



Stock Code : 384

CHINA GAS HOLDINGS LIMITED
中國燃氣控股有限公司*



ENERGIZING GREEN GROWTH WITH SMART INNOVATION

* For identification purposes only

SUSTAINABILITY REPORT 2025/26

CONTENTS

	02	ABOUT THIS REPORT
	04	ABOUT CHINA GAS
	09	FY2025/26 PERFORMANCE HIGHLIGHTS
	12	FY2025/26 MILESTONES
	13	ACCOLADES
	17	MESSAGE FROM THE CHAIRMAN
	19	SPECIAL FEATURE
1	24	1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT
	26	1.1 Corporate Governance
	27	1.2 Sustainability Governance
2	42	1.3 Compliant Business Operations
	59	2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE
	61	2.1 Premium Quality
	67	2.2 Exceptional Service
3	76	3. SAFETY FIRST: ENSURING GAS RELIABILITY
	78	3.1 Safety Management
	85	3.2 Work Safety
	90	3.3 Safety Technology
	93	3.4 Capacity Building
	98	3.5 Stakeholder Management
	100	3.6 Reliable Gas Supply

	103	4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT
	105	4.1 Response to Climate Change
	120	4.2 Environmental Management
	125	4.3 Ecological and Environmental Protection
	128	4.4 Green Operation
5	153	5. TALENT EMPOWERMENT: CO-CREATING VALUE
	155	5.1 Employee Rights
	160	5.2 Training and Development
	167	5.3 Occupational Health and Safety
	169	5.4 Employee Care
6	174	6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE
	176	6.1 Supply Chain Management
	183	6.2 Industry Exchange and Cooperation
	192	6.3 Public Welfare
7	207	APPENDIX
	207	HKEX ESG Code Content Index
	227	Sustainability Policy and Regulation List
	232	Performance Data Table
	238	Independent Assurance Opinion Statement



ABOUT THIS REPORT

REPORTING BASIS

This report (the “Report”) is the tenth sustainability report published by China Gas Holdings Limited (stock code: 384.HK) (the “Company”, together with its subsidiaries, collectively referred to as the “Group” or “China Gas”). This report provides public and transparent disclosure of the Group’s activities and operating performance on different sustainability topics over the past year, and demonstrates the Group’s strategy and commitment to sustainable development. The Group publishes sustainability reports on an annual basis for public access and review to continuously improve the transparency of information disclosure.

REPORTING SCOPE

The Report covers the sustainability performance of China Gas Headquarters and all companies under operational control of the Group for the period from 1 April 2025 to 31 March 2026 (the “Reporting Period” or “FY2025/26”). Detailed contents are formulated with reference to the materiality assessment, stakeholder engagement and other relevant disclosure guidelines. For details of the Group’s business development and consolidated financial statements, please refer to the Company’s Annual Report 2025/26 (the “Annual Report”). Unless otherwise specified, the information of contractors and subcontractors is not reflected in this report.

REFERENCES

For ease of expression and reading, “China Gas”, “the Group”, “We”, “Us” and “Our” in this report refer to China Gas Holdings Limited and its subordinate regional companies and member companies.



INFORMATION SOURCE

The Group has established an internal supervision mechanism. The contents and data reported in this report are sourced from the documents and statistics provided by various departments of the Group. With reference to the Group's relevant policies and systems, the monitoring, management and operational data provided by relevant departments and subsidiaries are consolidated and summarised. Certain amounts and information included in this report have been subject to rounding adjustments.

REPORTING PRINCIPLES

This report is in accordance with the Environmental, Social and Governance Reporting Code ("ESG Code") as set out in Appendix C2 to the Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEX"), with reference to the Sustainable Development Goals ("SDGs") of the United Nations. This report is based on the four reporting principles of materiality, quantification, balance and consistency as mentioned by HKEX in its ESG Code. It aims at covering all material issues objectively and comprehensively and demonstrate the Group's commitment and determination to follow the best international practices. A complete content index is included in the last chapter of this report for your convenience.

CONFIRMATION AND APPROVAL

To ensure that the information presented in this report is as accurate and reliable as possible, the Group has established an internal regulatory mechanism and a review procedure. The content of this Report has also been reviewed by the senior management of the Company and approved by the Sustainability Committee of the Company (the "Sustainability Committee") and the Board of Directors of the Company (the "Board").

AVAILABILITY

This report is available in both Chinese and English electronic versions and has been uploaded to the HKEX news website (www.hkexnews.hk) and the website of the Company (www.chinagasholdings.com.hk). In the event of any inconsistency or discrepancy between the Chinese version and the English version, the Chinese version shall prevail; in the event of any conflict or inconsistency between this report and the Annual Report, the Annual Report shall prevail.

FEEDBACK

China Gas values the opinions of its stakeholders. Your insights on the content and format of this report are a driving force for the Group's ongoing enhancement efforts. For any questions or suggestions, you can send your feedback to investor@chinagasholdings.com.hk to support us in continuously improving our ESG performance.

ABOUT CHINA GAS

CORPORATE PROFILE AND INFORMATION OVERVIEW

China Gas is one of China's largest trans-regional integrated energy suppliers and service providers. With a primary presence in China, it is principally engaged in piped natural gas, the import and distribution of liquefied natural gas and liquefied petroleum gas, gas field exploitation and green oilfield services. In response to the requirements of green energy development, China Gas focuses on breakthroughs in the integrated utilisation of biomass energy, photovoltaic energy storage, virtual power grids and electricity application scenarios. It also develops and applies high-temperature and ultra-low-temperature heat pump technologies, while coordinating the development of diversified business segments, including gas equipment and kitchen and bathroom appliance manufacturing, home living services and AI-enabled smart new retail. Through years of development, China Gas has built a full-business energy development landscape centred on piped natural gas, complemented by multi-energy integration, integrated products and services, and coordinated advancement.



CORPORATE VISION AND MISSION

VISION: HUMANITY-FIRST TOWARDS CENTENARY

Unity of People and Enterprise: China Gas is committed to integrating the expectations of its stakeholders, society, customers, shareholders, and employees into its corporate vision. By fostering a community of shared future, the Group aims to grow alongside its stakeholders, ensuring corporate sustainability as it progresses toward its centenary.

A Century of China Gas: We aim to transform China Gas into a sustainably run, century-old enterprise which history, scale, service quality, brand impact, and contributions all stand the test of time. Our foundations would grow ever deeper, with its stronger momentum for development.

MISSION: CONVERGING IN HARMONY AND BENEFITING COMMUNITIES

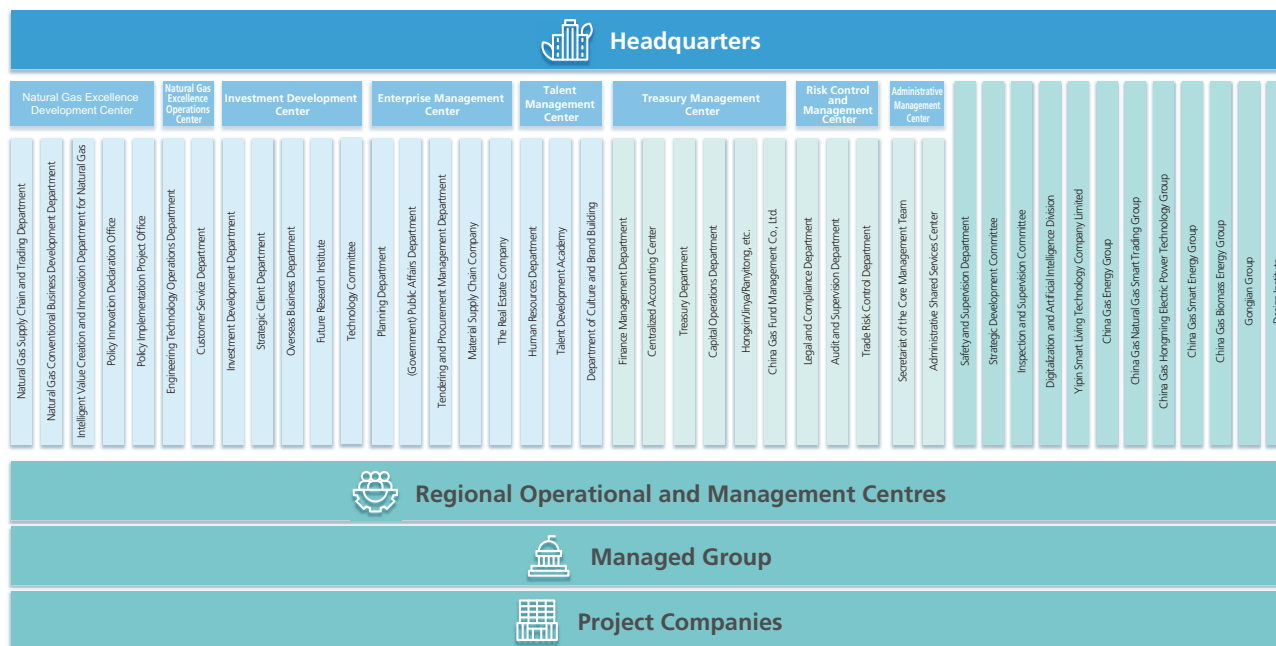
Gas Brings People Together in Harmony: China Gas is guided by the philosophy of "Converging in Harmony and Benefiting Communities". Anchored by its natural gas business, the Company pursues continuous growth and development with the unity of its strengths, capital, talent, and wisdom. By aligning our mind and working united, we can realise our vision of a century-old enterprise.

Fulfilling Society: China Gas aims to improve living standards, promoting national economic growth, fulfilling its social responsibilities, and advancing public well-being, and creating a better life for all.



ORGANISATIONAL STRUCTURE

China Gas has established an organisational structure composed of three tiers, namely the headquarters, the regions, and the frontlines. This structure is designed to streamline and refine corporate management, thereby enhancing the Company's overall operations.



Types of Business and Their Distribution

Piped Gas 	Since the launch of the national West-East Gas Pipeline and Sichuan-Shanghai Parallel Gas Pipeline Projects, China Gas has invested in 662 piped gas projects with exclusive concession rights across China. These projects span 30 provinces, municipalities and autonomous regions, covering provincial capitals and municipalities such as Harbin, Shenyang, Hohhot, Tianjin, Shijiazhuang, Xi'an, Jinan, Hangzhou, Nanjing, Hefei, Wuhan, Nanchang, Chongqing, Guangzhou and Nanning, as well as medium-sized cities including Dalian, Qingdao, Jiamusi, Mudanjiang, Jinzhou, Liaoyang, Fushun, Baotou, Baoji, Wuhu, Huainan, Suzhou, Xinyang, Yangzhou, Jinhua, Taizhou, Yichang, Xiaogan, Huanggang, Yiyang, Meizhou, Maoming, Liuzhou and many others. Today, China Gas stands as the largest cross-regional operator of city gas services in China.
Liquefied Petroleum Gas 	China Gas is the largest and most integrated operator and service provider of liquefied petroleum gas in China, with the most comprehensive upstream and downstream industrial chain in the sector. Our business scope encompasses import trade, ocean transportation, terminal transshipment, cryogenic and pressure tank storage, domestic distribution and re-export, coastal and inland waterway shipping, tanker transport, cylinder gas filling and retail, micro-pipeline networks and LPG deep processing. The Company operates the most extensive LPG import and intelligent distribution network in China, covering 22 provinces, municipalities and autonomous regions, with an annual LPG import and distribution volume approaching 4 million tonnes.

ABOUT CHINA GAS

Electricity & New Energy Business 	China Gas is one of the earliest groups in China to transform from a traditional primary energy supplier to a green secondary energy supplier. By investing in, constructing, and operating distributed photovoltaic (PV) systems, energy storage, building energy efficiency, and industrial energy efficiency projects, we provide green energy services such as green electricity, chilled water, hot water, steam, and compressed air to commercial and industrial customers in cities. We also manage and trade carbon assets for our clients, aligning with the national “30·60” decarbonisation goal.
Smart Integrated Energy Solutions 	Shenzhen China Gas Smart Energy Co., Ltd. (“China Gas Smart Energy”) focuses on the needs of customers for low-carbon transformation and cost-saving through energy efficiency. By integrating innovative technologies such as multi-energy complementarity, green and low-carbon solutions, and tailored to local conditions, we customised comprehensive energy supply and low-carbon intelligent solutions for buildings, industries, and industrial parks. We aim to build a digital smart energy supply system and create a livable environment for human habitation.
Natural Gas Trading 	China Gas began its natural gas trading business in 2015. In the same year and 2021, the Group established China Gas Hongda Energy Trading Co., Ltd. (“China Gas Hongda”) and China Gas Hongxing Energy Development Co., Ltd. (“China Gas Hongxing”) as the principal entities responsible for its liquefied natural gas and pipeline natural gas trading operations, respectively. In 2024, China Gas further established China Gas Natural Gas Smart Trading (Shenzhen) Co., Ltd. to integrate and strategically enhance its natural gas trading segment. The company’s operations now cover the upstream, midstream, and downstream of the natural gas value chain, with business activities encompassing both physical and derivatives trading of international LNG, domestic LNG, and PNG. China Gas Smart Trading has also entered into long-term FOB procurement agreements with multiple LNG suppliers in the United States, securing an annual procurement capacity of 3 million tonnes, while achieving an annual sales volume of approximately 4 million tonnes.
New Retail Business 	Yipin Smart Living Technology Co., Ltd. (“YPH”) is a technology-driven retail enterprise focused on family life scenarios. Through an innovative “technology + retail” model, YPH is committed to setting a new benchmark for family services in China. Centred on family life, YPH is building an integrated online–offline ecosystem that combines “renovation + housekeeping + appliances + consumption + N” services, continuously developing a one-kilometre living circle to meet the aspirations of Chinese families for a better life. YPH operates in 26 provinces and cities nationwide, with 12 provincial-level companies and over 200 subsidiaries. Offline, it serves communities through an extensive network including flagship stores and 4S outlets, offering kitchen appliances, smart gas safety products, and home appliances, along with services such as home renovation, housekeeping, safety inspections, and maintenance. Online, YPH has built a new retail platform offering a wide range of home and lifestyle products, fully meeting users’ needs from home to community.

Biomass Business



China Gas Biomass Energy Technology (Shenzhen) Co., Ltd., a subsidiary of China Gas Holdings Limited, aligns with the national “dual carbon” policy, leveraging advanced biomass technology as our core to provide industrial customers and industrial parks with customized one-stop clean energy solutions, including green steam, zero-carbon gas, and green electricity. Relying on pyrolysis multi-product co-generation technology, we achieve high-value circular utilization of biomass resources while simultaneously producing high value-added products such as biomass charcoal and green acetic acid solution, thereby assisting clients in their low-carbon transition, cost reduction, and efficiency enhancement.

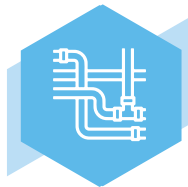
As of 31 March 2026, the Group operated across 30 provinces, municipalities, and autonomous regions, with a comprehensive energy infrastructure that includes more than 484 natural gas (CNG/LNG) vehicle and vessel refuelling stations, over 120 LPG terminal distribution projects, one coalbed methane (CBM) development project, 32 long-distance natural gas pipeline projects, 5 LPG terminals, 5 large petrochemical storage bases, one offshore transportation fleet, and several truck fleets for hazardous goods. The total gas pipeline network is over 570,000 kilometres, with an annual natural gas sales volume of nearing 40 billion cubic metres, nearly 60 million piped gas and bottled LPG users and a gas supply covering an urban population of over 200 million.

ABOUT CHINA GAS

Natural Gas Business



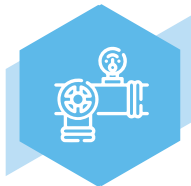
Investment in **662** piped gas projects covering **30** provinces, municipalities, and autonomous regions



128 LPG terminal distribution projects



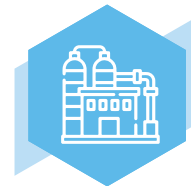
1 CBM development project



32 long-distance natural gas pipeline projects



5 LPG terminals



5 large petrochemical storage bases



1 offshore transportation fleet and several truck fleets for hazardous goods



Gas pipeline network of over **570,000** kilometres, with an annual natural gas sales volume of **40** billion cubic metres



Nearly **60** million piped gas and bottled LPG users, and a gas supply covering an urban population of over **200** million



484 natural gas (CNG/LNG) vehicle and vessel refuelling stations

FY2025/26 PERFORMANCE HIGHLIGHTS

ENVIRONMENTAL



BUSINESS HIGHLIGHTS

23 new self-invested photovoltaic projects were commissioned, with a total self-invested installed capacity of **52.6 MW** and annual power generation reaching **4,522 GWh**

Integrated Energy Service Platform's virtual power plant has achieved full access to **54** energy storage stations, representing **496 MWh** of adjustable load

BIODIVERSITY CONSERVATION

During project construction, **3,102** green plants including boxwood and red-osier dogwood were protectively transplanted, and over **7,000 m²** of turf was transplanted and restored

ENVIRONMENTAL MANAGEMENT

110 project companies obtained ISO 14001 Environmental Management System certification

GREEN OPERATION

Methane emissions amounted to **14,617** tonnes, with an emission intensity of **0.147%**, representing a decrease of **3,724** tonnes and **20.30%** compared to the previous financial year

GREEN FINANCE

Total ESG-linked loans equivalent to **HK\$2.655 billion**

SOCIAL



HEALTH AND SAFETY

Investment in production safety reached **RMB2.12 billion**

Lost-time injury frequency rate (LTIFR)
per million hours – employees: **0.0066**,
a decrease of **55.4%** compared
to the prior financial year

Lost-time injury frequency rate (LTIFR)
per million hours – contractors: **0**

EMPLOYEE DEVELOPMENT

The employee training rate reached **100%**

SUPPLY CHAIN MANAGEMENT

Number and proportion of suppliers with the Environmental
Management System certification (ISO 14000 series):

236 suppliers, 94.40%

PRODUCTS AND CUSTOMER SERVICES

Customer satisfaction survey score reached **94.42**

Number and proportion of suppliers obtaining the
Occupational Health and Safety Management System
certification (OHSAS 18001/ISO 45001):

234 suppliers, 93.60%

No non-compliance incidents involving marketing occurred

The number of newly installed IoT metres exceeded
200,000

Provided ESG capacity enhancement and capability building
training for **29 suppliers**, covering
51.72% of key suppliers

The installation ratio of smart gas metres reached
85%

GOVERNANCE



COMPLIANCE OPERATION

A cumulative total of **20** companies obtained ISO 37301 Compliance Management System certification

97,134 people who received
anti-corruption training; **12,450 hours** of anti-corruption training

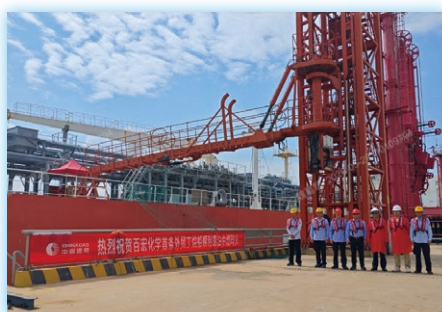
845 patent, trademarks and copyright applications

Investment in innovation and R&D reached **RMB95,543,210**

FY2025/26 MILESTONES

May 2025

The 29th World Gas Conference opened at the second phase of the China National Convention Centre in Beijing. China Gas showcased its innovative outcomes across seven core business segments at the exhibition. Mr. Liu Ming Hui, Chairman of the Board and President of the Group, headed the senior management team to attend the conference, demonstrating the Group's innovation strengths within the global energy landscape.



July 2025

A Panamanian liquefied gas carrier successfully berthed at China Gas's Meizhou Bay 50,000-tonne liquefied hydrocarbon dedicated terminal. Baihong Chemical achieved full-process direct pipeline transportation of raw materials for the first time, officially connecting the C4 industrial chain in the Quangang Petrochemical Industrial Park and creating a new model of seamless "vessel – port – plant" integration for chemical raw materials in Meizhou Bay.

August 2025

The Nanjing Gotion biomass gasification steam project was successfully ignited in one attempt, marking the official launch of commercial operations and stable gas supply of China Gas's benchmark project in the biomass new energy sector, injecting green power into Nanjing Gotion's power battery production.



September 2025

The Rosersberg 4 MWh grid-side energy storage project in Stockholm, Sweden, invested and constructed by China Gas, officially broke ground. As the Group's first energy storage demonstration project in the Nordic region, the project further extends the Group's global footprint in renewable energy.

ACCOLADES

During the fiscal year, China Gas received numerous accolades and certifications for its investment and achievements in ESG issues. Below are key external accolades awarded to the Group.



ACCOLADES





ACCOLADES



Enterprise Anti-Fraud Alliance 2024 Integrity-themed
Month Campaign – Excellence Award





Enterprise Anti-Fraud Alliance 2024 Integrity-themed
Month Campaign – Integrity Creativity Award





In December 2025, China Gas (00384) won the
“Best Infrastructure and Public Utilities Company”
award for its outstanding performance and steady
operating capabilities in infrastructure construction
and public utility services



MESSAGE FROM THE CHAIRMAN

The past year marked the launch year of China's 15th Five-Year Plan and another pivotal chapter in the global energy industry restructuring, a shift away from traditional supply towards green and smart services. China Gas has closely aligned itself with national strategic priorities and firmly advanced towards its new positioning as a "technology-driven green urban integrated energy service provider". We translate top-level strategic blueprints into actionable and verifiable business practices through the scaled rollout of application scenarios and technological pathways. Across this transformative journey, we strive to fuel sustainable economic and social development through technological innovation and governance optimisation at the intersection of green transformation and digital-intelligent change, writing China Gas's own answer to the era.

Corporate governance is the foundation of a century-old China Gas. We continued to optimise the functioning of the Board, with robust support from its five committees, namely the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, and Corporate Governance and Risk Control Committee. Members bring industry experience across energy and environment, economics and finance, strategic investment and other fields, ensuring scientific and forward-looking strategic decision-making. Meanwhile, we completed our inaugural double materiality assessment and identified six ESG issues of high financial materiality and impact materiality, thereby precisely anchoring the core direction of our ESG management endeavours.

Product quality is at the core of smart services. We made every effort to promote the digital transformation of our gas business. By harnessing Internet of Things (IoT), big data and AI technologies, we put in place a city gas development strategy that combines manual oversight with tech-enabled prevention. The installation ratio of smart gas metres increased to 85%, breaking down data barriers and substantially optimising complaint handling efficiency, with overdue work orders reduced by 58% accordingly. We delivered 1,134 dedicated safety training sessions to empower frontline employees, while deploying AI-powered early warning systems and automatic valve shut-off technologies to drive a shift in safety management from "passive emergency response" to "proactive prevention", strengthening the intrinsic safety defence line of city gas with digital-intelligent capabilities.

Work safety is the bottom line of livelihood protection. We remained committed to the rigid targets of "Zero Violations, Zero Injuries, Zero Accidents", incorporating contractors into our unified management and control system to achieve full-coverage accountability with no oversight gaps. We shore-up this baseline principle through internal and external system certification programmes. At present, 110 project companies have awarded certifications for three major ISO systems, while 142 have passed internal health, safety, and environmental (HSE) audits. In parallel, in terms of dedicated pipeline network governance, we organised and completed hazard inspections and rectification initiatives for 1,389 stations and 407,400 kilometres of pipeline networks, enabling early detection and resolution of safety hazards.



