeholders. Based on this comprehensive consideration, in accordance with the ESG materiality issues framework, key issues of concern to The Stock Exchange of Hong Kong, industry benchmarking analysis, and with reference to the authoritative standards of the GRI Standards developed by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB) for the "Oil and Gas - Midstream" industry, the Group systematically identified and determined the key ESG management issues for the year.
Through in-depth review, exchange and seminars, and other forms, the Group extensively collected and thoroughly analysed the focus of attention and feedback of stakeholders on various key ESG issues. To ensure the scientific rigour and reliability of the analysis results, the Group conducted detailed statistical analysis on the scope of impact and degree of importance of all key issues from the dual perspectives of external stakeholders and internal operation and management, ultimately forming the materiality issues survey results as shown in the matrix below.



The Most Important Material Issues Stakeholders Care About		
Environmental	**Social**	**Governance**
Clean Energy Use	Talent Development and Management	Safe and Stable Gas Supply
Energy Use Efficiency	Career Development of Employees	High-Quality Products and Services
Environmental Protection at Construction Sites	Occupational Health and Safety	Supplier Selection and Management
Addressing Climate Change	Protection of Employee Rights and Interests	Anti-Corruption
Pollutant and Waste Management	Diverse Welfare Policies	ESG Board Oversight
Greenhouse Gas Emissions		ESG Risk Management
Dual Carbon Strategy		Independent Innovation and Industry Leadership

In the subsequent chapters of the Report, the Group will focus on disclosing the management measures and performance of the above ESG material issues, so as to address the core concerns of key stakeholders, and to help the Group comprehensively review its current sustainability status and continuously optimise ESG management strategies and practice pathways.

SAFEGUARDING LUCID WATERS AND LUSH MOUNTAINS THROUGH GREEN DEVELOPMENT

The Group deeply practices the development concept of "lucid waters and lush mountains are invaluable assets", takes the vision of "striving to become a leader and operator of integrated energy in China" as its guidance, accelerates the research and layout in the fields of integrated energy and intelligent energy, continuously promotes and provides high-quality clean energy services to customers, and incorporates the identification, assessment and response to climate change risks and opportunities into daily operations. The Group implements strict control over pollutant emissions during its own operation and management processes. Meanwhile, the Group actively fulfils corporate social responsibility, vigorously promotes the use of clean energy such as natural gas, waste heat from sewage and geothermal energy, and promotes resource conservation and efficiency enhancement through practical actions to facilitate the green and healthy development of enterprises.

Climate Change Tackling P14

Emission Management Enhancement P28

Optimize Resource Utilisation P33

Environment Compliance P37

Climate Change Tackling

Climate change is a severe challenge facing all mankind. The Group deeply recognises that extreme weather events caused by climate change and related policy adjustments will bring potential risks to the production and operations of enterprises, but also harbour new development opportunities. To this end, the Group has comprehensively integrated climate change risks and opportunities into its overall risk management process, systematically collects climate-related risks and opportunities that may affect its business, conducts in-depth analysis of their causes, internal associations and potential impacts, formulates targeted response strategies, and forms a list of climate risks and opportunities and a risk control matrix to provide a basis for scientifically carrying out related management work.

Climate Change Risks + Climate Change Opportunities

The Group conducts two thematic training sessions per year on addressing climate change

2 times

Governance

The Group has deeply integrated the work of addressing climate change into the ESG governance structure.

- The Board, as the highest decision-making body, has explicitly incorporated the management of climate-related issues into the responsibilities of the Risk Management Committee and adjusted its terms of reference accordingly. The Risk Management Committee is responsible for supervising the assessment of climate-related risks and opportunities, and guiding the Group's vision, objectives, strategies, transition plans and work directions in the climate field in light of the Group's actual situation.
- The Committee continuously pays attention to ESG-related policy developments, regularly supervises and evaluates the implementation of climate-related work and the progress of target achievement, and reports to the Board on a regular basis. In addition, the Group conducts two thematic training sessions per year on addressing climate change to continuously enhance the professional competence and performance capabilities of the governance level in the climate field. As a state-owned listed enterprise, the Group is making efforts to communicate with higher-level state-owned assets supervision and administration authorities on annual performance appraisals for senior executives, proposing quantitative indicators suitable for the Group regarding climate change, and continuously promoting the inclusion of quantitative climate risk management indicators into annual performance appraisals for senior executives.

Strategy

With reference to the TCFD recommended framework and drawing on excellent practices of peers, the Group has systematically reviewed and assessed the list of climate-related risks and opportunities.

- When reviewing risk management procedures and policies, management incorporates the analytical dimension of climate risks and opportunities, exercises overall supervision over climate-related risks and opportunities, and clarifies the Group's expected tolerance level for climate-related risks in major transaction decision-making. Meanwhile, the Group organises key business departments and functional departments to conduct thematic seminars to comprehensively review the current management status of climate risks and opportunities, and to conduct in-depth discussions on management's assessment opinions.

Steps for Climate Risk and Opportunity Assessment

Step	Content
Identification of Material Risks and Opportunities	Determine dimensions such as asset types, geographical locations of operations, authoritative climate databases, historical losses, and industry insights for comprehensive screening, improve the Group's list of climate risks and opportunities, select appropriate climate scenarios, and identify the most critical physical and transition risks.
Assessment of Material Risks and Opportunities	Comprehensively consider dimensions such as the likelihood and impact magnitude of risks and opportunities, build customised financial assessment models, and conduct climate change risk and opportunity assessments.
Financial Impact Assessment	Analyse the proportion and degree to which the Group's assets are affected by climate risks and opportunities, and assess the impact of climate factors on financial operations and risk exposure.
Assessment of Adaptability	For material climate risks and opportunities, formulate internal management reports and implement response measures, and assess the effectiveness of response measures in controlling climate change risks and opportunities.

During the year, in order to continuously enhance the Group's climate risk management capabilities and identify their financial impacts, the Group further analysed the specific impacts of climate factors on business models and value chains, conducted in-depth risk and opportunity assessments for main business assets, and performed scenario analysis.

Climate-Related Physical Risks and Impact on Business Models and Value Chains

Risk Categories	Major Climate Risks	Impact on Business	Impact Cycle[1]	Impact on Finance
Acute Physical Risk	Rainstorms and Floods	Affect the progress of project development and personnel safety, particularly prone to causing gas leakage accidents and thereby affecting normal gas supply. Potentially causing damage to pipelines and equipment facilities, increasing asset costs for equipment repair and replacement. Widespread waterlogging caused by heavy rain may interrupt services (gas supply and transportation), thereby reducing business revenue.	Medium-term, Long-term	Operating cost↑ Operating revenue↓
	Geological Disasters Such as Ground Collapse, Earthquake, Landslide and Debris Flow	May affect the progress of project development and delay delivery time. May threaten the personal safety of employees in the area. May cause physical damage to gas equipment and facilities, increasing asset costs for equipment maintenance and replacement.	Medium-term, Long-term	Operating cost↑ Operating revenue↓

1 Taking into account core business planning, the timeframe for low-carbon social development goals, and climate-related disclosure standards, we have set the impact periods as: within 3 years after the end of the reporting period (short-term); 3 to 10 years after the end of the reporting period, including 10 years (medium-term); and more than 10 years after the end of the reporting period (long-term), in order to reasonably assess the impact of climate on the Group's business development over different time periods.

Risk Categories	Major Climate Risks	Impact on Business	Impact Cycle[1]	Impact on Finance
Chronic Physical Risks	Cold Winters	Lead to a drastic increase in gas consumption by heating customers and significant pressure to maintain contingency gas supply during heating seasons; high-priced gas sources may need to be purchased in case of supply gaps. Easily causes "ice blockage" in pressure regulating facilities, damaging equipment and facilities. Frozen soil caused by cold winters may lift buried pipelines, increasing safety hazards and expenditures for pipeline network retrofit against freezing.	Medium-term, Long-term	Operating cost↑ Operating revenue↓
	Sea Level Rise	May result in inland migration from coastal cities, thereby affecting market layout. May lead to risks such as erosion of pipelines and equipment in coastal areas by seawater, and may cause land subsidence and flood disasters.	Medium-term, Long-term	Operating cost↑ Operating revenue↓

Current and Expected Financial Impacts of Physical Risks

In 2025, in order to effectively respond to extreme weather events such as rainstorms and floods, the Group formulated emergency plans, purchased emergency materials and conducted drills, incurring conventional annual emergency rescue expenses of RMB1.0776 million in total

1.0776 million

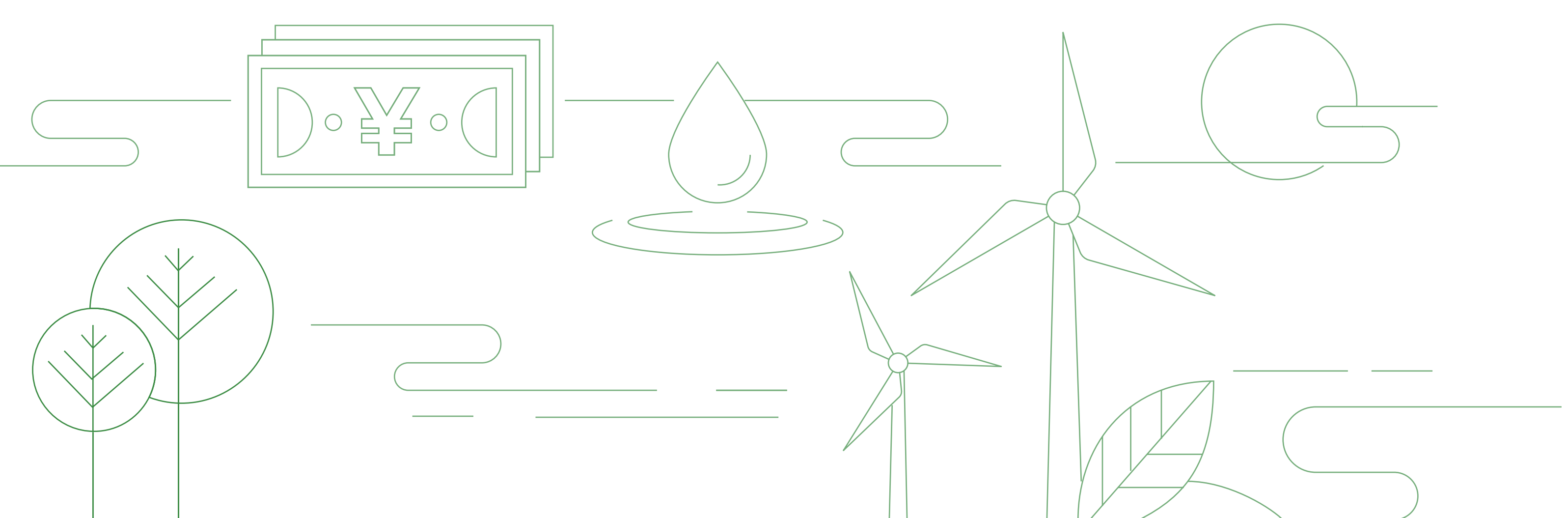
with no other financial impacts generated.

Regarding equipment losses caused by cold winters, the Group strengthened pipeline network inspection and insulation retrofit, with maintenance project expenditures of RMB5.2057 million.

5.2057 million

It is expected that in 2026, to address the physical risks brought by cold winters, the Group will invest approximately RMB5.77 million in maintenance-related expenditure.

5.77 million



Climate-Related Transition Risks and Impact on Business Models and Value Chains

Risk Categories	Major Climate Risks	Impact on Business	Impact Cycle	Impact on Finance
Transition Risks	Uncertainty in Weather Forecast	May cause excess or shortage of gas supply indicators, and may result in the Group bearing the liability for breach of the "take-or-pay" contract with upstream gas supply enterprises or the risk of purchasing high-priced gas sources.	Medium-term, Long-term	Operating cost↑ Operating revenue↓
	Introduction of Climate-Related Policies	As the dual-carbon policy leads to an increase in the use of renewable clean energy, a portion of natural gas is replaced by electricity, resulting in a drop in sales. As the country restricts the use of fossil fuels, the Group needs to adjust its energy mix and develop renewable energy sources to achieve higher energy saving and emissions reduction targets. Tightening carbon emissions allowances or a carbon tax may increase operating costs and strategic risks. Tightening of laws and regulations has increased the cost of monitoring and disclosing gas data in China, making the Group more susceptible to compliance risks related to information disclosure.	Short-term	Operating cost↑ Operating revenue↓
	Changes in Market Demand	As customers' demand for gas operational safety and emergency response capability is increasing, the Group needs to increase investments in infrastructure construction and cultivation of practitioners' capabilities. Market demand for low-carbon energy-saving solutions rises, reducing the attractiveness of gas-only services and therefore putting the Group at a potential competitive disadvantage compared to its competitors.	Medium-term, Long-term	Operating cost↑ Operating revenue↓
	Trends in Technical Transformation	Increase in demand for new energy projects, necessitating additional investment in research on new types of clean energy (e.g. hydrogen blending in natural gas pipelines). Energy-saving and carbon-reducing technological modifications may increase input costs, such as increased demand for research, development and optimisation of downhole monitoring equipment.	Medium-term, Long-term	Operating cost↑
	Increased Concerns from Stakeholders	The advancement of the low-carbon transition may increase pressure on the Group's operations, including public opinion pressure from investors, customers and the broader society. If the Group fails to align with the dual-carbon trend and respond to stakeholders' concerns, it may damage the enterprise's reputation and brand image, thereby losing its competitive advantage.	Medium-term	Operating revenue↓

Current and Expected Financial Impacts of Transition Risks

None of the various important climate-related transition risks have caused significant financial impacts on asset losses and operating costs during the current period.

In 2025, in order to actively follow the guidance of climate-related policies, the Group actively expanded integrated energy services. The subsidiary Bintou Tianjin Company signed a strategic cooperation agreement with the People's Government of Deqing County. It is expected that in 2026, the company will invest

5.1 million

to establish an integrated energy holding company with an enterprise under the Deqing Government, focusing on the development of green energy projects such as energy trusteeship, photovoltaic energy storage, and comprehensive utilisation of renewable energy.

In response to the trend of technical transformation, the Group built a calibration laboratory to achieve calibration of thermometers, pressure gauges, and combustible gas alarms. The laboratory has currently completed preliminary construction, equipment procurement and inspection submission, and is undergoing trial operation.

The total investment in 2025

0.54 million

Investment will continue in 2026

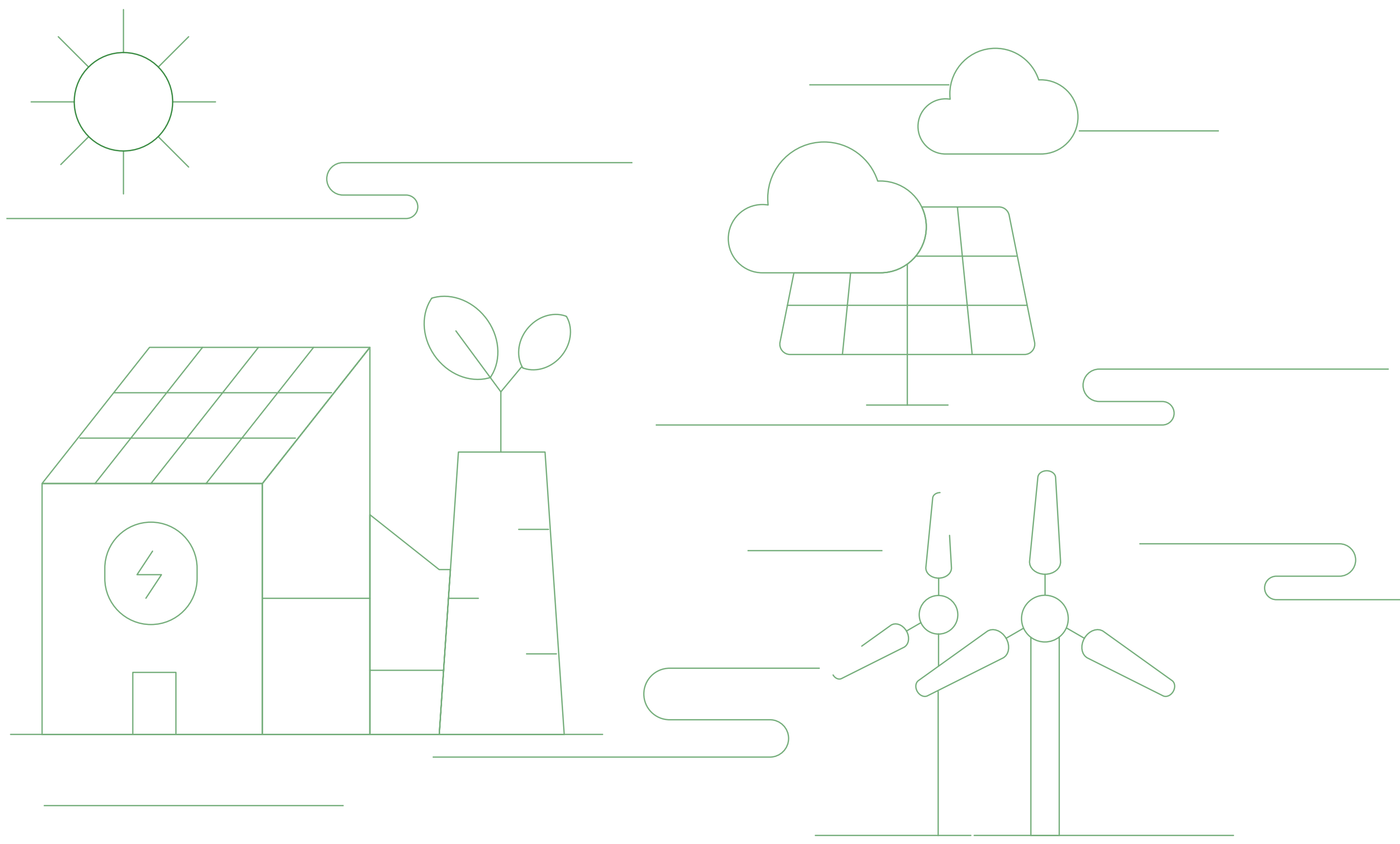
0.30 million

Climate-Related Opportunities and Impact on Business Models and Value Chains

While actively responding to climate-related risks, the Group, based on the characteristics of its main business and operating processes, promotes the sustainable development of the industry through its own development.

Major Climate-Related Opportunities	Impact	Impact Cycle	Impact on Finance
Trends in the Low-Carbon Transition of the Oil and Gas Industry	As the global energy transition deepens, the substitution of natural gas for coal and other high-carbon emission energy sources speeds up significantly. This trend promotes the continuous growth of natural gas sales, and the complementarity of renewable energy and natural gas and the synergy of heat, electricity and gas accelerate, bringing increases in revenue and profits in the main business.	Short-term, Medium-term	Operating revenue ↑
Users' Concern and Demand for Energy Saving and Low-Carbon	With the continuous enhancement of energy saving and low-carbon awareness among enterprises and individual users, while continuing to provide high-quality natural gas transmission products and services, the Group actively explores and expands the integrated energy business and provides integrated solutions.	Medium-term	Operating revenue↑
Diversification of Green Finance Types and Policies	Green finance instruments (such as sustainability-linked bonds and green loans) can be used for developing renewable energy businesses, clean transport, green buildings, and other fields, providing the Group with diversified financing channels. The use of green finance can effectively reduce the capital cost of projects for the company, and improve the economic efficiency and return on investment of projects.	Short-term, Medium-term	Financial expenses↓

Major Climate-Related Opportunities	Impact	Impact Cycle	Impact on Finance
	Active participation in the green finance market can enhance the Group's reputation and market competitiveness in the field of sustainable development.		
Low-Carbon Digital and Intelligent Technology Innovation	The Chinese government has introduced policies to promote the vigorous development of renewable energy, and the demand for research and development of new energy projects increases. The importance of digital and intelligent technologies in corporate energy and carbon management continues to rise, and the demand for research and development of downhole monitoring equipment increases. Carrying out digital and intelligent transformation to improve the efficiency of resource deployment (such as designing and optimising transport scheduling routes) helps save costs and improve energy management efficiency.	Short-term, Medium-term	Operating revenue↑
Low-Carbon Development of Industrial Chain	As the greening and low-carbon trends in the energy consumption industrial chain become increasingly significant, more service opportunities are emerging in the energy and carbon business sector. Local governments actively respond to the national strategy and expect to build demonstrative green and low-carbon industrial chains, which creates potential for the Group to increase its operating revenue and profits.	Medium-term	Operating revenue↑



Scenario Analysis

The Group focuses on four physical risks—rainstorms and floods, geological disasters such as ground collapse, earthquake, landslide and debris flow, cold winters, and sea level rise—as well as ten transition risks and opportunities, and selects authoritative climate scenarios from the Intergovernmental Panel on Climate Change (IPCC) and the Network for Greening the Financial System (NGFS) for stress testing.

Physical Scenario

Based on the SSP2-RCP4.5 and SSP5-RCP8.5 scenario pathways from the IPCC (Intergovernmental Panel on Climate Change) Sixth Assessment Report, the Group adopts the Climate and Disaster Risk Analysis Tool (GRI Risk Viewer) developed by the Global Reporting Initiative (GRI) and the Water Risk Analysis Tool (Water Risk Filter) developed by the World Wide Fund for Nature (WWF) to conduct climate scenario analysis for acute and chronic physical risks. By assessing the layout of different geographical regions, facilities and assets, and without taking into account insurance coverage and asset-specific mitigation measures, the Group analyzes the potential impacts of physical risks on its operations and finance under different time dimensions.

Selected Scenarios[2]	Current Trends SSP2-RCP 4.5	High Emissions Scenario SSP5-RCP 8.5
Scenario Description	Under this scenario, greenhouse gas emissions are expected to peak around 2040 and then decline. With policy-driven actions, the increase in global average temperature can be controlled at approximately 2.5°C by 2100.	Under this scenario, greenhouse gas emissions increase rapidly within this century and reach double the emissions by 2050; global average temperature rises by more than 4.0°C above pre-industrial levels by 2100.
Temperature Rise Intensity	Approximately 2.5°C	More than 4.0℃
Scenario Source	IPCC Sixth Assessment Report	

According to the analysis results, under both climate scenarios, the PVaR values of the three physical risks for the Group's national asset portfolio are all below 1%, indicating that the Group faces low climate change risks and demonstrates resilient risk management.