MESSAGE FROM THE CHAIRMAN

Green transformation is the engine of energy change. We strove to break down technical bottlenecks to support the transition from clean energy to green energy. Through our proprietary biomass pyrolysis and gasification technology, we achieved the large-scale production of 100% traceable biomass gas, enabling zero-carbonisation across thermal-energy operations. In the photovoltaic sector, we launched 23 new self-invested projects, adding 52.6 MW of installed capacity and generating more than 4,522 GWh of electricity annually. At the same time, we honored our 2025 commitment as scheduled by controlling the methane emission intensity of operating assets below 0.15%, and secured verification under the OGMP 2.0 methane partnership, which underpins our environmental credentials through credible data.

Talent development is the source of value co-creation. We built a full-cycle talent development system of “training – assessment – application”, to ensure that workforce development fuels high-quality growth. Relying on eight regional practical training bases, we rolled out 26 flagship training projects, extending AI practice to more than 15,000 employees. During the financial year, the Group’s independent trade union representatives or collective bargaining agreements covered nearly 30,000 employees, fully safeguarding their legitimate rights and interests.

Ecological collaboration is the key to win-win development. We partnered with our suppliers to carry out supplier capability-building programmes and jointly foster a green supply chain ecosystem, extending the ESG philosophy across the entire upstream and downstream value chain. We served nearly 60 million users, safeguarding consistent heating supply for local communities through our unwavering commitment to zero supply interruption. Leveraging a mature operational framework and technological innovation capabilities, we are accelerating the global strategic layout to introduce systematic energy solutions to international markets. By exporting high-standard services and management expertise globally, we are committed to breaking geographical boundaries and co-creating a sustainable future for the energy industry with an open posture of mutual benefit.

Changes mean opportunities and responsibilities trigger proactiveness. The future China Gas story will be written with technological innovation as its brush and green development as its ink, crafting a new blueprint for energy services. Empowered by the dual-wheel drive of “green + digital”, we will accelerate expansion into emerging markets such as Southeast Asia while ensuring energy security to foster an open and mutually beneficial industrial ecosystem. We will intensify our input in the industrialisation of technologies, cultivate green new quality productive forces with a broader vision, and roll out more pragmatic measures to remove bottlenecks in policy implementation.

SPECIAL FEATURE

TECHNOLOGY EMPOWERMENT AND STRATEGIC LEADERSHIP: CHINA GAS ACCELERATES ITS TRANSFORMATION INTO A TECHNOLOGY-DRIVEN INTEGRATED ENERGY SERVICE PROVIDER

The global energy landscape is undergoing profound adjustments. China's "dual carbon" goals are advancing. Residential consumption is upgrading. Artificial intelligence (AI) is reshaping industrial models at an accelerating pace. In response, China Gas is accelerating its strategic transformation. The Group is evolving from a traditional city gas supplier into a modern integrated energy service provider. This new model is characterised by green and low-carbon development, digital-intelligent empowerment, and diversified services.

By restructuring its business system, strengthening technological support and expanding its global footprint, the Group continues to consolidate its core competitiveness and drive high-quality corporate development under the guidance of sustainable development principles.

To promote the implementation of its transformation and achieve long-term value growth, China Gas has formulated its Five-Year Development Strategy (2026–2030). The strategy comprehensively establishes a "traditional gas + new retail + integrated energy" three-wheel-driven business layout. At the same time, the Group is building a "digital energy lifeform" through AI. This advances digital transformation and enhances internal management efficiency. Together, these efforts lay a solid foundation for sustainable development.

Five-Year Development Strategy of China Gas

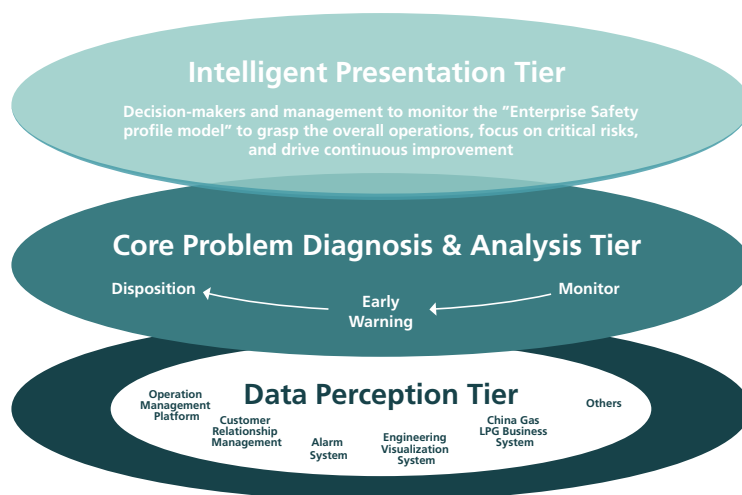
Three-Wheel-Driven Business Transformation Strategy	
Traditional Gas – Stabilising the Fundamentals	As the Group's core foundation, traditional gas business strengthens smart pipeline networks, safe operations, gas source assurance, and methane emission reduction, thereby consolidating cash flow and advantages in the principal business.
New Retail – Activating the Second Growth Curve	Relying on the "YPH" platform, the Group expands livelihood-related services and creates user value. It enhances the quality of life and safety within residents' homes, realising the transformation from an energy service provider to a comprehensive livelihood services provider.
Integrated Energy – Building a Growth Engine	Focusing on new businesses such as electricity and new energy, biomass and smart energy, the Group builds a multi-energy complementary service system, strengthens end-to-end risk control and fosters new profit growth drivers. It also speeds up overseas business deployment, with a focus on the Southeast Asia, Central Asia and Africa markets, delivering mature energy solutions.
Management Support Strategy	
Digital System Development	The Group advances AI-centred digital transformation, connects data chains across all businesses and processes, and promotes operational efficiency enhancement and organisational structure optimisation.
Management Model Optimisation	Through measures such as organisational reform, alignment of assessment systems and improvement of internal management efficiency, the Group achieves efficient resource allocation and lean operations.

To guarantee effective strategy rollout, the Group has fully established the "Six-Brain System" with AI as the core engine, serving as the super brain of the Group's "digital energy lifeform". This enables coordinated command, collaborative operations and intelligent optimisation. The Six-Brain System covers six core areas: strategic management, energy operations, safety prevention and control, customer service, ecosystem collaboration, and organisational culture. The system has three key objectives: full-business data connectivity, full-scenario intelligent collaboration, and enhanced end-to-end decision-making efficiency. It drives the Group's transformation and moves the organisation from a traditional operating model to a new AI-native, digitally driven, and human-machine collaborative energy operation system. It enables precise transmission of strategic instructions, efficient coordination of business operations and early prediction of risks and hazards, fully activating organisational vitality and overall operational efficiency.

The Six-Brain Strategy System of China Gas

Management Super Brain	It is the “digital hub” for the Group’s decision-making. It operates through three core capabilities: ultra-wide-angle global visualisation, ultra-close-range penetrating monitoring, and beyond-visual-range predictive simulation. It enables strategic decoding, full visibility of finance, talent and risks, and AI-enabled intelligent decision-making, supporting the efficient implementation of objectives.
Energy Smart Brain	It is the “navigation compass” for business development. It integrates three core capabilities: energy map, price map, and product map. It enables supply and demand forecasting for multiple energy categories, price spread monitoring, business opportunity identification, and multi-energy collaborative optimisation, supporting the efficient expansion of integrated energy business.
Ecosystem Meta Brain	It is the “super connector” for industrial collaboration. By integrating all-domain ecosystem resources, including B-end customers, supply chains, government-enterprise resources, financial institutions, and third parties, it enables intelligent matching of demand and resources, and promotes cross-entity collaboration, value co-creation, and ecosystem win-win outcomes.
Cybersecurity Brain	It is the “safety shield” with full-domain coverage. Covering intelligent monitoring across the entire gas process, AI risk warnings, proactive hazard prediction, and rapid emergency response, it strengthens the bottom line of production operations and public safety, while supporting methane emission reduction and green governance.
Service Cloud Brain	It is the “smart housekeeper” for user operations. Based on full-volume user data, it builds accurate user profiles and links three channels, namely the online network, offline network, and human network. It provides intelligent customer service, enables precision marketing, manages closed-loop work orders, and unifies technician dispatching, thereby enhancing user experience and customer stickiness.
Culture Empowerment Brain	It is the “spiritual anchor” of organisational growth. Through digital means, it aligns strategic consensus, precisely empowers talent development, optimises organisational collaboration, and communicates corporate values, thereby strengthening team vitality and supporting strategy implementation and long-term organisational development.

The Group is advancing the development of the Six-Brain System. This work is comprehensive and continuous. Digital-intelligent capabilities are accelerating implementation across all areas. The “Cybersecurity Brain” was deployed early, which features comprehensive coverage. It has been implemented effectively, taking the lead in achieving systematic and intelligent upgrades. Safety management represents the bedrock of China Gas’s survival and development, as well as an inviolable bottom line. It is directly related to livelihood protection, public safety, and long-term stable operations. Traditional safety management witnesses several challenges, such as delayed perception of risks and hazards, insufficient data support for analysis and decision-making, and difficulties in forming a closed loop for rectification execution. To this end, the Group has taken the “Cybersecurity Brain” as the core breakthrough point. It has effectively built a closed-loop security digital intelligence control system of “perception – diagnosis – display”. At present, the system has achieved accurate intelligent diagnosis and closed-loop implementation. It has established a mature and comprehensive full-domain intelligent safety management and control system. This has become a solid foundation and core safeguard for the Group’s safety operations.



Cybersecurity Brain Digital Intelligence Control System

- The data perception layer serves as the foundation of the "Cybersecurity Brain". It is responsible for data collection, cleansing, and pre-processing. It fully connects nearly 10 core business systems. These include safety supervision, customer service, engineering, operations, and LPG. It completes the standardised access of nearly 70 categories of key data, including responsibility fulfilment, hazard management, and safety investment. This builds a full-domain perception network covering equipment, construction, users, employees, and terminals. It ensures that risks and hazards can be perceived, collected, and traced.
- The intelligent diagnosis layer serves as the core hub of the "Cybersecurity Brain". It relies on four major business intelligence matrices covering safety, customer service, engineering operations and LPG. It has launched nearly 150 AI data analysis engines. These enable automatic risk identification, intelligent issue diagnosis, and accurate abnormality warnings. The system significantly improves management efficiency and compliance standards in key scenarios. These include safety responsibility fulfilment, supervision and management, customer service governance, engineering audits, and full-process LPG management.
- The intelligent display layer serves as the command interface of the "Cybersecurity Brain". It has established a four-level penetrating management view. This covers "Group – regional management centre – operating and management group – project company". Covering five major business areas, the system continues to connect 74 refined scenarios and nearly 253 key performance indicators, customising a "dynamic corporate safety profile" for managers at all levels. The system supports one-screen overview, intelligent search, and one-click generation of diagnostic reports. This enables risks to reach the frontline directly. Responsibilities are assigned precisely to individuals. Rectification is traced through a closed loop. This promotes the transformation of safety management from "passive response" to "proactive prediction, intelligent control and routine health management".

The Group is firmly implementing its Five-Year Development Strategy and closely following the national direction of energy transition and green and low-carbon development. While strengthening and optimising its core domestic business, the Group is vigorously expanding its new energy and overseas businesses and accelerating the development of a new energy system characterised by globalisation, clean development, and digital intelligence. Significant progress has been achieved across all business segments. In the traditional gas segment, the Group continued to consolidate the advantages of its principal business. Steady improvements were made in smart operations and safety management. In the integrated energy segment, the Group achieved key breakthroughs in biomass and energy storage. Benchmark projects such as the Nanjing Gotion Battery and biomass clean heating for lithium battery manufacturers in Nanjing and Tongling were successively implemented. Businesses including biomass steam substitution, high-temperature kiln substitution, and green LNG expanded rapidly. In FY2025/26, completed biomass contracts were equivalent to approximately 9.66 million tonnes of steam. The new retail business continued to expand service scenarios through the "YPH" platform, with user value and customer retention steadily improved. Overseas businesses in markets such as Singapore and Malaysia developed distinctive low-carbon advantages. For instance, biomass natural gas, characterized by lower carbon intensity, helps enhance green competitiveness in overseas markets. Digital transformation also accelerated. The "Six-Brain System" was gradually connected and implemented. AI technologies were deeply applied in safety, operations, services and other scenarios. These endeavours have continuously demonstrated our digital-intelligent support capabilities.

Case: In Partnership with DEEIOT to Build a Biomass Heating Project and Create a Zero-Carbon Battery Base

In June 2025, China Gas's subsidiary, China Gas Biomass Energy Technology (Shenzhen) Co., Ltd., officially partnered with DEEIOT Technology (Tongling) Co., Ltd., a subsidiary of the Chery Group, on the DEEIOT Biomass Clean Energy Heating Project. The project officially commenced operations in February 2026.

Located in DEEIOT's plant area in the Zongyang Economic Development Zone of Tongling, the project plans to construct five 20-tonne-per-hour biomass direct-fired boiler units, with an annual steam consumption exceeding 350,000 tons. It can fully meet the full-cycle steam demand of DEEIOT's 22 GWh power battery production line. It precisely matches high-precision processes such as electrode coating, formation, and capacity grading. The project can consume approximately 200,000 tonnes of biomass wood chips each year, replacing 120,000 tonnes of standard coal and reducing carbon dioxide emissions by 332,400 tonnes. This is equivalent to the annual carbon sequestration of 664,800 mu of forest land, significantly reducing the carbon footprint of battery products.

This cooperation marks an important breakthrough for China Gas in the new energy industrial chain. Going forward, both parties will deepen collaboration across multiple areas. These include natural gas, biomass, and solar-storage-charging, among others. Together, they will provide efficient and low-carbon integrated energy solutions and jointly create a zero-carbon power battery production base.



Signing Ceremony between China Gas Biomass and DEEIOT

Case: Rosersberg Energy Storage Station in Sweden Commences Operation, Offering a “China Gas Solution” for Global Green Energy Cooperation

In December 2025, the construction progress of China Gas’s Rosersberg energy storage power station in Stockholm, Sweden, was featured as a closing highlight at CCTV Finance’s “Financial Powerhouse – Greater Bay Area Financial Night” gala as a case study of Chinese enterprises expanding overseas. The project is China Gas’s first energy storage demonstration project in the Nordic region. It commenced construction at the end of September 2025.

The project adopts an industry-leading 4MWh standard DC container design. It is capable of providing two hours of continuous service. It has reached a leading level in the Swedish market in terms of energy storage density, charging and discharging efficiency, as well as safety and stability. The Nordic region has a high penetration of renewable energy. There is strong demand for grid peak shaving and frequency regulation services. Upon commissioning, the project will be integrated into the unified Nordic power grid. It will provide flexible and reliable ancillary services. It will effectively mitigate fluctuations in renewable energy generation and support the Nordic region in accelerating its transition towards a “fossil-free society”.

During the project development process, China Gas has innovatively established a collaborative value chain system. This system comprises “Chinese industrial chain partners + local market and construction teams”. It achieves the organic integration of technology export, resource integration, and localised operations. Looking ahead, China Gas will continue to develop an energy storage network covering multiple cities and application scenarios, contributing a “China solution” to the global low-carbon energy transition.



CCTV Finance Coverage of the Energy Storage Power Station in Sweden

Standing at the critical intersection of energy transition and digital revolution, China Gas will continue to be guided by its Five-Year Development Strategy and powered by its Six-Brain Strategy System as the digital and intelligent engine. The Group will firmly uphold the bottom line of safe development, deepen its presence in the green and low-carbon sector, strengthen technological innovation as an enabling force, and steadily expand its global footprint. Looking ahead, the Group will continue to coordinate economic, environmental and social benefits, further enhance its growth model of “traditional gas + integrated energy + new retail”, and accelerate its development into an international integrated energy service provider. In doing so, China Gas will make greater contributions to safeguarding national energy security, supporting the achievement of the “dual carbon” goals, and improving the quality of services for people’s livelihoods, embarking on a new journey towards higher-quality and more sustainable development.



1

GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

- 1.1 Corporate Governance
- 1.2 Sustainability Governance
- 1.3 Compliant Business Operations



1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

PERFORMANCE HIGHLIGHTS

- A cumulative total of **20** companies obtained ISO 37301 certification of compliance management systems
- The total number of participants in anti-corruption training reached **97,134** with total anti-corruption training hours amounting to **12,450 hours**
- A cumulative total of **1,242** patent, trademark and copyright applications
- A total of **58** AI planning agents and early-warning models were applied, comprising **18** intelligent agents and **40** early-warning models, covering **82** application scenarios across business areas including finance, engineering, customer service, general administration and operations
- The Group conducted its first systematic double materiality assessment, identifying **six** issues with both high financial materiality and high impact materiality

SDGs Involved in This Chapter



Material ESG Issues Addressed in This Chapter

- ▶ Economic performance
- ▶ Corporate governance and operational compliance
- ▶ Anti-competitive behaviours
- ▶ Business ethics and anti-corruption
- ▶ Protection of intellectual property rights
- ▶ Protection of customers' information and cybersecurity

China Gas attaches paramount importance to corporate governance and business ethics, recognising them as an important foundation for supporting robust business operations and long-term sustainable development. The Company continuously reviews and enhances its governance structure and relevant management mechanisms. In daily operations, we comply with applicable laws and regulations and business ethics standards, and uphold the principles of integrity-driven, transparent and responsible operations. We also prioritises topics such as risk management, information security and intellectual property protection, and are committed to safeguarding the legitimate interests of all stakeholders while promoting sustainable development across the economic, environmental and social dimensions.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

1.1 CORPORATE GOVERNANCE

1.1.1 Board Management

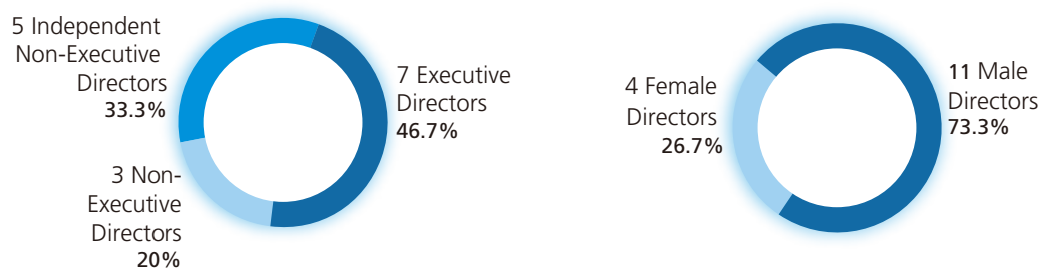
China Gas strictly adheres to the principles and provisions of the *Corporate Governance Code* as set out in Appendix C1 to the *Rules Governing the Listing of Securities* on The Stock Exchange of Hong Kong Limited, continuously refining its corporate structure and governance practices. As of the end of the Reporting Period, the Board had established five committees under its authority: the Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, and Corporate Governance and Risk Control Committee (CGRC). These committees are responsible for overseeing the Company's strategic direction, setting and monitoring progress towards objectives, establishing governance practices and policies, and reviewing internal control and risk management systems.

China Gas has established a *Board Diversity Policy*. When nominating and appointing Board members, the Company takes into account multiple diversity dimensions, including gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, to ensure that the Board possesses the diverse skills and experience required to support the development of each business domain. The Company continues to keep track of female representation across management tiers and proactively fosters gender diversity on the Board. In accordance with its existing Board Diversity Policy, the Company targets to maintain at least two female Directors in the Board.

At present, the Board members' professional experience spans energy and environment, economics and finance, strategic investment and other areas. Executive Director Mr. ZHAO Kun, Non-executive Directors Mr. XIONG Bin, Mr. Ayush GUPTA and Ms. ZHOU Xueyan possess experience in the energy and utilities sector. Executive Directors Mr. HUANG Yong and Ms. LIU Chang, as well as independent non-executive Director Mr. ZHANG Ling, have legal backgrounds. Executive Directors Mr. LIU Ming Hui, Mr. ZHU Weiwei, Ms. LI Ching, and Prof. LIU Mingxing, and independent non-executive Directors Mr. ZHAO Yuhua and Dr. MAO Erwan have backgrounds in economics, finance and accounting. Independent non-executive Director Ms. CHEN Yanyan has experience in logistics and supply chain management. Independent non-executive Director Dr. MA Weihua has experience in sustainability and ESG governance. In addition, a number of Directors also have corporate governance experience related to risk management. The Group continuously evaluates and monitors opportunities to enhance Board diversity, further elevating its overall corporate governance standards.

As of the end of the Reporting Period,

the Board of China Gas comprised 15 Directors, including:



1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

1.1.2 Remuneration and Sustainability Performance

To further integrate ESG principles into the Group's strategy and day-to-day operations, when evaluating annual performance assessment for its President, Directors and senior management, ESG-related performance indicators are duly incorporated, taking into account its actual business conditions. These indicators, including ESG rating improvement and health and safety, form an integral part of the performance evaluation framework and are directly linked to remuneration arrangements.

At the organisational level, China Gas has incorporated ESG-related indicators, such as carbon emissions management, environmental and health and safety, renewable energy usage, customer satisfaction, anti-corruption and compliance operations, governance of climate risk, and ecological environment and biodiversity protection, into the annual target responsibility agreements of functional departments, regional management centres, operating groups and project companies, taking into account the functional characteristics of different business and management units. Through direct and indirect linkages, these indicators influence organisational performance evaluation and the monetary incentive allocations of each unit, thereby driving the effective implementation of key ESG objectives and management measures at the grassroots level and continuously enhancing the Group's overall sustainable governance capabilities.

1.2 SUSTAINABILITY GOVERNANCE

1.2.1 Statement of the Board

In compliance with the ESG Code of the HKEX, China Gas has established an effective ESG management framework and continues to strengthen its governance structure. The Board is actively engaged in ESG-related matters to drive long-term development.

Board Oversight of ESG Matters

The Board bears ultimate accountability for the Group's ESG matters and decision-making. A Sustainability Committee operates under the Board, supported by the Sustainability Committee Leadership Group (the "Leadership Group") and the Sustainability Committee Office (the "Office"). The Leadership Group identifies material ESG risks and opportunities associated with the Group's business, oversees the Group's ESG performance and progress, and reviews and approves the Group's sustainability reports and other ESG-related management policies. The Office takes charge of resource allocation, day-to-day implementation and cross-departmental coordination of sustainability initiatives.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Board-established ESG Governance Framework and Approach

The Group attaches high importance to ESG risks and considers industry practices, regulatory requirements, and macro policies in its risk analysis. A climate reporting mechanism has been put in place, with designated personnel or committees tasked with managing climate-related risks and impacts. The Group also maintains ongoing stakeholder engagement and conducts annual materiality assessments to prioritise key sustainability issues. The Board participates in these assessments and helps the development of the Group's ESG strategy and targets.

Board-conducted Progress Review against ESG Goals

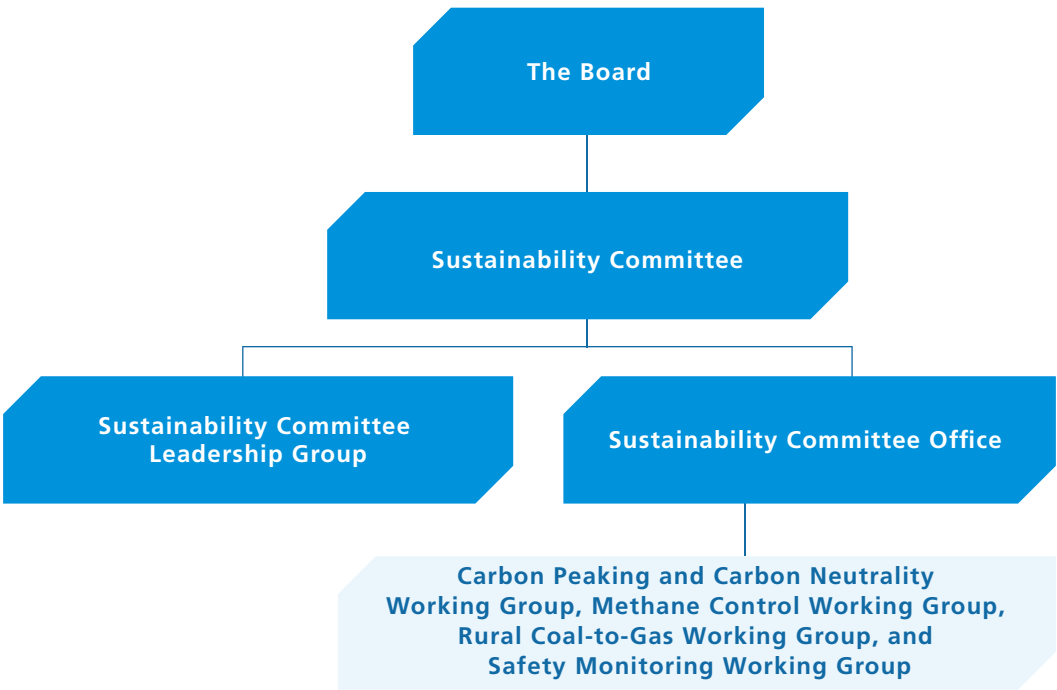
To guarantee the effective delivery of ESG targets, the Board has authorised the Sustainability Committee to regularly review progress, assess and recalibrate ESG objectives, and address shifts in the external landscape and business operations. For FY2025/26, under the Board's guidance, the Group continues its ESG data collection and disclosure efforts. This report presents a comprehensive overview of the Group's ESG performance during the period.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

1.2.2 ESG Governance

ESG Governance Structure

China Gas has placed sustainable governance as a strategic priority within its long-term corporate strategy and established a comprehensive sustainable governance framework. The Board and its Board-level Sustainability Committee are responsible for formulating and overseeing the Group’s sustainable development strategies and initiatives. They also coordinate and supervise sustainability and climate-related management efforts to ensure that the Group’s actions in sustainable development and climate change risk management align with its long-term strategic direction.



China Gas’s Sustainable Governance Structure

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

China Gas has established a Sustainability Committee at the Board level, currently chaired by Dr. MA Weihua, an independent non-executive Director. Members of the Committee include Mr. LIU Ming Hui (Executive Director, Chairman of the Board and President of the Company), Mr. ZHU Weiwei (Executive Director and Chief Operating Officer), Ms. CHEN Yanyan (independent non-executive Director), and members from the Audit Committee and the Corporate Governance and Risk Control (CGRC) Committee. The Committee is tasked with leading and guiding the Group's sustainability governance initiatives.

At the executive level, the Group's sustainability efforts are overseen and supervised by the President and the core management team (CMT). In addition, the Sustainability Committee oversees a Sustainability Committee Leadership Group and a Sustainability Committee Office (including the Carbon Peaking and Carbon Neutrality Working Group, Methane Control Working Group, Rural Coal-to-Gas Working Group and Safety Monitoring Working Group). The head of the Sustainability Committee Leadership Group is appointed by the President to assist in managing, coordinating and executing the Group's sustainability initiatives.

Sustainability Committee Leadership Group	Sustainability Committee Office
• Oversee overall sustainability planning under the leadership of the Board • Identify and assess sustainability issues, risks and opportunities • Explore sustainability policies and strategies • Review and evaluate the Group's sustainability performance • Review and optimise the Group's sustainability management and structure • Supervise and review the performance of the Sustainability Committee Office • Convene meetings to review the Group's sustainability performance and identify items for improvement	• Allocate resources and coordinate the tasks of the sustainability departments • Perform daily tasks related to the Group's sustainable development, including data collection, reporting, analysis and auditing of environmental, social and governance information • Maintain close contact and communication with the Group's stakeholders • Organise meetings to discuss sustainability report work and review any identified deficiencies • Report relevant work progress to the Sustainability Committee

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Carbon Peaking and Carbon Neutrality Working Group	Methane Control Working Group	Rural Coal-to-Gas Working Group	Safety Monitoring Working Group
- Assessing the Group's total greenhouse gas emissions and establishing achievable carbon peaking and carbon neutrality goals - Reviewing the Group's GHG emissions and its implementation of emission-reduction measures for the fulfilment of dual carbon goals - Exploring new business opportunities in the carbon peaking and carbon neutrality field and identifying potential areas for business growth	- Incorporating methane emission reduction into the Group's development strategy and performance appraisal, setting clear methane emission reduction targets and supervising their achievement - Establishing a full-chain gas emission factor database to improve the transparency of methane emissions data - Joining domestic and international methane emission reduction alliances and organisations to gain industry expertise - Analysing advanced methane emission reduction and leakage reduction technologies and updating the Group's implementation plan - Developing national and industry standards related to methane control to lead industry development	- Formulating policies and strategies for the Group's rural gas market development - Coordinating user installations and monitoring progress towards installation targets - Addressing market-oriented gas pricing and pass-through issues and other urgent and challenging issues in rural areas - Establishing a market-oriented training system and enhancing business capabilities - Monitoring changes in the macro-economy, gas industry policies, upstream to downstream industries, retail users and more, to explore policy support and market opportunities for China Gas's rural business growth	- Identifying national laws and regulations, policy requirements, rules and regulations related to safety, formulating safety principles, plans and standards in line with China Gas's actual situation, and leading the Group's continuous improvement in safety, as well as inspecting health and safety violation incidents towards better safety and regulation violation inspections - Collecting, investigating and analysing data on production safety, environmental protection and occupational health incidents, and providing handling recommendations while coordinating quality control work - Overseeing and managing the Group's production safety, environmental protection and occupational health - Coordinating the Group's safety management activities, conducting inspections, assessments, training, guidance and services, and overseeing and collecting information on safety activities

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

In FY2025/26, the Board and its Sustainability Committee convened two meetings, focusing on in-depth discussions of climate and environmental governance, health and safety, and governance-related topics. Key agenda items included discussing the annual ESG work plan, reviewing ESG performance-incentive linkage schemes, and finalising the ESG reporting framework. During the financial year, the Group also provided one ESG training session for Directors and senior management, covering core sustainability topics such as response to climate change, business ethics, and health and safety. In addition, to actively respond to capital market demands and uphold our commitment to sustainability, the Group has participated in internationally recognised ESG ratings such as CDP environmental disclosure and S&P Global Corporate Sustainability Assessment (CSA) for consecutive years. In the latest rating cycle, the Group ranked in the top 10% of Chinese enterprises in the S&P Global CSA 2025 scoring and was awarded the title of “Best Progress Enterprise” in its industry. The CDP environmental disclosure rating also reached B, reflecting the Group’s steady enhancement in ESG management and rating performance.

1.2.3 Double Materiality Assessment

China Gas attaches great importance to the views and concerns of stakeholders and regards them as an important reference for driving corporate sustainability. In light of the increasing international focus on sustainability-related financial disclosures, including developments under the IFRS Sustainability Disclosure Standards, the Group adopted a double materiality assessment approach for the first time during the reporting period. On this basis, the Group analyses and assesses relevant sustainability issues from two dimensions: the impact materiality of sustainability issues on the external economy, environment and society, and their financial materiality to the Company’s financial performance and business development. This lays a foundation for the subsequent formulation of management strategies and operational development.

Stakeholder Engagement

China Gas has developed a *Policy on Stakeholder Engagement*, which sets out the principles and approaches for the Group’s communication and interaction with various stakeholders (For further details, please refer to the Group’s official website: <http://www.chinagasholdings.com.hk>). In engaging with stakeholders, the Group adheres to four core principles: inclusiveness, materiality, responsiveness and impact. When formulating sustainability goals and plans, the Group fully considers and incorporates feedback from all parties, promoting the formation of a development pathway that is both practicable and of long-term value.

The Group maintains an open, ongoing and interactive communication mechanism with stakeholders to ensure smooth and effective communication channels. China Gas has established a centralised customer service hotline and an online reporting platform embedded in its official WeChat account, enabling stakeholders and users to submit feedback, complaints and reports through accessible channels. These are handled in a closed-loop manner in strict accordance with established customer service management procedures. Meanwhile, the Group regularly organises or participates in forums, meetings and discussions with stakeholders, including government authorities and regulators, corporate users and resident representatives, to enhance mutual trust and cooperation. In addition, taking into account its business characteristics, the Company conducts gas safety and usage training and publicity in local communities. Through capacity-building initiatives, the Group enhances stakeholders’ understanding of its business and strengthens their participation in community co-building (For further details, please refer to Chapter 3 and Chapter 6).

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Major stakeholders of China Gas include shareholders, investors, creditors, financial analysts, employees, government authorities and regulators, community organisations, customers, business partners and suppliers. The Group engages with different stakeholder groups through diversified communication channels to continuously understand their key concerns and expectations, and proactively responds to them in management and decision-making processes.

Stakeholder Engagement

Stakeholders	Communication Channels	Expectations and Requirements	Responses from China Gas
Shareholders, investors, creditors, and financial analysts	- General meetings - Annual reports, interim reports, announcements and circulars - Investor roadshows - Investor/analyst/creditor briefings - Site visits for investor/analyst/creditor - Phone/email communications	- Strong financial performance - Sustained and stable growth - Clear operational strategy - Robust corporate governance - Timely and accurate disclosures	- Maintain sound profitability and competitiveness - Continuous enhancement of corporate governance - Disclosure of regular business updates
Employees	- Working sessions/thematic meetings - Training programmes - Staff representative assemblies - Internal publications - Team-building initiatives - Face-to-face meetings - Grievance mailbox - WeChat groups, official accounts and office software	- Equal employment opportunities - Transparent career development pathways - OSH-compliant workplace - Comprehensive training framework	- Diversity recruitment drives - Staff events - Employee health and well-being initiatives - Training programmes - Blended online and offline learning platforms

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Stakeholders	Communication Channels	Expectations and Requirements	Responses from China Gas
Government authorities and regulators	• Technical symposia and research forums • Environmental impact assessment reports • Environmental monitoring reports • Daily reporting and communication • Industry association engagements • Relevant forums and exchanges • On-site inspections • Phone/email communications	• Daily communication • Information reporting • Regular inspection • Special reports • Public-private partnership initiatives • Participation in policy formulation	• Enhanced safety standards • Strengthened risk management • Full compliance with relevant laws and regulations • Business practices aligned with industry needs and regional economic development • Deployment of safe, stable and efficient energy solutions • Proactive response to government policies
Business partners and suppliers	• Supplier conventions • WeChat groups and official accounts • Supplier training programmes • Strategic partnership programmes • Supplier performance review meetings • Phone/email communications	• Transparent procurement procedures • Localised sourcing strategy • Fair and transparent bidding process	• Fair bidding processes • Supplier capacity building programmes • Continuous policy improvement • Enhanced operational efficiency

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Stakeholders	Communication Channels	Expectations and Requirements	Responses from China Gas
Customers	• Telephone hotlines • Community-based service stations • Digital customer service platforms • Customer satisfaction surveys • WeChat groups and official accounts • China Gas “Smart Living” platform	• Safe and stable energy supply • High-quality, efficient and prompt services	• Regular customer safety inspections • Prompt response to customer needs • Excellent customer service experience • Ongoing customer satisfaction surveys
Community organisations	• Press releases and public announcements • Community promotional campaigns • Public safety awareness campaigns • Volunteering activities in support of social welfare • On-site visits and tours • Stakeholder engagement programmes	• Safe and secure operations • Support for community development • Active involvement in public welfare • Promotion of social harmony • Contributions to public welfare	• Philanthropic contributions • Active engagement in public welfare • Strategic community development initiatives • Targeted poverty alleviation initiatives • Active participation in community volunteer programmes • Organising charitable and environmental initiatives

During the financial year, China Gas completed its inaugural systematic double materiality assessment, actively responding to domestic and international sustainability regulatory requirements and market concerns, thereby comprehensively enhancing the forward-looking perspective and scientific decision-making of its sustainability management. Adopting the double materiality lens, the Company systematically identified the impact materiality of sustainability issues on the environment, society and the economy, as well as their financial materiality to financial performance and long-term business development. This exercise underpinned the development of an ESG strategy framework, clarifying management priorities and guiding resource allocation.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Identification of Sustainability Issues

At the stage of identifying sustainability issues, China Gas benchmarked itself against industry frontrunners and cross-industry peers, with a focus on material risks and value-chain impacts at both industry and company levels. Factoring in the Group's strategic positioning, business footprint and operational context, the Group conducted internal interviews to analyse issues from management and operational perspectives. Following consolidation and optimisation, the Group developed a list of topics covering environmental, social and governance dimensions that are highly aligned with the Group's development. In FY2025/26, the Group identified and confirmed 23 core sustainability issues across five areas – environment, customers, employees, society and governance – accurately focusing on key business risks and opportunities.

Sustainability Issues

Environment	• Climate change and greenhouse gas emissions management • Biodiversity • Resource and energy use efficiency • Water consumption and efficiency • Wastewater and waste management • Environmental management
Customers	• Safe and stable gas supply • Emergency preparedness and crisis response • Product quality management • Protection of intellectual property rights • Innovation and sustainable technologies • Protection of customers' information and cybersecurity • Supply chain management
Employees	• Occupational health and safety • Employee rights and well-being • Diversity, anti-discrimination and equal opportunity • Training and development • Employee communication and satisfaction • Prevention of child labour and forced labour
Society	• Community relation management • Community development and rights protection
Governance	• Corporate governance and operational compliance • Business ethics and anti-corruption

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Materiality Assessment Process

Based on the identified sustainability issues, China Gas introduced a double materiality perspective and systematically assessed the issues from two dimensions: impact materiality and financial materiality.

In terms of impact materiality assessment, the Company relied on questionnaire survey results to conduct an in-depth analysis of each issue's positive and negative impacts from environmental and social perspectives. At the same time, the Company considered stakeholder concerns, industry trends and operational realities to further refine and validate impact severity, ensuring the scientific basis and accuracy of materiality judgements.

In terms of financial materiality assessment, China Gas focused on evaluating the potential impact of each sustainability issue on the Company's financial position, operating performance and long-term development under different scenarios. The assessment process was closely aligned with the Company's business structure, value-chain activities and risk management system. Through issue breakdown, risk identification and cross-departmental interviews and analysis, the Company systematically analysed the financial impacts of relevant risks and formed assessment conclusions with decision-making value, providing a basis for subsequent issue management and risk control.

Double Materiality Assessment Process

Assessment Step	Description
Breaking Down Sustainability Issues	Based on the completed identification of sustainability issues, China Gas further conducted a structured breakdown of each issue, subdividing broader issues into several sub-topics.
Mapping Issues to Business Value Chain	Based on the complete value chain of China Gas's principal business segments, each sustainability sub-topic was accurately mapped to key business activities to ensure that the issues covered the full business chain.
Identifying Issue-related Impacts, Risks and Opportunities	For each sustainability sub-topic, the Group systematically identified actual and potential impacts on the environment and society arising from its operations and value chain, as well as related risks and opportunities that may affect the Group's business performance and enterprise value. This formed a comprehensive list of impacts, risks and opportunities covering the Group's major business activities.
Assessing Impact Materiality	The Group assessed the significance of actual and potential impacts associated with each sustainability issue by considering factors such as scale, scope, likelihood and remediability.
Setting Financial Impact Assessment Thresholds	With profit before tax as the core reference indicator, the Group set high, medium and low financial impact judgement criteria to measure the extent of financial impact that each sustainability issue may have on the Company's operating results.
Conducting Departmental Interviews and Analysis	The Group organised cross-departmental interviews and discussions, combining operational realities and management judgement to assess both the significance of sustainability-related impacts and the potential financial implications of associated risks and opportunities under different regions and business scenarios.

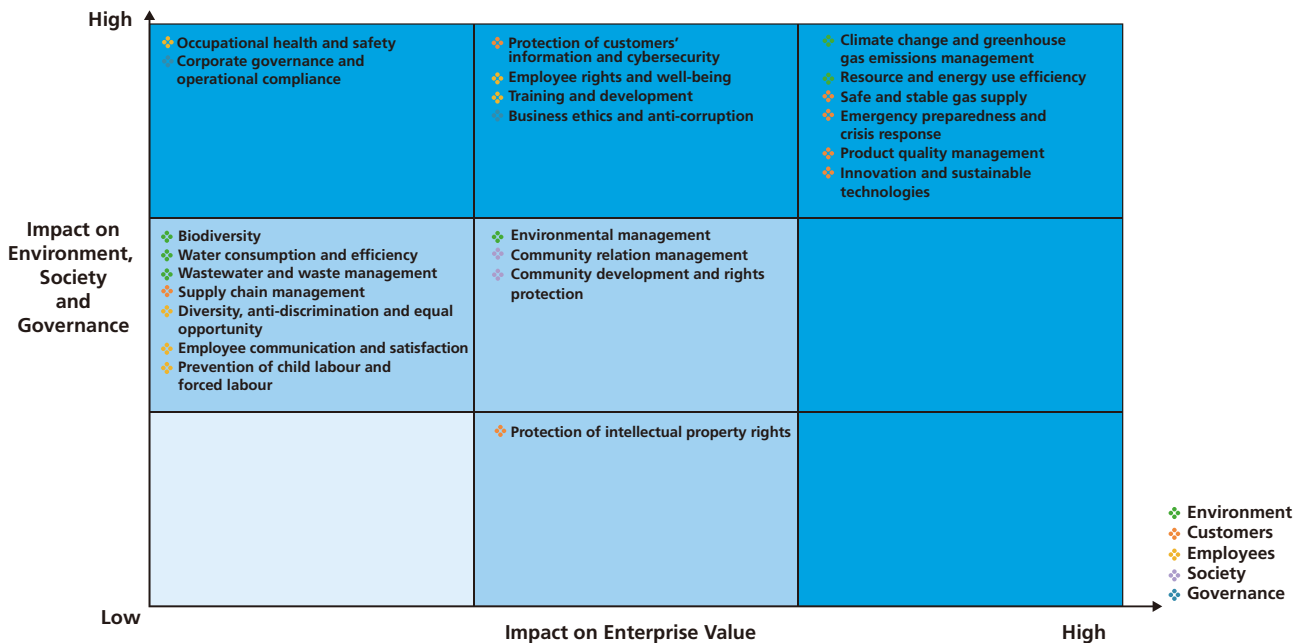
1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Assessment Step	Description
Assessing Impact and Financial Significance	The significance of impacts and the level of financial impact associated with each sustainability issue were assessed against predefined criteria and categorised according to their relative importance.
Drawing Financial Materiality Conclusions	Based on the above assessment results, the Group ultimately identified and confirmed sustainability issues that are material from an impact perspective, a financial perspective, or both perspectives, and incorporated them into its sustainability strategy, risk management and decision-making processes, thereby providing a reference for subsequent ESG strategy management, resource allocation and risk control work.

Materiality Matrix

China Gas's sustainability issue identification results are shown in the matrix below. The matrix visually maps all material topics against the dual dimensions of impact materiality and financial materiality. Through systematic assessment, we ultimately identified six core issues with both high financial materiality and high impact materiality. These issues play a key driving role in the Group's business development and its economic, social and environmental impacts, providing solid support for defining sustainability priorities, optimising resource allocation, developing ESG strategies and advancing management initiatives.

China Gas Double Materiality Matrix



1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Material Issue		Impact Materiality		Financial Materiality		
	Positive/ Negative Impact	Impact Description	Time Horizon of Impact	Risk/Opportunity	Risk/Opportunity Description	Time Horizon of Impact
Climate change and greenhouse gas emissions management	Negative	Inadequate greenhouse gas emissions management or delayed emission reduction actions may exacerbate global warming, increase the frequency and intensity of extreme weather events, and cause sustained negative impacts on urban safety, public infrastructure integrity and ecological stability.	Medium and long term	Risk of disruption to operational continuity caused by extreme weather events	Extreme rainstorms, typhoons, cold waves and other meteorological disasters may cause flooding at gas pressure regulating stations, frozen valve wells, and power or communication interruptions, resulting in regional instability or even suspension of gas supply. This may increase the frequency of emergency repairs, manpower deployment and use of backup power, raise operation and maintenance costs, and adversely affect customer service and operating cash flow.	Medium and long term
				Risk of excessive emissions caused by improper carbon emissions management	An incomplete carbon emissions management system or irregular data collection, accounting and disclosure may result in distorted emissions data that fails to accurately reflect emission reduction progress. If such issues are identified by regulators or third parties, the Group may face compliance penalties and weakened governance credibility, which may in turn affect capital market evaluation and long-term development capabilities.	Medium and long term
Resource and energy use efficiency	Positive	Improving energy use efficiency and reducing transmission and distribution losses minimise energy waste, improve the effective utilisation of natural gas resources, mitigate extraction strain on natural reserves, and foster the evolution of a more efficient and intensive energy system.	Short, medium and long term	Risk of energy loss caused by pipeline leakage	Natural gas leakage caused by ageing pipelines, corroded joints or inadequate inspections may result in unaccounted gas volumes and reduced transmission efficiency, drive higher power use in compression and pressure regulation processes, and erode operating results. In serious cases, it may also lead to safety incidents and additional financial losses.	Short, medium and long term
				Opportunity from clean technology upgrades and intelligent energy-saving solutions	Systematic retrofits of high-efficiency equipment and intelligent energy management can simultaneously reduce electricity, gas and heat consumption, pollutant and greenhouse gas emissions, while enhancing operational reliability and life-cycle cost efficiency.	Short, medium and long term
				Risk of user fairness and trust in digital management	Bias in user profiling or credit assessment algorithms may cause certain user groups to be misclassified as high-risk and subject to unfair treatment, such as frequent safety inspections or restrictions on gas purchases.	Short and medium term

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Material Issue		Impact Materiality		Financial Materiality		
	Positive/ Negative Impact	Impact Description	Time Horizon of Impact	Risk/Opportunity	Risk/Opportunity Description	Time Horizon of Impact
Safe and stable gas supply	Positive	Ensuring safe and stable gas supply helps support residents' basic living needs and normal industrial and commercial operations, maintain urban order and social stability, and boost public confidence and acceptance of clean energy.	Short, medium and long term	Risk of gas leakage during transportation	Inadequate rectification of gas transmission discrepancies may lead to unidentified gas leakage, directly causing resource waste and economic losses. Undetected small leaks may also expand over time, triggering safety incidents and increasing methane emissions, thereby creating compliance and incident-related financial risks.	Short, medium and long term
	Negative	Gas supply interruptions, gas leakage or safety incidents may directly threaten public life and property safety, cause public panic and public safety incidents, and materially affect community well-being and social stability.	Short, medium and long term	Public safety and brand reputation risk	Community-level safety incidents caused by product defects, such as gas cylinders or pressure regulators, or service defects may result in serious social impacts, damage brand reputation, hinder new market expansion and lead to heightened regulatory scrutiny.	Short, medium and long term
Emergency preparedness and crisis response	Negative	Untimely emergency response or improper handling may cause incidents to escalate and trigger secondary disasters, resulting in serious negative impacts on community safety, the public environment and social trust.	Short and medium term	Risk of delayed emergency response to operational incidents	After construction damage or leakage incidents at storage and distribution stations, delayed on-site information reporting, disorganised cross-regional deployment of repair teams, and ineffective coordination with government emergency departments may lead to improper initial response and further expansion of leakage, triggering secondary disasters.	Short and medium term
				Risk of uncontrolled response to transportation incidents and supply disruption	In the event of leakage from pipelines or transport vehicles, delayed or improper emergency response may cause the incident to escalate and lead to gas supply disruption.	Short and medium term

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Material Issue		Impact Materiality		Financial Materiality		
	Positive/ Negative Impact	Impact Description	Time Horizon of Impact	Risk/Opportunity	Risk/Opportunity Description	Time Horizon of Impact
Product quality management	Positive	Strict gas product quality management helps safeguard gas safety and stable equipment operation, protect users' health and property safety, and enhance society's overall confidence in the safety and reliability of gas energy.	Short and medium term	Risk of fluctuation in gas source properties	Significant fluctuations in key physical properties of upstream gas supply, such as calorific value, pressure and sulphur content, may destabilise production processes of downstream industrial and commercial users, damage equipment, and trigger customer claims and contractual disputes.	Short and medium term
				Product quality compliance risk	Illegal blending of low-cost components such as dimethyl ether into LPG, or non-compliant natural gas additives, may violate mandatory national standards and expose the Group to product withdrawal, substantial fines and potential business licence revocation.	Short and medium term
Innovation and sustainable technologies	Positive	Promoting the application of digital, intelligent and low-carbon technologies helps improve the operational efficiency and safety of gas systems, reduce environmental emissions, and support the energy industry's transition towards a more sustainable development model.	Short and medium term	Opportunity from cost reduction and efficiency improvement through digitalisation	Innovative applications such as AI-enabled inspections and intelligent cylinder control systems can reduce labour costs for pipeline inspection and improve cylinder turnover and safety management efficiency.	Short and medium term
				Risk of user fairness and trust in digital management	Bias in user profiling or credit assessment algorithms may cause certain user groups to be misclassified as high-risk and subject to unfair treatment, such as frequent safety inspections or restrictions on gas purchases.	Short and medium term

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

1.3 COMPLIANT BUSINESS OPERATIONS

China Gas has made unremitting efforts to refine its risk identification and management mechanisms, embed business ethics requirements into daily operations, and strengthen intellectual property protection, information security and data governance, thereby enhancing compliance across its operations.