Type	2030 (Medium-term)		2050 (Long-term)	
	RCP4.5	RCP8.5	RCP4.5	RCP8.5
Rainstorms and Floods	Low risk	Low risk	Low risk	Low risk
Geological Disasters Such as Ground Collapse, Earthquake, Landslide and Debris Flow	Low risk	Low risk	Low risk	Low risk
Cold Winters	Low risk	Low risk	Low risk	Low risk
Sea Level Rise	Low risk	Low risk	Low risk	Low risk

2 In SSPx-y, "SSPx" refers to the Shared Socioeconomic Pathways describing the underlying socioeconomic trends of the scenario, while "y" refers to the approximate level of radiative forcing (in watts per square metre) resulting from the scenario in 2100. The projected temperature rise indicates the average increase in global surface temperature by 2100.

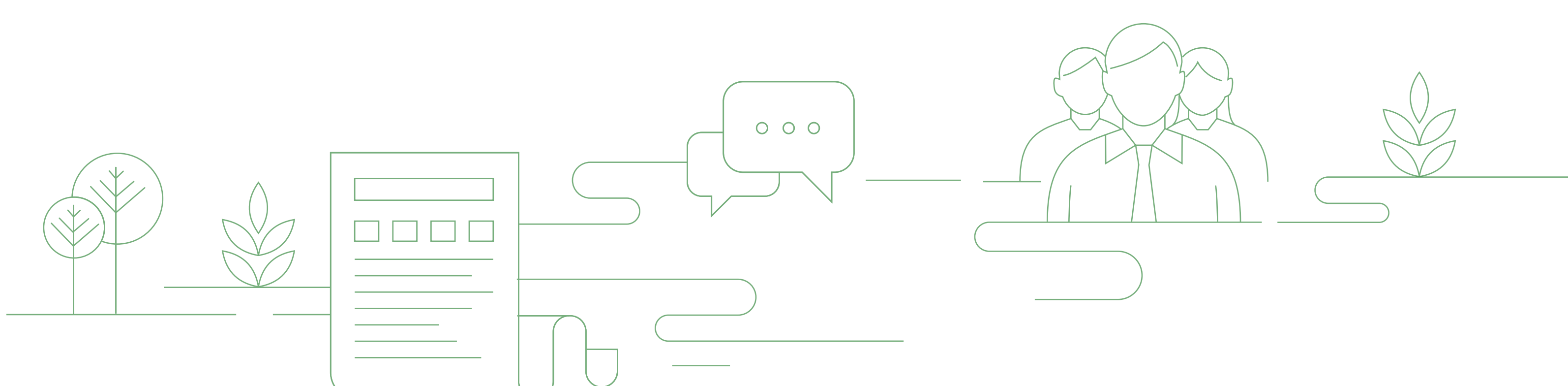
Transition Scenario

The Group selects the Net Zero 2050 and Current Policies scenario pathways published by the NGFS to understand the risks and opportunities facing the Group in the transition to low-carbon policies. The Group conducts comprehensive transition risk and opportunity analysis by integrating multiple factors including asset conditions, greenhouse gas emissions, local carbon emission reduction policies and reduction potential, and future planning.

Selected Scenario	Net Zero Emissions Scenario	Current Policies Scenario
Scenario Description	Through stringent climate policies and innovation, global warming is limited to below 1.5°C, achieving global net zero carbon dioxide emissions around 2050.	Assumes only currently implemented policies are retained, with carbon emissions continuing to grow until 2080.
Temperature Rise Intensity	Less than 1.5°C	More than 3.0℃
Scenario Source	NGFS	

Through comprehensive analysis, transition risks have not previously had any material significant impact on the Group's financial position, and at the 2030 and 2050 time horizons, the financial impacts that climate risks will bring are all at low risk levels. This indicates that the Group possesses strong resilience and development adaptability to climate-related risks, and has the capability to adjust strategies and business models in the short, medium and long term to effectively respond to the risks and opportunities identified in climate risk scenario analysis.

Type	2030 (Medium-term)		2050 (Long-term)	
	Net Zero 2050	Current Policies	Net Zero 2050	Current Policies
Uncertainty in Weather Forecast	Low risk	Low risk	Low risk	Low risk
Introduction of Climate-Related Policies	Low risk	Low risk	Low risk	Low risk
Changes in Market Demand	Low risk	Low risk	Low risk	Low risk
Trends in Technical Transformation	Low risk	Low risk	Low risk	Low risk
Increased Concerns From Stakeholders	Low risk	Low risk	Low risk	Low risk



Through analysis and assessment, the Group fully grasps the climate opportunities brought by the global energy structure's transition to low carbon for the industry. Around the 2030 and 2050 development goals, the Group has identified direct opportunities including the low-carbon development of the industrial chain and trends in the low-carbon transition of the oil and gas industry, as well as indirect opportunities such as users' concern and demand for energy saving and low-carbon, gradual diversification of green finance types and policies, and low-carbon digital and intelligent technology innovation. As a clean and efficient transitional energy source, natural gas plays a key role in replacing coal and supporting the coordinated development of renewable energy. The Group will actively promote the substitution of high-carbon energy and improvement of terminal energy efficiency by expanding gas pipeline network coverage, promoting integrated energy solutions, and exploring low-carbon business routes prioritising renewable energy and integrating gas and electricity.

The Group will actively promote the substitution of high-carbon energy and improvement of terminal energy efficiency by

Expanding gas pipeline network coverage

Promoting integrated energy solutions

Exploring low-carbon business routes prioritising renewable energy

Exploring integrating gas and electricity

During the year, the Group signed a strategic cooperation agreement with Zhejiang Taineng, establishing a cooperation framework around integrated energy application scenarios such as zero-carbon parks, smart microgrids, energy storage, and charging and battery swapping stations, jointly promoting project development and implementation, with a focus on exploring synergistic development opportunities in clean energy system integration and smart power.

The Group signed a strategic cooperation framework agreement with Tianjin Special Equipment Inspection Institute, collaborating on special equipment safety technical support and scientific research and development to empower energy project safe operation and green management enhancement through technology. The Group also reached cooperation with Tianjin Huade Smart Technology Group in areas such as energy performance contracting, energy-saving technology transformation, and energy management system platform construction, jointly exploring paths for public institution energy efficiency improvement and energy management digitalization, and promoting the transformation of integrated energy services.

The Group further expanded the natural gas resource pool, participated in the construction of natural gas transmission pipeline network connections to first-hand gas sources and the promotion of cogeneration plant projects, continuously enhancing gas source security capabilities and natural gas utilisation efficiency, and improving the utilisation rate of natural gas pipeline networks in cities where it operates.

Type	2030 (Medium-term)		2050 (Long-term)	
	Net Zero 2050	Current Policies	Net Zero 2050	Current Policies
Users' Concern and Demand for Energy Saving and Low-Carbon	Low opportunity	Low opportunity	Low opportunity	Low opportunity
Diversification of Green Finance Types and Policies	Low opportunity	Low opportunity	Low opportunity	Low opportunity
Low-Carbon Digital and Intelligent Technology Innovation	Low opportunity	Low opportunity	Low opportunity	Low opportunity
Low-Carbon Development of Industrial Chain	Medium opportunity	Low opportunity	Medium opportunity	Low opportunity
Trends in Low-Carbon Transition of the Oil and Gas Industry	Medium opportunity	Low opportunity	Medium opportunity	Low opportunity

Climate Resilience and Management Response

The Group promotes green operations, reduces greenhouse gas emissions, and strengthens climate risk management to enhance climate resilience and adaptability. Based on the assessment results of physical and transition risks, the Group has identified targeted response measures, continues to invest resources, and has actively implemented various mitigation measures, demonstrating strong climate adaptability.

Risk Categories	Major Climate Risks	Response Actions
Acute Physical Risk	Rainstorms and Floods	Formulate the *Contingency Plan for Natural Disaster Risks*, regularly purchase emergency rescue materials, and organise relevant safety training and emergency drills for staff. Formulate the *Safety Management Regulations for Construction*, adopt firmer facilities and pipe materials, and design and build ring pipeline networks to enhance the ability to cope with adverse weather conditions. Conduct preliminary risk assessments for major projects and adopt targeted preventive and control measures. Before the onset of natural disasters, conduct specialised safety inspections of weak links in gas equipment and facilities, and timely inspect drainage systems and electrical equipment at construction sites to prevent accidents caused by equipment exposure to water. Insure the Group's fixed assets to reduce losses from natural disasters.
	Geological Disasters Such as Ground Collapse, Earthquake, Landslide and Debris Flow	Conduct preliminary risk assessments for major projects and adopt targeted preventive and control measures. Formulate the *Contingency Plan for Natural Disaster Risks*, regularly purchase emergency rescue materials, and organise relevant safety training and emergency drills for staff. Insure the Group's fixed assets to reduce losses from natural disasters. Closely monitor hillside and road conditions during the rainy season, and pay attention to foundation construction to improve bearing capacity. Develop response measures covering three aspects—pre-event prevention, during-event emergency response, and post-event recovery—to address potential negative impacts from earthquakes or geological collapses.
Chronic Physical Risks	Cold Winters	Connect to first-hand gas sources, increase the construction of LNG storage and peak shaving facilities, and enhance the ability to maintain contingency gas supply. Actively promote the signing of the *Natural Gas Storage and Peak Shaving Cooperation Agreement* with upstream gas supply units to ensure supply capacity during heating seasons and safe and stable gas use for downstream customers. Formulate contingency plans for heating season dispatch and emergency plans for winter operation safety, and install insulation equipment. Standardise the dehumidification process to increase natural gas temperature, reduce water dew point, and control gas source quality. In the early stage of pipeline operation, regularly drain key equipment and replace filter elements, and appropriately increase the operating pressure of branch pipelines.
	Sea Level Rise	Continuously monitor sea level rise and conduct research on risk prevention and emergency response. Undertake reinforcement design against floods and tides for critical facilities or adaptive renovation for existing facilities in coastal areas to withstand seawater erosion and flood attacks.

Risk Categories	Major Climate Risks	Response Actions
Transition Risks	Uncertainty in Weather Forecast	Formulate and regularly update contingency plans for heating season dispatch. Optimise gas procurement strategies and actively liaise with upstream gas supply units to maximise the benefits from gas supply indicator utilisation.
	Introduction of Climate-Related Policies	Closely monitor changes in regulations and policies to ensure the Group's operational strategies comply with relevant requirements. Enhance climate adaptability and build advanced gas storage and peak shaving facilities. Strengthen green capacity building and talent cultivation, and enhance training for front-line personnel on climate risks and low-carbon construction.
	Changes in Market Demand	Increase investments in residential gas safety and develop new IoT safety devices. Continuously establish and improve emergency plans for various extreme weather conditions, and procure protective equipment and materials. Enhance integrated energy research and development capabilities, and progressively provide integrated renewable energy services (cooling, heating, steam, electricity, renewable energy, photovoltaic, energy storage).
	Trends in Technical Transformation	Explore green finance channels to increase funding support for the enterprise, and actively seek strategic cooperation and mutual benefits with external institutions. Deploy cutting-edge low-carbon technologies such as energy storage, geothermal, and biogas utilisation, and apply hydrogen energy technologies such as hydrogen blending in pipelines. Explore intelligent and digital technological innovation, such as researching and developing downhole monitoring equipment to improve production and operation efficiency. Standardise the process for introducing "Four New" technologies (i.e., new technologies, new processes, new materials, and new equipment).
	Increased Concerns from Stakeholders	Plan the implementation path for the green and low-carbon transition, review practical progress annually, and disclose and publicise transition achievements externally.

Meanwhile, the climate transition has brought unprecedented development opportunities for the Group. The Group closely tracks global energy policies, dynamically adjusts business strategies, proactively integrates into the global climate transition process, actively seizes policy and market opportunities, adheres to its core business of clean and low-carbon energy services, deploys in diversified markets, and contributes to the construction of new energy systems and low-carbon transition.

Major Climate-Related Opportunities	Response Actions
Trends in the Low-Carbon Transition of the Oil and Gas Industry	On the basis of vigorously cultivating the main natural gas business, comprehensively optimise the upstream and downstream industry chain, and accelerate research on integrated energy and intelligent energy layout. Among downstream industrial and commercial users, schools, shopping malls and other complexes, vigorously develop integrated energy construction, provide integrated low-carbon solutions, and accelerate low-carbon development of the industry chain.
Users' Concern and Demand for Energy Saving and Low-Carbon	Develop and enhance value-added services, provide customers with energy and gas consumption analyses, and expand business scope. Develop an energy management and control system platform to serve the enterprise itself and its customers, and assist local governments in building enterprise energy consumption management platforms. Explore diversified energy solutions and businesses beyond the gas field, and gradually expand into the industrial and commercial energy performance contracting sector.
Diversification of Green Finance Types and Policies	Actively explore and apply various green finance solutions to provide funding support for the Group's new energy research and development and integrated energy services transformation.
Low-Carbon Digital and Intelligent Technology Innovation	Upgrade intelligent operation and management methods, conduct data prediction on energy consumption and equipment load, and comprehensively improve energy consumption profiling, energy consumption benchmarking, energy consumption judgement, energy efficiency enhancement, and operation and maintenance. Formulate integrated energy-saving and efficiency-improving optimisation solutions to create an intelligent energy efficiency engine for customers, empowering the safe, low-carbon and high-efficiency development of the entire industry chain. Cooperate with the government on data analysis and access to build a local city-wide intelligent platform.
Low-Carbon Development of Industrial Chain	Expand the integrated energy business to provide customers with diversified low-carbon energy solutions. Strengthen investment in innovation and research and development for low-carbon energy technologies.

Meanwhile, the Group clearly recognises that the frequency and intensity of physical and transition risks and opportunities may vary in future time dimensions with uncertainty. The Group will continue to conduct climate scenario analysis and continuously build a more climate-resilient management system.

Risk Management

The Group strictly follows the TCFD framework requirements to systematically assess the potential impact of climate-related risks on the Group's core business operations, and integrates climate risk management into its daily management system. By assessing physical and transition risks, the Group continuously optimises risk management and control measures, and explores new opportunities arising from climate change in alignment with the distinctive features of its business. Regarding the impact of climate risks and opportunities, the Group has established a comprehensive management mechanism covering identification, assessment, prioritisation and monitoring. Annually, the Group determines key climate risks and opportunities through industry dynamics analysis, internal thematic seminars and external expert consultation, and prioritises them utilising risk assessment tools according to their probability, degree of impact and relevance to the business. The Board is responsible for overseeing climate risk assessment, ensuring the effectiveness of ESG risk management and internal oversight systems, as well as developing targeted strategies to manage material climate risks.

Whole-process Management Mechanism

- Identification
- Assessment
- Prioritisation
- Monitoring

Metrics and Targets

To systematically advance carbon reduction work and actively implement the national "dual carbon" strategy, the Group formulated greenhouse gas emission reduction targets for the first time in 2025 to guide the Group's medium and long-term decarbonization process. These targets constitute a series of progressive, quantitative, absolute emission reduction targets, reflecting the Group's firm commitment to operational decarbonization.

In terms of target coverage

The Group's greenhouse gas emission reduction targets apply to Scope 1 and Scope 2 emissions from all operational activities that it owns or controls, covering all geographical regions and business scopes of the Group. The greenhouse gas inventory includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), etc., ensuring the comprehensiveness and scientific rigour of the accounting system.

The greenhouse gas inventory includes

- Carbon dioxide (CO_2)
- Methane (CH_4)
- Nitrous oxide (N_2O),

In terms of target timeline

The Group has established a complete target plan from the base year of 2023 through to 2050, committing to achieving net zero emissions of Scope 1 and Scope 2 greenhouse gases. This ultimate goal is aligned with the Hong Kong Government's 2050 net zero commitment and the goals of the *Paris Agreement*.

The Group's target planning has not yet been fully formulated according to industry decarbonization pathways; the Group plans to actively explore alignment with internationally recognised target-setting methodologies before 2040, and commits to progressively enhancing the credibility and transparency of its targets in the future, continuously driving low-carbon transition to deeper levels.

For the current year, to ensure continuous follow-up of target completion phases, the Group has established short-term, medium-term and long-term absolute emission reduction targets:

- **Short-term target**: By 2028, **achieve a 15% reduction** in total Scope 1 and Scope 2 greenhouse gas emissions
- **Medium-term target**: By 2035, **achieve a 30% reduction** in total Scope 1 and Scope 2 greenhouse gas emissions
- **Long-term target**: **Net zero emissions** by 2050

The Group continuously builds a review mechanism for climate change-related targets and continuously optimises the carbon reduction pathway to ensure the effectiveness of emission reduction targets. The Group will ensure that business departments understand actual progress and that emission reduction targets and methods remain consistent and relevant through assessing emission data and analysing internal and external development dynamics, and will make revisions when necessary. Although current targets have not been verified by third parties, the Group plans to benchmark against international frameworks before 2035 and will introduce external verification at the appropriate time to further enhance the credibility of its targets.

The Group ensures consistency and relevance of emission reduction targets and methodologies

Assessing emission data + **Analysing internal and external development dynamics**

In addition, the Group has simultaneously established energy saving and emission reduction management targets. Through implementing energy saving and control measures, the Group continuously reduces energy consumption and greenhouse gas emissions, effectively monitors climate-related risks, and minimises the potential impact of climate change on business operations. Specific targets and metrics data are detailed in the "Strengthening Emission Management, Optimising Resource Utilisation" section of this Report.

The Group fully recognises the important role of emission removal and offsetting mechanisms in the global net zero emission process, but to date has not relied on any nature-based or technology-based carbon credits to achieve its targets. At this stage, the Group focuses on driving operational decarbonization through direct actions, vigorously exploring internal emission reduction potential, and will continuously assess the potential role of carbon offsetting and carbon credits in the future, steadily improving the decarbonization pathway.

Emission Management Enhancement

The Group actively fulfils corporate responsibility, steadily promotes energy structure transformation, systematically carries out multi-dimensional emission governance, and implements environmental protection responsibilities. In the field of greenhouse gas emission reduction, the Group reduces carbon emissions through building digital platforms and upgrading equipment and facilities.

In terms of air pollutant governance

the Group strictly implements national and industry emission standards to contribute to air quality improvement.

In terms of solid waste disposal

the Group establishes a classification recycling and circular utilisation system to achieve waste reduction and resource utilisation.

In 2025, the Group did not record any instances of non-compliance related to the above emission management matters.

Emission violation cases

0 cases

Greenhouse Gas Emission Reduction

The Group strictly complies with laws and regulations such as *the Environmental Protection Law of the People's Republic of China* and *the Law of the People's Republic of China on Environmental Impact Assessment*, and has formulated internal policies such as *the Regulations on the Management of Official Vehicles* to reduce greenhouse gas emissions.

In 2025, the Group's greenhouse gas emissions were mainly attributable to the normal use of natural gas and process gas escape, the consumption of petrol and diesel in official vehicles, as well as office electricity use and business travel. To effectively reduce greenhouse gas emissions in the official vehicle use process, the Group, through the vehicle IoT management platform, conducts unified monitoring and intensive management of core indicators such as vehicle driving routes, mileage and fuel consumption. Meanwhile, the Group gradually phases out obsolete vehicles with high fuel consumption, low environmental ratings and high breakdown rates, guides drivers to optimise driving habits, and reduces unnecessary vehicle usage to cut carbon emissions from vehicle use at the source. In addition, the Group continuously accelerates the replacement of fuel-powered vehicles and actively deploys a low-carbon transportation system.

In 2025, the Group further increased the introduction and use of new energy vehicles, purchasing a total of 4 new energy vehicles and simultaneously introducing 4 through leasing, thereby promoting the transformation of the fleet structure towards clean, low-carbon operations through practical actions. This initiative not only effectively reduces direct carbon emissions during vehicle operation, but also demonstrates the Group's firm commitment to addressing climate change and practising sustainable development, contributing to the steady decline of overall operational carbon intensity and strengthening the demonstration effect in the field of sustainable transportation.

In 2025, the Group further increased the introduction and use of new energy vehicles, purchasing a total of 4 new energy vehicles

4

simultaneously introducing 4 through leasing

4

Towards clean and low-carbon through practical actions

Purchasing a total new energy vehicles

Leasing new energy vehicles

Regarding methane fugitive emission control in the operation process, the Group adopts a two-pronged approach to advance related work:

On the one hand, strengthening operation control and maintenance inspection at stations, installing gas alarm equipment indoors, comprehensively upgrading safety monitoring systems and alarm devices to achieve real-time monitoring of methane leakage at stations and the safety status of pipeline networks and ancillary facilities, ensuring the safety of station operation, pipeline facilities and users;

On the other hand, actively responding to and implementing the requirements of the *Implementation Plan for Urban Gas Pipeline Aging, Renovation and Transformation (2022-2025)* issued by the General Office of the State Council, continuously advancing the renovation of aged pipeline networks and the renewal of equipment and facilities. Through estimating gas consumption in the area, closing valves in advance to reduce pipeline storage capacity, and adopting non-interruptible supply construction techniques, the Group effectively reduces methane fugitive emissions during the construction process.

The Group also reduces carbon emissions through resource conservation, recycling and reuse, and energy management and control. Please refer to the "Optimising Resource Utilisation" section for details.

Air Pollutant Governance

The Group strictly complies with laws and regulations such as the Law of the *People's Republic of China on the Prevention and Control of Atmospheric Pollution* and the *Law of the People's Republic of China on Promoting Clean Production*, and has formulated internal policies such as the *Management Regulations for Construction*, *the Measures for Construction Supervision* and *the Safety Management Regulations for Construction* to regulate vehicle driving and engineering construction activities, ensuring that all operational behaviours comply with environmental protection requirements.

The Group's air pollutants include nitrogen oxides (NOx), sulphur oxides (SOx) and particulate matter (PM), etc., mainly originating from vehicle operation, natural gas use and dust generated during pipeline construction. To systematically control pollutants generated during the operation process, the Group adopts a governance strategy combining source control and end monitoring, and in 2025 focused on advancing the following emission reduction initiatives:

In the source emission reduction process

The Group exerts synergistic efforts from both vehicle management and engineering construction to advance pollution source control in two directions:

In terms of vehicle management

The Group continuously promotes the upgrading of the vehicle energy structure, replacing vehicles in batches with new energy vehicles and vehicles meeting China VI and above emission standards to reduce mobile source air pollutant emissions from the source. To strengthen dynamic vehicle control, the Group installed GPS monitoring terminals in all vehicles starting from January 2025, achieving precise monitoring of abnormal driving routes through real-time collection and analysis of driving data by the system, while assisting administrators to fully grasp vehicle usage status and fuel consumption details, achieving precise control of cost saving and carbon emission reduction driven by data. In addition, the Group continuously refines vehicle management regulations, requiring drivers to maintain vehicles and regulate driving behaviour in accordance with institutional provisions, phasing out obsolete vehicles in an orderly manner, and simultaneously issuing the *Measures for the Administration of Subsidies for Official External Travel*. By establishing subsidies for non-official vehicle travel for work purposes, the Group encourages field employees to prioritise public transportation to further reduce tailpipe emissions from traditional fuel-powered vehicles.