We organise all employees to provide written compliance undertakings each year in accordance with the *Code of Conduct for Compliance of China Gas*. During the reporting period, 40,824 employees completed and signed the *Employee Compliance Conduct Declaration*, achieving full coverage across the Group's operations. At the same time, the Group steadily advanced the external certification of its compliance management system. As of 31 March 2026, a total of 20 member companies of the Group had obtained the relevant certifications, representing a coverage rate of approximately 5%.



ISO 37301 Compliance Management System
Certification of Guangzhou China Gas City Gas
Development Co., Ltd.



ISO 37301 Compliance Management System
Certification of Jinan China Gas City Gas
Development Co., Ltd.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

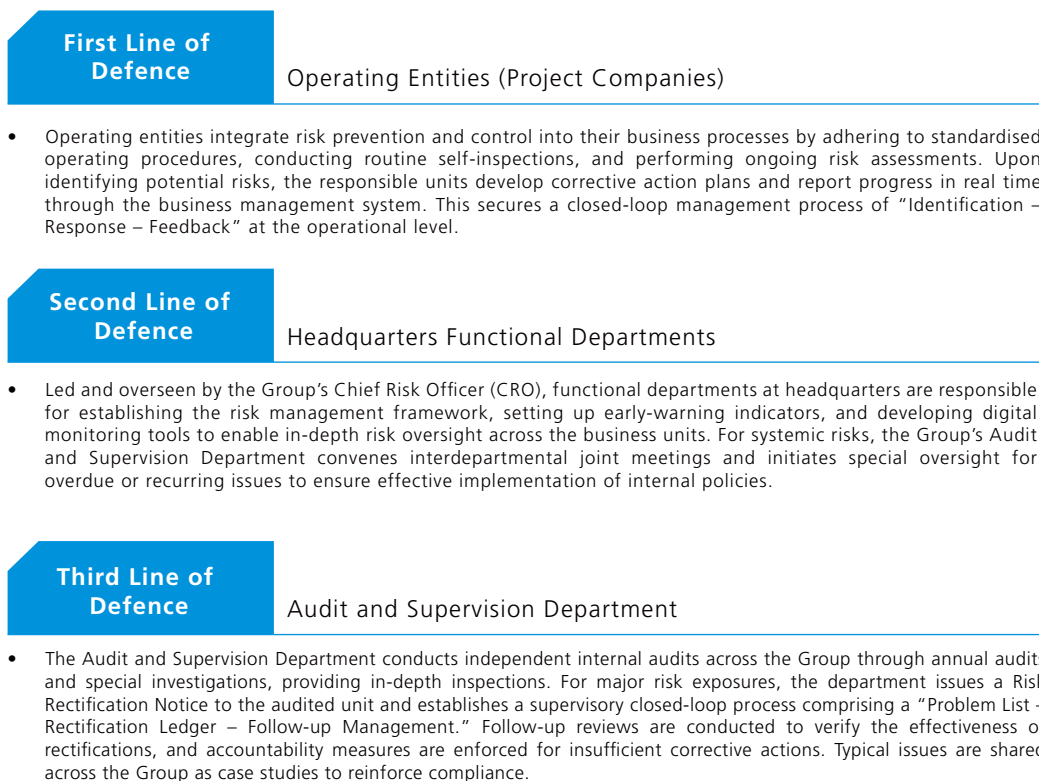
1.3.1 Risk Management

China Gas has established and improved a series of internal risk management systems and policies centred around the *Comprehensive Risk Management System* and the *Risk Control Manual*, forming a relatively systematic risk management framework. By defining the responsibilities and reporting mechanisms of each management level in risk management, the Group standardises risk identification, assessment and response processes, regularly conducts internal and external risk identification and evaluation, promotes the implementation of risk management requirements across the Group, and gradually fosters a risk management culture.

Risk Governance Framework and Protocols

The Board of China Gas has established the Corporate Governance and Risk Control (CGRC) Committee, which assists the Board in overseeing corporate governance and risk management in relation to the Group's operations and financial activities management. The CGRC Committee currently comprises non-executive Directors and independent non-executive Directors. Through internal audits independent from management, the committee reviews and assesses the effectiveness of the internal control system established by management, covering financial, operational and compliance controls. The Group's Audit and Supervision Department performs the internal audit function and is responsible for auditing the completeness and effectiveness of the Group's internal risk management and compliance processes. It also provides independent assurance to the Board and executive management. The Audit and Supervision Department formulates an annual audit plan, conducts audit inspections of relevant Group departments and projects every year, and reports audit results directly to the CGRC Committee on a semiannual basis.

China Gas has established a Three Lines of Defence risk management system comprising the business operation layer, functional management layer and independent supervision layer. With business operations as the foundation, functional controls as the core, and independent oversight as the safeguard, the Group has formed a relatively complete closed-loop full-cycle risk prevention and control mechanism.



Three Lines of Defence Risk Management System of China Gas

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

China Gas has newly developed an intelligent risk control and audit management system, which organically integrates audit management, risk management, internal control and supervision. By linking with relevant business systems, it has formed a digital risk prevention and control mechanism covering the Group. The system integrates audit models, early-warning indicators and AI agents, promoting the online operation of “audit – risk – internal control – supervision” processes. Through centralised data collection, automatic identification of risk triggers and rectification tracking, the system continues to enhance risk control and audit efficiency while reducing labour costs.

At present, the Group has selected key business scenarios, including safety inspections, procurement, and employee advances and receivables, as pilot areas to conduct real-time monitoring, analysis and early-warning of full-scope business data of project companies. After AI agents and early-warning models flag anomalous data, they push the information to project companies for verification and rectification, and the results are also used to optimise model logic. As of 2026, the Group has planned a total of 58 AI agents and early-warning models, comprising 18 AI agents and 40 early-warning models, covering 82 application scenarios. Currently, 50 of these solutions have been developed, covering business areas such as finance, engineering, customer service, general administration and operations, effectively enhancing the breadth of risk prevention and control coverage and the depth of management.

Risk Identification and Mitigation Measures

China Gas continues to advance annual internal risk self-assessments, systematically reviews key risk exposures, defines its risk appetite based on a comprehensive assessment of the Group’s risk tolerance, and classifies and prioritises risks according to their likelihood and impact. The Group assigns full-time or part-time risk management personnel at project-company level to reinforce risk management responsibilities and ensure the effective implementation of all requirements. During the reporting period, the Audit and Supervision Department coordinated the eight regional management centres to conduct risk identification and assessment based on the Group’s risk database. Pilot work was carried out at Hangzhou, Xiaogan, Yulin, Laibin, Chongqing and other units. Risk points across strategic, market, financial, legal and operational areas were quantitatively scored, and their likelihood and impact were comprehensively assessed. By identifying significant regional risks, the Group will formulate targeted rectification measures and continue to track and supervise progress through monthly regional risk control meetings.

In response to the above risks, the Company has established a risk appetite framework. Based on *Risk Data V1.0*, it defines risk categories and threshold standards covering 11 risk directions, determines risk levels according to likelihood and impact, identifies acceptable risk levels, and implements dynamic monitoring and continuous assessment through a mechanism of “headquarters coordination, regional promotion and project-level implementation”. This promotes the coordination and connection between risk management and internal control.

For further details on the Group’s risk management, please refer to the Annual Report published on www.chinagasholdings.com.hk.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Case: “Risk and Compliance Awareness Month” Online Knowledge Quiz Campaign

In FY2025/26, under the theme of “Strengthening Risk Control and Compliance Awareness, and Preventing Business Operation Risks”, the Risk Control Centre organised a series of activities for Risk and Compliance Awareness Month, covering the Group’s management through to frontline employees. During the campaign, 24 internal and external trainers visited key project companies including Baoji, Dalian, Meizhou and Weihai to deliver practical sharing sessions and training around frontline business pain points. Through case explanations and interactive discussions, the sessions helped address risk blind spots in actual business operations and enhanced employees’ risk identification and response capabilities.

Meanwhile, through diverse online and offline activities such as knowledge competitions and essay submissions, the campaign engaging upwards of 10,000 employees company-wide, further stimulating employees’ enthusiasm for participating in risk control and compliance development and demonstrating proactive risk prevention awareness at the grassroots level. During the campaign, various units published more than 300 promotional articles through channels such as WeChat official accounts, comprehensively showcasing the results of the campaign and continuously fostering a sound risk control and compliance culture.



Launch Event for the
“Risk and Compliance Awareness Month” Campaign

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

1.3.2 Business Ethics Governance

China Gas positions integrity in business operations and business ethics development as an indispensable pillar of corporate governance. By refining business ethics-related systems and processes, strengthening internal supervision and audit arrangements, improving whistleblowing and accountability mechanisms, and embedding integrity requirements into procurement and other key business processes, the Group continues to reinforce the foundation of compliance and integrity management. At the same time, the Group promotes employees' awareness of fair competition and enhances overall business ethics literacy through targeted integrity education and awareness activities. China Gas has joined the Enterprise Anti-Fraud Alliance and serves as a Standing Council Member. Through participating in the Alliance's blacklist information-sharing mechanism, the Group strengthens cross-industry anti-fraud collaboration capabilities. Together with other members, the Group promotes the development of corporate anti-fraud systems, continuously enhances compliance governance, and contributes to building a clean and transparent business environment.

Governance Structure

The Group's business ethics, anti-fraud and anti-corruption work is subject to the highest-level supervision by the board-level CGRC Committee, with the Group's management responsible for promoting implementation. In FY2025/26, China Gas systematically optimised its anti-fraud and anti-corruption governance framework by consolidating the relevant functions of the former Anti-Fraud and Anti-Corruption Leading Group, and its Office (the "Anti-Corruption Office") into the Audit and Supervision Department. The department now fully undertakes full-process and end-to-end management and investigation responsibilities for anti-fraud and anti-corruption work, marking an upgrade from specialised and coordination-based arrangements to a standardised core function. The Audit and Supervision Department is responsible for conducting independent case investigations and submitting handling or accountability recommendations to management for approval. Integrity Inspection and Affairs Officers work in coordination with relevant modules of the Audit and Supervision Department to jointly promote the continuous improvement of the Group's integrity governance system.

Policy Framework

China Gas complies with the *Anti-Unfair Competition Law of the People's Republic of China*, *Supervision Law of the People's Republic of China*, *Anti-Monopoly Law of the People's Republic of China*, *Hong Kong's Prevention of Bribery Ordinance*, and all other applicable laws and regulations in its operating regions. We have established a comprehensive internal business ethics and compliance framework, including the *Anti-Bribery and Anti-Corruption Policy* (for further details on the policy, please refer to our official website at www.chinagasholdings.com.hk), the *Compliance Code of Conduct of China Gas*, the *Internal Supervision and Reporting Management System*, the *Integrity and Diligence Manual*, and the *Bribery Management Implementation Measures of China Gas*. These policies clearly define expectations in areas such as anti-corruption, anti-fraud, anti-extortion, anti-discrimination, confidentiality, conflicts of interest, antitrust, anti-money laundering, insider trading, whistleblowing and EHS standards. During the reporting period, the Group revised the *Comprehensive Risk Management System of China Gas* and the *Management Regulations on Employees' Reward and Punishment of China Gas*, further refining behavioural requirements in areas such as anti-corruption and anti-bribery, and information confidentiality. The relevant requirements apply to all employees and external business partners, including suppliers, contractors, subcontractors, agents, joint venture partners and customers. By clarifying compliance and integrity requirements in business dealings, the Group has further strengthened anti-corruption constraints and management over its subordinate units. For confirmed cases of corruption or violations of the code of conduct, the Group will impose disciplinary and punitive measures in accordance with relevant internal systems and applicable laws and regulations. In FY2025/26, the Group continued to strengthen the development of its antitrust compliance framework. In accordance with the *Anti-Monopoly Law of the People's Republic of China*, the *Provisions on Prohibiting Abuse of Market Dominance*, the *Provisions on Prohibiting Monopoly Agreements*, the *Provisions on Review of Concentrations of Undertakings* and other relevant laws and regulations, and in light of operational realities, China Gas continued to implement the *Anti-Monopoly Compliance Management System of China Gas*. The Group also required 500 city gas subsidiaries to establish anti-monopoly compliance management systems simultaneously.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Whistleblowing and Non-Compliance Disciplinary Mechanism

The Group is committed to establishing accessible and standardised whistleblowing channels and handling mechanisms. Through anti-corruption training and related awareness activities, it publicly communicates reporting methods to employees and relevant parties, guiding them to use the channels properly. The Group encourages employees, suppliers, contractors and other stakeholders to report suspected violations, misconduct or improper behaviour through WeChat official accounts, email, reporting hotlines and letters. Reports may be submitted anonymously. The Group's whistleblowing mechanism is independently operated by the Audit and Supervision Department, with the Human Resources Department and the Audit and Supervision Department jointly undertaking relevant management responsibilities. All whistleblowing information is kept strictly confidential. The Group has clearly defined reporting, investigation and handling procedures under the *Internal Supervision Work Management Measures*, and imposes disciplinary sanctions on employees whose misconduct is confirmed in accordance with relevant Group systems. Where civil or criminal liability is involved, legal liability will be pursued in accordance with the law. Through continuous refinements to the whistleblower governance regime and enhanced information protection measures, the Group continues to enhance the independence, fairness and effectiveness of whistleblowing management. Upon receipt of a report, the whistleblowing lead will be entered into the audit and supervision system, which allocates investigation workflows and investigators according to the type of lead. After investigators conduct a special investigation, the investigation report and proposed disciplinary outcomes will be submitted to senior management for review and approval, followed by the issuance of a penalty notice. For further details, please refer to the Whistleblowing Policy available on our official website (www.chinagasholdings.com.hk).

The employee whistleblowing mechanism has been incorporated into multiple training systems of the Group for comprehensive communication. The whistleblowing mechanism and diversified reporting channels, including email, QR codes, DingTalk reporting platform, mailing address and reporting hotline, are systematically introduced in new employee induction training, E-learning anti-corruption training courses and various related training materials, covering the entire Group. Training formats include regular on-site thematic training, new employee induction training, pre-appointment training for cadres and business anti-corruption training, as well as irregular anti-corruption education, external supplier integrity training and system-optimised whistleblowing guidance. These initiatives continuously strengthen employees' awareness of integrity and their understanding of whistleblowing channels.



Training Materials on the Employee Whistleblowing Mechanism

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

The Group adheres to a zero-tolerance stance against any form of corruption and upholds integrity and compliance as core principles of business operation and management. To regulate the conduct of all employees and external business partners, including suppliers, contractors, subcontractors, agents, joint venture partners and customers, in business dealings, the Group has established compliance assessment requirements covering administrative compliance, antitrust risk oversight and anti-corruption management. These are anchored in business ethics systems and internal codes of conduct such as the *Code of Conduct for Compliance of China Gas*, the *Basic Code of Conduct for Employees*, the *Regulations on Red and Yellow Lines Management of China Gas* and the *Management Regulations on Employees' Reward and Punishment of China Gas*. The Group continues to strengthen anti-corruption constraints and management over subordinate units.

Where corruption or breaches of the code of conduct are substantiated following investigation, the Group will strictly follow relevant internal systems and impose corresponding financial penalties, including salary deductions and reductions, as well as administrative sanctions, including warnings, demerits, major demerits, demotions, dismissals and termination. Where the conduct violates laws and regulations, it will be referred to judicial authorities in accordance with the law. At the same time, the Group will take timely remedial improvements, assess the units or departments involved and affected, and promote rectification to prevent the recurrence of similar compliance risks. During the reporting period, the Group recorded no incidents involving bribery, conflicts of interest, money laundering or insider trading, and incurred no related fines or convictions.

Internal Supervision and Audits

To ensure operational compliance and adherence to business ethics requirements at China Gas, the Group's Audit and Supervision Department, together with the Legal and Compliance Department, organises internal control reviews, compliance assessments and supervisory and audit practices on an annual basis, conducting systematic oversight of the operational and management activities of the Group and its subordinate units.

During the reporting period, the Group implemented the *Internal Control Audit Guidelines of China Gas*. Based on standardised audit standards and procedures, the Group conducted routine audits of headquarters and project companies covering key areas such as finance, business and operational management, and incorporated the implementation of anti-corruption and business ethics requirements into the regular audit scope. The Group plans to achieve full coverage of routine audits for headquarters and all project companies within a three-year cycle. Through compliance assessments, the Audit and Supervision Department identifies operational risks, proposes rectification plans for identified violations, establishes cross-level communication and special assistance mechanisms, and continuously sustain ongoing follow-up oversight of rectification measures. In FY2025/26, the Audit and Supervision Department steadily advanced various audit activities, successfully completing audits of 10 non-controlled companies. During the reporting period, it completed a total of 127 routine audits, departure audits and special audits, further expanding audit coverage. The audits covered subordinate units and headquarters functional departments such as the Administrative Shared Service Centre and the Human Resources Department, enabling comprehensive audit supervision over the Group's business and management functions.

In terms of compliance management, the Group's Legal and Compliance Department embeds business ethics requirements into the compliance assessments mechanism. Based on the *Code of Conduct for Compliance of China Gas* and relevant business control requirements, the department has established a compliance assessment system for 13 headquarters departments and eight regions, covering ESG elements such as EHS laws and regulations, antitrust, labour practices and business ethics, and directly links relevant indicators to annual performance appraisals. The Group has revised the *Legal and Compliance Management System Review Standard of China Gas* and plans to achieve full Group coverage within the next three years. For issues identified during reviews, the Legal and Compliance Department issues review reports and corrective action lists, specifies feedback deadlines and evaluates remediation results. During the reporting period, compliance reviews were completed for 187 project companies, covering key areas including antitrust and price management, legal management, business licenses and labour practices, while Group-wide antitrust self-inspections were also promoted.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Integrity in Procurement

China Gas embeds anti-corruption and integrity requirements across the full lifecycle of procurement management. Through refined internal control frameworks, rigorous supplier entry qualification and certification procedures, enhanced on-site oversight during construction, and post-procurement audit and review procedures, the Group has built an end-to-end supply chain anti-corruption governance system covering pre-procurement, in-process procurement and post-completion oversight. While strengthening internal discipline, the Group also communicates integrity procurement requirements to suppliers, promoting a standardised and transparent supply chain cooperation environment.

➤ *Employee Compliance*

The Group has formulated and implemented the *Procurement Accountability Pledge of China Gas*, and organised relevant employees to complete signing, further strengthening internal discipline in procurement.

The Group's Audit and Supervision Department regularly conducts procurement audits and special investigations, holding accountable those who violate integrity procurement requirements in accordance with applicable laws and regulations to ensure standardised, transparent and fully traceable processes. In FY2025/26, to standardise procurement management, China Gas increased the promotion and training of its centralised procurement platform. Through monthly routine training meetings, the Group strengthened communication and guidance, proactively collected and followed up on issues encountered by project companies in actual use, maintained frequent communication and coordination with grassroots units, and deliver ongoing platform refinements.

Meanwhile, the Group upgraded the functionalities of the centralised procurement platform, by integrating its order approval workflow with the task list of the Office Automation (OA) system, further enhancing operational efficiency and user experience.

➤ *Supplier Integrity Cooperation Agreement*

The Group regards business ethics compliance as an important prerequisite for supplier cooperation. Through policies such as the *Supplier Qualification and Assessment Guidelines* and the *Supplier Reward and Penalty Management Measures*, China Gas sets clear requirements for supplier conduct during admission, bidding and cooperation, strictly prohibiting any form of bribery or violation of business ethics. Suppliers confirmed to have violated relevant requirements will be placed on a blacklist and suspended from cooperation for a three-year term. Upon expiry of the ban, suppliers may only submit new admission applications after passing onsite inspection and evaluation.

To further strengthen supervision and management, the Group requires all suppliers to sign the *Supplier Code of Conduct*, the *Sunshine Audit Agreement* and the *Integrity Commitment*, and communicates anti-corruption and integrity requirements during inspections and business engagements. For high-risk projects involving supervision and manufacturing inspection, the Group signs the *Integrity Agreement for Supervision Projects* and verifies contract performance through unannounced inspections. At the same time, the Group includes business ethics clauses in cooperation contracts, explicitly prohibiting improper benefits obtained through abuse of authority, and requires suppliers to truthfully submit the *Supplier and China Gas Interest and Affiliation Declaration Form*. The Group also publishes pre-holiday integrity reminders and warning notices through various platforms to proactively guard against bribery and other misconducts.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Business Ethics Education and Awareness

To promote the effective implementation of the Group's business ethics management requirements and institutional framework, China Gas prioritises the cultivation of an integrity culture. The Group regularly organises training relating to business ethics, risk control and integrity. Training participants include members of the Board, management and all employees, including part-time employees and contract employees.

The Group requires all employees, including part-time and contract employees, to complete online courses on anti-corruption and business ethics, including the *Comprehensive Risk Management System* and the *Regulations on Red and Yellow Lines Management*. The *Procurement Code of Conduct* has also been incorporated into the E-learning system. Meanwhile, the Group leverages key meetings and training platforms, such as the Youth Talent Programme, General Manager Training Camp, Customer Service Director Meetings, the First Lesson for Engineering Construction Commencement and procurement system special training, to conduct anti-corruption and business ethics awareness activities. These multi-channel initiatives ensure that all employees fully understand the Group's code of conduct and internal regulatory standards, and continue to strengthen their awareness of business ethics and anti-corruption.

China Gas also extends integrity requirements to partner management and strengthens partners' awareness of integrity and compliance through various measures. The Group organises integrity training for contractors and other business associates, requiring them to receive relevant business ethics and anti-corruption training prior to commencing cooperation with the Group. During cooperation, the Group continues to communicate its business ethics standards and integrity requirements through regular training or communication meetings, encouraging partners to fully understand and comply with the anti-corruption culture and relevant requirements advocated by the Group.