In terms of engineering construction

The Group focuses on pollution prevention and control in the gas pipeline network construction process, reducing pollution from the source by optimising business models. The Group cooperates with PipeChina and other companies to expand natural gas pipeline transmission business, enabling multiple gas sources to be accessible from a single source point, thereby reducing the amount of pipeline laying and reducing pollution from the source.

At the end of the monitoring

Deployed 30 sets of real-time air quality monitoring and purification equipment

30 sets

The Group has deployed 30 sets of real-time air quality monitoring and purification equipment in office areas at the headquarters and major branches, continuously tracking key pollutant indicators and conducting digital control, both safeguarding indoor environmental health and providing data support for the optimisation of front-end emission reduction measures. In addition, each subsidiary strictly benchmarks against environmental protection policy requirements related to engineering construction, comprehensively implementing environmental protection measures to effectively reduce air pollutant emissions during the construction process. In the construction process, the Group refines the following three specific measures to strengthen air pollutant control:

Strengthening construction supervision and control

Strictly supervise and inspect third-party construction units to ensure that construction quality and progress meet standards, implement safe and civilised construction requirements, and minimise potential impacts on the surrounding environment as much as possible.

Regulating construction site environmental management

Install dust online monitoring systems, set up barriers as required to keep the surrounding environment of the construction area clean; take effective covering measures for earth, sand and gravel and other dust-prone materials; configure spray facilities, install automatic vehicle washing equipment at entrances and exits, harden construction roads and arrange designated personnel to regularly spray water for dust reduction; when transporting sand or soil, construction vehicles must take sealing and covering measures to prevent leakage and spillage, and strictly dispose of them at designated locations in accordance with the requirements of local competent authorities.

Promoting the application of environmental protection equipment

Use machinery and equipment that comply with relevant environmental monitoring standards for tailpipe emissions during construction operations, and give priority to selecting equipment and vehicles powered by clean energy to reduce tailpipe emissions from the equipment end.

Through the above series of initiatives, the Group effectively fulfils environmental responsibilities throughout the business operation process, making every effort to promote the achievement of both clean air and sustainable operation goals.

Solid Waste Disposal

The Group strictly complies with laws and regulations such as the *Law of the People's Republic of China on Prevention and Control of Pollution by Solid Waste* , the *Standards for Pollution Control of Hazardous Waste Storage*, the *National Hazardous Waste List* , the *Soil Pollution Prevention and Control Law of the People's Republic of China* , and the *Law of the People's Republic of China on Soil and Water Conservation*, systematically advancing the compliant disposal and resource utilisation of solid waste. Meanwhile, based on the *Administrative Measures for Office Assets* and the *Management System for Hazardous Articles*, the Group has established a standardised waste management system covering general assets and hazardous articles. This system follows the principles of "compliant disposal, resource optimisation, and safety priority", providing institutional guarantees for waste management.

Whole-process compliant disposal of waste

- Institutionalised Classified Disposal
- Whole-process Approval
- Strict Safety Control

At the management implementation level

The Group implements strict scrapping approval procedures for office assets, strengthens asset life cycle maintenance, and reduces waste from the source by extending service life. For hazardous articles, the Group explicitly requires unified recycling of waste packaging, and containers and equipment involving hazardous substances must be thoroughly cleaned and inspected and qualified before scrapping. All waste disposal processes must strictly comply with national safety and environmental protection standards. Through institutionalised classified disposal, whole-process approval, and strict safety control, the Group achieves full-process traceability and full-chain compliant management of waste, providing solid guarantees for the Group's resource conservation and environmental risk prevention and control work.

In operational and office scenarios

The hazardous solid waste generated by the Group mainly includes odorant waste drums, electronic waste, discarded batteries, mercury-containing light tubes, and ink cartridges. To properly handle these wastes, the Group has established a classified control mechanism with specific measures as follows:

Odorant Waste Drums

Collected uniformly and entrusted to third-party professional institutions with formal qualifications for disposal.

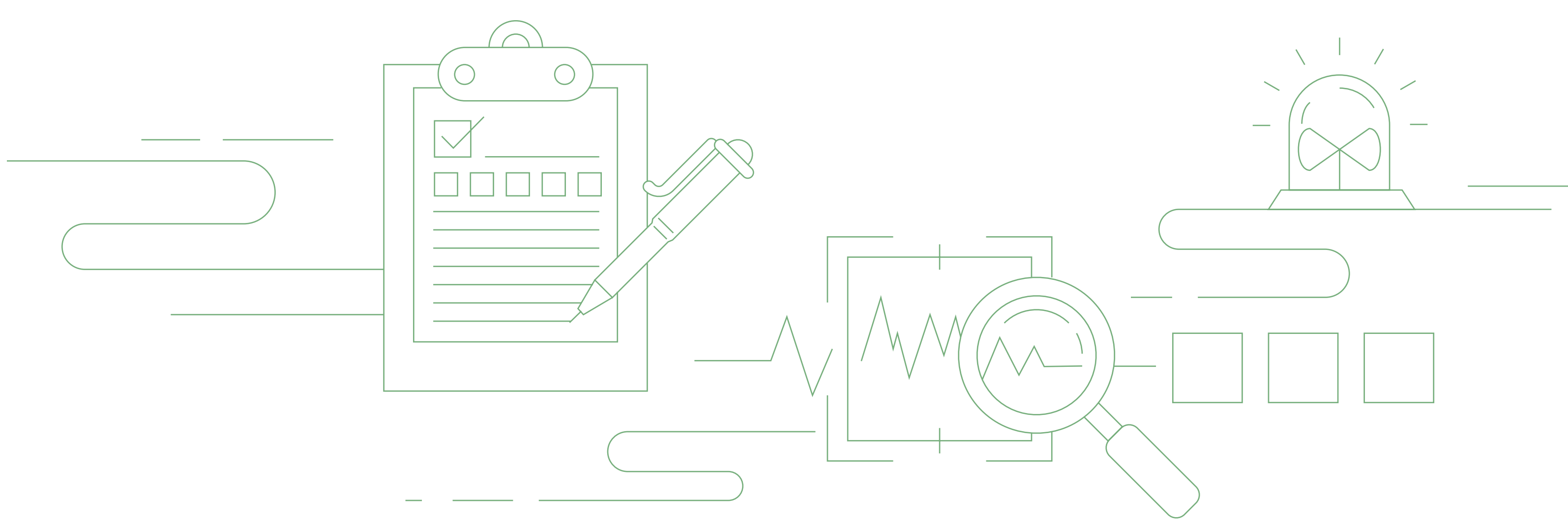
Ink Cartridges

Handed over to suppliers for unified recycling, or handled by garbage clearance units for professional disposal.

Electronic Waste, Discarded Batteries, Mercury-containing Light Tubes

Handed over to garbage clearance units for centralised disposal.

In addition, to reduce the generation of odorant waste drums from the source, the Group has introduced intelligent odorant equipment, which can be linked with natural gas flow in real time to accurately calculate and control the amount of odorant liquid added. Meanwhile, the Group regularly monitors the odorant concentration in pipeline networks and user terminals to avoid excessive use of odorant, thereby effectively reducing the generation of such waste.



The Group sets up waste reduction targets and takes steps to achieve them:

Promote the use of LED lighting

- Gradually replace all of the existing mercury-containing light tubes with LED lighting in the renovation of office spaces within five years.

Reduce the generation of electronic waste from obsolete office equipment

- Require relevant responsible persons to maintain office equipment scientifically to extend service life.
- Standardise asset disposal processes; all asset disposals must strictly follow approval procedures.
- Implement discount trade-in of obsolete office equipment.
- Pilot office equipment leasing models.
- Require all departments to report IT equipment and office appliances awaiting scrapping on a quarterly centralised basis, and entrust qualified cooperative units with formal qualifications to collect them on-site.
- Strictly implement the disposal standard of "assessment and refurbishment first, environmental dismantling second"
- For equipment still with use value, refurbish and reuse after thorough data clearance.
- For equipment with no utilisation value, implement professional dismantling and resource recycling.

Promote the use of rechargeable equipment

- Reduce the use of disposable batteries to lower the generation scale of discarded batteries from the source.

Optimise consumables management

- Gradually promote the unified management of printing consumables, with designated suppliers responsible for unified supply and scientific recycling and disposal of waste consumables.

In 2025

The proportion of the Group's mercury-containing light tubes replaced by LED lighting devices reached	The generation of electronic waste generated from obsolete office equipment reduced by ↓	The generation of waste batteries decreased by ↓
69 %	**11** %	**14** %

Paper-based printing consumables have achieved unified supply by suppliers, unified processing, and scientific recycling, meeting annual targets.

In the future, the Group will continue to be guided by the above targets, continuously deepening various waste reduction initiatives and improving waste management levels.

The non-hazardous waste generated by the Group during natural gas pipeline connection works, subsequent maintenance, and daily office operations mainly includes scrap instrumentation, waste pipelines, office wastepaper, and domestic garbage. To achieve standardised management of non-hazardous waste, the Group formulates plans for the replacement of overdue meters and pipeline networks at the beginning of each year, advances relevant disposal work according to plan, and regularly tracks the achievement of targets. For scrap instrumentation, the Group hands them over to third-party professional units for disposal after punching and decommissioning. For waste pipelines, after completely replacing the natural gas in the pipelines with nitrogen or water, the Group properly disposes of them together with valve wells and other items, sealing or dismantling them when necessary to ensure the disposal process is safe and controllable.

In gas pipeline connection works, the Group promotes efficient resource utilisation and ecological environmental protection through multiple measures. In construction, the Group implements priority on-site backfilling for surplus soil generated from earthwork construction, and entrusts residual soil and waste slag generated from other procedures to qualified third parties designated by local municipal and environmental protection authorities for disposal. In materials management, the Group establishes material inbound and outbound ledgers, requires construction units to strictly handle material return procedures in accordance with relevant regulations to eliminate waste, and actively promotes the resource utilisation of waste materials, reusing waste materials such as casings and angle steel welding supports for secondary utilisation, continuously improving the resource recycling rate. The Group also vigorously promotes electronic signatures, digital documents, and cloud storage to reduce the use of paper documents and lower the generation of wastepaper.

Optimize Resource Utilisation

The Group strictly complies with the *Energy Conservation Law of the People's Republic of China*, continuously promoting the efficient utilisation and rational allocation of energy resources. During operations, the Group's resource consumption is primarily concentrated on the use of electricity, natural gas and vehicle fuel, among which externally purchased natural gas is the most significant energy consumption. In terms of water resource consumption, office water usage is the main component, supplemented by a small amount of industrial water. The Group systematically advances resource conservation and energy saving and consumption reduction work from two dimensions: office premises and operational construction. Through improving institutional standards, implementing green renovations, strengthening refined control, promoting clean energy and advancing waste recycling and utilisation, the Group comprehensively implements various measures for water conservation, electricity saving, resource recycling and green office practices. In operational construction, the Group strengthens water and gas usage control and the resource utilisation of wastewater and rainwater, continuously improving resource utilisation efficiency. In 2025, the Group maintained stability in water source acquisition and supply, with no difficulties in obtaining water supplies.

Improving Institutional Standards | Implementing Green Renovations | Strengthening Refined Control | Promoting Clean Energy | Advancing Waste Recycling and Utilisation

Fully implementing various measures for water conservation, electricity saving, resource recycling and green office practices.

Office Resource Conservation

The Group has formulated the *Guidance on Standardised Construction of Office Premises*, implementing systematic energy-saving renovations for facilities in office areas, and prioritising the selection of green raw materials in new construction and renovation projects, striving to minimise energy consumption while meeting office needs. Meanwhile, the Group actively advocates that employees practice water and electricity conservation office concepts, guiding employees to develop saving habits and reduce unnecessary resource waste. Through implementing annual and monthly expense budget management, the Group exercises strict control over the use of water, electricity and fuel, and incorporates budget execution into the assessment system as the basis for differentiated rewards and penalties for relevant units.

Prioritising the selection of green raw materials | The Group actively advocates that employees practice water and electricity conservation office concepts | Incorporates budget execution into the assessment system

"Three-piece set" for efficient utilisation of resources in office areas

New green office areas

1,600 square metres

In 2025, the Group officially launched the headquarters office area expansion project, fully implementing green and low-carbon concepts throughout and strictly following minimalist design principles and high-standard environmental protection specifications. In the decoration and construction process, the Group prioritised the selection of environmentally certified building materials and recyclable materials, reducing the ecological footprint and environmental impact of project construction from the source. At the design level, the project effectively reduces electricity consumption in daily operations through optimising natural lighting layouts and matching them with high-efficiency energy-saving lighting systems. The project is simultaneously equipped with intelligent air conditioning and water-saving devices, achieving precise control of water, electricity and other energy consumption. In addition, the project specially installed high-efficiency air purification systems to monitor indoor air quality in real time, comprehensively safeguarding the health and comfort of the office environment. Currently, the new office area has been successfully completed and officially put into use, with a building area of 1,600 square metres. While creating a healthy and comfortable working environment for employees, the new office area achieves the organic integration of business operation expansion and eco-friendly development.

Focusing on resource conservation and recycling utilisation, the Group has established four key directions: water conservation, electricity saving, resource recycling and green office, with corresponding supporting measures:

Reducing water resource consumption and deepening water conservation management

- Arrange for maintenance personnel to regularly check water meter readings and conduct special detection of concealed pipe leakage, promptly investigating hidden dangers of water resource waste.
- Prioritise the selection of water-saving devices in decoration, renovation and maintenance processes, such as installing water-saving valves and self-closing faucets.
- Strengthen all-staff water conservation awareness through corporate email, promotional posters, internal networks, special training and toilet slogans.
- Replace traditional faucets and sanitary ware at the headquarters and major branches with intelligent sensor-type and Grade I water efficiency water-saving products, and install secondary water meters to implement zoned water usage monitoring.
- Conduct water conservation publicity and guidance for employees to build a refined water usage management system.
- Regularly publish water usage data rankings for various regions, carry out "Water Conservation Benchmark Department" selection activities, and promote the integration of water conservation concepts into daily operations .

Reducing electricity consumption and improving energy use efficiency

- Prioritise the selection of LED energy-saving lighting facilities and low-energy consumption electrical equipment. Optimise data centre operation management, apply virtualization technology to reduce the purchase volume and energy consumption of physical servers.
- Configure high energy efficiency grade electrical equipment in all new and expanded areas, and replace all lighting systems at the headquarters with LED energy-saving lamps.
- Require employees to promptly turn off electronic devices and office area air conditioning in non-use status, eliminating ineffective energy consumption.
- Adopt the Central Control and Monitoring System (CCMS) and Building Management System (BMS), set independent lighting control switches by zones to achieve precise control of lighting energy consumption.
- Install variable speed drives on heating, ventilation and air conditioning systems and demand-adjustable water pumps and fan systems to improve energy utilisation efficiency.
- Maximise the application of rooftop photovoltaics, using clean energy to replace purchased electricity and reduce dependence on traditional energy sources.
- Promote green travel, actively procure new energy vehicles to reduce the use frequency of fuel-powered vehicles in daily operations.
- Provide subsidiaries with electric bicycles meeting national standards to meet short-distance official travel needs, reducing energy consumption and greenhouse gas emissions.

Adopting clean energy technologies to achieve coordinated economic and environmental development.

- The Group's R&D centre Huaming office building rooftop distributed photovoltaic project, with a total installed capacity of 47.52 kW, adopts the "self-generation for self-use, surplus electricity to grid" model. As of December 2025, the photovoltaic power station has cumulatively generated 0.14GWh, of which over 0.07GWh was for self-use.

Rooftop photovoltaic power generation

0.14 GWh

Self-consumption rate of clean energy reached

54 %

Promoting waste recycling to build a resource recycling system

- Set up dedicated wastepaper recycling bins in office areas, encouraging employees to sort paper waste and place it in designated recycling bins, with collected wastepaper regularly sent to recycling stations for recycling utilisation.
- Configure dedicated recycling bins at the headquarters and various branches to collect single-sided used paper, which is cut and bound into internal notepads or draft paper after trimming.
- Entrust professional recycling companies to batch recycle office wastepaper, improving the standardisation of harmless treatment and resource recycling efficiency.
- Encourage employees to use "second-use paper", and procure some recycled paper for daily office printing.
- Sign cooperation agreements with leading digital information technology product manufacturers to introduce new equipment that can improve wastepaper recycling rates to replace old equipment with high waste rates, reducing resource waste and greenhouse gas emissions.

Popularising informatization systems to establish a green office system

- Establish cooperation with multiple leading video conferencing hardware and software suppliers, introducing an integrated electronic office platform compatible with multiple domestic and international video conferencing channels, achieving efficient interconnection between departments, companies and cooperative units, reducing the frequency of official business trips.
- Jointly built with multiple informatisation suppliers an integrated platform covering administrative management, financial management, production management and other fields, promoting cross-platform data compatibility, utilising big data tools for comprehensive information aggregation and analysis, reducing the use of paper documents, reports and vouchers.

The Group achieved significant energy consumption reduction results in 2025:

Total water consumption decreasing by 27% year on year

27 %

Total energy consumption decreasing by 20% year on year

20 %

and overall waste recycling rate improved through strengthened recycling and utilisation of paper waste, successfully completing the previous year's targets. Looking ahead, the Group will continue to adhere to resource conservation and energy saving and carbon reduction as the orientation to advance its work, and has set clear targets.

By 2028 year

Water consumption intensity per unit of revenue will **decrease by 30% compared to 2023.**

Energy consumption intensity per unit of revenue will **decrease by 55% compared to 2023.**

Total hazardous waste will **decrease** compared to 2023 **and 100% compliant disposal of hazardous waste generated from operations will be maintained.**

In 2025, the Group held remote meetings through the video conference system

over **1,400** times

effectively reducing business travel frequency while improving work efficiency, earnestly practicing the green and low carbon office philosophy.

Energy Conservation and Consumption Reduction in Operation and Construction

The Group's resource consumption during the construction process mainly involves water for engineering construction and boiler gas for pressure regulating skids in winter.

In routine construction water conservation control

The Group focuses on process source reduction and wastewater recycling. In masonry processes, the wall spraying water process is adopted, with used wastewater recovered for subsequent plastering. In the concrete curing process, the Group strictly follows design standards and standardised operations, precisely controlling curing water usage requirements to avoid water resource waste. In addition, to reduce unnecessary water resource consumption, the Group has suspended the procurement and leasing of green plants for the headquarters office area.

In the Zhaoyuan Binhai Thermal Power Plant dedicated line construction project

Zhaoyuan TEDA Gas Co., Ltd., a subsidiary of the Group, adhered to the green construction concept, implemented water conservation measures throughout the project construction process. The project site set up dedicated mixing sheds and sedimentation ponds, with wastewater after sedimentation treatment used for site watering and dust suppression, with dust suppression operations prioritising the use of foundation pit accumulated water to replace fresh water sources. For construction characteristics in urban road sections, the Zhaoyuan TEDA specially set up three-level sedimentation ponds to recycle car wash wastewater. Through technological innovation and refined control at the project level, the Group systematically promoted various water conservation measures, effectively improving water resource utilisation efficiency and practising the sustainable development concept.

Construction Water Management	In retaining wall and fence masonry construction, the Group strictly follows mortar design mix ratios, precisely controlling water consumption through the weighing method to ensure water consumption precisely matches construction needs, avoiding water resource waste. The project team optimised the construction water pipe network layout, introducing water pipes from the water source in a straight line to the operation area, shortening pipeline laying length, reducing water resource loss during the transportation process and improving utilisation efficiency. The Group arranged dedicated personnel to be responsible for the daily management of water-using equipment, posted water conservation signs, and conducted water usage training for construction personnel to strengthen all-staff water conservation awareness, reducing unnecessary consumption from the source.
Resource Utilisation of Rainwater and Wastewater	For the rainy season, the project team dug drainage channels and collection pits at the construction site to effectively collect rainwater resources, replacing tap water for use in construction processes and reducing dependence on municipal water supply. For construction wastewater (such as equipment rinse water, pipeline pressure test water, etc.), the Group built car wash platforms and storage ponds to centrally collect and treat wastewater. Wastewater meeting standards after treatment is reused in construction, improving water resource recycling utilisation rates.
Optimisation of Greening Irrigation	Drought-tolerant vegetation is planted in greening areas within the construction site, and rainwater collected from collection pits and storage ponds or treated wastewater is used for irrigation, further reducing the use of fresh water resources and achieving graded utilisation of water resources.

In terms of natural gas consumption control, under the premise of ensuring that the natural gas temperature at the pressure regulating outlet is above the water dew point and safeguarding operational safety, the Group precisely controls the boiler outlet water temperature, systematically adjusts the start-stop operation of boilers, improves resource utilisation rates, and reduces energy consumption.

Environmental Compliance

Closely following the national dual-carbon strategy, the Group has established a comprehensive environmental management framework. The Group strictly complies with laws and regulations such as the *Measures for the Administration of Urban Gas*, the *Regulations on the Administration of Urban Gas*, the *Noise Pollution Prevention and Control Law of the People's Republic of China*, the *Water Pollution Prevention and Control Law of the People's Republic of China*, and the *Emission Standard of Environment Noise for Boundary of Construction Site*, as well as relevant requirements from local government environmental protection bureaus. The Group has formulated internal policies such as the *Management Regulations for Construction*, the *Measures for Construction Supervision*, the *Safety Management Regulations for Construction*, and the *Acceptance Management Regulations for Construction*, establishing a "external compliance + internal control" dual guarantee mechanism to ensure that the entire construction process meets environmental protection requirements. The Group continuously carries out internal environmental education, solidly advances the implementation of various environmental protection initiatives, and strives to achieve coordinated development between business operations and environmental protection.

Dust Control

- Construction Area Management: Implement closure or isolation of construction areas and implement targeted dust prevention measures accordingly; strictly prohibit throwing construction waste from heights, and use wet methods for site cleaning.
- Vehicle and Equipment Management: Construction transport vehicles and earth-moving equipment must undergo mud and dust removal treatment before leaving the site; implement fully enclosed transportation for vehicles prone to dust pollution, and strictly prevent secondary pollution caused by material spillage or leakage.
- Material Storage Management: Bulk cement and other fine-grained materials prone to dust should be stored in warehouses as a priority; for those that must be stored outdoors, strictly implement protective measures such as enclosures and covers.

Wastewater Disposal

- Settling Tank Installation: Install settling tanks to treat wastewater from mixers, canteen sewage, etc., to ensure that wastewater meets discharge standards; domestic sewage is uniformly handed over to third-party water companies and environmental sanitation departments for centralised treatment.
- Rainwater Management: Rainwater is reused or discharged to municipal sewers after primary sedimentation treatment, and hazardous waste is strictly prohibited from being used for earthwork backfilling.

Noise Control

- Construction Noise Management: All subsidiaries strictly implement construction noise control requirements, and strengthen supervision and inspection of the implementation of noise control by third-party construction units. Construction hours should in principle be consistent with normal working hours; for night construction, strictly control noise decibel levels, prohibit honking near residential areas, and standardise material loading and unloading operations.
- Special Period Management: During special periods such as the senior high school entrance examination and college entrance examination, suspend construction in accordance with local government requirements to resolutely avoid noise and environmental pollution impacts.
- Equipment and Personnel Management: Prioritise the use of low-noise construction equipment, and install enclosed noise reduction sheds for high-noise machinery; strengthen education of construction personnel to eliminate artificial loud noise; strictly control the duration of high-noise operations, and for special circumstances requiring continuous operations, take noise reduction measures.

Sanitation Management

- Policy Establishment: Establish and improve hygiene management and long-term cleaning systems, and comprehensively implement various health and epidemic prevention measures.
- Facility Management: The construction site is equipped with flush toilets and bathrooms that meet hygiene standards, with designated personnel responsible for daily cleaning and operation and maintenance management.

HARMONY AND WIN-WIN DEVELOPMENT TO BUILD A BETTER SOCIETY

Guided by the main objectives set for the "14th Five-Year Plan" period, the Group remains committed to specialized industry refinement in its core gas business, diversified expansion, and comprehensive transformation. Focusing on the provision of high-quality products and services, the Group continuously enhances its safety management capabilities, strives to support employees' growth, actively contributes to society, and diligently fulfills the responsibilities as a state-owned enterprise.

Ensuring Product Quality P40

Caring for Employee Growth P48

Commitment to Safety P55

Giving Back to Society P62

Ensuring Product Quality

The Group always places product quality at the core, taking the stable and safe supply of natural gas, engineering quality and value-added service quality as its primary tasks. The Group strictly complies with laws and regulations such as the *Law of the People's Republic of China on Product Quality*, the *Consumer Rights Protection Law of the People's Republic of China*, and the *Advertising Law of the People's Republic of China*. The Group has established a sound product quality management system covering all business segments including natural gas, engineering construction and value-added services.

Product quality is coordinated by the Group's headquarters, which formulates corresponding management measures, clarifies the hierarchical management responsibilities of the headquarters and subsidiaries, and has established a product quality control mechanism covering the entire business chain through the combination of systems, dedicated positions and management supervision. Meanwhile, to comprehensively guarantee product quality, the Group has purchased product liability insurance for all products underwritten by professional insurance companies, further strengthening risk response capabilities. The Group empowers gas operation assurance through digitalization and intelligence, strengthens value-added service and product quality control, continuously promotes technological innovation, industry-university-research collaboration and standard leadership, and constantly improves intellectual property management, brand promotion and customer complaint handling mechanisms, comprehensively enhancing gas supply reliability, service quality and innovation development capabilities to provide users with safe, efficient and high-quality gas supply and integrated service assurance. In 2025, the Group did not identify any violations or non-compliances related to the health and safety, advertising and labelling of its products and services, and no recalls occurred for sold or shipped products due to safety and health issues.

Products and Services

0 Violations

0 Recalls

Ensure gas supply and comprehensive service support for users

Safety | Efficiency | High-quality

Stable Gas Supply and Quality Assurance

The Group strictly complies with relevant laws, regulations, and industry standards such as *the Work Safety Law of the People's Republic of China*, the *Regulations on the Administration of Urban Gas*, the *Project Code for Gas Engineering*, and the *Technical Specification for Gas Alarm and Control System*. The Group's headquarters Operation Department formulated the *Gas Quality Management Measures*, establishing a closed-loop management system covering the entire process from gas source procurement to end-user supply.

Trinity Stable Gas Supply and Quality Assurance

Source Control

The Group continuously intensifies management on the gas source side by signing long-term gas supply agreements with upstream gas units and actively promoting interconnection with surrounding gas pipeline networks, ensuring the stability, reliability, and continuity of gas supply.

The Group requires all subsidiaries to request gas quality reports from suppliers when purchasing natural gas and liquefied petroleum gas. Online chromatographic analysers are installed at main gate stations for real-time gas quality monitoring. Should the gas quality fall below required standards, the system automatically triggers an alarm mechanism to ensure timely rectification.

The Group conducts gas sampling from time to time and entrusts third-party statutory inspection units for testing, ensuring that natural gas quality complies with the Class II or above requirements stipulated in GB17820 "Natural Gas".

Construction Control

In pipeline network construction, the Group maintains stringent control over the quality of materials and equipment, requiring suppliers to provide the *Product Quality Certificate* and conducting regular quality inspections in strict accordance with national standards.

For newly purchased meters and instruments, the Group strictly implements the local first-time inspection system. Products failing the inspection are fully returned, eliminating quality risks at the source and providing a solid foundation for subsequent stable gas supply and accurate metering.

Terminal Control

At the product terminal stage, the Group accurately controls the odorant dosage using flow meters and requires subsidiaries to regularly test the odorant amount to ensure compliance with relevant standards and guarantee gas supply quality.

The Group monitors and analyzes downstream non-residential gas consumption weekly to fully understand user production and operation, precisely match gas demand, and balance the supply for both residential and commercial/industrial use.

The SCADA system stations built by the Group reached

130

The SCADA system stations were under construction reached

8

The SCAD system stations were completed the reconstruction reached

5

In the wave of digital transformation, the Group is active in promoting intelligent construction. The Group uses the intelligent IoT hardware in several scenarios, including 24-hour cloud platform leak monitoring equipment, and gas leak valve well detection and pressure regulation units. The Group also supports management in decision making through a large screen displaying integrated information from ERP, operations, GIS, inspection and security inspection systems and body-worn cameras. The Group is also committed to building an intelligent management system to ensure the safe and efficient deployment of the pipeline network and the safe operation of the stations. As at the end of 2025, the Group had built 130 SCADA system stations, and 8 SCADA system stations are under construction. During 2025, the Group completed the reconstruction of 5 SCADA system stations, which effectively enhanced the deployment capability of the pipeline network and enhanced the safety guarantee capability of the gas transmission system.

In terms of value-added services and product quality control, the Group establishes a centralized management mechanism, with its subsidiary Taiyuejia Company uniformly responsible for quality management. Services and product standards are comprehensively regulated through systems such as the *Small Installation Management Measures* and the *Value-added Service After-sales Management Measures*. Taiyuejia Company sets up a dedicated after-sales service department and adds a product quality position directly overseen by Taiyuejia Company's senior management to ensure the implementation of quality management requirements. Concurrently, through a combination of system standardization, dedicated position execution, and management oversight, the Group builds a product quality management mechanism that permeates the entire business chain, laying a solid foundation for the quality of products related to value-added businesses.

Building on this, the Group implements four core initiatives to strengthen quality control and enhance product quality.

First, actively responding to national energy efficiency policies, it comprehensively optimizes product design and phases out non-Grade 1 energy efficiency products, promoting a green and low-carbon transformation of its product portfolio.

Second, it strictly enforces product market access standards, ensuring all products obtain 3C certification before market launch.

Third, it strengthens full-process supplier management, conducting factory audits of potential suppliers before product procurement and tendering, and implementing on-site spot checks for qualified suppliers, controlling production quality throughout the entire process.

Fourth, it establishes a market quality feedback response mechanism, continuously driving product design iteration and optimization through collecting end-user feedback.

According to the *Value-added Service After-sales Management Measures*, Taiyuejia Company establishes a standardized and comprehensive after-sales service system. If a product purchased by a customer exhibits quality issues within the warranty period, company service personnel will promptly conduct an on-site inspection. Upon confirmation of the issue, refund or exchange procedures are immediately handled for the customer. Returned products are uniformly packaged by Taiyuejia Company, which is responsible for returning them to the manufacturer for disposal, safeguarding consumer rights throughout the entire process and providing customers with a worry-free and reassuring after-sales experience.

Additionally, the Group continuously improves product quality by producing standardized construction videos and holding construction quality assessment activities to ensure that each project meets high-quality standards.

In 2025, the Group:

Produced standardized construction videos

14 videos

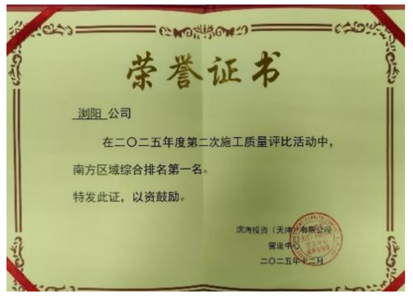
Held construction quality assessment activities

2 times

Case

Holding Quality Assessment Activities

In 2025, the Group organized two specialized construction quality assessment activities across more than 20 subsidiaries. By facilitating cross-inspections among the subsidiaries, the Group adhered to the principle of "promoting learning through comparison and driving action through learning". It conducted performance evaluations of key personnel from the participating construction units during the development process. Ultimately, the Group selected the winners of the 2025 Quality Engineering Award, Employee Practical Excellence Award, and Employee Theoretical Excellence Award, and recognized the awarded units and individuals. This initiative effectively strengthened the foundation of construction quality control, motivated all personnel to enhance quality and efficiency, and promoted the overall improvement of the Group's construction management level.



Awards for Project Quality Assessment Activities

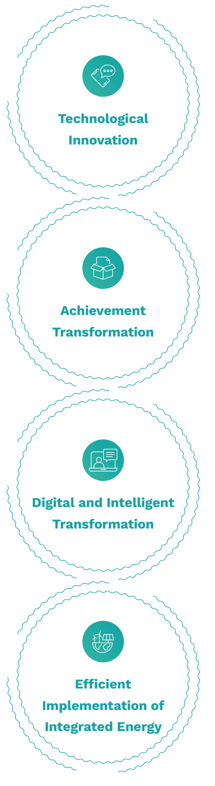
Taiyuejia Establishes an All-Chain Quality Control System for the "Taiyuejia" Brand

In 2025, the Group established a comprehensive quality control mechanism for its own brand "Taiyuejia's" full range of products through its value-added service platform "Taiyuejia", signing clear quality agreements and technical standards with contracted manufacturers. In specific implementation, Taiyuejia Company enforced stringent quality control through multiple aspects, including regular on-site audits, quality benchmarking, and the sharing of key quality control data. It also required that all products must pass mandatory national certifications and internal reliability tests before they could be launched on the market. Furthermore, Taiyuejia Company conducted three on-site inspections and sampling checks throughout the year, thereby constructing a closed-loop, all-chain management system spanning from raw materials to the end product. This system effectively ensures that products leaving the factory comply with design standards and safety requirements, solidifying the product quality defense line. This not only provides consumers with continuous and reliable assurance but also further strengthens the reputation and market trust of the Group's own brand.

On-site Inspection and Random Sampling

Product Innovation and the Leading Role of Standards

Building a development ecosystem featuring deep integration of industry, academia, research and application



The Group has established and improved innovation safeguard systems and supporting measures, formulated special incentive policies such as the *Management Measures for Scientific and Technological Innovation Rewards*, the *Measures for R&D Project Rewards*, and the *Implementation Rules for R&D Investment Assessment*. By clarifying reward standards and strengthening assessment orientation, the Group fully stimulates the work enthusiasm and innovation vitality of R&D teams, consolidating the foundation for innovative development. Meanwhile, the Group continuously improves the innovation management system, standardises the whole-process control of R&D activities, strengthens overall planning and refined management of R&D personnel and projects, fully releases internal innovation potential and activates endogenous development momentum, ensuring that various R&D work is carried out in a standardised, orderly and efficient manner, providing strong technical support for the Group's low-carbon transformation and sustainable development.

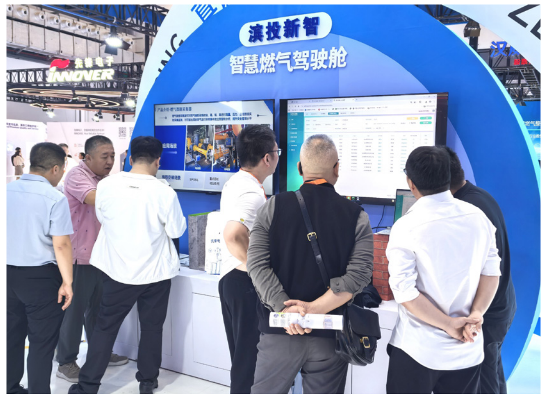
The Group adheres to the "internal and external synergy" innovation concept, continuously deepens cooperation with universities, research institutes and quality enterprises, comprehensively promotes technological innovation, achievement transformation, digital and intelligent upgrading, and efficient implementation of integrated energy, building a development ecosystem featuring deep integration of industry, academia, research and application.

In 2025, the Group entered into strategic cooperation agreements with Zhejiang Taineng Smart Power Co., Ltd., Tianjin Special Equipment Supervision and Inspection Technology Research Institute, and Tianjin Huade Smart Technology Group Co., Ltd. respectively, to conduct comprehensive cooperation in various aspects including integrated energy development and new technology process R&D.

Case

Self-developed intelligent products debuted at the World Gas Conference

In May 2025, at the Beijing National Convention Centre, Technology Company collaborated with strategic partner Shanghai Zenner Instrument Technology Co., Ltd. to participate in the 29th World Gas Conference, and exhibited for the first time its independently developed intelligent products—gas leak detectors and data collectors. This series of products integrates technologies such as IoT, cloud computing, big data and artificial intelligence, enabling real-time monitoring of operation data in key scenarios such as gas pipeline networks, valve wells, and pressure regulating cabinets. In the event of gas leaks, pressure abnormalities or third-party construction damage, the system will rapidly issue warnings through the management platform, assisting operators in timely response. Currently, related products have been put into application in many subsidiaries of Binhai Investment, effectively ensuring the stability and safety of gas supply.



Participating in the 29th World Gas Conference

In product innovation practice, the Group has taken multiple measures to enhance product accessibility in the value-added services segment around ESG dimensions.

At the environmental level ››› The Group continuously optimises product performance, improves energy efficiency and durability, reduces users' long-term use costs, and enhances product economic affordability.

At the social level ››› The Group relies on e-commerce platforms, offline experience stores and subsidiary service centres to build an omni-channel service network, continuously expanding product categories and regional coverage, focusing on outputting products and services to small and medium-sized city gas companies, improving penetration rates in remote markets, while improving the after-sales system, strengthening service quality and response efficiency, and safeguarding user service experience.

At the governance level ››› The Group unifies channel brand image and operational standards, strengthens supply chain coordination and internal control, ensures stable product supply and transparent pricing, and enhances overall service reliability.

The above measures work in synergy to promote the upgrading of value-added service products towards **"easy access, affordability and sustainability"**.

To further strengthen innovation support capabilities, the Group has continuously deepened external cooperation layout and achieved multiple substantive cooperation results, specifically including signing industry-university-research strategic cooperation agreements with Tianjin Chengjian University to build collaborative innovation experimental platforms; and cooperating with Tianjin Tietong Company to carry out technology R&D projects such as intelligent ground spikes and pressure monitoring to promote intelligent upgrading of gas operation and maintenance. The Group's Tianjin Company, as a Tianjin Enterprise Technology Centre and a leading enterprise in Tianjin, continues to pass the qualification assessments of high-end R&D platforms such as the Postdoctoral Research Station, consolidating talent and technology reserves. Bintou Xinzhi was successfully certified as a "National Science and Technology-based Small and Medium Enterprise", demonstrating the Group's core competitiveness in the field of technological innovation.

Case

Taiyuejia Platform Launch Empowers the Group's Digital Upgrade of Value-Added Services

In 2025, the Group's value-added service platform "Taiyuejia" officially launched its self-operated e-commerce platform and offline lifestyle experience stores simultaneously. Leveraging the Group's accumulated resources and network advantages from serving over 2.5 million users nationwide, the platform comprehensively integrates products such as gas appliances, smart home devices, and quality lifestyle goods, providing users with one-stop, convenient, and high-quality lifestyle service solutions. This marks the Group's official entry into a new phase of digital development characterized by "Gas + Comprehensive Public Service". This initiative represents the Group's active response to national policies advocating for the development of the platform economy and enhanced public service provision. It aims to extend the service chain through digital means, deepen connections with communities and users, thereby tangibly improving the quality and efficiency of public services and continuously expanding the boundaries of public service offerings.

Launch Event of Taiyuejia's Self-operated E-commerce Platform and Lifestyle Experience Store

Intellectual Property and Advertising

The Group strictly complies with laws and regulations such as the *Patent Law of the People's Republic of China*, the *Copyright Law of the People's Republic of China*, the *Advertising Law of the People's Republic of China*, the *Trademark Law of the People's Republic of China*, and the *E-Commerce Law of the People's Republic of China*. While respecting and protecting third-party intellectual property rights, the Group clearly defines the ownership of intellectual property rights and effectively safeguards the legitimate rights and interests of itself and all cooperating parties. To further strengthen intellectual property management, the Group has revised and improved internal systems such as the *Management Regulations on Software Legalisation*, guiding the orderly conduct of daily work, clarifying the main responsible department for intellectual property protection, standardising software budgeting, procurement and usage processes, and strengthening employees' awareness of intellectual property protection. In daily promotional activities, the Group always adheres to the principles of truthfulness, completeness and timeliness, conveying information about relevant products and services to customers to avoid infringement and being infringed upon.

As at the end of 2025

Technology Company accumulated intellectual property rights	**Tianjin Company** cumulatively completed R&D projects	**Tianjin Company** owned 107 intellectual property rights
31	**10**	**107**

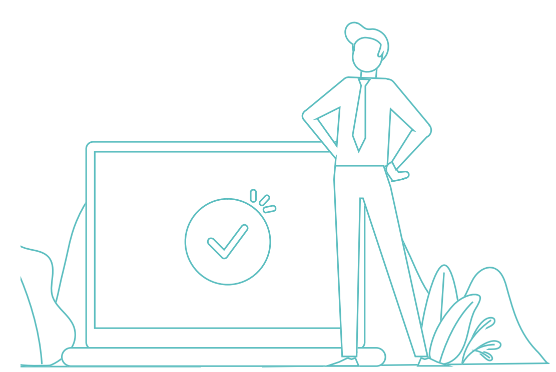
among which several independently developed achievements had been promoted and applied within the Group.

Obtaining a total of RMB2.2 million in science and innovation funding

2.2 million

In 2025, the Group continued to make sustained efforts in the fields of intellectual property transformation and innovative development, further consolidating the foundation for innovation-driven development. Among them, TEDA Clean Energy Group was successfully certified as a Cheetah Enterprise, and successfully approved for the "Project Supporting Enterprises to Strengthen R&D Capacity Building" and the "Digital Transformation Project", obtaining a total of RMB2.2 million in science and innovation funding, providing stable financial guarantee and lasting development momentum for the Group to deepen R&D activities and accelerate the digital transformation process. In the Tianjin Quality Improvement Competition, the Tianjin Company, with solid technical accumulation and process optimisation capabilities, performed outstandingly and won two third prizes and one excellence award, fully demonstrating its profound strength in quality control and process innovation. In addition, Tianjin Company was awarded the titles of "Innovation and Efficiency Studio" and "Master Craftsman Studio" by the China Electromechanical Association. This honour not only recognises the Group's organisational innovation capability, but also highlights the systematic achievements in high-skilled talent cultivation, technology inheritance and iteration. Meanwhile, with continuous innovation accumulation and technological deepening, the Technology Company was awarded two third prizes and one excellence award for innovation studios by the state-owned assets supervision and administration unit.

In terms of technology R&D and achievement transformation, the Group has made key progress in the field of measurement and testing—**Bintou Xinzhi Technology Company Limited has fully completed the construction of the calibration laboratory for thermometers, pressure gauges and combustible gas alarms**, with all measurement equipment having passed professional appraisal by the metrology institute and obtained corresponding qualification certificates, marking that the laboratory has acquired standardised and professional testing capabilities. In addition, the Group has **successfully achieved the transformation of two independently developed products, intelligent cloth control balls and gas self-testing pens, and has officially launched market-oriented sales work,** preliminarily building a virtuous cycle of technology output and benefit feedback, helping to continuously release innovation value.



In the process of cooperation with scientific research institutes, universities and other external institutions, the Group explicitly requires the other party to use genuine software to process data and provide original research results, strictly prohibiting any plagiarism or infringement. The contract for cooperation projects clearly specifies key matters such as the attribution of intellectual property rights, the authorship right of the first right holder, the first inventor, the entity that can be used to apply for high-tech enterprise certification, and the entity bearing the costs of intellectual property application and maintenance, ensuring that the cooperation process is legal, compliant and has clear rights and interests.

To enhance brand influence, the Group adopts an online and offline integrated publicity matrix to comprehensively display product and service advantages.

Online

The Group expands communication coverage through media such as WeChat Official Accounts, TV advertisements, video accounts and live streaming.

Offline

The Group deploys promotional materials in customer service halls, and reaches end users through advertising placement and poster posting in scenarios such as home safety inspections and community publicity, comprehensively building a brand communication system on the basis of ensuring authentic and credible content.

Complaint Management and Service Enhancement

As part of the continuous improvement of the quality of customer service, the Group has formulated the *Management Measures for Customer Service* and the *Customer Service Handbook*, and continuously refines a complaint management mechanism to respond to and resolve customer complaints in a prompt, effective, fair and reasonable manner. To better serve customers and address their concerns promptly, the Group provides a variety of convenient complaint channels, integrating both online and offline access.

On-site service

The Group provides on-site customer service to clients at government service halls, customer service hall windows, and regional government administrative office centres.

Online complaint channels

The Group actively promotes, optimises and deploys a variety of online complaint channels, including complaint hotlines, the 12345 government service platform, cloud customer service systems, service hotlines, and call centres.

Among these, the call centre established by the Tianjin company offers customers efficient and one-stop service via telephone, covering inquiries, repair reporting, appointment scheduling, complaints, and emergency incident handling through the implementation of standardized management of call centre personnel. This has greatly improved service convenience and further increased customer satisfaction.