In FY2025/26, the Group continued to promote publicity and educational initiatives on integrity and compliance culture through multiple channels and formats. Various units published over 300 integrity and compliance promotional articles through WeChat official accounts, "China Gas Home" and other platforms. The Group also added a new publicity channel and published and pushed five special editions in total. Meanwhile, the OA platform set up new channel, publishing 287 related articles throughout the year. During the year, the anti-corruption channel published 35 articles, with readership exceeding 260,000. The WeChat official account published 21 articles, images and videos relating to anti-corruption and risk control management, reaching over 580,000 views in total. In addition, the Group encouraged the eight regions and relevant units to organise 2,011 integrity publicity and training activities, and promoted police-enterprise cooperation with 31 units, providing stronger judicial coordination support for combating corruption, gas theft and other illegal acts, thereby further reinforcing the Group's integrity culture foundation.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

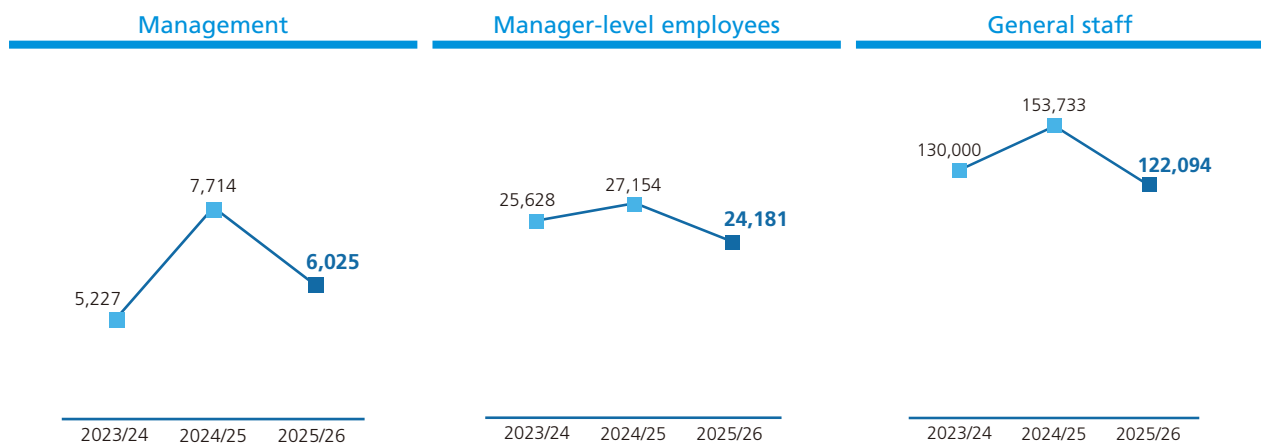
Case: Special Training on Compliance and Integrity Risk Prevention for Procurement-related Personnel

To further strengthen integrity awareness, enhance bottom-line thinking and foster a clean and upright workplace, in March 2025, the headquarters Tendering and Procurement Management Department organised special training on integrity, anti-corruption and procurement code of conduct for procurement-related personnel. The training covered the full procurement lifecycle and systematically elaborated on the procurement code of conduct. It clarified behavioural boundaries and compliance requirements at each key stage, making the relevant standards concrete and easy to understand. The training helped participants accurately distinguish permissible practices from prohibited ones, improving their execution capability and awareness of standardised conduct.



Training on Integrity, Anti-Corruption and Procurement Code of Conduct for Procurement-related Personnel

Total Anti-corruption Training Hours (Hours/FY)



1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

1.3.3 Intellectual Property Protection

China Gas attaches great importance to intellectual property protection and strictly complies with relevant laws and regulations, including the *Patent Law of the People's Republic of China* and the *Trademark Law of the People's Republic of China*. The Group continues to improve its intellectual property management system. The Legal and Compliance Department, together with the Department of Culture and Brand Building and other relevant units, coordinates and supervises intellectual property protection and trademark management, promoting lawful and compliant practices across functional departments.

Through institutional development, the Group has clarified intellectual property protection requirements. The *Basic Code of Conduct for Employees* explicitly prohibits employees from infringing or disclosing third-party copyrights, and the Group has formulated the *Trademark Authorisation and Management Measures of China Gas* to regulate trademark registration, use and management processes. At the subsidiary level, Yipin Smart Living has formulated and implemented the *Intellectual Property Management System*. Through measures such as encouraging patent applications, establishing patent files with dedicated personnel management, and conducting special training on patent rights, Yipin Smart Living continues to enhance employees' awareness and understanding of patent protection. While strengthening the protection of self-owned intellectual property, the Group also focuses on mitigating infringement risks by establishing a new product patent early-warning mechanism and strictly implementing patent search and authorisation verification procedures, ensuring the lawful and compliant use of relevant core technologies. Meanwhile, the Group actively promotes external certification of its intellectual property management system to enhance management standardisation and professionalism. During the Reporting Period, Yipin Smart Living successfully passed the annual review of its intellectual property management system.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT



Intellectual Property Management System Certification of
Yipin Smart Living Technology Co., Ltd.

Case: Patent Knowledge Training

In June 2025, Foshan Yipin Smart Living Electric Co., Ltd. organised a special corporate patent knowledge training session. The training covered basic patent concepts, significance, mining methodologies and application procedures, with particular emphasis on the comprehensive protection of technological innovation outcomes through systematic patent mining. The session deepened employees' understanding of the commercial value and strategic importance of patents, helping enhance both the quantity and quality of the Company's patent applications. It also provided solid support for the continuous optimisation of the Group's intellectual property management system and the steady implementation of its patent development strategy.



Patent Training at Yipin Smart Living

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

In addition, the Group actively cultivates an innovation-driven corporate culture, encourages business units to pursue technological and managerial innovation, and continues to scale up research and development (R&D) investment. By establishing a knowledge innovation incentive mechanism, the Group promotes the accumulation and transformation of proprietary intellectual property, thereby effectively underpinning technological progress and the continuous improvement of service quality.

Indicator	FY2025/26
Cumulative number of patent, trademark and copyright applications	1,242
Innovative R&D funding	RMB95,543,210

1.3.4 Information Security and Privacy Protection

China Gas attaches great importance to personal privacy protection and information security, and is committed to safeguarding the information security rights and interests of all stakeholders. By establishing and continuously improving its information security management system, strengthening information and data security protection measures, and conducting regular information and cybersecurity awareness and training, the Group continuously enhances employees' information security awareness and protection capabilities.

Information Security Management System

China Gas strictly complies with applicable laws, regulations and guidelines, including the *Cybersecurity Law of the People's Republic of China*, the *Law of the People's Republic of China on the Protection of Rights and Interests of Consumers*, the *Electronic Commerce Law of the People's Republic of China* and the *Guidelines for Personal Information Protection on the Internet*. The Group has established and implemented its Privacy Policy and supporting information security management systems, building an information security risk management mechanism covering prevention, monitoring and response. For details of the policy, please refer to the Group's website at chinagasholdings.com.hk.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

In FY2025/26, the Group revised and improved systems including the *Information Security Management Policy of China Gas* and the *Cybersecurity Emergency Response Plan of China Gas*, adding requirements relating to data security protection. The implementation of the *Cybersecurity Management Standards* has also been incorporated into employee performance management. Meanwhile, the Group has integrated information security management indicators and strategic indicators, such as the number of business interruptions and the completion rate of information security vulnerability rectification, into departmental organisational performance assessments to strengthen accountability. In addition, the Group requires all suppliers to sign the *Information Security Responsibility Letter* to ensure that they comply with the Group's information security management requirements during business cooperation.



ISO 27001 Information Security Management System Certification

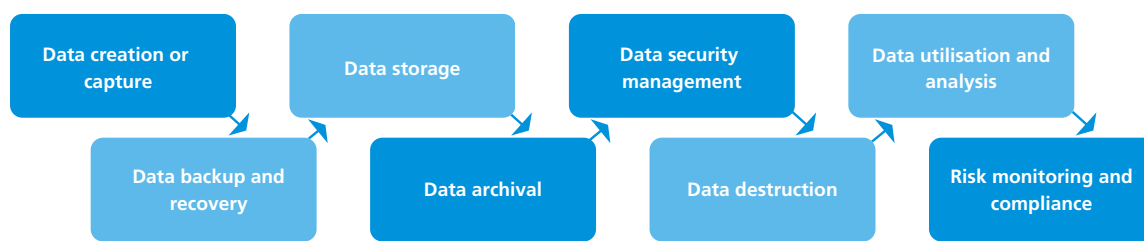


Cybersecurity Classified Protection Certification

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Information and Data Security Measures

To ensure the security of core information and data, the Group adopts a series of information security management measures in accordance with ISO 27001 requirements. These include encryption technology, firewall technology, data backup and full lifecycle data management. The Group has also established management policies and procedures for access rights to key information, implemented authentication measures, and strictly prevents information theft and leakage. At present, China Gas has achieved full coverage of ISO 27001 information security management system certification. The Group has engaged professional third-party assessment institutions to conduct cybersecurity classified protection assessments on information systems such as the Customer Relationship Management (CRM) platform and the Operations Management Platform (OMP) to verify the effectiveness of information security controls. As of the Reporting Period, several core business systems of the Group had obtained Level 3 certification under the cybersecurity classified protection scheme.



Full Lifecycle Data Management Process

In FY2025/26, the Group strictly handled abnormal incidents in accordance with the *Cybersecurity Emergency Response Plan of China Gas* and organised two cybersecurity emergency drills. During the reporting period, all security vulnerabilities were rectified in a closed-loop manner. No data or privacy leakage or other information security incidents occurred, and there were no records of damage to customer or employee rights and interests or related fines.

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

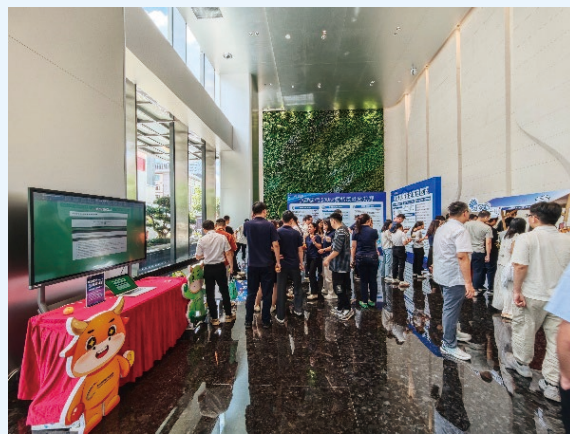
Information and Cybersecurity Training and Awareness

The Group coordinates annual Cybersecurity Awareness Week activities and regularly implements information security and cybersecurity education and training through structured programmes. Through multiple channels, including new employee orientation, all-staff cybersecurity awareness enhancement courses and official account communications, the Group continues to cultivate employees' information security awareness and emergency response capabilities. During the reporting period, the Group organised information and cybersecurity seminars and cybersecurity knowledge tests at headquarters and regional companies, guiding relevant personnel to deepen their understanding of information system security risks, strengthen system protection foundations, and ensure the stable and secure operation of critical infrastructure.

Case: 2025 Cybersecurity Awareness Week

In September 2025, China Gas held the 2025 Cybersecurity Awareness Week, adopting a hybrid online and offline model. All employees were required to participate in the online activities, while the offline activities attracted approximately 1,000 employees. The activities included Cybersecurity Awareness Week examinations, security awareness enhancement and phishing email prevention training. Offline interactive booth games were also set up to further improve employees' cybersecurity awareness.

In addition, the Group conducted targeted online training for employees who required further enhancement in phishing prevention awareness in October 2025, with approximately 1,586 employees participating.



Venue of Cybersecurity Awareness Week

1. GOVERNANCE AS THE FOUNDATION FOR STEADY AND LONG-TERM DEVELOPMENT

Responsible AI Use and Management

China Gas regulates the code of conduct for the use of artificial intelligence to ensure both efficiency and compliance in AI application and development. In terms of data privacy, the Group explicitly prohibits the input of sensitive and non-public information and requires desensitisation to be completed in advance where such information must be used. In terms of cybersecurity, the Group requires the use of authorised and compliant platforms and strictly prohibits unauthorised connections to non-standard systems, ensuring that all types of data are circulated and processed within a controlled environment.

At the same time, the Group requires manual verification of all AI-generated content to prevent risks stemming from bias and inaccurate information, and retains human intervention in key decision-making to ensure that decision outcomes remain controllable and reliable. In addition, the Group requires comprehensive verification and validation of AI outputs to further enhance application transparency and result explainability. By clearly defining the compliance scope and prohibited boundaries for AI use, the Group reinforces user accountability and establishes a rigorous AI governance system.

In FY2025/26, the Group organised dedicated training on AI security use and compliance for all employees, effectively strengthening employees' AI ethics literacy, data security mindset and compliant application capabilities, and ensuring the effective implementation of relevant management measures.



AI Security and Usage Standards Training

2

COMMITMENT TO QUALITY: PURSUING EXCELLENCE



- 2.1 Premium Quality
- 2.2 Exceptional Service



PERFORMANCE HIGHLIGHTS

-  The installation ratio of smart gas meters reached **85%**.
-  The centralised operation of the National Service Contact Centre delivered remarkable results, forming the first industry-wide consolidated service management model in the gas sector
-  By optimising the overdue complaint matrix and providing early warnings for complaint work orders nearing expiry, the volume of overdue complaints decreased by **58%**
-  In FY2025/26, the overall customer satisfaction score reached **94.42**

SDGs Involved in This Chapter



Material ESG Issues Addressed in This Chapter

- ▶ Product Quality Management
- ▶ Protection of Customers' Information and Cybersecurity
- ▶ Customer Care and Satisfaction
- ▶ Protection of Intellectual Property Rights
- ▶ Customers' Health and Safety
- ▶ Innovation and Sustainable Technologies

China Gas has established a quality-oriented development pathway, strengthening both its quality management and service support systems, while reinforcing quality supervision throughout the entire business lifecycle. Driven by both technological innovation and managerial optimisation, the Company continues to elevate product and service benchmarks, ensuring that its products and services remain at the forefront of the industry.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

2.1 PREMIUM QUALITY

China Gas upholds the highest standards of product excellence through a comprehensive quality management system and standardised inspection and assessment protocols. By full-cycle quality risk control from source to end use, we ensure dependable outcomes. Powered by innovation, the Company continually explores opportunities to upgrade products and services, leveraging digital tools to advance the transformation of traditional gas operations. These dual engines of quality enhancement and technological innovation drive high-quality development for the Group.

2.1.1 Product Quality Management System

China Gas strictly complies with national standards, including *Natural Gas* (GB 17820–2018) and *Code for Design of City Gas Engineering (Version 2020)* (GB 50028–2006), integrates international standards such as GB/T 19001–2016/ISO 9001:2015 and local best practices, and establishes a sound product quality management system. We continue to promote quality management system certification and conduct triple ISO certifications (ISO 9001, ISO 45001 and ISO 14001) for project companies across the Group every year, further strengthening the quality management system and consolidating the foundation for quality development.

In Foshan, China Gas established the Yipin Smart Living R&D Laboratory to provide testing, inspection and R&D support for products and components such as cookers, gas water heaters, wall-hung ovens, sterilisation cabinets and ventilation hoods. Yipin Smart Living has built a documented quality system encompassing quality manuals, procedure documents, work instructions including process documents, quality-related rules and regulations, and record forms. It has obtained GB/T 19001-2016/ISO 9001:2015 Quality Management System Certification from the China Quality Certification Centre, and conducts internal audits and management reviews in accordance with system requirements to ensure its effective operation. In FY2025/26, the Yipin Smart Living direct drinking water testing laboratory was officially commissioned and strictly complied with *Water Quality Standard for Fine Drinking Water* (CJ/T 94-2005), providing comprehensive safeguards for water quality.



ISO 9001 Quality Management System certification of Yipin Smart Living

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

2.1.2 Quality Inspection and Assessment

China Gas has established a robust quality control process, including standardised quality inspections, product repair and maintenance, and product recall mechanisms, to manage product quality across the full product life cycle. Notably, Yipin Smart Living Laboratory has maintained a zero-record of product quality and safety incidents over the past decade since its establishment.

Product Quality Inspection Process

Yipin Smart Living has developed and continuously improved documents including the *Yipin Smart Living Procurement Management Regulation*, the *Supplier Introduction and Evaluation Control Procedure*, and the *External Product, Service and Process Control Procedure*. These documents cover the full life cycle from raw materials and production inspection to finished goods warehousing, enabling independent control of product research, production and sales. In FY2025/26, Yipin Smart Living revised the *Yipin Smart Living Procurement Management Regulation*, achieving online traceability throughout the quality management process. During the financial year, supplier incoming material qualification rates continued to improve, with no internal mass reworks or market-end mass quality incidents reported, demonstrating the effectiveness of quality control.

Product Recall Mechanism

China Gas has established a product recall mechanism, with the Yipin Smart Living emergency response team for major accidents and material business impacts coordinating product recall matters. Meanwhile, the Company continues to improve relevant management regulations, strengthen the monitoring and timely traceability of defective products, and promote the orderly and efficient implementation of product recalls. For recalls involving major quality issues, Yipin Smart Living collaborates with suppliers to agree on resolution plans. Yipin Smart Living strictly implements a standardised, transparent, and environmentally friendly product recall procedure. In FY2025/26, Yipin Smart Living recalled 98 products, accounting for 0.025% of total products sold. Product quality complaints and escalated complaints totalled 262, all of which were properly resolved.

2.1.3 Product Innovation

China Gas positions innovation as the primary driver of development. The Group continues to increase R&D investment, advancing innovation in gas businesses, particularly in safety monitoring and smart regulation, to enhance the stability and security of gas supply. At the same time, the Group actively expands value-added products and services, leveraging technological innovation to deliver superior user experience.

Digital Transformation

China Gas actively drives the digital transformation of gas operations, leveraging digital technology to empower smart gas development. We have established the China Gas Internet of Things (IoT) platform, combining the features of Narrowband IoT (NB-IoT) and operational practices of the gas industry to enable remote meter reading, self-service payments, real-time monitoring and safety alerts. Through building an Engineering Excellence Operational System, we achieve a closed-loop project management system that significantly enhances both operational and service efficiency.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

➤ *IoT Platform*

In FY2025/26, the Group prioritised the iterative development of the IoT platform and the centralised billing platform a key initiative, accelerating its transformation from a traditional public utility provider to an energy services company, and achieving comprehensive improvements in operational efficiency, user experience, commercial value and social responsibility. At this stage, the Group's IoT platform and unified billing platform have achieved coordination and interconnection with systems such as CRM, the billing platform and the big data platform, enabling end-to-end data flow from gas sourcing, transmission and distribution, and metering to end-user terminals. Key advantages include remote device monitoring, rapid leakage inspection, abnormal pressure alerts, and automated valve shutdowns or alarms.

We help customers manage gas bills via the mini-program "China Gas Online". This digital tool provides personalised services such as real-time app queries and payments, and supports data-driven strategic decision-making, helping China Gas secure its leadership in the digitalisation tide of energy industries. During the financial year, China Gas continued to expand the coverage of its IoT platform. All newly installed gas meters adopted IoT smart meters, achieving significant progress in the safety of remote meter reading, data reliability and smart operations. In FY2025/26, the number of newly installed IoT smart meters exceeded 200,000, further promoting the scaled deployment of IoT sensing terminals and strengthening both the breadth and depth of underlying data collection.

➤ *Smart Gas Project Development*

To implement a city gas development strategy that integrates human defence and technological defence, China Gas continues to advance smart gas project development. By leveraging technologies such as IoT, big data and AI, the Company promotes the digital upgrade of gas infrastructure. These projects enable end-to-end data connectivity, visualised management, and real-time monitoring and early warning. During the financial year, we used AI alerts, automated valve shutdowns and three-dimensional monitoring equipment to enable remote monitoring, leakage detection and abnormal pressure alerts, promoting the transformation of safety management from passive emergency response to proactive prevention, and comprehensively enhancing urban gas safety management. By breaking down data barriers, improving the regulatory system, empowering corporate operations and unlocking the value of data assets, smart gas projects enhance intrinsic safety and operational efficiency. Through digital and smart technologies, the Company builds strong safety defence and leads the industry's digital transformation.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

Case: Guiping Smart Gas Project

As a flagship delivery initiative under the Group's digital strategy, the Guiping Smart Gas Project relies on the upgrading of ageing pipeline networks and has deployed more than 1,100 sets of IoT smart monitoring terminals. Equipped with drones, laser inspection vehicles and other devices, the project enables integrated ground-air monitoring. At the same time, the project has established a collaborative platform for government regulation and corporate operations, unified data-sharing standards, and achieved one-screen overview of pipeline network data and one-platform command and dispatch. The Guiping Smart Gas Project has implemented the integration of human defence and technological defence, achieved all-weather monitoring, and standardised data-sharing technologies and regulatory standards.



Guiping Smart Gas Management Platform

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

Case: Chongqing Smart Gas Project

The Chongqing Smart Gas Project uses the command centre of the integrated regulatory platform as its hub, with piped gas and bottled gas as the dual core business segments. It has established an integrated regulatory command centre, bringing together five core applications, including bottled gas operations and IoT monitoring. At present, the project has connected 554 sets of IoT sensing devices, linked government and corporate data, and coordinated full-chain operations including command and dispatch, daily supervision, monitoring and early warning. Through granular management across the full business life cycle, the project facilitates early identification of potential hazards and safeguards gas usage safety and supply stability.



Chongqing Smart Gas Management Platform

➤ Engineering Excellence Operational Digital Management Platform

China Gas has established the Engineering Excellence Operational Digital Management Platform with a multidimensional indicator framework covering 219 assessment metrics across four modules: engineering, technology, operation and smart application. Comprehensive assessment is conducted across four dimensions, namely basic management, process management, safety and compliance, and economic efficiency, with results generated across five levels to ensure full coverage of business scenarios. Focusing on engineering standardisation, digital capability enhancement and refined production operation management, the Company has optimised its operational architecture by connecting nine major systems, including OMP, ERP and engineering visualisation tools. By deeply integrating AI algorithms, the platform enables automatic collection of 42 core indicators and establishes a full-chain closed-loop mechanism covering automatic identification, intelligent alerts, rectification push notifications, follow-up review and closure.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

Leveraging the platform, the Company has achieved precise allocation of indicator responsibilities. The assessment scope has been fully extended from overall project company-level evaluation to specialised engineering and operational management business lines, and further down to frontline team units. Responsible personnel can check in real time the indicator scores and group rankings covering both individual and organisational evaluations. In FY2025/26, the platform achieved full-scale deployment across the Group, incorporating all engineering and operations personnel within platform-based management. During the reporting period, the platform automatically identified 7,695 management issues, with a rectification completion rate exceeding 97%, driving the transformation of engineering and operations management towards digitalised and precise management.

Value-added Products and Innovative Services

China Gas continuously advances innovative upgrades to its value-added products and services. Leveraging its extensive gas service network, the Group steadily expands the user coverage of value-added service, promoting the transformation of its business from traditional value-added services towards a terminal brand image as a “service hub within a one-kilometre radius and upholder of community vitality”, delivering shared value for the Group, customers and communities. In FY2025/26, the Group’s value-added services recorded a revenue of HK\$3,699,906,000, accounting for 5.03% of total income.

Through the establishment of Foshan Yipin Youjian Testing Technology Co., Ltd., Yipin Smart Living, a subsidiary of the Group, has expanded into household water safety testing services. It currently has 10 routine testing capabilities and plans to expand to 35, marking an upgrade of the service model from “passive response” to “proactive safety protection”.



Direct Drinking Water Testing Laboratory

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

2.2 EXCEPTIONAL SERVICE

Embracing a “customer-centric approach”, China Gas establishes a robust service quality assurance system with three-year phased development roadmap to “consolidate service foundations in the first year, realise integrated business operations in the second year, and becoming a leader in industry standards in the third year”. By expanding value-added services, refining complaint handling processes, protecting customer privacy, and practising responsible marketing, we comprehensively enhance customer service operations.