Tianjin Company call centre provides one-stop service for customers

- Inquiries
- Repair Reporting
- Appointment Scheduling
- Complaints and Emergency Incident Handling

Regarding the content of customer complaints, the Group classifies complaint incidents into detailed categories: Repair and Replacement, Non-Business Issues, and Service Attitude, and handles them differently as follows:

Complaint Category	Processing Method
Repair and Replacement	· Each subsidiary will assign maintenance workers to contact customers for replacement testing · It must be 100% solved properly
Non-Business Issues	· Inform customers to contact the manufacturer · For user complaints about delayed gas supply due to the housedecoration on their own, customer service staff explain the reason.issue a rectification notice, and contact relevant colleagues to send promotional materials to customers · It must be 100% solved properly
Service Attitude	· Subsidiaries confirm the complaints and then take actions

The Group classifies complaint incidents into general complaints and major and urgent complaints based on their severity, and **requires instant acceptance and on-site handling of major** and urgent complaints. Major and urgent complaints include the following:

- Serious consequences resulting from improper service conduct
- Widely reported in the media, resulting in negative social impact
- Accepted or circulated by social supervision agencies
- Escalated complaints due to improper handling
- Causing significant social impact

The Group strictly implements the "First-Contact Responsibility System", establishing an efficient and standardized customer complaint handling system. Upon receiving a customer complaint, customer service personnel immediately undertake the handling process, meticulously recording the complaint processor, issue details, and resolution outcome. Different types of complaints are addressed with targeted strategies and subject to follow-up supervision to ensure precise response and proper resolution.

For various complaint scenarios, the Group adopts targeted measures: (1) For complaints arising from users' insufficient awareness of safe gas usage or lack of understanding regarding decoration-related gas connection conditions and renovation risks, customer service personnel explain the relevant regulatory clauses one by one to enhance users' safety awareness; (2) In cases where users dispute secondary relocation and modification costs, the Group proactively discloses the official charging standards to users and provides a clear explanation of the fee composition to safeguard users' right to information and fair treatment; (3) When users are temporarily unavailable at home, preventing on-site inspection and repair, customer service personnel promptly negotiate and schedule a handling time with the user, arranging on-site service immediately upon the user's return to ensure uninterrupted service; (4) For complaints regarding delayed gas connection due to developers' default on supporting fees, the Group truthfully explains the root cause to users and persistently urges the developers for repayment, making every effort to promote the resolution of the gas connection issue. In 2025, the Group received a total of 1,926 customer telephone consultations and complaints. All complaints were resolved promptly. Thanks to the efficient response, professional handling capabilities, and transparent communication mechanisms, the Group gained users' understanding and recognition, effectively solidifying its reputation for customer service.

The Group rigorously monitors the implementation of relevant complaint resolution measures. In cases where false reporting, concealment, or failure to address customer complaints as required leads to significant repercussions, the responsible parties will be penalized in accordance with the relevant rules and regulations.

In 2025, the Group received a total of 2,464 incidents of complaints.

Complaint handling rate	The customer satisfaction rate
100 %	93 %

Caring for Employee Growth

The Group always adheres to the "people-oriented" core value, legally safeguarding all legitimate rights and interests of employees and continuously improving the employee rights and interests protection system. The Group advocates a "fair and just, matching positions with talents" personnel concept, standardises employment management, implements compensation incentives and performance management mechanisms, and creates a healthy and safe working environment and a comfortable and convenient living environment for employees. Meanwhile, the Group carries out diverse cultural festival activities, physical and mental health promotion projects, professional capability empowerment training and spiritual and cultural construction activities, continuously deepening employee care. The Group persists in the talent-led development strategy, continuously improves the talent introduction and cultivation system, strengthens the construction of core backbone teams, and builds broad career development channels for employees. The Group promotes the common growth and coordinated development of employees and the enterprise, and drives all employees to share the achievements of enterprise development.

Continuously deepening employee care

- Diverse Cultural Festival Activities
- Physical and Mental Health Promotion Projects
- Professional capability empowerment training
- Spiritual and Cultural Construction Activities

Protecting Employees' Rights and Interests

The Group strictly complies with laws and regulations such as the *Labour Law of the People's Republic of China* and the *Labour Contract Law of the People's Republic of China*, actively implementing national regulations on compensation and benefits, employment and dismissal, recruitment and promotion, working hours management, leave arrangements, equal opportunities, diversified development and anti-discrimination. To this end, the Group has formulated a series of internal systems including the *Policy for Employees' Award and Punishment*, the *Remuneration Management Measures*, the *Code of Conduct for Employees*, the *Management Measures for Leave and Vacation of Headquarters Employees*, the *Attendance Management Measures for Headquarters Employees* and the *Management Measures for Employee Working Overtime*, ensuring that employee management is conducted in accordance with regulations and in a compliant and orderly manner. In 2025, to further improve the talent management system, the Group formulated the *Employee Diversity Policy*, clarifying the Group's core concepts and solemn commitments regarding employee diversity and inclusiveness, integrating diverse perspectives and inclusive development concepts into talent strategy and organisational top-level design, and committed to creating a fair, respectful and inclusive working atmosphere for every employee.

In 2025, the Group convened the First Session of the Second Workers' Representative Congress, with 60 workers' representatives attending and deliberating and approving the *Workers' Representative Congress System*, establishing a regular mechanism for workers to participate in enterprise democratic management and supervise the implementation of rights and interests. Through clarifying authority guarantees, representative generation procedures, rights definition standards and institutional constraint requirements, this system comprehensively safeguards employees' immediate rights and interests. Meanwhile, it clearly designates the trade union as the specialised working institution responsible for supervising the implementation of resolutions, receiving and properly handling employees' appeals, and building a solid defence line for protecting employees' rights and interests.

Meanwhile, the Group has established and improved an institutionalised democratic communication mechanism, incorporating democratic suggestions into the annual Party building work and the overall plan for democratic life meetings, regularly organising democratic consultation meetings between the Group and grassroots levels, and building a bridge for face-to-face communication between Group leaders and employee representatives. By collecting and systematically analysing employees' opinions and suggestions, the Group fully incorporates reasonable and feasible content into organisational systems, policies and decisions, ensuring the effectiveness of democratic participation. In 2025, in strict accordance with the *Implementation Plan for Democratic Life Meetings of Binhai Investment* in 2025, focusing on company development strategy, business management, reform and innovation, cultural construction and hot and difficult issues of concern to employees, the Group organised 2 Group-level and 12 grassroots-level democratic consultation meetings, effectively smoothing communication channels between upper and lower levels.

Talent Development System

Recruitment → Training → Practice

The Group strictly complies with national laws and regulations on the prohibition of child labour and forced labour, strictly implements normative documents such as the Provisions on Prohibition of Child Labour, and resolutely eliminates any form of illegal employment practices. In the employee recruitment and employment process, the Group has established a rigorous review process, not only strictly verifying the identity, educational background and other supporting documents of prospective employees, but also engaging professional third-party audit institutions for review, ensuring the authenticity and accuracy of information for every newly hired employee. In the labour contract signing process, the Group always adheres to the principles of equality, voluntariness and consensus through consultation, legally safeguarding the legitimate rights and interests of both parties. Once an employee is found to have provided false certificates or fabricated resumes, immediate measures will be taken to terminate their probation or labour contract. If child labour is inadvertently discovered, the Group will immediately stop their work, report to the local labour security department without delay, promptly contact their parents or legal guardians, arrange health checks, and if the child is found to be suffering from a disease, prioritise coordinating medical resources to arrange treatment. In 2025, the Group did not have any non-compliance cases related to child labour and forced labour.

Case

Attracting Talents to Build a Strong Team

To actively fulfill social responsibility and support graduate employment, the Group launched its campus recruitment initiative in autumn 2025, visiting four universities including Hebei University of Technology

Training Graduation Ceremony for Fresh Graduates

"The Group was awarded the title of "China Preferred Employer of the Year 2025".

and Nankai University to promote its Management Trainee Program, which attracted numerous students to submit their applications. In November of the same year, the Group organized the "Embarking on a New Journey" specialized training program for the 2025 cohort of management trainees. Senior leadership personally delivered lectures, and through a week of systematic training followed by two months of grassroots rotations, the program supported trainees in completing their role transition and achieving rapid growth. By implementing an integrated "Recruitment-Training-Practice" talent development system, the Group not only provides high-quality employment and development platforms for university graduates but also strengthens the talent foundation for the company's sustainable development, fully demonstrating its strong commitment to youth employment and the construction of a talent pipeline.

Based on legal and compliant employment practices, the Group advocates a "fair and just, matching positions with talents" personnel concept. In 2025, the Group's Board of Directors formulated and deliberated and approved the *Employee Diversity Policy*, clarifying the Group's core concepts and solemn commitments regarding employee diversity and inclusiveness, providing basic principles and standardised operational guidance for recruitment work. In the talent selection process, the Group is committed to creating a fair competitive environment for every applicant, ensuring equal opportunities for all. Meanwhile, the Group actively promotes the diversified construction of the human resources team, resolutely eliminating any form of discrimination or differential treatment based on ethnicity, race, age, gender, marital status, religious beliefs and other factors.

To better integrate into local society and promote local economic development, the Group actively practices localised employment strategies, encouraging subsidiaries to prioritise the absorption of local labour for employment. This initiative not only alleviates local employment pressure, but also helps subsidiaries establish a good corporate image of actively fulfilling social responsibilities, effectively enhancing the Group's business reputation and brand recognition in the locality. This year, the proportion of local employees hired by the Group is approximately 94%.

In terms of employment management

The Group attaches great importance to employees' work-life balance. The Group flexibly implements three working hour systems—irregular working hour system, comprehensive calculated working hour system and standard working hour system—according to the business characteristics, safety requirements and job responsibilities of each subsidiary, ensuring legal and compliant working hours management. Heads of each department of the Group coordinate and arrange various tasks, strictly reviewing the necessity and authenticity of employees' overtime work, simultaneously verifying the effectiveness of overtime work results, eliminating ineffective overtime work and reducing employees' work burden.

In terms of leave management

The Group strictly complies with national legal provisions, safeguarding employees' rights to various types of leave including sick leave, personal leave, marriage leave, bereavement leave, maternity leave, work injury leave, annual leave and statutory holidays. Without affecting work, the Group will reasonably coordinate employees' leave arrangements to ensure employees fully enjoy various paid leave benefits.

In terms of compensation management

The Group has established a sound compensation incentive system, with job value at the core and performance contribution as the orientation, formulating unified position and compensation grading standards. The Group combines employees' comprehensive capabilities such as personal work experience, educational background and professional qualifications, links with past performance and work performance, and precisely assesses employees' compensation levels, achieving precise matching between compensation returns and personal value contribution, and fully stimulating employees' work enthusiasm.

In terms of performance management

The Group has established an employee performance communication system covering daily communication, regular interviews and multi-channel feedback. Heads of each department maintain regular communication with subordinate employees, clarifying performance objectives, providing targeted resource support and capability coaching, while promptly identifying deviations in performance execution and quickly correcting them to ensure orderly achievement of performance objectives. Employees can communicate directly with heads through performance interviews. If there are objections to business management, performance evaluation and reward distribution, employees can submit appeals to the Performance Appeal Committee. The Human Resources Department regularly collects employee opinions through discussions, questionnaires and other forms in a two-way manner, continuously optimising relevant management systems to improve the rationality and recognition of performance management.

In terms of welfare and benefits

The Group provides employees with reasonable and lawful benefits, including the five social insurances and one housing fund (endowment insurance, unemployment insurance, employment injury insurance, medical insurance, maternity insurance and housing provident fund) as well as performance bonuses. At the end of each year, the Group evaluates employees' work performance, promotes or adjusts the salary of employees with outstanding performance based on evaluation results, and awards bonuses matching individual performance. In 2025, the Group conducted two employee satisfaction surveys covering all employees on matters closely related to employees' immediate interests such as canteen catering services and employee medical examinations, with feedback results all being satisfactory, fully demonstrating the Group's solid achievements in employee care.

Conducted two employee satisfaction surveys covering all employees

2 times

With feedback results all being satisfactory

Satisfactory

In terms of equity incentives

The Group has implemented a stock option plan, simultaneously building and continuously optimising an online exercise platform to improve the efficiency and convenience of incentive implementation. As at the end of 2025, the Group has granted stock options to a total of 137 incentive objects and conducted option assessments and other implementation work for incentive objects in accordance with corresponding grant plans. In the future, the Group will scientifically and reasonably carry out the granting and assessment implementation of stock options based on performance development expectations, fully leveraging the role of the long-term incentive system in attracting, retaining and motivating talents.

Advocating for Employee Caring

The Group always takes "people-oriented" as its core value, running through the entire process of employee relationship management, and implements a comprehensive employee care system through measures such as carrying out diverse cultural festival activities, physical and mental health promotion projects, professional capability empowerment training and spiritual and cultural construction activities. While paying attention to employees' work performance and career development, the Group attaches great importance to employees' personal growth needs, physical and mental health status and emotional belonging experience, accurately addressing employees' demands through multi-dimensional care measures, effectively enhancing employees' sense of happiness, team cohesion and organisational identity.

The Group not only provides employees with comprehensive and generous statutory welfare benefits, but also additionally provides supplementary welfare items such as preventive medical services, regular health examinations and health consultations on this basis, safeguarding employees' health and well-being.

To effectively safeguard employees' rights and interests, the Group has established a joint trade union, and specially set up a women workers' committee, paying full attention to the special needs of female employees in terms of maternity, mother and child care, and leave, and granting maternity condolences to employees. Meanwhile, a labour law supervision committee has been established to supervise and protect the legitimate rights and interests of employees in labour employment. For assistance to employees in difficulty, the Group has formulated detailed measures for subsidies and assistance to employees in difficulty, allowing employees to apply for corresponding financial support at different levels according to the degree of difficulty.

Case

Specialized Training on "The Art of Interpersonal Relationships"

The Group invited an external senior trainer to conduct a specialized training session titled "DISC Personality Analysis—Decoding the Art of Interpersonal Relationships" for all employees. The training systematically explained the core theories and application techniques of the DISC personality model. Through scenario simulations and practical case studies, theoretical knowledge was deeply integrated into real work situations, helping employees quickly master practical methods for efficient communication and collaboration. Simultaneously, it comprehensively enhanced employees' self-awareness, interpersonal understanding, and team integration abilities, broadening their perspectives on interpersonal interactions. This initiative demonstrates the Group's continuous investment in improving employees' comprehensive qualities and fostering an inclusive and efficient workplace environment, laying a solid talent foundation for effective team collaboration and the Group's high-quality development.

Specialized Training on "The Art of Interpersonal Relationships"

Case

"Summer Coolness Delivery" Frontline Care Activity

During the intense summer heat, the Group's Party Committee and leadership team visited the frontline of various subsidiaries to conduct the "Summer Coolness Delivery" care activity, delivering heat-relief supplies such as bottled water, herbal tea, watermelon, and mung beans to employees persevering in high-temperature environments. During the visits, group leaders engaged in cordial exchanges with frontline staff to understand their work conditions and actual needs. While conveying organizational care and boosting team morale, they repeatedly reminded employees to strictly adhere to safety production regulations and take proper heatstroke prevention measures. Building on this activity, the Group will continue to practice its employee care philosophy, leveraging the labor union to optimize regular care mechanisms, genuinely conveying organizational warmth to every frontline employee, and providing talent support for enterprise development.

Photo of the On-site Care Activity

"Health Care Lecture" Activity

In August 2025, the Group invited professional doctors from Tianjin Tiantuo Hospital and TEDA Hospital to deliver systematic lectures on practical topics such as traditional Chinese medicine healthcare, occupational disease prevention, and pre-hospital emergency care. Multiple health care themed lectures were organized consecutively, covering over 300 participants. Through this series of lectures, the Group significantly enhanced employees' health literacy and self-protection capabilities, further advancing the construction of a healthy workplace and tangibly implementing the Group's emphasis on employee occupational health and safety.

Photo of the "Health Care Lecture" Event

In 2025, the Group held diverse employee care activities, providing employees with an interactive platform for fun sports and friendship enhancement, enriching employees' after-work life while effectively enhancing employees' sense of happiness and belonging, and further strengthening team cohesion and centripetal force.

Case

Spring/Autumn Lakeside Walk" Activity

To continuously deepen care for employees' physical and mental health, the Group, in conjunction with the labor union, successively organized Spring and Autumn Lakeside Walk activities in May and October 2025. Centered on the core theme of "The Power of Walking", the activities cumulatively attracted active participation from over 420 individuals. They guided employees to alleviate work pressure amidst natural scenery, practice healthy lifestyle concepts, effectively enhanced collaboration and communication among teams, fully showcased employees' positive and uplifting spirit, and further solidified a healthy, vibrant, and united organizational atmosphere within the company.

"Lakeside Walk" Activity

"Patriotic Education" Film Screening Activity

In September 2025, the joint labor union organized 81 members to collectively watch the historical film Nanjing Photo Studio. Through the art of cinema, the activity revisited history, deepened patriotic education, enriched employees' spiritual world, effectively inspired employees' sense of national mission and contemporary responsibility, and simultaneously demonstrated the Group's continuous investment in shaping employee values and fostering emotional cohesion.

"Patriotic Education" Film Screening Activity

Fun Themed Celebration Activity for International Women's Day

In March 2025, to celebrate International Women's Day and enrich the recreational and cultural life of female employees, the joint labor union meticulously planned and hosted the "Bloom Her Power" themed fun activity, covering nearly one hundred female employees. The activity content combined competitiveness, fun, and aesthetic appeal, encompassing segments such as Chinese checkers, shuttlecock kicking, and floral arrangement creation. By organizing themed celebration activities, the Group enhanced the happiness and sense of belonging of female employees, powerfully demonstrating the Group's core values of promoting gender equality and valuing women's career development and rights and well-being, laying a solid foundation for building an inclusive, respectful, diverse, and equal workplace ecosystem.

Fun Celebration Activity for International Women's Day

Supporting Coordinated Development

The Group takes "building composite teams and cultivating composite talents" as the core of its talent development strategy, viewing it as the key engine for promoting the Group's sustainable development. To ensure the effective implementation of this strategy, the Group has formulated the *Management Regulations for Staff Training* to standardise the management of employees' daily training work. On this basis, with the orientation of strengthening corporate culture construction, improving employees' code of conduct and work capabilities, promoting performance improvement and supporting employees' career development, the Group has established a multi-level and full-coverage training system to continuously enhance employees' comprehensive capabilities.

The Group comprehensively plans training resources based on its own business development and training survey results of subsidiaries. Headquarters departments scientifically prepare annual training plans according to functional division and strategic planning. Meanwhile, subsidiaries formulate training plans targeting the business characteristics of different operating regions and differentiated position requirements, and carry out training work on a monthly regular basis. In 2025, the Group's headquarters conducted 32 training sessions, including 26 professional skills training sessions, 5 empowerment training sessions and 1 certification training session.

Training sessions	Total number of training hours received by employees	Coverage rate of employee training	Average training hours received by employees
32 sessions	36,542 hours	100 %	20 hours

Case

"Business Etiquette" Themed Training

To systematically improve employees' professional quality and shape a professional and unified corporate image, the Group specially invited a senior etiquette lecturer to conduct business etiquette training. The training content is both systematic and practical, covering modules such as image building (details such as dress code, appearance management and micro-expression control), behavioural etiquette (daily norms such as addressing, introduction, accompanying guidance and communication), analysis of occasion precedence rules (meetings, banquets, vehicle riding, etc.) and complete reception process case drills, enabling employees to deeply understand that business etiquette is an important carrier for establishing customer trust and demonstrating professional corporate image, continuously improving employees' comprehensive quality and service level, and laying a solid foundation for the Group to win long-term recognition in business interactions.

"Business Etiquette" Themed Training

Annual Gas Professional Skills Competition

In October 2025, the Group jointly held the annual Gas Professional Skills Competition with peer companies. The event covered multiple branches and subsidiaries, and after layers of selection and strict assessment, 11 elite teams successfully advanced to the finals. The finals revolved around core business scenarios such as PE pipeline leak emergency repair, pressure regulator operation and indoor installation, fully demonstrating employees' solid professional foundation and the craftsmanship spirit of striving for excellence. Through this skills competition, the Group built a platform for employees to exchange skills and display their talents, which is an important manifestation of the Group's deepening of worker team construction and supporting employees' skill improvement and career development, and also provided solid skill support for the Group's high-quality development.

Group Photo of Gas Professional Skills Competition

Commitment to Safety

In terms of work safety and occupational health, the Group follows laws and regulations such as the *Work Safety Law of the People's Republic of China*, the *Emergency Response Law of the People's Republic of China*, the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the *Fire Protection Law of the People's Republic of China*, the *Special Equipment Safety Law of the People's Republic of China* and the *Law of the People's Republic of China on the Protection of Oil and Natural Gas Pipelines*. Meanwhile, the Group strictly implements standards and regulations such as the *Regulations on Emergency Responses to Production Safety Accidents*, the *Regulations on the Safety Management of Construction Projects*, the *Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects*, the *Measures for the Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects*, the *Code for Construction Project Management*, the *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance*, the *Safety Signs and Guidelines for Use*, the *Technical Specifications for Occupational Health Surveillance*, the *Regulations on the Administration of Urban Gas* and the *Measures for the Administration of Concession for Municipal Public Utilities*. Contractors and suppliers are incorporated into the safety management system for unified management. The Group further improves the safety management system, enhancing the construction level of the safety management system through system construction, strengthening assessment rewards and punishments, and enhancing personnel training. In terms of maintaining occupational health, the Group focuses on safety inspections and hidden danger investigations, comprehensively safeguarding employees' occupational health and personal safety. In addition, The Group focuses on key areas of production safety and continuously strengthens safety control effectiveness. In 2025, the Group's safety investment (recorded as "safety production expenses") amounted to approximately RMB 67.724 million.n 2025, the Group had no violations of safe working environment or major safety liability accidents.

Safety investment for the current year

67.724 million

Safety Management System

The Safety Philosophy	"Life first, safety first, low-carbon and environmental protection, harmonious coexistence",
The Safety Policy	"Full participation, prevention first, responsibility consolidation, risk control"
The Safety Goals	"Zero three violations, zero hidden hazards, zero accidents",

The Group continues to advance the standardisation and normalisation of the safety management system.

The Group has established a safety management system following the PDCA (Plan, Do, Check, Act) cycle model in accordance with national standards and industry norms such as the *Requirements for Safety Management Systems*, the *Environmental Management System Requirements and Guidelines for Use*, the *Occupational Health and Safety Management System Requirements and Guidelines for Use*, and the *Basic Norms for Enterprise Production Safety Standardisation*. Under this system framework, the Group has issued documents such as the *Safety Management Manual* and the *Safety Management System* to provide a normative basis for the conduct of safety management work.

As a programmatic document of the safety management system, the *Safety Management Manual* clarifies the Group's philosophy, policy and objectives in occupational health and safety management, comprehensively covers all basic requirements of occupational health and safety management, and provides top-level guidance for the Group's overall safety management work.

The *Safety Management System* focuses on specific management scenarios, clarifying specific principles, management methods and workflow for the Group's occupational health and safety management matters.

Safety violation cases and major safety liability accidents

0 cases

Establishing a safety management system

- Safety Knowledge Base
- Safety Education and Training
- Safety Key Tasks
- Personnel Certificate Management
- Safety Inspections
- Hidden Danger Ledgers
- Emergency Plans
- Emergency Drills
- Safety Activities
- Safety Meetings
- Safety Assessments

This year, the Group further improved the safety management system, revising the *Management Regulations for Rewards and Punishments for Production Safety*, issuing the *Management Regulations for Performance Assessment of Production Safety* and the *Position Safety Responsibility List of Binhai Investment (Tianjin) Company Limited*, further refining safety management responsibilities and strengthening assessment orientation and reward and punishment constraints.

To ensure the effective implementation of all requirements of the safety management system, the Group strictly follows the principle of "three managements and three musts" in the *Work Safety Law* (i.e., those who manage industries must manage safety, those who manage business must manage safety, and those who manage production and operation must manage safety), combines the division of responsibilities of functional departments of the headquarters, and deeply integrates the requirements of the safety management system with the management systems of each functional department, thereby implementing basic safety management principles.

In 2025, the Group empowered safety management upgrading through information technology means, building a safety management system relying on the enterprise WeChat cloud document function, covering core modules such as safety knowledge base, safety education and training, safety key tasks, personnel certificate management, safety inspections, hidden danger ledgers, emergency plans, emergency drills, safety activities, safety meetings and safety assessments, achieving closed-loop control of the entire safety management process for all enterprises under the Group, breaking through the bottleneck problems of traditional management models, and effectively improving management efficiency and information transparency.

The Group promotes the continuous improvement of the production safety management system from five aspects: reward and punishment system, assessment system, performance formulation, safeguard mechanism and personnel training, comprehensively consolidating the foundation of safety governance.

In terms of the reward and punishment system

Based on the safety management system, the Group revised and issued the *Management Regulations for Rewards and Punishments for Production Safety* in January 2025, and regularly conducts production safety assessment scoring for subordinate units. For employees who violate production safety management regulations, performance bonuses are strictly deducted according to the provisions, strengthening all employees' safety responsibility awareness through rigid constraints.

In terms of the assessment system

The Group's safety assessment covers four categories: veto indicators, outcome indicators, process indicators and incentive indicators. Specific assessment content involves various aspects such as responsibility system implementation, safety education and training, production safety meetings, safety input guarantee and related party management. Among them, production safety performance assessment is conducted according to the Production Safety Performance Assessment Form, focusing on core dimensions such as responsibility system implementation, safety education and training, hidden danger investigation and treatment, and emergency management, forming special summary reports and implementing quantitative assessment scoring. The assessment results are incorporated into the company's overall performance for payout, providing a quantifiable evaluation basis for safety management.

In terms of performance formulation

The Group closely links employee remuneration and performance with production safety indicators. For executives and employees, major safety liability accidents are a one-vote veto item, directly affecting their performance evaluation results and the issuance of long-term incentives such as company stock option plans. In annual excellence evaluation work, the Group sets the weight of production safety indicators at 10%~30% according to the responsibility differences of employees at all levels, fully highlighting the important position of safety management in the Group's overall operations.

In terms of safeguard mechanism

The Group actively promotes a reporting system, encouraging employees to engage in positive behaviours such as "proposing reasonable suggestions for safety" and "reporting three violations (illegal command, illegal operation and violation of labour discipline)". Employees can report suggestions for improvement in safety management or violations found, and after verification and confirmation, will receive corresponding rewards issued by the Group, further stimulating employees' enthusiasm for participating in safety management.

In terms of personnel training

The Group formulates annual safety education and training plans, conducting monthly training covering content such as production safety laws, fundamental and challenging initiatives, hidden danger judgment standards, safety management systems, confined space management and management personnel performance of duties. Through the combination of internal and external training, the construction level of the safety management system is comprehensively improved, and the professional quality and performance capabilities of production safety management personnel are strengthened.

In 2025, the Group strictly implemented the safety management system and implemented production safety measures, achieving the following objectives for the year:

Accident 0

- **No production safety accidents causing personal death for which the Group bears primary responsibility, and no concealment, false reporting or late reporting of safety accidents**
- **No fire accidents for which the Group bears primary responsibility.**

Maintaining Occupational Health

To ensure the occupational health and safety of employees, the Group has carried out eight specific activities, namely safety system construction, safety risk identification and control, hidden danger investigation and management, safety education and training, labour safety protection, emergency rescue drills, work safety assessment, and special safety activities, sparing no effort to reduce the chance of accidents and protect the personal safety of employees.

Safety System Construction

Formulated 23 safety management policies

23 Policies

The Group has established documents such as the *Work Safety Responsibility System* and the Guidelines for the Construction of Dual Prevention Mechanisms, which clarify safety responsibilities at all levels and build a dual prevention mechanism for risk classification control and identification and management of potential risks. Additionally, the Group has formulated 23 safety management policies, including the *Work Safety Objective Management System*, the *Work Safety Risk Classification and Control System*, the *Work Safety Education and Training Management System*, the *Personal Protective Equipment Management System*, the *Safety Management System for Surveillance and Measurement Facilities*, and the *Safety Inspection and Hazard Rectification System*. These policies promote the effective operation of the Group's safety management system and aim to provide employees with a safe working environment and prevent them from suffering occupational injuries. The Group also strictly complies with the requirements of the Guidelines for the Application of Internal Control in the Enterprise No. 4 "Social Responsibility", to set up a sound inspection and supervision mechanism, strengthen training for staff on occupational safety awareness, and implement a qualification certification system for special positions.

The Group actively participates in the ISO 45001 Occupational Health and Safety Management System Certification in accordance with the national laws and regulations, and industry standards and specifications, to continuously improve the standardisation of occupational health and safety management. Among them, Tianjin Company has passed the ISO 45001 Occupational Health and Safety Management System Certification and obtained the relevant certificates for its management in "refinement, standardisation, institutionalisation and regularisation", providing a strong guarantee for safe and stable development.

The Group has compiled a list of key tasks covering 25 specific tasks in six aspects

25 tasks

Safety Inspection and Hidden Danger Investigation

The Group has solidly advanced various tasks in the concentrated tackling phase of the three-year action for addressing both symptoms and root causes of work safety. Relying on the WeCom Work Safety Management System, the Group has compiled a list of key tasks covering 25 specific tasks in six aspects. In addition, the Group implements a monthly work safety inspection plan management mechanism, strictly reviewing monthly inspection results in accordance with the plan, routinely following up on work progress, reviewing rectification effectiveness, and promoting the implementation of hidden danger investigation and rectification, effectively preventing and curbing accidents, and earnestly safeguarding the safety of people's lives and property as well as employees' occupational health.

The Group's WeCom Work Safety Management System Interface

Hidden danger rectification completion rate of 100%

100 %

The Group organises at least two rounds of inspections annually. In 2025, the Group further established a hierarchical and professional hidden danger investigation and management model, building dual lines of defence for business supervision and functional supervision, pushing forward the frontline of work safety, and ensuring comprehensive risk identification and complete hidden danger rectification. At the headquarters level, a total of 82 safety inspections were organised, while various subsidiaries independently conducted 1,183 safety inspections, with a hidden danger rectification completion rate of 100%. During the inspections, the Group focused on checking the operation of gas pipelines, equipment and facilities, the reserve of emergency supplies, the records of internal information on safety management, as well as the implementation of safety inspection and line inspection, in accordance with the requirements of documents such as the key points of emergency response, the assessment form for emergency drills, the atlas of safety inspection standards, and the library of standard hidden dangers. To enhance the precision of investigation, the Group introduced high-precision gas leak detection vehicles (PPB inspection vehicles) and electric patrol bicycles.

PPB inspection vehicles

Accumulated a total inspection mileage **10,000** + kilometers	Covering **19** subsidiaries
Identified **96** cases	Rectification completed **100** %

Going forward, the Group will continue to introduce advanced technological equipment within the industry to further enhance the efficiency of gas leak detection and address potential safety hazards in a timely manner.

Employee Health Management

The Group has established an employee health monitoring and evaluation mechanism, systematically tracking employee physical examination participation rates and examination results, and continuously following up on the improvement of employees' overall health condition after physical examination, including indicators such as blood pressure, body mass index and health risk factors, to evaluate the effectiveness of the health programme. In addition, the Group regularly distributes personal protective equipment that meets standards to employees, and pays work safety liability insurance for all employees every year, enhancing their occupational health and safety guarantees. To continuously strengthen the employee health protection network and earnestly safeguard the safety and well-being of all staff, in November 2025, the Group, in conjunction with the labour union, carefully planned and organised the distribution of protective kits containing practical items such as disinfectant, masks and umbrellas to all members, delivering organisational care precisely to every employee and adding further protection for their health and safety.

Ensuring Work Safety

The Group attaches great importance to work safety, firmly upholds the concept of safe development, strictly adheres to the principle of "safety first, prevention as a priority, and integrated management", strengthens source control, makes every effort to prevent and resolve major safety risks, and continuously consolidates the foundation of work safety.

Principle

- Safety First
- Prevention As a Priority
- Integrated Management

Implementing Work Safety Responsibilities

The headquarters and subsidiaries of the Group continue to study the *Work Safety Law of the People's Republic of China*, fully implement the statutory responsibilities of the "first responsible person" for work safety, and actively carry out the "five leads" activities of the main person in charge of the enterprise, focusing on five core tasks: "taking the lead in organising the investigation and rectification of major accident hidden dangers, taking the lead in implementing the responsibilities of all employees in work safety and giving full play to the role of the management team and experts, taking the lead in the investigation and rectification of dangerous operations involving fire and others, taking the lead in the investigation and rectification of production and operation activities such as outsourcing and leasing, and taking the lead in organising emergency rescue drills". Taking the "five leads" activities as a starting point, the Group focuses on core areas such as special operations control, outsourcing and leasing safety management, safety education and training, and hidden danger reporting mechanism construction, systematically promoting the implementation of key safety management work. In 2025, relying on the *Work Safety Performance Assessment Management System*, and combining the inspection results of the Safety Management Department for various subsidiaries, the Group formed special summary reports and implemented assessment scoring around multiple core dimensions including responsibility system implementation, safety education and training, hidden danger investigation and management, and emergency management. The assessment results are incorporated into the overall assessment system of each subsidiary, and the reward and punishment mechanism is strictly implemented.

Optimising Management Mechanisms

The Group continuously improves and standardises the processes of user security check and employee inspection, enhancing safety control efficiency through digital means. On the one hand, by leveraging the big data computing platform to build an online cloud platform, the Group identifies relevant patterns to accurately locate security check needs, integrating full-process functions such as security check scheduling, door-to-door service, and photo confirmation and signature, effectively improving the efficiency and standardisation of security check work. In the process of continuously standardising the management requirements for security check work, the Group revised and issued the *Residential User Security Check Management System* in 2025, making further specifications in aspects such as hidden danger classification, spot check mechanisms, operation guidelines, security check management assessment, third-party security check assessment requirements, security check personnel qualification management, and security check plan approval and adjustment processes. Meanwhile, according to the system requirements, further demands for information system optimisation have been put forward. Relying on information technology means will further enhance security check efficiency and supervision effectiveness. On the other hand, all employees of the Group use the GIS system to conduct inspection operations, setting inspection points and deploying work plans according to pipeline distribution. When construction areas or pipeline hidden danger points are identified during inspections, they are immediately reported through the system, forming a complete safety management closed-loop. In addition, in response to the frequent occurrence of extreme weather caused by climate change, the Group plans to integrate meteorological data into the existing system and add functions such as climate disaster warnings. Furthermore, regarding third-party construction management, The Group has formulated special systems and significantly shortened processing time and improved management efficiency by optimising the OA system approval process. Meanwhile, a third-party construction dynamic management module has been deployed on the WeChat platform to achieve real-time monitoring of construction status, making every effort to ensure the safe and stable operation of the gas pipeline network.

Regulating Related Party Management

Regarding the safety management of contractors and other related parties, the Group has specifically formulated the *Safety Management System for Related Parties*, further clarifying the responsibility division for safety management among all parties, standardising management standards and operation processes, ensuring the effective fulfilment of safety management responsibilities related to related parties, and maximising the prevention and reduction of safety accidents involving related parties.

Conducting "Work Safety Month" Activities

Taking "Work Safety Month" as a starting point, the Group steadily promoted the implementation of activities and effectively enhanced the overall safety assurance level through three-dimensional efforts of organisation and mobilisation, training drills, and safety lectures. All departments actively responded to the work safety campaign, jointly creating a strong atmosphere where "everyone talks about safety". Through warning education, accident case analysis, and practical skills training, employees' safety awareness and emergency response capabilities were effectively strengthened. Subsidiaries also conducted special emergency drills for fires, flood prevention, earthquakes and other scenarios according to actual conditions, both testing emergency response effectiveness and promoting gas safety knowledge among community residents, achieving coordinated improvement of enterprise safety and public safety.

In 2025, the Group advanced emergency drill work in a tiered manner and with targeted efforts. At the branch (subsidiary) level, special emergency drill plans were formulated at the beginning of the year, with a mandatory requirement of organising at least one drill per month and no less than 12 drills throughout the year. After each drill, on-site review and summary were conducted to optimise disposal processes and emergency response mechanisms in a targeted manner, continuously enhancing practical capabilities for sudden situations. At the headquarters level, the Group continued to carry out "Four No's Two Direct"[3] and "double-blind" emergency drills, focusing on testing the emergency coordination and combat capabilities of all employees. Meanwhile, the Group comprehensively reviewed the reserve of emergency resources, standardised the reporting process for emergency information on sudden incidents, and promptly updated emergency drill evaluation forms for three scenarios—valve well gas leakage, gas leakage caused by third-party construction damage to pipelines, and residential indoor gas leakage—based on problems identified during drills. During the year, the headquarters level organised 38 emergency drills on-site, while various subsidiaries independently organised 297 drills, with total participants exceeding 5,000 person-times.

Conducting Safety Education and Training

To enhance the effectiveness of safety education and training, the Group has built a multi-dimensional training system of "specialisation + on-site + warning". In 2025, the headquarters and various 'subsidiaries conducted a large number of safety trainings, accumulating 2,008 hours of safety education and training, with total participants exceeding 17,000 person-times. The Group also carried out special safety education work such as driver safety training, fire emergency drills, and anti-fraud education and training, regularly organising employees to undergo three-level safety education and training, mandatory tests during inspections, and special training on construction safety management, organising multi-scenario emergency drills and reviewing improvements, comprehensively enhancing employees' safety awareness and emergency capabilities. In 2025, the Group organised two sessions of construction safety management training, covering 536 person-times of management personnel from the company and main management personnel from construction and supervision units. The Group will continue to improve the safety management system, consolidate responsibilities among all employees, optimise assessment mechanisms, normalise risk control and hidden danger investigation, increase investment guarantees, achieve full coverage of safety education and safety and fire protection responsibility agreements, and strive to achieve the goal of zero general and above-level production safety accidents within the Group and its subsidiaries.

3 No prior notice, no prepared routes, no rehearsals, no pre-arranged visits; direct access to sites and direct contact with frontline personnel.

From 2023 to 2025,
the Group had no work-related fatalities.

Headquarters-level emergency drill
38 times

Subsidiary emergency drill
297 times

Total participants over
5,000 person times

Safety education and training
2,008 hours

Total participants over
17,000 person times

Case

Series of Publicity Activities for Work Safety Month

During the Work Safety Month in June 2025, multiple subsidiaries of the Group simultaneously carried out work safety publicity and training activities, actively coordinating with local fire and emergency brigades and responding to the call of the Emergency Management Bureau. In crowded places such as commercial plazas and city squares, they promoted gas safety knowledge to the public and provided practical guidance through special training, establishment of consultation desks, distribution of materials, case analysis, interpretation of regulations, and on-site Q&A. Qingyuan Company alone distributed over 200 copies of materials and covered more than 300 person-times of the public. Through this Work Safety Month activity, the Group effectively enhanced the safety awareness and emergency capabilities of the public and key users, representing an important practice for the Group in building a solid safety defence line and fulfilling social responsibilities.


Photos of Work Safety Month Activities

Gas Safety Publicity Activities during Fire Safety Month

During the National Fire Safety Publicity Month, multiple subsidiaries of the Group simultaneously carried out public welfare publicity activities for gas safety and fire protection, respectively at the Lutai Development Zone market and Xihu Mingzhu residential community. Jointly with local housing and construction, fire protection, and emergency management departments, and led by the general manager, they conducted special publicity through establishing consultation desks, distributing manuals, on-site explanations, and demonstration operations, promoting gas safety knowledge and emergency skills to residents. Through this gas safety publicity activity, the Group effectively enhanced residents' safety awareness and self-protection capabilities, demonstrating the Group's mission and commitment to safeguarding community safety and fulfilling social responsibilities.


Photos of Gas Safety Publicity Activities in Communities during Fire Safety Month

Giving Back to Society

The Group gives back to society with practical actions, actively planning, organising and participating in various community public welfare co-construction activities. In accordance with the *Measures for the Administration of External Donations*, the Group has improved the standardised process and management mechanism for public welfare donations, invested in compassionate assistance funds, and normalised the organisation of employee volunteer services to promote community harmony and co-construction, earning widespread recognition and high praise from clients, government authorities and all sectors of society. The Group focuses on promoting community gas safety assurance, rural livelihood assistance and public welfare development. In terms of community gas safety, the Group closely addresses public needs by conducting presentations, household inspections and community activities to popularise gas safety knowledge and reduce safety hazards. In the field of rural assistance, the Group actively responds to national policies, deeply integrates the coal-to-gas conversion with the rural revitalization strategy, and continues to advance the conversion project in the Beijing-Tianjin-Hebei region, effectively improving the rural living environment. In terms of public welfare, the Group proactively fulfills social responsibilities, increases public welfare investment and carries out community public welfare publicity, delivering warmth through diversified measures.

Maintain Gas Safety in Communities

Focusing on the core objectives of "ensuring safety, guaranteeing supply and standardising services", the Group closely addresses the actual needs of the public and formulates differentiated presentation content for different industries, positions and groups. By hanging safety slogans and conducting on-site presentations, the Group deeply promotes the "Five-into" grassroots safety promotion activities, popularising gas safety knowledge through interactive models, patiently answering users' concerns about safe gas usage, and guiding the public to use gas correctly, standardly and safely, fostering a good atmosphere of societal participation in building a gas safety defence line.

In 2025, the Group continued to innovate publicity formats and deepen the connotation of livelihood services. Deqing Company, in order to fully mobilise the enthusiasm of all citizens to participate in disaster prevention and mitigation and learn fire safety knowledge, carried out award-winning quiz activities on disaster prevention and mitigation and fire safety themes through its WeChat public account, and simultaneously pushed gas safety popular science graphics and texts. The activities covered over 20,000 person-times online, effectively broadening the coverage of safety publicity and enhancing users' safety awareness and risk prevention capabilities.

To effectively safeguard the lives and property of gas users, the Group proactively carried out special household safety inspection actions, focusing on screening and rectifying cookers with major safety hazards such as those without flame-out protection devices and those exceeding their service life. Meanwhile, the Group fully leverages the resource advantages of a state-owned enterprise to launch its own brand gas appliance product line, precisely matching user needs with high-quality and high-safety products. Aligning with the national "Good Housing" policy orientation, Taiyuejia innovatively launched the "Gas Beautification" service solution, organically integrating gas facility renovation with home aesthetics design, thoroughly eliminating safety hazards while simultaneously improving users' living quality, practicing the original mission of "safeguarding people's livelihood and serving society" with practical actions, and contributing state-owned enterprise strength to building a harmonious and livable environment.

The Group continues to carry out community activities related to the "Work Safety Month" and "Fire Prevention Month", focusing on densely populated places such as elderly care institutions, primary and secondary schools and kindergartens, catering venues, street-facing shops and large commercial complexes within its operating areas, conducting gas safety publicity and fire safety knowledge presentations, popularising gas safety knowledge "face-to-face", strengthening the audience's risk prevention awareness and self-rescue and mutual-rescue capabilities, and bridging the "last mile" of gas safety publicity.

In 2025, the Group posted and displayed various safety materials—including signs, banners, and posters—cumulatively reaching a total of	Organized and conducted the community activities	The number of participants is
over **600** copies	over **70** sessions	over **10,000** person-times

Case

Multi-pronged Approach to Gas Safety Publicity to Build a Solid Community Safety Defence Line

In 2025, Ninghe Branch, Anxin Company and Wuqing Branch under the Group, in collaboration with related parties, jointly carried out a series of gas safety education and publicity activities. Ninghe Branch coordinated with local government to enter agricultural markets, popularising gas safety knowledge through exhibition board displays and on-site explanations, and expanding the scope and influence of publicity through local media platforms and employees' social channels.

Anxin Company, in conjunction with the County Party Committee Social Work Department, conducted special gas safety training for over 120 community cadres, grid workers and resident representatives, systematically explaining gas safety operation specifications and emergency response procedures through PPT demonstrations and case analysis.

Wuqing Branch, during the National Security Education Day, coordinated with over 20 departments and institutions including the District Urban Management Committee and Emergency Management Bureau, and held gas safety knowledge and national security popularisation publicity activities at the Cultural Park through exhibition board displays and distribution of publicity manuals, distributing over 570 copies of publicity leaflets.

Through these series of gas safety education and publicity activities, the Group effectively enhanced public safety awareness and risk prevention capabilities, earning high recognition from local governments, communities and the public, and effectively fulfilling the Group's responsibility to work with all parties to build safe communities and safeguard public property safety.

Gas Safety Publicity Activities

Gas Safety Knowledge into Campus Activity

During the national "Work Safety Month" in June 2025, focusing on the theme of "Everyone Talks About Safety, Everyone Can Emergency Respond", the Group joined hands with a local demonstration kindergarten in Fengxian to carry out a gas safety knowledge into campus activity. To effectively popularise safety knowledge, the Group explained gas characteristics, safe usage common knowledge and leakage emergency steps to children through lively forms such as animation demonstrations, fun quizzes and prize incentives, while conducting real case analysis and on-site demonstrations of fire extinguisher operation for teaching staff, effectively enhancing campus staff's safety awareness and emergency skills. During the activity, the Group arranged professionals to conduct comprehensive safety inspections of the kindergarten canteen's gas facilities and provided on-site guidance on standardised operation procedures, further consolidating the foundation of campus gas safety and fulfilling the enterprise's public responsibility for safety education.