2.2.1 Service Quality Assurance System

China Gas strictly complies with national laws and regulations including the *Law of the People’s Republic of China on the Protection of Consumer Rights and Interests*, and has formulated internal policies such as the *Customer Service Management System* and the *Regulation on the Repair, Replacement, and Return Responsibility for Certain Goods* to standardise after-sales services, customer complaints and emergency response processes. In FY2025/26, we continued to improve the service quality assurance system, enhance customer service functions, optimise the consolidated service management model and strengthen online closed-loop complaint management.

Multi-channel Support and Inclusive Services

To build a comprehensive service network, we integrate online and onsite multi-channel resources to ensure smooth and unobstructed customer feedback channels.

- **Integration of multi-channel touchpoints:** Online channels include the official customer service hotline (95007) and the “China Gas Online” mini-program, which provide convenient services. Onsite channels cover the business halls of project companies, onsite service outlets and household service sites, enabling the unified collection and handling of feedback information from both online and onsite sources.
- **Feedback-driven service iteration:** The Company has established a long-term mechanism for incorporating customer feedback into product and service development processes. Bottlenecks detected in service workflows through user feedback are promptly communicated to relevant business modules, allowing service standard operating procedures (SOPs) to be optimised and service quality to be continuously improved.
- **Practising inclusive services:** We have built an age-friendly differentiated care service system. Through dedicated “Caring Counters” and priority service channels, we deeply integrate accessibility concepts into onsite service scenarios. This mechanism not only aims to remove physical barriers, but also adopts a proactive response strategy by providing queue-free services for elderly customers and customers with disabilities. This ensures that special groups can independently, conveniently and with dignity access gas services, demonstrating the Company’s firm commitment to removing service barriers and protecting stakeholders’ equal access to quality public services.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

Smart Customer Service Matrix

China Gas has established the 95007 nationwide service hotline and built a full-scenario smart customer service matrix, creating a nationally unified, real-time online and closed-loop controllable digital and smart service management platform to provide users with 24/7 services. The smart customer service matrix connects multiple systems including big data, IoT and CRM, enabling penetrating customer service management across headquarters, regions and management groups. For core business scenarios such as indoor safety management, meter reading and billing management, complaint management and inspection management, the matrix is equipped with core functions including abnormal data monitoring, processing deadline reminders and closed-loop case completion tracking. It monitors all customer service businesses and processes in real time, forming a full-process digital governance chain of “automatic detection – intelligent alert – precise supervision – closed-loop closure”. During the financial year, with the smart customer service matrix as a core operational focus, we completed optimisation of 46 core business processes, including complaints, meter reading and billing, ignition and repair, and business hall management, thereby driving marked improvements in customer service efficiency. At present, 2,965 employees have been granted access to the smart customer service matrix, with cumulative system visits reaching 510,061.



China Gas Smart Customer Service Matrix

In FY2025/26, the National Service Contact Centre actively responded to the Group’s strategy and steadily advanced digital upgrades through a phased approach. Meanwhile, our smart outbound call system was officially put into operation, covering 12 types of scenarios including follow-up visits for basic businesses such as repairs and gas facility renovation, as well as satisfaction surveys. This has promoted the transformation of follow-up visits from manpower-driven to data-driven. The total number of outbound call task orders increased by 6.1 times compared with the original manual model, while the volume of valid samples for satisfaction and work order follow-up visits increased by 9.8 times.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

To ensure the efficient rollout and standardised operation of the smart customer service matrix, the Customer Service Department has established a regular business training system, and simultaneously issued the smart customer service matrix management measures and closure operation guidelines. The training covers matrix operation, smart engine application, standardised business processes, compliant operation requirements and closed-loop closure management, targeting all customer service management personnel, frontline operators and inspectors across the Group.

Training content focuses on key areas such as matrix function application, interpretation of engine rules, issue identification standards, work order handling standards and risk control points. Through various formats including online teaching and case-based learning, the training ensures that all personnel are proficient in the application logic and operating standards of the smart customer service matrix, promotes the deep integration of smart tools with daily business operations, and enhances overall service efficiency.

Complaints and Public Sentiment Management

China Gas has established a comprehensive customer complaint handling mechanism to ensure rapid response to customer complaints and public sentiment information. In FY2025/26, we issued the *China Gas Customer Complaint Management Regulations*, clarifying complaint definitions, classifications and handling principles. Meanwhile, we achieved resource coordination with the Culture and Brand Development Department to enhance risk prevention and control capabilities.

In addition, through deadline alerts generated by the core complaint engine for service attitude and conduct-related complaints, we strictly implement a zero-tolerance accountability mechanism. By combining accountability control with process optimisation, monthly complaints decreased by 55% year on year. At the same time, the Company optimised the complaint overdue alert matrix, identifying and intervening in work orders approaching overdue status in advance, thereby cutting overdue complaints by 58%.

In FY2025/26, the Company received 3,160 complaints relating to products and services. For key business scenarios such as gas suspension and supply disruption, and gas price adjustments, the Company leveraged the centralised service advantages of the 95007 service hotline to strengthen closed-loop tracking of user feedback and effectively mitigate the risk of escalation of negative incidents.



Customer Complaint Handling Process

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

China Gas has established a full-process closed-loop public sentiment management mechanism of “monitoring – distribution – handling – feedback”, implementing a four-level protection system designed to ensure risks are controllable and manageable. Through institutionalised development, we ensure the standardised flow of public sentiment information from source to handling, providing a basic framework safeguard for the Group’s brand security. We publicly commit to responding to and replying to customer complaints within 96 hours through hotline or online channels. After the relevant project company completes handling, the National Service Contact Centre conducts unified follow-up surveys to verify the authenticity and handling status of complaint closure.

The Company focuses on six high-risk areas of public sentiment, namely human resources, engineering, customer service, market, safety and other areas, and has launched the development of a Group-wide digital monitoring and supervision system. The system is connected to the DingTalk platform and enables integrated management from source monitoring, automatic distribution and closed-loop handling to case generation. The Company also plans to deepen linkage with the 95007 call centre and employee reward and punishment mechanism. During the financial year, all sensitive public sentiment identified across the Internet involving “China Gas”, “China Gas Holdings” and “Yipin Smart Living” was effectively traced and handled, and 50% of the relevant public sentiment content links rendered invalid. No public sentiment risk incidents above Level 3 occurred throughout the year. Most public sentiment risks were effectively addressed and resolved at the emerging or initial stage, effectively protecting the Group’s brand reputation and sound social relations.

Meanwhile, we have established a multidimensional training empowerment mechanism. Together with authoritative experts in the cyberspace field, we developed the course *Public Sentiment Control and Crisis Public Relations Skills for the Gas Industry in the New Era*. Tiered and category-specific training sessions were rolled out to lift risk response capabilities for staff at all levels. The training covered management personnel and frontline brand communication teams, and included practical drills on high-risk scenarios such as gas safety and market-based charging. More than 1,000 participants were trained during the financial year.

Customer Service Accountability Mechanism

China Gas has established a three-tier accountability structure comprising directly responsible personnel, department heads and supervising executives. By defining key performance indicators, the Company further consolidates foundational customer service management. In FY2025/26, we continued to strictly follow the *Customer Service Red and Yellow Line & Negative List Scoring Regulations*, enabling quantitative assessment of violations. For management personnel, we implemented 20 red and yellow line prohibitions, specifying disciplinary measures such as demotion and pay cuts. For frontline employees, the Company implemented negative list management covering 51 key nodes, including safety management, meter reading, work orders and complaint response. Violations are categorised into three tiers: egregious, major and minor, with differentiated scoring criteria applied accordingly.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

2.2.2 Customer Privacy Protection

China Gas strictly complies with laws and regulations in the field of customer privacy protection, and deeply embeds privacy protection concepts into the Group's risk and compliance management system. We have established dedicated privacy policies and rolled out a suite of targeted control safeguards. At the same time, the *Cybersecurity & Information Security Awareness Training* is designated as a mandatory onboarding component for all headquarter's new employees, thereby strengthening privacy protection awareness across all employees.

Pursuant to the *Code of Conduct for Compliance of China Gas*, we strictly prohibit the acquisition of information through illegal means such as fraud or inducement. Lawfully obtained data must be kept strictly confidential and must not be sold to third parties. In addition, the *Information Security Management Measures of China Gas* clearly sets out the principles, approval procedures and control processes for external data provision, including desensitisation and the establishment of public registers. The Company also clearly stipulates confidentiality responsibilities in gas supply contracts, thereby building comprehensive information security safeguards from both institutional and contractual perspectives. We clearly disclose data retention durations to customers and safeguard customers' autonomy over the processing of personal information. Customers may independently determine the collection, use and retention of their data, and have the right to give or withdraw consent. In addition, customers may exercise their rights of access, correction, deletion and data portability at any time, ensuring that personal information is fully respected and protected. In the event of violations such as privacy leakage, customers may provide feedback or submit reports by email or telephone. The Group adopts a zero-tolerance approach and, once verified, will seriously hold the relevant personnel accountable and impose penalties. In FY2025/26, the Group abstained from utilising customer data for non-core business activities including product optimisation and marketing initiatives, thereby delivering robust protection of customers' privacy rights.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

Customer Privacy Protection Management Measures	
Institutional Level	Establish a privacy protection framework covering the full data chain, coordinating closed-loop management from information collection, storage, processing and transmission to final destruction. Through institutionalised measures, the Group ensures the confidentiality and integrity of customer data throughout all stages of circulation.
Technical Level	- Implement identity verification and access control strategies based on the zero-trust concept, strictly define data access boundaries, and ensure that only authorised personnel can access sensitive information, effectively building a defence against unauthorised access. - Deploy multi-layered cybersecurity defence systems and introduce advanced protection technologies to resist external cyber threats and malicious attacks. - Implement regular vulnerability scanning and risk assessment mechanisms to proactively identify and address potential security weaknesses, and continuously enhance system defence capabilities.
Employee Level	- Deepen the information security awareness building among all employees through diversified training, enhancing employees' understanding of the value of data protection and internalising security concepts as the first line of defence for data protection. - Improve confidentiality commitment and assessment systems by requiring employees to sign confidentiality agreements and undergo regular information security assessments to ensure compliance with information security requirements. - Establish strict tiered disciplinary procedures for unauthorised disclosure of customer information, with handling measures implemented in accordance with internal regulations and laws. - Where financial losses are caused or suspected illegal acts are involved, claims will be pursued or cases transferred to judicial bodies in accordance with the law, firmly upholding the organisation's integrity bottom line.
Physical Security Level	- Strengthen physical environment controls in core areas and office premises through smart access control and surveillance networks to prevent unauthorised entry, ensuring the security of physical assets and office environments. - Maintain the stability of critical business terminal equipment, such as call centre facilities, through regular inspections and maintenance to mitigate information leaks triggered by equipment malfunctions. - Clarify requirements for the use of data storage media, establish storage media management registers, and strictly prohibit the storage of customer data on personal terminals.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

As China Gas's smart living technology brand, Yipin Smart Living has established a three-tier collaborative governance structure comprising the "strategic level – executive level – operational level". At the strategic level, the Data Security Management Committee coordinates the formulation of medium – and long-term data security objectives and major decisions. At the executive level, the Information Security Department under the Digital Management Department takes the lead in systematically advancing the formulation of data security strategies, the development of compliance systems and the supervision of policy implementation. At the operational level, business, IT, human resources, procurement, legal, public relations and other functional teams are deeply embedded into the full product life cycle management process, ensuring that privacy protection requirements are effectively implemented across demand analysis, design review, development and testing, launch and release, operation and maintenance, and termination of operations.

Yipin Smart Living has built a customer privacy compliance system with comprehensive policies and clear standards. Core documents include the *Yipin Smart Living Data Protection Policy*, the *Yipin Smart Living Data Classification and Grading Management Measures* and the *Yipin Smart Living Product Privacy Security Compliance Guidelines*. These documents clearly follow basic principles such as legality and compliance, minimum necessity, openness and transparency, and end-to-end protection. They are supported by 10 standardised templates, such as privacy policies, PIA reports and data flow diagrams, making compliance requirements quantifiable, traceable and auditable. Meanwhile, the *Information Security Red and Yellow Line Management Measures* establishes a zero-tolerance bottom line, implements tiered accountability for violations and strengthens the binding force of institutional governance system.

In the use of customer information, Yipin Smart Living adopts a dual mechanism of initial pop-up notices and scenario-specific secondary authorisation. When the app is launched, the *Privacy Policy* is mandatorily displayed, setting out explicitly the types, purposes and scope of information collection. At key points involving sensitive data processing or functional adjustments, an immediate and independent customer consent process is triggered. Customers may conveniently exercise rights such as access, replication, correction and deletion through the privacy mailbox or customer service centre.

In terms of risk prevention and control, Yipin Smart Living continues to enhance its resilience. It completes the Ministry of Public Security Tier 3 cybersecurity classified protection assessment every year, regularly conducts data security risk assessments and Privacy Impact Assessments (PIA), and establishes standardised incident response procedures in compliance with the *Data Security Emergency Response and Handling Guidelines*. In addition, Yipin Smart Living regularly organises cross-departmental practical drills to ensure rapid response and effective handling in emergencies, comprehensively safeguarding customer data assets and corporate reputation.

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

2.2.3 Responsible Marketing

China Gas regards responsible marketing as a core operating tenet and fully complies with legal requirements including the *Advertising Law of the People's Republic of China*. In terms of communication strategy, we use emerging digital channels such as short videos and livestreams to build a transparent, accurate and comprehensible information disclosure mechanism, firmly eliminating false promotion and misleading claims. We also strengthen the ethical value and cultural orientation of marketing content to avoid potential negative social impacts. For product labelling management, we strictly benchmark against national mandatory standards and fully disclose core elements such as product name, specification, production date and manufacturer, helping consumers make rational decisions and safeguarding the fairness of the transaction environment. Based on a strict internal control system, as of the end of the Reporting Period, the Company was not involved in any allegations or legal disputes relating to misleading product and service information or user fraud, and no marketing-related non-compliance incidents occurred.

2.2.4 Customer Satisfaction Improvement

China Gas formulated the *China Gas Group Staff Service Code*, based on which the Company reshaped customer service operating procedures and established a closed-loop complaint handling mechanism. Through regular dedicated training programmes, we are committed to strengthening the professional capabilities of frontline teams and ensuring the continuous enhancement of service delivery capabilities. In addition, we reinforce management's fulfilment of pledged service standards, effectively improving customer experience.

Case: Yangzhong China Gas Successfully Held the 2025 "General Manager Open Day"

In FY2025/26, from 20 to 21 September, Yangzhong China Gas extended its service touchpoints to the frontline business hall and held the "General Manager Reception Day" at the Changjiang Huacheng Business Hall. The General Manager visited the site in person and communicated with users face to face, prioritising the collection of service feedback and coordinating onsite solutions for difficult business issues. During the event, in conjunction with the tenth anniversary of "Yipin Smart Living", the management of Yangzhong China Gas provided users with detailed explanations of the service value and application policies of value-added businesses. Through livestreaming and public media reporting, the event enhanced service transparency and interactivity.



Yangzhong China Gas "General Manager Open Day" Event

2. COMMITMENT TO QUALITY: PURSUING EXCELLENCE

Yipin Smart Living has deepened digital empowerment of customer services. Relying on WeCom and the SCRM system, it has built a five-centre operating structure integrating tasks, messages, commission distribution, advertising and customer service, forming a proprietary full-lifecycle private domain customer management system with China Gas characteristics. By leveraging SCRM functions in customer assets, precise outreach and employee management, Yipin Smart Living has achieved refined operations both internally and externally. In FY2025/26, Yipin Smart Living conducted customer satisfaction surveys through telephone follow-up mechanisms, focusing on optimising the service experience of existing clientele.

The Company's customer experience significantly improved through the consolidated model of the National Service Contact Centre and end-to-end online complaint management. In FY2025/26, we conducted quarterly satisfaction surveys covering eight regions nationwide, 163 project companies and 23,007 users. A total of 9,650 complete and valid samples were collected, covering city gas and commercial and industrial users. The final overall customer satisfaction score reached 94.42, surpassing the annual target benchmark of 90.

Customer Satisfaction Survey Results of China Gas in FY2025/26 and FY2024/25

	FY2025/26	FY2024/25
Number of project companies that conducted customer satisfaction surveys	163	163
Coverage of customer satisfaction survey (%)	100	100
Total number of satisfaction surveys	9,650	10,466
Survey result (score)	94.42	95.22
Satisfaction target (score)	90	88



3

SAFETY FIRST: ENSURING GAS RELIABILITY

- 3.1 Safety Management
- 3.2 Work Safety
- 3.3 Safety Technology
- 3.4 Capacity Building
- 3.5 Stakeholder Management
- 3.6 Reliable Gas Supply



PERFORMANCE HIGHLIGHTS

- ◆ **110** project companies under the Group's operational control collectively obtained external certification for three systems: ISO 9001, ISO 14001 and ISO 45001. These project companies represented **53.43%** of the Group's total revenue
- ◆ A total of **436** (including 142 in the current financial year) major project companies passed the internal HSE management system audit and certification of China Gas
- ◆ **379** concession entities carried out interim assessment inspections and **100%** passed the assessment and acceptance
- ◆ A total of **36,211** safety responsibility statements were signed across the Group, with a safety duty reporting rate of **98.17%** and a duty performance evaluation rate of **99.03%**
- ◆ The traffic safety management system was promoted, and traffic accidents and incidents decreased by **14.5%** year on year
- ◆ **4,905** dedicated safety training sessions were conducted, covering **368,392** participants

SDGs Involved in This Chapter



Material ESG Issues Addressed in This Chapter

- ▶ Emergency preparedness and crisis response
- ▶ Product quality management
- ▶ Occupational health and safety
- ▶ Innovation and sustainable technologies
- ▶ Market positioning
- ▶ Safe and reliable gas supply

Guided by our safety principles – “Prevention First, Safety Development” and “Leadership-Driven, Group-Wide Accountability” – China Gas continues to deepen the development of its safety management system. We are steadily advancing the Three-Year Action Plan for Special Rectification of Work Safety, increasing investment in safety technology innovation, and comprehensively enhancing safety management standards by strengthening the capabilities of management and employees and coordinating safety management among relevant parties, thereby ensuring stable, reliable and secure gas supply services.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

3.1 SAFETY MANAGEMENT

We have always placed work safety high on our business management agenda. We continue to improve the full-chain safety management system, establish a scientific and rigorous safety management framework, and optimise the safety management organisational structure, so as to build a comprehensive safety defence. At the same time, we set clear and quantifiable safety targets and incorporate contractors into target management, enabling source-based risk control, reinforcing safety accountability at every level, and providing a solid safety foundation for the Group's development.

3.1.1 Management Policies

China Gas continues to strengthen the development of its safety management system. We strictly comply with national laws and regulations including the *Work Safety Law of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China* and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, and benchmark against authoritative domestic and international standards such as ISO 45001, ISO 9001 and work safety standardisation. On this basis, we have formulated the Group-wide *HSE Rating Inspection Standards* and the *HSE Management Manual* for each project company. In FY2025/26, the application of relevant documents was extended to new business segments such as biomass energy and Yipin Smart Living.

HSE System Document Development for New Business Segments

Business Segment	Work Progress
Biomass Energy	The <i>China Gas Biomass Energy HSE Management Manual</i> (Version 1.0) was officially released, marking a pioneering breakthrough in building a dedicated HSE management system for the biomass energy business from scratch.
Smart Energy	Based on the original framework of heating-related documents, professional provisions relating to building energy conservation and industrial energy conservation were supplemented and improved.
Yipin Smart Living	The preparation of system documents covering five business formats was completed, with the final review, publication, and trial operation completed in May 2026.

We updated and released the Group-level *Health, Safety and Environment (HSE) Management Manual of China Gas* (V2.0), revising and refining the management requirements for 29 secondary elements and 99 tertiary elements. In particular, we strengthened the assessment and application of digital and smart tools, increasing the weighting of relevant indicators in system evaluation to 30%. Each business department was also designated to lead the preparation of specialised management requirements to ensure organic integration with its respective system. In addition, we moved beyond the traditional binary assessment of "whether implementation has taken place" by adding evaluation criteria centred on the quality of work completion, thereby shifting management focus from result orientation to refined process control.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

The Group's safety management system covers the full chain of safety management, including production and operation safety, user gas safety, operational safety, contractor safety, traffic and transportation safety, occupational health and emergency management, effectively safeguarding the occupational health and safety of employees, contractors and relevant parties. At the governance level, we strictly implement the requirements of the management manual, regularly conduct safety duty performance evaluations for management personnel, and link health and safety performance to the remuneration assessment of executive directors and senior management (including C-suite), thereby ensuring the robust implementation of safety management.

3.1.2 Management System

China Gas and its subsidiaries continue to optimise their safety management systems and organisational structures, actively promote external ISO safety management system certification and deepen the application of the internal HSE management system, thereby continuously improving overall safety management effectiveness.

➤ Safety Management Organisational Structure

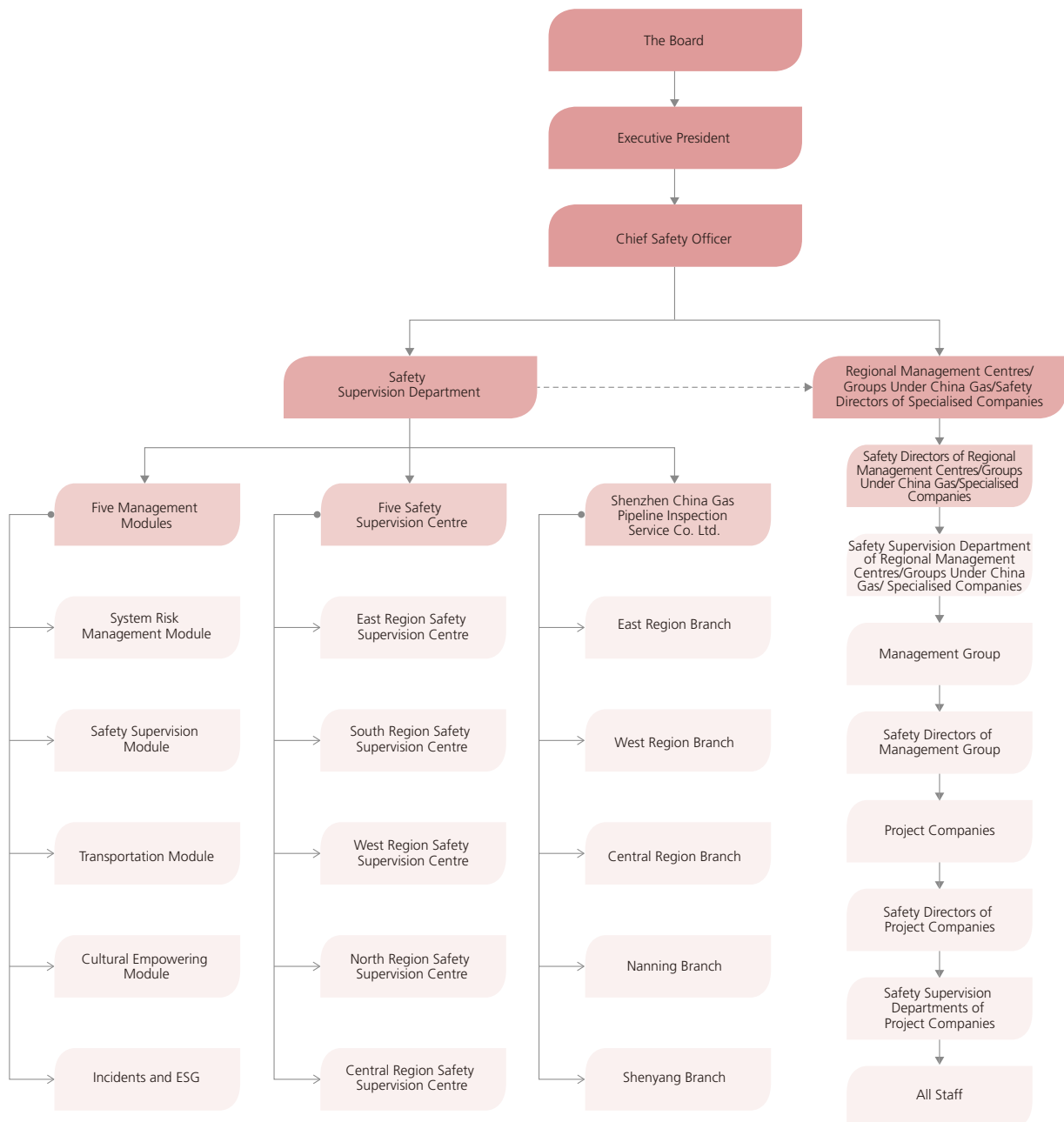
The Workplace Safety Committee ("WSC"), under the guidance of the Board, serves as the Group's highest decision-making body for safety. It is chaired by a Board member and co-chaired by the Group's CMT leaders. Members include heads of departments at Group headquarters, general managers of regional management centres, business units, and specialised companies, as well as national gas safety experts. The committee is responsible for implementing national safety policies, convening regular meetings to review safety reports and decide on critical safety issues, monitoring annual safety KPIs, maintaining the corporate safety governance structure, and ensuring adequate investment in safety.