Gas Safety Knowledge into Campus Activity

Addressing Concerns in Rural Areas Through Practical Measures

The coal-to-gas project is a key measure for the Group to implement the central government's deployment on air pollution prevention and control in the Beijing-Tianjin-Hebei region and surrounding areas, and is of great significance for improving the rural living environment and enhancing residents' quality of life. The Group actively responds to the national call, thoroughly implements the development philosophy of innovation, coordination, green development, openness and sharing, deeply integrates the coal-to-gas conversion work with the rural revitalization strategy, vigorously promotes coal-to-gas conversion in the Beijing-Tianjin-Hebei region, and accelerates the clean energy transformation of heating sources in rural areas. As of 31 December 2025, the Group has cumulatively completed the coal-to-gas conversion for 175,015 households and realised gas supply for all of them, effectively benefiting the vast rural population.

Actively Participating in Public Welfare

The Group actively fulfills social responsibilities and gives back to society with dedication. During the year, the Group's total public welfare investment reached RMB 286,000, **with total community public welfare publicity hours accumulating to 5,968 hours**. Upon learning of the fire disaster in Tai Po District, Hong Kong, the Group donated HKD 100,000 to the disaster area to support post-disaster assistance work, delivering warmth and care with practical actions and demonstrating corporate responsibility and commitment.

BUILDING SOLID FOUNDATION OF GOVERNANCE TOWARDS A SUSTAINABLE FUTURE

The Group is fully aware that a sound governance system is an important foundation for supporting the long-term development of the enterprise, and continuously improves governance mechanisms to strengthen operational resilience. The Group ensures steady progress in the complex and ever-changing market environment by continuously deepening risk prevention and control mechanisms, strictly implementing privacy protection and information security management, fostering a culture of integrity, and improving the compliance management system. At the same time, the Group integrates the concept of sustainable development into every aspect of its operations. Through sustainable supply chains as a bond, it coordinates efforts with all stakeholders to jointly build a new pattern of sustainable development.

Improving Risk Prevention and Control Capabilities P66

Anti-Unfair Competition P68

Privacy Protection and Information Security P69

Creating a Culture of Integrity P70

Sustainable Supply Chain Management P72

Improving Risk Prevention and Control Capabilities

The Group has established a comprehensive internal control and compliance management system, formulated and implemented policies and documents such as the *Internal Control Management Policy*, the *Compliance Management Measures*, the *Internal Control Compliance Management Manual*, the *Legal Risk Management Manual*, the *Contract Management Measures, and the Policy Management Measures*, standardising the conduct of risk prevention and control work, strengthening the rigidity of system implementation, and enhancing risk management and control capabilities. The Internal Control and Legal Department submits risk management reports to the Risk Management Committee under the Board annually, reporting on the Group's risk analysis results and risk response measures, continuously improving the standardisation of risk governance.

In 2025, with deepening the compliance management system as the core, the Group promoted the quality and efficiency of compliance management work to help achieve sustainable operational objectives. In terms of system construction, the Group launched the internal control and compliance manual update project, and simultaneously initiated the internal control and compliance special evaluation project, focusing on key business processes to carry out comprehensive dimension evaluations. Oriented by problem rectification, the Group promoted the iterative optimisation of systems and processes, and precisely prevented various compliance risks. Meanwhile, the Group organised self-assessment of the effectiveness of the compliance management system, comprehensively testing the effectiveness of system operation, and promoting the deep transformation of compliance management from "formal coverage" to "effective coverage", solidifying the foundation of compliance management.

The Group focuses on fostering a corporate culture of "involving all employees in internal control and compliance", continuously deepening the development of the internal control system, building three lines of defence for risk management, and establishing a three-level risk management system consisting of subsidiaries, functional departments at headquarters and regional management companies, and the Internal Control and Legal Department, achieving layer-by-layer transmission of risk management responsibilities and closed-loop implementation.

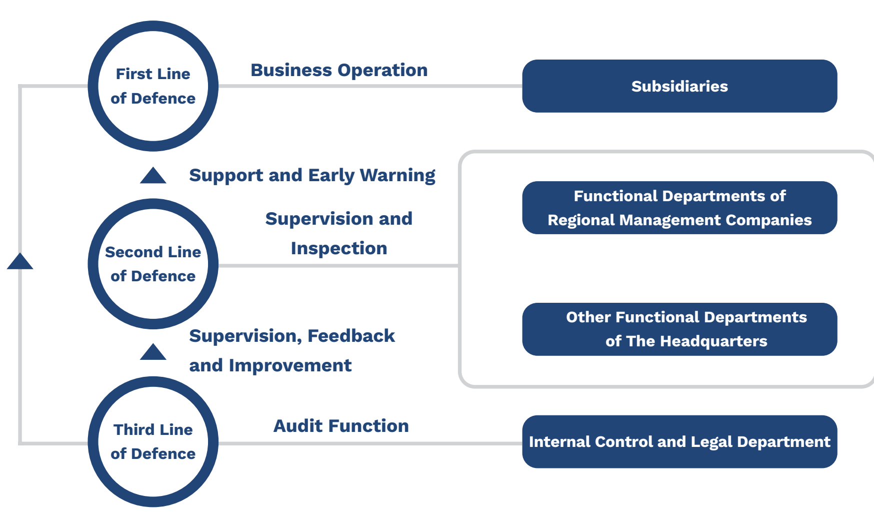
The Group focuses on key areas such as financial funds, tax management, work safety, compliance operations, investment operations, asset management, engineering construction, and procurement management, strengthening risk management and control efforts, and carrying out risk identification and response work covering all levels and multiple dimensions. At the system implementation level, the Group, supported by internal control and compliance evaluation and system construction, promotes the improvement of management systems in conjunction with specific issues arising from business operations, and ensures that the second line of defence effectively fulfils its supervisory function through inspections on system implementation.

While adhering to its role as the third line of defence and fulfilling its audit and supervisory functions, internal audit also focuses on urging the first and second lines of defence to perform their duties, improve their own management, and hold individuals accountable in accordance with personnel management authority.

Risk management and control focuse on

- Financial Funds
- Tax Management
- Work Safety
- Compliance Operations
- Investment Operations
- Asset Management
- Engineering Construction
- Procurement Management

Risk Prevention and Control System



For management and control of financial risks

The Group has fully embedded requirements related to tax management into the *Financial Management Policy*, continuously refined the tax policy library, regularly held special trainings and prepared and issued the *Tax Manual*, breaking down each business of subsidiaries from a tax perspective, and promoting the prioritisation and refinement of tax management. For applicable tax incentive policies, the Group instructs and monitors subsidiaries to ensure compliant implementation, identifying, resolving and controlling tax risks from the source of business, safeguarding tax compliance and financial stability.

For management and control of compliance risks

The Group has continuously optimised the implementation plan for building a compliance management system, improved the organisational structure, established a normalised joint meeting mechanism, and strengthened the overall coordination and efficient promotion of compliance management work. The Group requires all employees to sign compliance commitments, clarifying the code of conduct for employees to perform work duties with integrity and honesty, urging all employees to strictly comply with industry professional ethics, consciously resist unhealthy tendencies and actively accept internal supervision.

The number of training participants is reached

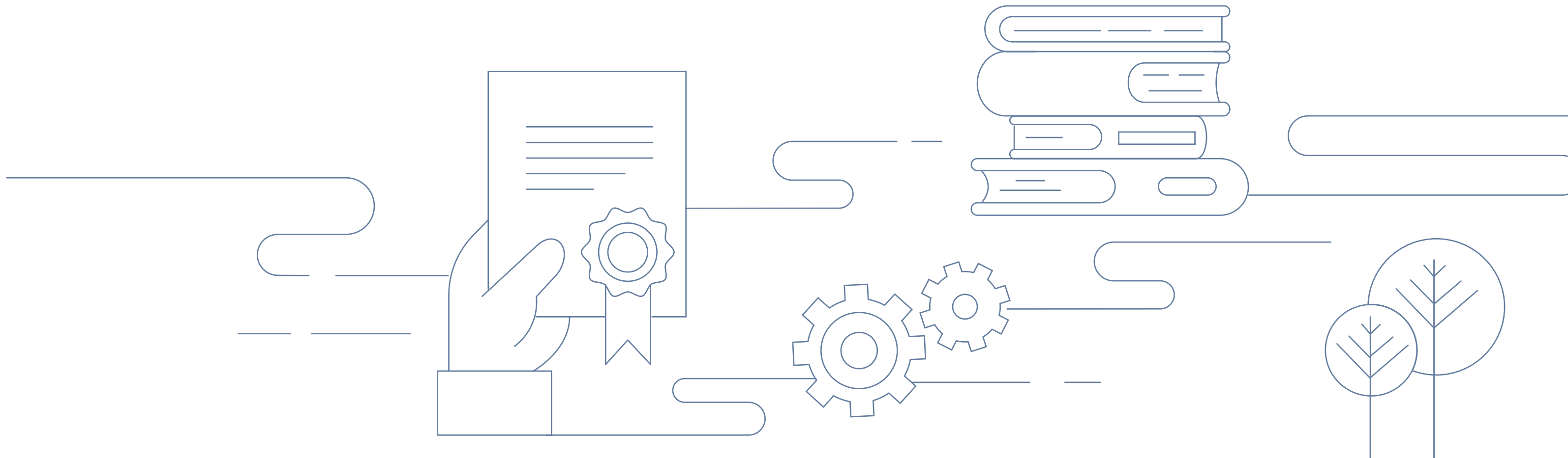
337 people

Case

Strengthening Foundations Through Case-Based Legal Education, Promoting Integrity Through Compliance Practice

In 2025, to foster a corporate environment of "integrity and uprightness, dedication and entrepreneurship", promote the construction of corporate compliance culture, standardise the professional conduct of cadres and employees, and enhance employees' compliance awareness and proactivity, the Internal Control and Legal Affairs Department organised compliance case training. The training participants included 337 management personnel and key position personnel from the Group's headquarters, regional management companies and subsidiary companies. The training further explained the connotation of compliance, and through the explanation of three types of typical cases involving outsourced construction management, price management and tax inspection, prompted employees to reflect on how to implement compliance in daily work.

Compliance Culture Training



Anti-Unfair Competition

The Group attaches high importance to anti-monopoly and anti-unfair competition management, strictly complies with relevant laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China*, the *Anti-Monopoly Law of the People's Republic of China*, and the *Prevention of Bribery Ordinance*, closely tracks the latest legislative developments related to anti-monopoly, and ensures that compliance management is aligned with regulatory policies.

The Group organises special training on anti-monopoly law annually. Considering the operating characteristics of the gas industry, the Group uses case study teaching models to popularise anti-monopoly knowledge among various business departments and subsidiaries, comprehensively preventing anti-monopoly compliance risks. In 2025, the Group further strengthened anti-monopoly compliance control over the value-added services business segment. Taiyuejia specially formulated the *Value-Added Business Compliance Management Measures*, clarifying relevant anti-monopoly management requirements, and simultaneously established a special compliance management system with Taiyuejia as the coordinating unit and its subsidiaries as the responsible entities. Regarding these management measures, the Group conducted special publicity and training in 2025, deeply dissecting anti-monopoly violation cases to help subsidiaries deepen their understanding of anti-monopoly laws and enhance their ability to identify monopolistic behaviours, effectively preventing anti-monopoly compliance risks in the value-added services business.

Meanwhile, the Group also requires relevant personnel of procurement entities to be clean and self-disciplined, strictly implementing the position recusal system and strengthening confidentiality management. Specific requirements include:

- Strictly prohibiting relevant personnel from divulging sensitive information such as unpublished project documents, bidder or supplier information, and bid evaluation or review information
- Not harming the legitimate rights and interests of the Group and other parties involved
- And not excluding other bidders or interfering with fair market competition in any manner.

Case

Strengthening Compliance and Anti-monopoly Advocacy, Building a Solid Risk Defence Line

Anti-monopoly Special Advocacy Training

In 2025, the Group advanced anti-monopoly compliance work in depth within the value-added services business segment, with a focus on guiding Taiyuejia Company to formulate the *Value-added Business Compliance Management Measures*, incorporating anti-monopoly requirements into special provisions, and establishing a compliance management system with Taiyuejia as the coordinator and subsidiary companies as the responsible entities. Taiyuejia Company organised special advocacy training, helping subsidiary companies to intuitively understand legal boundaries and enhance their ability to identify monopolistic behaviours through detailed interpretation of real anti-monopoly violation cases. A total of approximately 120 personnel from subsidiary companies participated in this training. The training achieved remarkable results, not only deepening subsidiary companies' understanding of the Anti-monopoly Law, but also effectively strengthening risk prevention awareness at the business front line, laying a solid foundation for compliant operation of value-added services.

Privacy Protection and Information Security

In strict compliance with relevant laws and regulations such as the *Cybersecurity Law of the People's Republic of China*, the *Regulations of the People's Republic of China for Safety Protection of Computer Information Systems*, the *Management Rules for Multi-Level Protection of Information Security*, and the *Consumer Rights Protection Law of the People's Republic of China*, the Group has formulated internal policies such as the *Information Management Measures* and the *Information System Account Management Measures* to establish a "laws and regulations + institutional" dual guarantee system and effectively prevent information leakage risks.

The Group implements a rigorous dedicated process application system for the export and use of all user information, and all operations must be reviewed and approved by relevant responsible persons before execution. Meanwhile, the Group requires employees with access to secrets to sign confidentiality agreements, strictly adhering to the bottom line of customer data security during customer service. Without explicit consent from both parties, no information shall be disclosed to any third party, comprehensively safeguarding customer privacy rights. **In 2025, the Group had no non-compliance incidents relating to the aspects above.**

To standardise and improve information security management, the Group continuously improves control processes and strengthens information security construction from multiple dimensions including the system layer, application layer, network layer and data layer. In 2025, the Group further deepened the construction of the information security protection system, achieving remarkable results in information security level protection work. Four systems have completed Level 2 certification for cybersecurity level protection, one system has completed Level 3 certification, and another two systems are steadily advancing level protection assessment work. In addition, the Group regularly engages third-party institutions to conduct emergency drills, carrying out penetration tests and asset risk assessments on servers, databases and network environments, promptly patching identified security vulnerabilities, and comprehensively building an information security protection barrier.

Creating a Culture of Integrity

The Group attaches great importance to corporate integrity and honesty, strictly complying with laws and regulations such as the *Criminal Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, the *Anti Money-Laundering Law of the People's Republic of China*, the *Interim Provisions on Prohibition of Commercial Bribery*, the *Tendering and Bidding Law of the People's Republic of China*, the *Law of the People's Republic of China on Administrative Discipline for Public Officials*, and the *Regulations on the Executives of State-Owned Enterprises for Performing Management Duties with Integrity*, adhering to the bottom line of integrity in operations. **In 2025, the Group had no non-compliance incidents relating to the aspects above.**

To thoroughly implement national laws and regulations and solidly advance anti-corruption and integrity work, the Group has formulated and improved internal policies such as the *Code of Conduct for Employees*, the *Code of Conduct for Leaders*, the Policy for *Employees' Reward and Punishment*, the *Whistleblowing Management Measures*, the *Integrity Risk Prevention and Control Checklist*, and the *Internal Audit Management Measures*, ensuring that integrity requirements run through the entire process of enterprise operations. Meanwhile, the Group comprehensively strengthens all employees' compliance awareness and creates a clean and upright internal environment through holding joint meetings on compliance management and conducting compliance case training.

The Group advocates "law-abiding, loyal, clean and responsible" professional behaviours of employees, requiring employees to receive training on the *Code of Conduct for Employees* upon entry to strengthen their cognition and conscious practice of professional ethics. In addition, the Group continues to deepen the construction of an integrity culture, conducting integrity-related training and internal publicity quarterly in 2025, comprehensively popularising anti-corruption and fraud knowledge, conveying the Company's core values, and solidifying the ideological foundation of integrity and self-discipline for all employees.

This training systematically interpreted the core connotation of compliance and combined three types of typical cases:

For high-risk business areas such as procurement, the Group builds an all-round risk prevention and control barrier through measures such as improving authorization and approval control, implementing segregation of incompatible duties, and strengthening internal normalised supervision. The Group explicitly requires 100% signing rate of integrity commitments from shortlisted suppliers in procurement and key projects, curbing integrity risks from the source. In addition, the Group also sets up supervisors during the procurement process, conducts full-process video recording of review sessions, and carries out supervision and inspection of subsidiaries' procurement activities, strictly preventing corruption.

The Group continuously optimises the work related to letters and visits for complaints and reporting, striving to improve the quality and efficiency of handling such reports. For verified violations of regulations and discipline, the Group strictly handles them in accordance with the requirements for case handling from superiors and relevant institutional regulations, strictly controls the scope of informed personnel, and keeps the personal information of reporters strictly confidential, effectively protecting the legitimate rights and interests of reporters. In addition, the Group actively carried out nine economic responsibility and special audit projects.

Audit Projects

9 projects

Corruption and Non-compliance Cases

0 cases

Internal audit adheres to a risk-oriented approach, focusing on high-risk matters such as fraud, bribery and corruption, and giving full play to the deterrent effect of audit supervision.

Hold the warning education conference

4 sessions

The warning education conferences covering

over **500** person-times

Case

Party Building Leading Integrity, Warning Education Building Defence Line

This year, the Party Committee of the Group established and improved the Leading Group for Comprehensively Strict Governance over the Party and Construction of Party Conduct and Clean Government, and the Leading Group for Construction of Party Conduct and Clean Government and Anti-Corruption, to coordinate and deploy related work in order to strengthen integrity construction and build ideological defence lines. The Group organised and held four warning education conferences, covering over 500 person-times cumulatively. During the same period, the Group carried out special learning and education on the spirit of the Central Eight Regulations, and compiled and issued supporting learning manuals, aiming to achieve "having a manual at hand, learning and using at any time", facilitating employees to consult and benchmark relevant requirements at any time. Meanwhile, the Group organised paper-cutting activities for integrity culture before the Dragon Boat Festival and hand-painted integrity round fan activities before the Mid-Autumn Festival, enriching employees' cultural life and promoting the construction of integrity culture by combining traditional art with integrity culture. In addition, the Group insists on integrated advancement of Party spirit, Party conduct and Party discipline, persistently correcting the "four winds". For young cadres, the Group specially issued a learning manual on violation and disciplinary cases of young cadres, thereby promoting the normalisation of warning education and effectively building the ideological foundation of integrity for young cadres.

Warning Education Conference

Integrity Culture Paper-cutting Activity

Sustainable Supply Chain Management

The Group attaches great importance to supply chain management, strictly following national and regional laws and regulations such as the *Tendering and Bidding Law of the People's Republic of China* and the *Regulation on the Implementation of Tendering and Bidding Law of the People's Republic of China*, and has constructed internal systems including the *Measures for Procurement Management of Binhai Investment (Tianjin) Co., Ltd.*, the *Implementation Rules for Supplier Procurement of Overseas Companies*, the *Management Measures for Supplier Performance Evaluation*, the *Management Measures for Bid Evaluation and Awarding Experts*, the *Management Measures for Value-Added Business Supply Chain*, the *Management System for Non-Pipeline Gas Procurement*, and the *Requirements for Material Procurement Acceptance*, ensuring that the entire sustainable supply chain process is resilient, achieving compliant, efficient and transparent procurement practices.

The supply chain management system takes "openness, fairness, justice, integrity and merit-pick" as core principles, with a clear management structure led by the Group's Tendering and Procurement Decision Committee, managed by the Tendering Management Office, and supervised by the Discipline Inspection and Internal Control and Legal Departments. The core of the management system includes: full lifecycle management of suppliers, implementing closed-loop management covering access, performance evaluation (graded A-D) and exit, and giving priority to suppliers with good credit and strong ESG management capabilities.

Bidding suppliers

100 %

signed the integrity commitment.

Certified quality suppliers

55 %

of the total.

At the Supplier Access Stage

The Group incorporates the concept of sustainable supply chain management from the supply chain access stage. Under the same conditions, the Group gives priority to hiring suppliers with safety and quality certification qualifications, as well as those with good environmental management levels or environmental certifications in product design, raw material selection, production and processing. The Group conducts factory review inspections for first-time cooperating suppliers, and requires 100% of bidding suppliers to sign the *Integrity Commitment*.

As of the end of 2025, long-term cooperating suppliers all meet ISO and other environmental protection and quality certification requirements, with such suppliers accounting for 55% of the total number of suppliers.

At the Supplier Procurement Stage

The Group strictly implements the supplier procurement requirement of "tendering wherever applicable", and continuously promotes the standardisation, compliance and specialisation of the entire supply chain process through a series of measures including strengthening plan coordination, standardising review expert behaviour, updating standardised templates for construction procurement, improving project approval and risk control mechanisms, and deepening professional ethics and integrity education.

In terms of process construction

The Group continuously improves standardised procedures covering the entire process including procurement plan preparation, method selection, centralised bid opening and evaluation, and platform information disclosure.

In terms of risk prevention and control

The Group ensures whole-process supervision of the legality, compliance and standardisation of procurement projects through strengthening risk control, clarifying identification standards for collusive bidding, establishing a bid evaluation expert database and supporting assessment mechanisms, and supplementing with normalised supervision and inspection.

At the Supplier Management and Evaluation Stage

Building on the foundation of 2024 where priority was given to environmental protection certification and integrity commitments, the Group optimised and improved the supplier performance evaluation process. Evaluation results directly affect supplier ratings and business cooperation opportunities, achieving a closed-loop in assessment management. At the arrival acceptance stage, based on internal systems and notices such as the *Standards and Management Requirements for Material Arrival Acceptance*, the Group clarified a multi-department collaborative on-site joint verification mechanism, and ensured overall controllability of the supply chain in quality, safety, environmental protection and responsibility dimensions through standardised acceptance recording processes.

Case

Supply Chain Quality Management Training

In 2025, the Group organised and implemented an important joint communication and training activity focusing on core links of supply chain management such as "quality requirements for arrival acceptance", covering multiple suppliers and all subsidiaries of the Group. The Group organised technical training and exchanges on pressure regulating equipment, steel-plastic transitions and PE pipe fittings, focusing on dimensions such as implementation standards, procurement selection, warehousing and transportation, and installation precautions, further enhancing the technical capabilities of frontline procurement management and inventory management of subsidiaries, and continuously solidifying the foundation for ensuring material supply quality and reducing operational risks.

Supply Chain Quality Management Training

Value-Added Business Supply Chain Management

Taiyuejia has formulated the *Management Measures for Value-Added Business Supply Chain*, establishing an organisational structure and management system with Taiyuejia as the core, implementing "headquarters unified management, subsidiaries execution".

Taiyuejia was responsible for supplier introduction, price setting, system supervision and inventory early warning;

Subsidiaries were responsible for procurement applications, daily inventory management and inventory execution.

ESG PERFORMANCE DATA

Environmental Key Performance Indicators	Unit	2025	2024	2023
Resource Consumption				
Purchased Electricity	MWh	3,231.23	4,349.39	4,670.29
Self-generated Electricity for Self-use	MWh	74.46	/	/
Purchased Natural Gas	MWh	5,187.98	6,554.22	16,366.62
Diesel Consumption	MWh	291.95	405.23	498.69
Gasoline Consumption	MWh	3,149.46	3,510.57	3,644.05
Total Energy Consumption and Intensity	MWh	11,935.08	14,819.41	25,179.65
	MWh per Employee	6.68	8.49	14.37
Water Consumption	Cubic Meters	23,460.20	32,317.71	33,018.53
Total Purchased Tap Water and Density	Cubic Meters	23,460.20	32,317.71	33,018.53
	Cubic Meters per Employee	13.14	18.51	18.85
Self-owned Renewable Energy Status				
Self-owned Renewable Energy Generation	MWh	136.88	/	/
Self-owned Renewable Energy Consumption Ratio	%	54.40	/	/
Hazardous Waste Generation by Type3				
Electronic Waste	Tonnes	0.08	0.09	0.09
Batteries	Tonnes	0.06	0.07	0.09
Mercury-Containing Light Tubes	Tonnes	0.04	0.05	0.05
Ink Cartridges	Tonnes	0.37	0.42	0.46
Odorant Waste Drums	Tonnes	1.39	1.75	1.80
Total Hazardous Waste Generation and Intensity	Tonnes	1.94	2.38	2.49
	Kg per Employee	0.80	1.36	1.41
Non-Hazardous Waste Generation by Type				
Papers	Tonnes	4.37	4.29	4.66

Environmental Key Performance Indicators	Unit	2025	2024	2023
Waste Used Meters[4]	Tonnes	274.70	174.02	335.59
Waste Used Pipes	Tonnes	1,265.23	1,273.69	536.50
Total Non-Hazardous Waste Generation and Intensity	Tonnes	1,544.30	1,452.00	876.75
	Kg per employee	884.48	831.62	500.43
Air Pollutant Emissions				
Nitrogen Oxides (NO_x)	Tonnes	1.161	1.345	1.561
Sulphur Oxides (SO_x)[5]	Tonnes	0.005	0.006	0.006
Particulate Matter (PM)	Tonnes	0.045	0.050	0.040
Greenhouse Gas Emissions[6]				
Scope 1 — Direct Emissions				
Fuel Combustion Emissions[7]	Tonnes CO_2e	1,934.58	2,335.53	2,629.22
Methane Emissions	Tonnes CO_2e	1,649.47	3,175.77	729.90
Scope 1 Total Emissions	Tonnes CO_2e	3,584.05	5,511.30	3,359.12
Scope 2 — Indirect Emissions				
Purchased Electricity[8]	Tonnes CO_2e	1,714.49	2,333.88	2,663.47
Scope 3 — Other Indirect Emissions				
Purchased goods[9]	Tonnes CO_2e	6,368.57	/	/

4 In accordance with national standards, the service life of residential meters is 10 years. In 2025, the Company accelerated the replacement of IoT meters, while some scrapped meters in 2024 were due to natural replacement.

5 The natural gas used by the Group has all undergone desulfurisation treatment, resulting in minimal sulphur oxide emissions. Therefore, the calculation scope for sulphur oxides only includes vehicle usage.

6 The greenhouse gas inventory includes carbon dioxide, methane and nitrous oxide, with emissions mainly derived from purchased electricity and fuel consumption, as well as methane venting generated during the Group's production processes.

7 The Group's fossil fuel combustion emissions mainly originate from vehicle usage and natural gas usage (including production gas and domestic gas). As fuel consumption by generators is relatively small, it has not been included in the calculation scope.

8 The grid emission factors used to calculate GHG emissions from purchased electricity in 2023 are derived from the Notice on the Management of Greenhouse Gas Emission Reporting for Power Generation Enterprises from 2023-2025 issued by the Ministry of Ecology and Environment of the People's Republic of China. The method for calculating GHG emissions from purchased electricity in 2024 and the related emission factors are based on the grid emission factors published in the Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2022 issued by the Ministry of Ecology and Environment of the People's Republic of China. The method for calculating GHG emissions from purchased electricity in 2025 and the related emission factors are based on the grid emission factors published in the Announcement on the Release of Carbon Dioxide Emission Factors for Electricity in 2023 issued by the Ministry of Ecology and Environment of the People's Republic of China.

9 In 2025, the Group further expanded the scope of Scope 3 statistics by newly adding carbon emission data for purchased goods. The calculation methodology for these greenhouse gas emissions and the relevant emission factors are determined in accordance with the China Products Life Cycle Greenhouse Gas Emission Coefficient Collection.

Environmental Key Performance Indicators	Unit	2025	2024	2023
Fuel and energy-related activities (not included in Scope 1, 2)	Tonnes CO_2e	475.44	/	/
Wastepaper Disposed at Landfill Sites[10]	Tonnes CO_2e	51.63	20.60	22.36
Business Travel[11]	Tonnes CO_2e	31.02	26.54	28.40
Employee Commuting[12]	Tonnes CO_2e	677.61	662.43	/
Use of Sold Products[13]	Tonnes CO_2e	3,831,526.82	/	/
Scope 3 Total Emissions	Tonnes CO_2e	3,839,131.09	709.57	50.76
Total Greenhouse Gas Emissions				
Total Greenhouse Gas Emissions (Scope 1 and 2)	Tonnes CO_2e	5,298.54	7,845.18	6,022.59
Total Greenhouse Gas Emissions (Scope 1, 2 and 3)	Tonnes CO_2e	3,844,429.63	8,554.75	6,073.35
Greenhouse Gas Emissions Intensity				
Greenhouse Gas Emissions Intensity (Scope 1 and 2)	Tonnes CO_2e per Employee	2.97	4.49	3.44

Social Key Performance Indicators	Unit	2025	2024	2023
Total Number of Employees	Persons	1,786	1,746	1,752
Total Number of Employees with Disabilities	Persons	4	/	/
Number of Employees by Employment Type				
Contract Employees	Persons	1,786	1,746	1,752
Dispatched Employees	Persons	0	0	0
Number of Employees by Region				
Hebei, Beijing, Tianjin	Persons	1,031	1,018	1,017
Shandong	Persons	320	314	293

10 The GHG emission calculation methodology and related emission factors are formulated based on the Guidelines for the Calculation and Reporting of Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Public Use) in Hong Kong, 2010 Edition issued by the Electrical and Mechanical Services Department and the Environmental Protection Department of Hong Kong.

11 The method of calculating greenhouse gas emissions and related emission factors are formulated based on the Carbon Emission Factors 2022 issued by the Ministry of Ecology and Environment, using the average coefficient for aviation (passenger transportation).

12 The GHG emission calculation method and related emission factors are formulated based on the Collection of Greenhouse Gas Emission Factors for the Full Life Cycle of Chinese Products.

13 In 2025, the Group further expanded the Scope 3 statistical scope, adding carbon emission data for the use of sold products. The sold products include natural gas, cookers, range hoods, water heaters and wall-hung boilers. The GHG emission calculation method and related emission factors for these are formulated based on the Collection of Greenhouse Gas Emission Factors for the Full Life Cycle of Chinese Products.

Social Key Performance Indicators	Unit	2025	2024	2023
Zhejiang, Hunan, Jiangxi	Persons	240	236	242
Jiangsu, Anhui	Persons	172	172	195
Other areas	Persons	23	6	5
Number of Employees by Gender				
Male	Persons	1,259	1,226	1,219
Female	Persons	527	520	533
Number of Employees by Age Group				
25 or below	Persons	78	74	91
26-35	Persons	624	664	671
36-50	Persons	910	841	834
51 or above	Persons	174	167	156
Number of Employees by Employment Level				
Senior Management	Persons	7	7	7
Middle Management	Persons	32	30	30
General Employee	Persons	1,747	1,709	1,715
Number of Employees by Academic Qualification				
Bachelor's Degree or Above	Persons	736	670	623
College Diploma	Persons	512	511	525
Senior High School or Technical Secondary School	Persons	412	429	457
Junior High School or Below	Persons	126	136	147
Number of Employee Turnover by Gender				
Total Number of Employee Turnover	Persons	86	129	150
Male	Persons	64	83	106
Female	Persons	22	46	44
Number of Employee Turnover by Age Group				
25 or below	Persons	2	10	11
26-35	Persons	30	38	54

Social Key Performance Indicators	Unit	2025	2024	2023
36-50	Persons	37	58	49
51 or above	Persons	17	23	36
Number of Employee Turnover by Region				
Beijing, Tianjin, Hebei	Persons	51	55	72
Shandong	Persons	9	14	28
Zhejiang, Hunan, Jiangxi	Persons	10	24	27
Jiangsu, Anhui	Persons	12	36	23
Other Areas	Persons	4	0	0
Number of Employee Turnover by Employment Type				
Full-Time Employees	Persons	86	129	150
Dispatched Employees	Persons	0	0	0
Total Percentage of Employee Turnover				
Total Percentage of Employee Turnover	%	4.59	6.88	7.89
Percentage of Employee Turnover by Employment Type				
Contract Employees	%	4.59	6.88	7.89
Dispatched Employees	%	0.00	0.00	0.00
Percentage of Employee Turnover by Gender				
Male	%	4.84	6.34	8.00
Female	%	4.01	8.13	7.63
Percentage of Employee Turnover by Age Group				
25 or below	%	2.50	11.90	10.78
26-35	%	4.59	5.41	7.45
36-50	%	3.91	6.45	5.55
51 or above	%	8.90	12.11	18.75
Percentage of Employee Turnover by Region				
Hebei, Beijing, Tianjin	%	4.71	5.13	6.61
Shandong	%	2.74	4.27	8.72
Zhejiang, Hunan, Jiangxi	%	4.00	9.23	10.04

Social Key Performance Indicators	Unit	2025	2024	2023
Jiangsu, Anhui	%	6.52	17.31	10.55
Other Areas	%	14.81	0.00	0.00
Training and Development of Employees				
Total Number of Training Hours Received by Employees	Hours	36,542	27,936	43,327
Total Employee Training Investment	RMB 10,000	222	/	/
Ratio of Employee Training Investment to Total Revenue	%	0.04	/	/
Average Training Hours per Employee				
Average Training Hours Received by Employees	Hours	20	16	25
Average Training Hours Received by Gender				
Male	Hours	22	16	27
Female	Hours	17	15	21
Average Training Hours by Employment Level				
Senior Management	Hours	18	3	6
Middle Management	Hours	20	27	32
General Employee	Hours	20	16	25
Percentage of Employees (by Gender) that Received Training				
Male	%	100.00	100.00	100.00
Female	%	100.00	100.00	100.00
Percentage of Employees (by Employment Level) that Received Training				
Senior Management	%	100.00	100.00	100.00
Middle Management	%	100.00	100.00	100.00
General Employee	%	100.00	100.00	100.00
Work-related Fatalities and Rate				
Number of Employees	Persons	0	0	0
Rate	%	0.00	0.00	0.00
Working Days Lost and Number of Work-related Injuries				
Working Days Lost	Days	1,099	674	68
Number of Work-related Injury Incidents	Times	14	/	/

Social Key Performance Indicators	Unit	2025	2024	2023
Number of Suppliers by Region				
Total Number of Suppliers	Numbers	201	190	136
Hebei, Beijing, Tianjin	Numbers	95	94	48
Shandong	Numbers	28	23	29
Zhejiang, Hunan, Jiangxi	Numbers	15	12	17
Jiangsu, Anhui	Numbers	16	19	17
Other Areas	Numbers	47	42	25
Application of Supplier Practices				
Application of Supplier Hiring Practices in Regular Projects	Numbers	99	98	98
Application of Supplier Hiring Practices in Non-Regular Projects	Numbers	102	137	38
Cooperation with Suppliers				
Number of Suppliers with Long-Term Cooperation	Numbers	111	110	136
Number of Suppliers Shortlisted for Construction	Numbers	37	37	22
Number of Suppliers with Quality Management System Certificate	Numbers	111	110	136

LAWS AND REGULATIONS WHICH HAVE A SIGNIFICANT IMPACT ON THE GROUP

Aspect	Operating Location	Relevant Laws, Regulations and Policy Standards
Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste Relating to the efficient use of resources, including energy, water and other raw materials Relating to minimising the issuer's significant impacts on the environment and natural resources	Chinese mainland	*Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* *Noise Pollution Prevention and Control Law of the People's Republic of China* *Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste* *Water Pollution Prevention and Control Law of the People's Republic of China* *Soil Pollution Control Law of the People's Republic of China* *Water and Soil Conservation Law of the People's Republic of China* *Environmental Protection Law of the People's Republic of China* *Environmental Impact Assessment Law of the People's Republic of China* *Clean Production Promotion Law of the People's Republic of China* *Energy Conservation Law of the People's Republic of China* *Emission Standard of Environment Noise for Boundary of Construction Site* *(GB 12523-2011)* *Standards for Pollution Control of Hazardous Waste Storage* *(GB 18597-2023)* *National Hazardous Waste List*
Relating to providing a safe working environment and protecting employees from occupational hazards	Chinese mainland	*Work Safety Law of the People's Republic of China* *Emergency Response Law of the People's Republic of China* *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases* *Fire Protection Law of the People's Republic of China* *Regulations on Emergency Response to Work Safety Accidents* *Regulations on the Safety Management of Construction Projects* *Measures for the Supervision and Administration of "Three Simultaneities" for Safety Facilities of Construction Projects* *Measures for the Supervision and Administration of "Three Simultaneities" of Facilities for the Prevention and Control of Occupational Diseases of Construction Projects* *Measures for the Supervision and Administration of Employers' Occupational Health Surveillance* *Regulations on the Administration of Urban Gas* *Project Code for Gas Engineering* *(GB 55009-2021)* *Code for Construction Project Management* *(GB/T 50326-2017)* *Safety Signs and Guidelines for Use* *(GB 2894-2008)* *Technical Specifications for Occupational Health Surveillance* *(GBZ 188-2014)*

Aspect	Operating Location	Relevant Laws, Regulations and Policy Standards
Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare	Chinese mainland	*Labour Law of the People's Republic of China* *Labour Contract Law of the People's Republic of China*
	Hong Kong China	*Employment Ordinance*
Preventing child and forced labour	Chinese mainland	*Provisions on the Prohibition of Using Child Labour*
	Hong Kong China	*Regulations of Child Employment*
Relating to managing environmental and social risks of the supply chain	Chinese mainland	*Tendering and Bidding Law of the People's Republic of China* *Regulation on the Implementation of Tendering and Bidding Law of the People's Republic of China*
Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress	Chinese mainland	*Technical Specification for Gas Alarm and Control System (CJJ/T 146-2011)* *Protection of Consumer Rights and Interests Law of the People's Republic of China* *E-Commerce Law of the People's Republic of China* *Advertising Law of the People's Republic of China* *Trademark Law of the People's Republic of China* *Patent Law of the People's Republic of China* *Copyright Law of the People's Republic of China* *Cybersecurity Law of the People's Republic of China* *Regulations of the People's Republic of China on Protecting the Safety of Computer Information Systems* *Administrative Measures for the Multi-Level Protection of Information*
Relating to bribery, extortion, fraud and money laundering	Chinese mainland	*Criminal Law of the People's Republic of China* *Supervision Law of the People's Republic of China* *Anti-Unfair Competition Law of the People's Republic of China* *Anti-Money Laundering Law of the People's Republic of China* *Law of the People's Republic of China on Administrative Discipline for Public Officials* *Interim Provisions on Prohibition of Commercial Bribery* *Regulations on the State-Owned Enterprises for Performing Management Duties with Integrity*
	Hong Kong China	*Prevention of Bribery Ordinance*

SEHK'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE CONTENT INDEX

Mandatory Disclosure		
Mandatory Disclosure Requirements	**Description**	**The Relevant Section of This Report or Other Description**
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	3.1, 3.2
Reporting Principles	Describe or explain how the following reporting principles were applied in the preparation of the ESG report: materiality, quantitative, consistency.	1.2, 3.3, 3.4
Reporting Scope	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	1.1
"Comply or explain" Provisions		
General Disclosures and KPIs	**Description**	**Relevant Chapter(s) of this Report or Other Explanation**
Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste	4.2, 7
KPI A1.1	The types of emissions and respective emissions data	7
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	7
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	7
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility)	7
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	4.2, 4.3
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction targets set and steps taken to achieve them	4.2
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials	4.3, 7

KPI A2.1	Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility)	7
KPI A2.2	Water consumption in total and intensity (e.g., per unit of production volume, per facility)	7
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	4.3
KPI A2.4	Description of whether there is any issue with sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them	4.3
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	Not applicable[14]
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources	4.2, 4.3, 8
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them	4.2, 4.3
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer	4.1
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them	4.1
Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.2, 8
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region	7
KPI B1.2	Employee turnover rate by gender, age group and geographical region	7
Aspect B2: Health and Safety		
General Disclosure	Relating to providing a safe working environment and protecting employees from occupational hazards: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.3, 8

14 As the Group's business does not involve the use of packaging materials for products, this indicator is not applicable.

KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period	5.3, 7
KPI B2.2	Lost days due to work injury	5.3, 7
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	5.3
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities	5.2
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	7
KPI B3.2	The average training hours completed per employee by gender and employee category	7
Aspect B4: Labour Standards		
General Disclosure	Relating to preventing child and forced labour: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.2, 8
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour	5.2
KPI B4.2	Description of steps taken to eliminate such practices when discovered	5.2
Social		
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain	6.5
KPI B5.1	Number of suppliers by geographical region	7
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored	6.5, 7
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	6.5
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	6.5
Social		
Aspect B6: Product Responsibility		
General Disclosure	Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	5.1, 5.3,6.2, 6.3, 8

KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	5.1
KPI B6.2	Number of products and service-related complaints received and how they are dealt with	5.1
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights	5.1
KPI B6.4	Description of quality assurance process and recall procedures	5.1
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored	6.3
Aspect B7: Anti-Corruption		
General Disclosure	Relating to bribery, extortion, fraud and money laundering: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer	6.4, 8
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases	6.4
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	6.4
KPI B7.3	Description of anti-corruption training provided to directors and staff	6.4
Social		
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests	5.4
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport)	5.4
KPI B8.2	Resources contributed (e.g. money or time) to the focus area	5.4
Climate-related Disclosures		
Governance		
Governance Body and Governance Process		
General Disclosure	19 (a) Information on the governance body (which may include the board, committee or other equivalent governance body) or individual responsible for overseeing climate-related risks and opportunities. 19 (b) The role of management in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	4.1
Strategy		
Climate-related Risks and Opportunities		
General Disclosure	20 An issuer shall disclose information to enable an understanding of the climate-related risks and opportunities that could reasonably be expected to affect its cash flows, access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall: (a) describe the climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, access to finance or cost of capital over the short, medium or long term; (b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or a climate-related transition risk; (c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and (d) explain how the issuer defines short, medium and long term, and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	4.1
Business Model and Value Chain		
General Disclosure	21 An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose: (a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain; and (b) a description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	4.1
Strategy and Decision-making		
General Disclosure	22 An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on the issuer's strategy and decision-making. Specifically, the issuer shall disclose: (a) information about how the issuer has responded and plans to respond to climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. (b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	4.1
	23 The issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	4.1
Financial Position, Financial Performance and Cash Flows		
General Disclosure	24 An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	4.1

	25 The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities; and: (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	4.1
Climate Resilience		
General Disclosure	26 An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose: (a) the issuer's assessment of its climate resilience as at the reporting date; (b) how and when climate-related scenario analysis was carried out.	4.1
Risk Management		
General Disclosure	27 The issuer shall disclose information about : (a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks; (b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and (c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	4.1
Metrics and Targets		
Greenhouse Gas Emissions		
General Disclosure	28 An issuer shall disclose its total absolute greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO_2 equivalent, classified as: (a) Scope 1 greenhouse gas emissions; (b) Scope 2 greenhouse gas emissions; and (c) Scope 3 greenhouse gas emissions.	7
	29 An issuer shall: (a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions; (b) disclose the approach it uses to measure its greenhouse gas emissions; (c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and (d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	4.1, 7
Climate-related Transition Risks		
General Disclosure	30 The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	4.1
Climate-related Physical Risks		
General Disclosure	31 The issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	4.1
Climate-related Opportunities		
General Disclosure	32 The issuer shall disclose the amount and percentage of assets or business activities associated with climate-related opportunities.	4.1
Capital Deployment		
General Disclosure	33 The issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	4.1
Internal Carbon Pricing		
General Disclosure	34 The issuer shall disclose: (a) an explanation of whether and how the issuer is applying carbon pricing in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply carbon pricing in decision-making.	4.1

Remuneration		
General Disclosure	35 The issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate.	4.1
Industry-based Metrics		
General Disclosure	36 An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting Remove extra period.	No applicable industry-based metrics
Climate-related Targets		
General Disclosure	37 The issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose: (a) the metric used to set the target; (b) the objective of the target (for example, mitigation, adaptation or science-based initiatives); (c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region); (d) the period over which the target applies; (e) the base period from which progress is measured; (f) milestones or interim targets (if any); (g) if the target is quantitative, whether the target is an absolute target or an intensity target; and (h) how the latest international agreement on climate change, including the jurisdictional commitments that arise from that agreement, has informed the target.	4.1
	38 The issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: (a) whether the target itself and the methodology for setting the target has been validated by a third party; (b) the issuer's processes for reviewing the target; (c) the metrics used to monitor progress towards reaching the target; and (d) any revisions to the targets and an explanation for those revisions.	As of the current year, the Group has not engaged a third-party institution to verify the emissions targets and the methodology used to set them.
	39 The issuer shall disclose information about the performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	4.1
	40 For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: (a) which greenhouse gases are covered by the target; (b) whether the target covers Scope 1, Scope 2 or Scope 3 greenhouse gas are covered by the target; (c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target; (d) whether the target was derived using a sectoral decarbonisation approach; and (e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions Remove extra period.	As of the current year, the Group has not yet achieved emission reductions through carbon credit instruments.
Applicability of Cross-industry Metrics and Industry-based Metrics		
General Disclosure	41 In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of (i) cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	No applicable industry-based metrics

Hong Kong

Address: Suite 3205-07, 32/F, Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

Tel: (852) 2572 9228

Fax: (852) 2572 9283

Tianjin

Address: Suites 501-502, Block 6, East Area, Airport Business Park, 80 Huanhe Road North, Airport Economic Area, Tianjin, China

Tel: 86-22-5880 1800

Fax: 86-22-5880 1801

P.C.: 300308