The Workplace Safety Committee has established a dedicated Office, which oversees the Safety Supervision Department as the executive body for the Group's safety management. The Department, comprises five management modules, five safety supervision centres, and Shenzhen China Gas Pipeline Inspection Service Co., Ltd. The five supervision centres are responsible for monitoring the enforcement of safety policies, and conducting HSE compliance audits, and supervision. Meanwhile, Shenzhen China Gas Pipeline Inspection Service Co., Ltd. is tasked with detecting gas pipeline leaks within its operational scope, delivering on the Group's inspection mandates and performance KPIs, and formulating risk-based leak prevention measures based on pipeline risk assessment results.

The Safety Supervision Department strictly follows the Group's core governance principle of Supervision, Inspection, Assessment, Training, Guidance, and Service, fully performing its safety production supervision responsibilities. Through the four-tiered oversight system of "Group – Regional management centres (business units and specialised companies) – Management groups – Project companies", the department regularly advances safety inspections, comprehensive safety evaluations and HSE system audits. Under this mechanism, units at all levels are required to thoroughly implement the principles that "the person in charge of the industry, business, and production being responsible for safety", ensuring that primary responsibilities are effectively fulfilled, continuously improving safety management performance and resolutely preventing major accountable incidents.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

The Group proactively advances the establishment of safety management organisational structures for new business format companies. At present, all such entities have established Workplace Safety Committees and formed a working mechanism for convening regular meetings, systematically organising daily safety management work including safety training, emergency drills, safety inspections, hazard rectification and outsourced-unit safety management. In terms of staffing, each new business format company is recruiting dedicated safety personnel in accordance with scheduled plans. Key safety officers are now all in place, while frontline safety management personnel at the Smart Energy Company have been fully deployed.



Organisational Structure of Safety Supervision

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Safety Management System Certification

China Gas remains firmly committed to its safety bottom line and continues to deepen both external and internal system certifications. Meanwhile, through regular management system audits, the Group drives the continuous optimisation of its safety governance mechanism, ensuring that the management system remains up to date and that safety performance improves steadily.

In terms of external system certification, China Gas has achieved substantial progress. Since June 2021, we have fully launched HSE certification initiative at both headquarters and subsidiary project companies, covering core businesses such as city gas and liquefied petroleum gas (LPG). In FY2025/26, the certification process continued to deepen. In addition to carrying out recertification for the 102 project companies that had previously obtained independent third-party certification to maintain the validity of their three-system certificates, eight additional units obtained three-system certification¹. The certification scope mainly covers management activities relating to the sales of piped natural gas and equipment operation and maintenance. As of the end of March 2026, 110 project companies under China Gas's operational control had obtained external certification for ISO 9001, ISO 14001 and ISO 45001, and these project companies accounted for 53.43% of the Group's total revenue.



ISO 45001 Certification of
Fengshun China Gas



ISO 45001 Certification of
Bobai China Gas



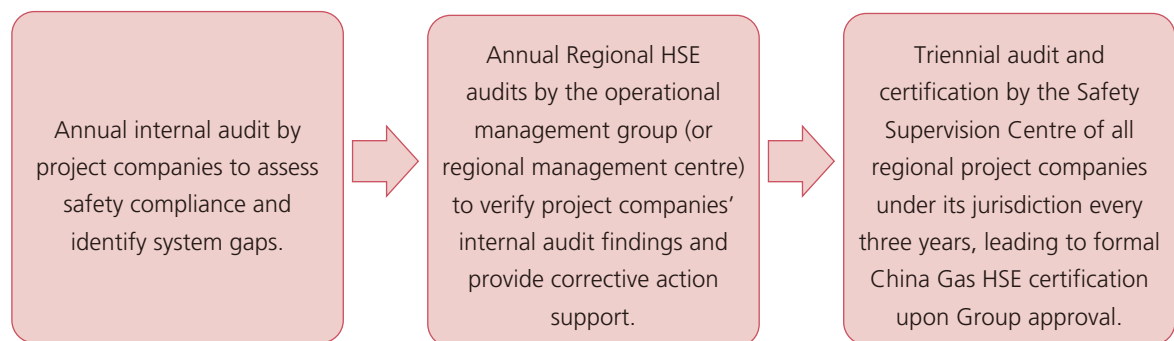
ISO 45001 Certification of
Leling China Gas

¹ In FY2025/26, the entities that newly obtained three-system certification certificates included Weihai Wendeng China Gas, Pingyuan China Gas, Nancheng China Gas, Leling China Gas, Heihe China Gas, Fengshun China Gas, Bobai China Gas, and Baotou Shenyn Pipeline Engineering Co., Ltd.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

The Group regularly conducts external verification of its occupational health and safety management system to assess the effectiveness of system operation and ensure continued compliance with certification requirements. For project companies that have obtained three-system certification and work safety standardisation accreditation, the Group engages independent third parties every year to conduct annual reviews, with a focus on the effectiveness of work safety policy implementation. Meanwhile, the Group's city gas and LPG segments strictly comply with laws and regulations, carrying out safety assessments, occupational disease hazard factor testing and occupational health examinations for relevant positions. In addition, each subsidiary project company actively cooperates with various HSE supervision and inspection activities organised by government authorities and authorised third-party institutions. As of the end of March 2026, project companies with independent third-party certification accounted for 24.89%, while project companies that newly obtained independent third-party certification during FY2025/26 accounted for 1.81%.

In terms of internal certification, taking into account domestic and international safety standards and the Group's actual business conditions, we established a more stringent and detailed China Gas health, safety and environment (HSE) management system covering the entire Group in 2022. Full coverage of HSE internal certification across all operating units was achieved in FY2024/25. To ensure the effective operation of the safety management system, the Group conducts annual HSE management rating inspections covering all businesses and project companies. For units certified under the China Gas HSE management system, we require at least one internal audit and one management review each year. While strengthening the implementation of primary safety responsibilities, regular self-diagnosis and improvement ensure that all safety control measures are effectively implemented, reinforcing the Group's internal safety defences.



China Gas HSE Management System Certification Process

3. SAFETY FIRST: ENSURING GAS RELIABILITY

In FY2025/26, in accordance with the HSE system audit and certification work plan for the financial year, China Gas organised the Safety Supervision Centres under the Group Safety Supervision Department to conduct internal HSE system audit verification for project companies across the Group. As of the end of March 2026, a cumulative total of 436 project companies (including 142 in the current financial year) had passed China Gas HSE system audit certification. The internal HSE rating structure of 442 project companies continued to improve, comprising 11 Grade A, 257 Grade B and 174 Grade C project companies. No project companies in any region or enterprise group were rated Grade D, safeguarding the safety bottom line. The proportion of project companies rated Grade B or above reached 60.63%, a substantial increase from 37.31% in FY2024/25. This marks a successful shift in risk rating distribution from a normal distribution dominated by Grade C to one dominated by Grade B, while also achieving a breakthrough from zero Grade A project companies. This effectively demonstrates the system-building capabilities and operational standards of project companies. In addition, China Gas provided training on the *Health, Safety and Environment (HSE) Management Manual of China Gas (V2.0)* for safety management personnel at all levels across the eight regions, including Southwest China, Northeast China, Central Plains, North China and Northwest China, as well as traditional gas segment companies such as LPG, covering over 1,200 participants.



China Gas HSE Rating Site



HSE Management System Certification of China Gas

3.1.3 Management Targets

China Gas adheres to its safety principles and commitments of “Prevention First, Safety Development” and “Leadership-Driven, Group-Wide Accountability”. The Group has set the safety targets of “Zero Violations, Zero Injuries, Zero Accidents”, covering contractors. The Group also sustains the non-zero target: within five years, the rate of work-related injuries per million working hours for both employees and contractors is below 0.75. To ensure rigorous delivery of these safety objectives, the Group develops tailored annual work safety action plans and establishes quantitative occupational health and safety indicators. All project companies are also required to set measurable annual HSE targets, supported by dedicated management systems, providing a solid institutional basis for safety management.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

The FY2026/27 safety objectives include:

- ▶ Zero major accountable accidents; minimise minor incidents
- ▶ 100% close-out of critical hazards through enhanced identification
- ▶ Continuous HSE management system certification across all project companies
- ▶ 100% HSE rating coverage of project companies
- ▶ 95% adoption rate of the Alarm System at project company level

The Group has established a comprehensive safety performance management system focusing on three core dimensions: duty performance evaluation, employee safety scoring and project company HSE ratings. By strengthening the application of assessment results, safety performance is closely linked to remuneration rewards and penalties, as well as career development, for leadership personnel, department managers and other management staff. Employee safety behaviour and project company safety management standards are also linked to employee performance pay, effectively reinforcing safety responsibilities across all positions and driving the efficient achievement of safety targets. During the reporting period, the Group recorded no violations of safety-related laws and regulations, and no employee fatalities or work safety liability accidents.

We have put in place a dynamic monitoring mechanism to continuously evaluate key performance indicators such as near-miss reporting rates and safety training coverage, and regularly review progress against safety responsibility targets. In FY2025/26, the Group recorded 898 near misses on above-ground gas equipment, facilities and related accessories at user premises. The Group and its project companies promptly carried out rectification and special governance actions, and communicated typical issues across the Group, effectively eliminating hazards. In terms of the training system, the Group leveraged the OA e-Learning platform to conduct induction training for all employees, achieving 100% coverage of general safety training. Strict qualification access management was implemented, achieving a 100% dual certification rate under both national and Group requirements for practitioners. Safety management personnel also attained full certification after training and assessments, comprehensively strengthening workforce safety competency.

Indicator	Unit	FY2025/26	FY2024/25	FY2023/24
Work safety investment	HK\$ billion	2.4	2.2	2.3
Safety training attendees (executives & safety officers)	attendance	26,600	1,470	1,515
Safety training attendees (employees)	attendance	341,792	38,047	29,267
Emergency drill frequency	time	12,036	8,505	9,171
Number of work-related fatalities	no.	0	0	0
Lost-time injury days	day	70	160	70
Lost-time injury frequency rate (LTIFR) per million hours – employees	Case/per million working hours	0.0066	0.0148	0.0077
Lost-time injury frequency rate (LTIFR) per million hours – contractors	Case/per million working hours	0	0	0
Total recordable injury rate	Case/1,000 persons	0.01	0.25	/

3.2 WORK SAFETY

China Gas upholds the principle of “Three Governance & Three Musts” and implements a dual prevention mechanism for risk control and hazard management. We continuously strengthen the accountability system featuring joint party-government responsibility, dual-function position accountability, collaborative governance, and consequence-based liability enforcement. This framework ensures a holistic work safety ecosystem. We strictly comply with national laws and regulations, including the *Work Safety Law of the People’s Republic of China*, the *Social Insurance Law of the People’s Republic of China* and the *Regulations on Urban Gas Management*, and have formulated internal management systems such as the *City Gas Transmission and Distribution Management System*, the *CNG, LNG, and L-CNG Gas Stations Production and Operation Guidelines* and the *Production and the Operation Repair System Construction Guidelines*. These systems regulate production and operation processes in a systematic manner and continuously enhance our basic management, on-site management and emergency response capabilities.

3.2.1 Safety Risks

China Gas has always attached great importance to safety risk identification and management. Upholding the principle of prevention first and shifting control measures forward, the Group has systematically established a comprehensive and multi-level risk prevention and control system from the Group level to project companies. We continue to conduct risk identification and assessment in key areas such as occupational health and safety and work safety, ensuring that major risks are preventable and controllable, and laying a solid foundation for safe and stable operations.

➤ Safety Risk Identification

China Gas regularly conducts safety risk identification across both Group and project company levels, advancing relevant actions in key areas such as occupational health and safety and work safety to effectively prevent and control major risks. In FY2025/26, under the leadership of the Group Audit and Supervision Department, the Safety Supervision Department systematically reviewed and identified major risk events that may arise in the Group’s business operations, and assessed the suitability and necessity of corresponding response measures. Each project company conducts, based on its actual business circumstances, at least one review of risk identification and the applicability of control measures every financial year. Taking into account scenarios and circumstances that may involve work injuries, health impairments, diseases and accidents, project companies carry out systematic assessments, identify major safety risks from areas such as gas station operation and management, supply and sales services, and engineering construction, update the *Project Company Risk Assessment and Control Measures List*, which covers engineering technology, management systems, training and education, personal protective equipment and emergency response, and adopt corresponding control measures according to risk levels. In FY2025/26, all project companies completed annual occupational disease hazard risk screening, and the Group recorded zero occupational disease, zero occupational contraindication cases, and no occupational health and safety disputes.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Safety Risk Management

China Gas continues to strengthen occupational health and safety risk control and response, across the Group and project companies. In FY2025/26, the Group completed the preparation of the *Occupational Health Management Procedure Documents*, the *Safety Accident Management System of China Gas* and the *Occupational Health and Safety Management System of China Gas*, and revised core documents including the *Occupational Disease Hazard Monitoring and Evaluation Management System of China Gas*. These efforts further streamlined monitoring processes, clarified control standards, and finalised the full design framework of the occupational health management system, laying the structural foundation for subsequent information platform development.

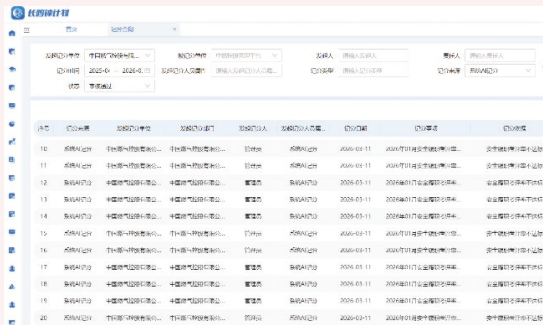
In compliance with the Group's HSE management requirements, we continue to strengthen supervision over affiliated units through the HSE rating inspection mechanism, covering occupational disease hazard project declaration, hazard factor testing and occupational health examinations. We place particular emphasis on contractor occupational health management, defining the respective responsibilities and targeted control measures for clients and contractors in occupational disease hazard prevention and control, while strengthening supervision, inspection and assessment at construction sites. Each project company conducts occupational disease hazard factor testing and evaluation, as well as ongoing employee occupational health surveillance in a standardised manner according to plan. They also dynamically update documents relating to occupational health management, emergency management and emergency response plans in line with actual operational conditions, and provide occupational health and safety protection training to employees and contractors. These structured practices ensure robust control of grassroots-level occupational health risks and drive sustained improvements in overall operational compliance.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

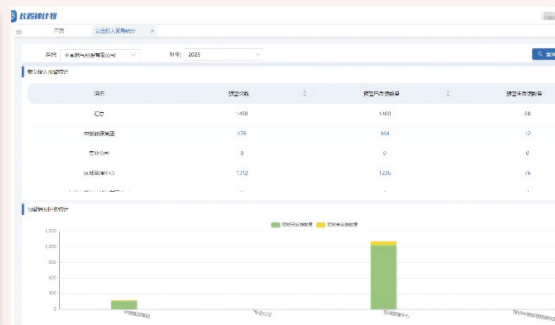
Case: Further Upgrading the “Alarm System”, with AI Empowering “Smart Scoring”

In FY2025/26, in accordance with the *Application Assessment and Management Measures for the Safety Digital Integrated Management Platform of China Gas*, China Gas further scaled up the application of AI functions in the Alarm System and officially launched the “Smart Scoring” function. This function automatically captures abnormal data from modules such as safety duty performance and safety investment, accurately pinpoints accountable personnel and implements safety scoring management. It further improves the self-closed-loop management mechanism of the Alarm System, significantly enhances system application effectiveness, and promotes the transformation of safety management from manual supervision to intelligent-driven management.

In FY2025/26, a total of 36,211 safety responsibility statements were signed across the Group. The safety duty filing rate reached 98.17%, while the duty performance evaluation rate increased from 96.19% to 99.03%. The headcount of staff failing to complete the safety duty filings dropped significantly from 3,743 to 1,048. A total of 1,488 safety investment warning feedback items were issued, with the feedback rate rising from 65.96% to 94.09%. Among these, new business format companies have adopted the Alarm System, completing 95 safety monthly reports and signing 3,804 responsibility statements. The entities also prepared 2,615 duty performance indicators for 86 positions, preliminarily establishing a position-based duty performance system.



Alarm System AI Smart Scoring Interface



Alarm System Safety Investment Warning Interface

3.2.2 Emergency Management

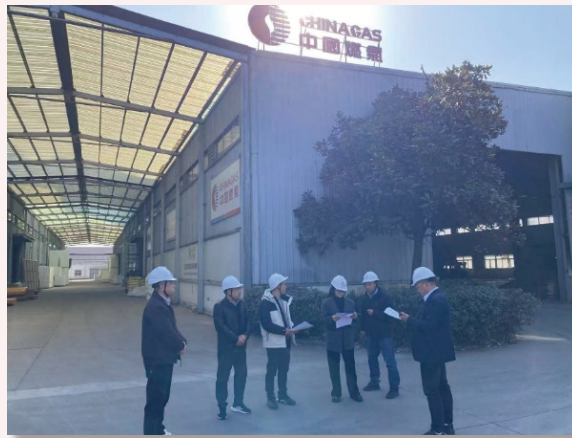
China Gas has established a scientific and efficient emergency management system and formulated internal systems including the *China Gas Safety Accident Management System*, the *China Gas Group Emergency Response Plan*, the *China Gas Emergency Drill Management System* and the *China Gas Project Company Emergency Plan Preparation Guidelines*, thereby standardising emergency management. Through regular emergency drills, emergency repair and maintenance, and public emergency management actions, the Group has effectively enhanced its capability to respond to emergencies and maintain stable operations. In terms of team building, 442 city gas project companies have established full-time or part-time emergency repair teams as required, continuously strengthening frontline response capability and providing solid support for the Group's safe and stable operations.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

In FY2025/26, China Gas further advanced the development of its emergency management system, achieving alignment between system coverage and diversified business development. While retaining mature emergency management systems for existing business segments, the Group developed tailored supporting emergency management systems for emerging business lines, including biomass energy and Yipin Smart Living. This initiative has effectively bridged management gaps in new areas, established a comprehensive and differentiated risk prevention and control system, strengthened the Group's resilience in responding to complex business scenarios, and delivered robust institutional safeguards for the Group's overall operational safety.

Case: Collaborative Drill for Standardised Emergency Response

In January 2026, to assess the coordinated emergency response capabilities of new business format companies, the Biomass Company, together with China Gas Suzhong Management Group, conducted a boiler shutdown emergency drill at Nanjing Guoxuan. As the first large-scale comprehensive drill for a new business format company, the exercise fully tested the three-party coordinated emergency response capabilities of the Biomass Company, the all-business-format management group and the outsourced operator, and verified the practical effectiveness of the multi-party linkage mechanism. The successful implementation of this drill marked the gradual standardisation of emergency management work for new business format companies and provided useful experience for subsequent safe business operations.



Emergency Drill of the Biomass Company

3. SAFETY FIRST: ENSURING GAS RELIABILITY

Case: Braving the Rain and Safeguarding Operations in Hazardous Conditions

In the early morning of 22 May 2025, Zhangjjajie was hit by sustained extreme rainstorms, prompting the municipal Party committee and municipal government to activate a Level IV flood control emergency response. In response to the severe situation, Zhangjjajie China Gas immediately triggered its *Special Emergency Response Plan for Natural Disasters*. The Group mobilised emergency repair teams, intensified inspection rounds for gas facilities in key areas, and maintained real-time communication with meteorological and water resources departments to advance pre-emptive risk preparedness. During this action, Zhangjjajie China Gas dispatched emergency inspection vehicles 16 times and deployed more than 30 inspectors, with emergency maintenance and repair personnel on duty 24 hours a day. Frontline employees safeguarded gas pipeline safety with a strong sense of responsibility, ensuring the safe and stable operation of gas facilities under extreme weather conditions and providing solid protection for residential gas use.



Rainstorm Emergency Repairs by Zhangjjajie China Gas

3. SAFETY FIRST: ENSURING GAS RELIABILITY

Case: Emergency Response at Chinese New Year's Eve

On the night of Chinese New Year's Eve in 2026, Hangzhou China Gas received a report of an unexpected fire incident at Laobutou Old Street. The company immediately activated its emergency response plan, coordinating resources across multiple districts to arrive on-site promptly. The team swiftly established safety perimeters, shut off gas valves, and assisted firefighting personnel in hazard mitigation. Once the danger was neutralised, the Hangzhou China Gas team worked through the night to replace the pressure regulating box and conduct necessary inspections, restoring gas supply by early morning the next day. This operation demonstrated rapid response and efficient handling, reinforcing the gas safety defence line on New Year's Eve and fully safeguarding the reunion and peace of residents in the surrounding area.



Hangzhou China Gas Dispatch Centre Conducts Safety Hazard Inspection

3.3 SAFETY TECHNOLOGY

China Gas takes technological empowerment as a key driver for enhancing the effectiveness of safety governance. The Group continues to advance the development of digital safety management platforms and has successfully established the Smart Gas Integrated Operation and Management Platform, Safety Digital Integrated Management Platform, Traffic Safety Management System, Hazardous Transportation Safety Dynamic Monitoring System and Engineering Visualisation System. These systems operate in synergy to deliver comprehensive digital upgrades in operational safety, safety performance management, traffic and transportation safety, and engineering quality and safety, while optimising management processes through data-driven approaches.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Smart Gas Integrated Operation and Management Platform

The Smart Gas Integrated Operation and Management Platform focuses on safe operations and management enhancement. It integrates four major systems, namely the Gas GIS Platform, Digital Operation Management Platform, Smart Station Platform and Digital Safety Management Platform, building a unified information-based control system. The platform achieves full coverage of business scenarios including production dynamics, safety monitoring, equipment management, station management, personnel management and emergency management.

➤ Safety Digital Integrated Management Platform – “Alarm System”

China Gas continues to advance functional upgrades and iterative system optimisation for its Safety Digital Integrated Management Platform, bolster the deployment of AI technology, and launched the innovative “Smart Scoring” function. This function supports the automatic capture of abnormal data from modules such as safety duty performance and safety investment, and accurately identifies accountable personnel for safety scoring. It not only improves the system’s closed-loop management mechanism, but also significantly enhances system application effectiveness.

➤ Traffic Safety Management System

To meet safety management needs and respond to feedback from project companies, China Gas completed the upgrade and deployment of Version 2.0 of its Traffic Safety Management System during the financial year, achieving full registration of all licensed vehicles under the Group’s project companies. The system currently covers over 5,000 vehicles and more than 11,000 full-time and part-time drivers. Through vehicle information input and unified Group driving permit management, the system enables full-process information-based oversight of vehicle dispatch and return approval, vehicle maintenance and personnel training. Backed by monthly monitoring mechanisms such as vehicle online status, accident statistics, training assessment and red-and-black list evaluation, the system effectively standardises the management of both personnel and vehicles.

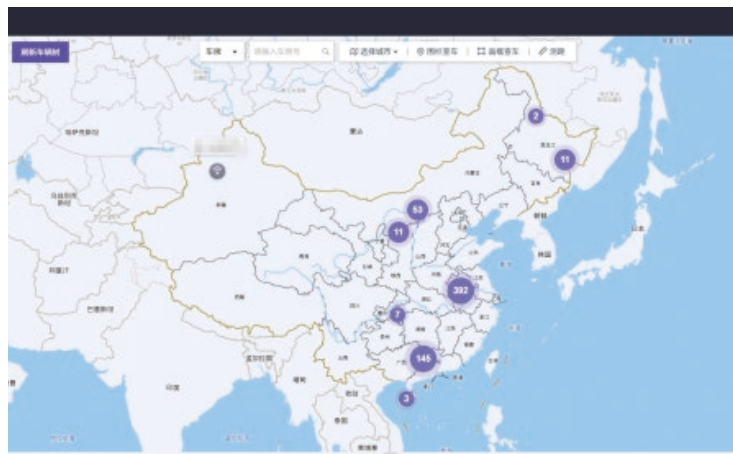
In FY2025/26, the Group strictly supervised standardised vehicle management across 720 subordinate units. A total of 561,100 vehicle use records were generated throughout the year, representing a year-on-year increase of 7.8%. The vehicle online rate reached 95%, up by 2% year on year. Vehicles travelled safely for a total of 77.3591 million kilometres during the year. The total number of traffic accidents and incidents was 282, down by 14.5% from 330 in the previous financial year. Among them, there were two general or above liability accidents, down by 71% from seven in the previous financial year. The fleet’s accident rate per million kilometres was 3.6, outperforming the road transportation industry benchmark of fewer than four cases. Dedicated traffic training was issued monthly, with the average training pass rate maintained at 90%.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Hazardous Transportation Safety Dynamic Monitoring System

China Gas implements comprehensive monitoring and management of the Group's hazardous transportation vehicles. Relying on the Yiliu information platform, the Group conducts real-time monitoring and intervention for more than 600 hazardous transportation vehicles, effectively identifies and corrects unsafe driving behaviours, and, together with timely supervision by safety personnel at project companies, further standardises driver operations and reduces the risk of hazardous transportation traffic accidents. This strengthens China Gas's robust monitoring and real-time intervention capabilities for operational safety hazards.

In FY2025/26, the Group conducted weekly oversight of safety duty implementation for hazardous transportation, achieving a 100% direct reporting rate for relevant operations. The unified dynamic monitoring platform intervened in dangerous driving behaviours 24,651 times, representing a decrease of nearly 30% compared with the same period. Through analysis and monthly monitoring management recommendations, we conducted interviews and imposed penalties on non-compliant units. The total number of hazardous transportation vehicle traffic accidents and incidents was 24, with one general or above accident. The accident rate per million kilometres was 1.2, outperforming the hazardous transportation industry benchmark of fewer than two cases.



Hazardous Transportation Safety Dynamic Monitoring System

➤ Engineering Visualisation System

China Gas continues to advance the Engineering Visualisation System centred on key procedures, and has completed the second phase of system development. Building on the mature capabilities of Phase I, the system further improves full-process engineering management functionalities, covering core scenarios such as classified management of routine and key projects, full-chain quality traceability of welded joints, Group-level cockpit warnings, real-name personnel management and one-click compilation of completion documentation. These enhancements continuously improve the visualised, refined and closed-loop management of engineering projects. Meanwhile, for core procedures such as welding, concealed work acceptance and archiving of completion documents, the system supports online retention of key procedure records, enables full-process traceability of quality issues and improves document collection efficiency. This mechanism has effectively strengthened control over engineering safety risks and quality hazards.

3.4 CAPACITY BUILDING

China Gas values capability building and safety culture cultivation and has put in place a systematic training and education system covering all employees, all positions and the full process. Through tier-based and category-specific differentiated training mechanism, together with dual certification access management, we ensure that all employees possess safety awareness and professional skills appropriate to their positions. Meanwhile, in close alignment with various themed activities, we carry out diverse safety education and awareness practices to foster a strong safety culture, comprehensively enhancing the risk prevention awareness and emergency response capabilities of employees and users, and underpinning the continued stability of the Group's work safety performance.

3.4.1 Safety Training

China Gas regards personnel training as a key method to enhance safety awareness across all employees and consolidate the foundation of safety management. For different job categories, we scientifically formulate differentiated safety training content and training-hour requirements to ensure training relevance and effectiveness, building a comprehensive training system covering leadership, management, operational personnel and new joiners.

- Training for leaders of project companies: The training focuses on laws and regulations as well as position-specific safety responsibilities to reinforce safety awareness and responsibility awareness. Leaders of project companies are required to receive safety training organised by the Group at least once a year, with each session lasting no less than four hours. Regional centres or management groups are required to organise safety training for the management teams of project companies within their jurisdictions at least once a year, with each session lasting no less than four hours. Each leader must complete no less than 16 hours of retraining each year.
- Training for management personnel of project companies: The training focuses on the safety management systems of the Group and the relevant unit, as well as position-specific safety responsibilities. It strengthens responsibility awareness, helps management personnel master safety management methods and enhances their safety skills. Regional centres or management groups are required to organise safety training for management personnel of project companies within their jurisdictions at least once a year, with each session lasting no less than four hours. Each project company is required to organise safety training for management personnel at least once a year. Management personnel at all levels must complete no less than 16 hours of retraining each year.
- Training for operational personnel of project companies: The training focuses on position-specific safe operating procedures and safety responsibilities. It strengthens safety awareness and enhances risk identification, safe operation, emergency response, and self-rescue and mutual-rescue capabilities. Project companies deliver annual safety training, requiring each employee to finish a minimum of 20 hours of refresher training each year. Where new processes, technologies, materials or equipment are introduced, dedicated safety training must be provided to relevant production and operational personnel.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

- Training for new joiners and transferred employees: New recruits are required to complete three-tier safety induction training at company, department and team levels, with a minimum of 72 hours' learning, and three-tier safety education training records must be established. Transferred employees and employees who have been away from their posts for more than one year are required to receive two-tier safety education, with training lasting no less than 48 hours. Project companies compile company-level, department-level and team-level training materials based on their practical conditions and organise assessments. No personnel shall be assigned to operational roles unless they pass safety-training assessments.

In FY2025/26, the Group Safety Supervision Department, the Natural Gas Excellence Operation Centre, eight regional operation and management centres and China Gas Energy Group jointly organised collaborative empowerment training for safety, technology, engineering, operations and customer service based on training relating to the *Health, Safety and Environment (HSE) Management Manual of China Gas (V2.0)*. Aimed at core back-office staff engaged in safety, operations, engineering and customer service across regions, management groups and project companies, the programme was delivered through centralised training sessions, covering more than 1,200 participants in total. This laid a solid foundation for subsequent system operation and safety management enhancement.

China Gas strictly implements the certified employment system and has set up a dual-entry mechanism of "statutory qualifications + internal certification". This ensures that staff filling key posts hold valid statutory credentials and obtain internal certificates in compliance with Group-wide rules, achieving full certification coverage for key roles and safeguarding the professional competence and compliance of operational teams from the outset, thereby providing strong talent support for work safety.

- Principal responsible persons and management personnel: Principal responsible persons, safety management personnel and occupational health management personnel of the Company are required to receive professional safety training, obtain qualification certificates stipulated under applicable laws and regulations, and possess work safety expertise, occupational health knowledge and emergency management capabilities appropriate to the production and operation activities within their respective units.
- Special operation and special equipment operators: Welders, refuelling station operators and other staff engaged in special-operation and special-equipment post are required to receive dedicated training and obtain the relevant qualifications prior to taking up their roles. They must also complete periodic re-certification and fall under ongoing dynamic management to ensure that their certificates remain valid and personnel-certificate matching is guaranteed.
- Hazardous chemicals transportation personnel: Drivers, crew members and escorts engaged in hazardous chemicals transportation are required to pass assessments conducted by the competent transport authorities and secure corresponding professional credentials.

3.4.2 Safety Education

While advancing daily HSE training at project companies, China Gas, at the Group level, closely aligns with national annual safety-themed activities such as Work Safety Month, Fire Safety Awareness Month and Traffic Safety Month. Through coordinated planning and systematic implementation, the Group has carried out a broad range of varied and content rich safety-promotion activities.

➤ **Work Safety Month**

China Gas actively responded to the national call and, under the theme of “Everyone Talks About Safety, Everyone Knows Emergency Response”, carried out in-depth safety culture development and capability enhancement activities during Work Safety Month. Within this campaign, the Group conducted 1,134 dedicated safety training sessions, benefiting 27,938 participants. The content covered key areas including laws and regulations, operating procedures and emergency response, effectively enhancing safety awareness across all employees. In addition, the Group strengthened practical drills by holding 1,063 emergency drills attended by 17,332 participants, marking a 2% year-on-year rise. Through diversified training and drills, the Group further consolidated its safety foundation, enhanced employees’ risk identification and emergency response capabilities, and laid a solid foundation for maintaining stable work safety performance.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

Case: Bringing Safety Education to Merchants and Tightening the “Safety Valve”

During the 24th national Work Safety Month, Maoming China Gas organised practical safety training for merchants on 5 June to enhance the gas safety awareness and emergency response capabilities of non-residential users, drawing participation from 212 merchant representatives. Closely aligned with the theme of “Everyone Talks About Safety, Everyone Knows Emergency Response – Identify Hazards Around Us”, the training was delivered by the Safety Director, who systematically explained key points including standardised facility installation, self-inspection, and leakage identification. Accident warning videos were also screened to analyse hazard risks and management gaps with real-life case studies. As part of government-industry efforts to solidify safety obligations, 212 *Safe Gas Use Commitment Letters* were signed on site, encouraging merchants to regard safety as a top priority in their operations, make safety inspections part of daily practice, develop emergency response as muscle memory, and jointly weave a protective network for urban gas safety.



Safety Education and Awareness of Maoming China Gas

➤ Fire Safety Awareness Month

During Fire Safety Awareness Month, China Gas comprehensively stepped up the development of fire safety culture. Principal responsible persons of the Group’s project companies took the lead, delivering 352 fire safety-themed lectures and fully demonstrating their role in setting an example. Externally, the Group advanced its “Five In” safety outreach work, conducting 58,553 events in total to spread fire safety knowledge among community residents and enhance public safety awareness. Internally, through 268 fire safety knowledge competitions covering 29,163 participants, 1,361 dedicated training sessions with 22,413 attendees, alongside 721 emergency drills, the Group effectively enhanced fire safety skills across all employees and reflected its commitment to protecting public safety as a responsible corporate citizen.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

Case: “Five In” Safety Outreach – Fire Safety Education Enters Rural Communities

On the morning of 28 August 2025, the Customer Service Department of Yiyang China Gas delivered a gas-safety outreach campaign in Maolin Village under the theme of “Strengthening the Gas Safety Defence and Building a Safe Yiyang Together”. At the event, staff distributed materials including the *User Safety Manual*, safety education tri-fold leaflets and single-page leaflets. They explained gas valve operating procedures and emergency response points for leakage based on everyday scenarios, and informed residents of the service hotline. Safety inspection personnel conducted household-by-household checks on gas-related facilities, issued rectification notices for identified safety hazards and elaborated on associated risks. When local residents raised questions about account registration, employees gave detailed explanations of relevant criteria and formal procedures in accordance with relevant requirements. The activity effectively addressed residents’ practical needs and enhanced grassroots residents’ gas safety awareness and operating skills.



“Five In” Safety Outreach in Maolin Village

➤ Traffic Safety Month

Capitalising on Traffic Safety Month, China Gas adopted multi-pronged approaches to raise traffic safety awareness and risk prevention and control capabilities across all employees. Principal responsible persons of the Group’s project companies delivered 576 traffic safety-themed lectures. Meanwhile, the Group placed 1,104 safety slogans and set up 417 publicity walls, creating a strong safety culture atmosphere and enabling the visual communication of safety concepts. In terms of capability building, the Group organised 358 traffic safety knowledge competitions and 885 dedicated training sessions, with a total of 33,579 participants, effectively improving employees’ safety knowledge and compliant driving awareness. In addition, 227 road traffic emergency drills were arranged to strengthen employees’ response capabilities in emergencies. These initiatives not only optimised the traffic safety management process, but also effectively enhanced employees’ travel safety protection.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Occupational Disease Prevention and Control

Leveraging the opportunity of the 23rd national publicity week for the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*, the Group organised a dedicated awareness campaign entitled “Caring for Workers’ Mental Health”, covering all online and offline units of the Group. During the campaign, we invited industry specialists to deliver occupational mental health lectures and offer tailored guidance to post-specific staff and frontline operators. This effectively enhanced employees’ self-protection awareness and psychological adjustment capabilities, and fostered a healthy corporate atmosphere that values both physical and mental wellbeing.



Safety Director's Lecture of the Group



Lecture by Psychology Expert
from Luohu District



Participants at the Main Venue

3.5 STAKEHOLDER MANAGEMENT

China Gas has put in place an HSE system that incorporates stakeholder safety management. Internal protocols including the *HSE Management Manual of China Gas (V2.0)*, the *Supplier Code of Conduct of China Gas* and the *Contractors' Management Policy of China Gas* define workflows covering contractors in areas such as qualification review, safety training, safety supervision, safety assessment and evaluation. At the same time, the HSE management responsibilities, obligations and implementation requirements of both parties are clearly stipulated in business contracts or cooperation agreements. As an affiliate of China Gas, the Construction Engineering Group adopts a three-tier management model of “Construction Engineering Group – Contractor – Construction Team”, implementing end-to-end oversight over contractor safety and quality from access review and process control to completion acceptance, and carrying out daily management through stationed project departments to effectively control the work safety of all involved stakeholders.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Contractor Safety Management Objectives

China Gas is committed to building a supply chain ecosystem featuring coordinated safety management. Contractors are brought within its unified safety management system with well-defined work safety objectives and assessment indicators. We strictly implement pre-job safety access training to ensure personnel qualification compliance. Project companies also conduct monthly safety performance evaluations, quantitatively assessing contractor duty performance from multiple dimensions. A blacklist exit mechanism is in place to effectively encourage contractors to enhance their safety management capabilities and jointly strengthen the work safety defence.

Safety Management Objectives and Performance Indicators for Engineering Contractors	Pre-Job Safety Training Objectives for Engineering Contractors
- Zero serious injuries or fatalities - No work safety accidents causing direct economic losses $\geq$ RMB50,000 - Absence of safety accidents attributable to quality defects or fraudulent/illegal operations - Zero administrative penalties for work safety violations 100% compliance rate in using PPE (safety helmets, safety belt, etc.) - All electrical equipment maintained in good condition with safety protection devices installed 100% completion rate of safety technical briefings 100% coverage rate of work injury insurance	100% completion rate of three-tier safety induction for new hires and transition training for transferred employees 100% certification compliance for project managers, dedicated safety officers, and special operations personnel 100% execution rate of safety responsibility statements 100% on-duty attendance compliance of safety officers, fully meeting construction safety management requirements

➤ Contractor Safety Training

In FY2025/26, the Group continued to deliver safety and pre-job training programmes for engineering contractors. Safety training sessions were conducted in alignment with seasonal changes, holidays, and routine management requirements. Over the period, a total of 1,651 regular safety training sessions were held, reaching 22,022 participants, along with 328 pre-job training sessions covering 3,446 participants. Additionally, 7,243 pre-shift safety briefings were conducted, with a total of 521,600 attendances recorded.

Category	Unit	FY2025/26	FY2024/25
Contractor safety training attendances	attendance	547,068	538,958
Total contractor safety training hours	hour	1,165,254	1,147,980
Number of contractors who received safety training	contractor	420	476
Safety training coverage rate	%	100%	100%

3. SAFETY FIRST: ENSURING GAS RELIABILITY

3.6 RELIABLE GAS SUPPLY

China Gas regards reliable gas supply as the cornerstone of its development. We strictly comply with national laws and regulations including the *Regulations on the Administration of City Gas*, and have formulated internal systems such as the *City Gas Transmission and Distribution Management System*. We embed safety principles across every aspect of city gas development planning and emergency management, gas operation and service, gas use, gas facility protection, and the prevention and handling of gas safety incidents. The Group conducts at least one comprehensive safety inspection every year and adopts multiple measures to ensure safe and reliable gas supply, safeguarding gas use for millions of households.

➤ Transmission Loss Management and Rectification

To ensure stable gas supply, the Group has formulated the *Rectification and Management Procedures for Transmission Shortage*, tackling losses across four categories: pipeline-network losses, metering discrepancies, flawed data collection and gas theft. A two-tier transmission shortage management mechanism has been implemented, with the Engineering and Operations Department at headquarters coordinating the overall rectification work, while units at each level are responsible for transmission shortage plans and indicator assessment. The Group strives to reduce safety hazards, economic losses and environmental impacts arising from gas leakage. Meanwhile, the Group issued the *Technical Regulations for Gas Flow Meter Selection of China Gas*, continuously tightening controls over user gas meter selection and data collection, and further enhancing the effectiveness of transmission shortage rectification.

➤ Leak Detection and Prevention Mechanism

The Group places high priority on the safety of gas pipeline networks. It has formulated internal systems including the *China Gas Inspection Guidelines for Gas Pipeline and Ancillary Facilities*, the *China Gas Pipeline Leak Inspection and Investigation Guidelines*, the *China Gas Third-Party Construction Guidelines*, the *China Gas Pipeline Network Inspection Management Guidelines*, and the *China Gas Guidelines for Prevention of Damaged Accidents (Incidents) to Gas Pipeline Facilities*. An internal pipeline patrol system has also been established to enhance pipeline network inspection efficiency. Through this system, project companies can comprehensively access gas transmission and distribution information, quickly and accurately locate faults and promptly activate emergency repair tasks. In emergency situations, the system can assist the dispatch centre in quickly developing optimised valve control plans for pipeline sections. This delivers prompt responses to urban-gas-network incidents, shortens repair cycles and curbs losses from such accidents.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

➤ Emergency Repair and Maintenance Mechanism

The Group has formulated internal systems including the *Guidelines for Emergency Repair in the Production and Operation of China Gas Group's Project Companies*, the *Guidelines for the Construction of Emergency Repair System in the Production and Operation of China Gas Group*, and the *Management Standards for the Operation and Maintenance of Gas Facilities*, regulating pipeline network maintenance, emergency repair, natural gas spherical tank maintenance and safety valve maintenance. The Group has established a three-tier production and operation emergency repair and maintenance management system spanning "Group – regional operation and management centre/operation and management group – project company", clearly defining emergency repair and maintenance functions and responsible entities at each level. In addition, the Group has formulated emergency management systems such as the *China Gas Group Emergency Repair System Construction Work Guidelines* and the *Third-Party Construction – Related Damage Incident (Accident) Management and Assessment Measures*, strengthening management in areas including sudden accident response, plan preparation and prevention of third-party construction damage, and continuously enhancing the safety and stability of gas supply.

➤ Pipeline Network Renovation Mechanism

The Group continues to strengthen the rectification of pipeline network hazards. It comprehensively clears and renovates ageing cast iron pipeline networks, installs remote leakage detection devices on ageing pipelines, leakage-prone pipeline sections and valve wells, and implements 24-hour monitoring. These measures safeguard the intrinsic safety of pipelines and ancillary facilities, reduce gas leakage and lower safety hazards. Even in the event of leakage, the Group can respond immediately, effectively reducing methane emissions.

In FY2025/26, China Gas Group persist in rolling out its dedicated campaign for rectifying fault pipeline network rectification. It organised hazard investigation and rectification work covering 1,389 stations and 407,400 kilometres of pipeline networks, with a hazard rectification rate of 98%. The remaining hazards have been entered into the hazard ledgers of local project companies, with relevant responsible persons assigned in accordance with the Five Fixed Principles, achieving immediate rectification and dynamic clearance of safety hazards. In FY2025/26, we completed the renovation of 2,451.51 kilometres of ageing pipelines in total, including 162.78 kilometres of municipal pipelines and 2,288.73 kilometres of courtyard pipelines, with a completion rate of 144.17%, further improving the intrinsic safety of the pipeline network and reducing operational risks.

3. SAFETY FIRST: ENSURING GAS RELIABILITY

Case: China Gas Strengthens the Reliable Gas Supply Defence and Achieves the “Four Zeros” Commitment for Winter Supply

In the winter of 2025, amid severe challenges such as extreme cold temperatures as low as -18°C in Northeast China and North China, soaring gas demand, pipeline frost heave and snow-covered roads, China Gas successfully achieved the objectives of “zero safety liability accidents, zero supply interruptions, zero complaints and zero public opinion incidents” within its service areas by establishing a three-dimensional supply guarantee system comprising “contracted gas sources + market resources + emergency reserves”. The North China and Northeast China regions covered over 13.2 million residential users and nearly 90,000 industrial and commercial users, laid over 280,000 kilometres of medium-pressure pipeline networks, and completed the signing of nearly 6 billion cubic metres of piped gas contracts, ensuring full gas source coverage and uninterrupted supply, and safeguarding the warmth of millions of households.

- Three-dimensional supply guarantee – contracted gas sources as the foundation, market emergency resources as backup: The Group completed piped gas contract signing in advance to achieve full gas source coverage. Project companies expanded market-based gas sources, reserved emergency LNG, formulated backup plans for secondary gas sources, and promoted regional pipeline interconnection. Relying on the OMP system for real-time monitoring of key station data, the Group advanced the development of LNG gas storage stations and enhanced peak-shaving and emergency response capabilities.
- Digital and intelligent escort – 24-hour monitoring and AI-based hazard prediction: Regional dispatch centres implemented 24-hour continuous monitoring and real-time dispatch, while key gate stations inspected valve pressure hourly. Emergency repair teams deployed resources in advance to high-risk locations based on AI warnings. Through the integration of “human defence + technological defence + AI defence”, the Group ensured that response plans were prepared in advance and supported by systems.
- Refined inspections – standardised household checks and regular emergency readiness: Frontline employees strictly followed standard operating procedures under extreme cold conditions. Operators in various locations explained safety requirements before entering stations, while safety inspectors carried out household visits according to the seven-step method of “knocking on the door, showing credentials, wearing shoe covers, checking pipelines, inspecting valves, checking hoses and educating users”. From reviewing valve well inspection footage to hourly pressure monitoring, every detail was managed to ensure early identification and rapid resolution of hazards.
- Coordinated heating – smart heating control and precise indoor temperature protection: The smart heating system enabled full-chain digital management from precise heat-source allocation and pipeline network balancing to intelligent indoor temperature control. Rural coal-to-gas areas were also incorporated into the guarantee scope. Management personnel of project companies conducted on-site inspections focusing on the tightness of wall-hung boilers, alarms and self-closing valves, ensuring stable gas supply and consistent heating services throughout the winter.



China Gas Management Personnel Conducting On-site Inspection for Supply Guarantee Actions



AI Real-time Monitoring and Dispatch for Supply Guarantee



4

ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

- 4.1 Response to Climate Change
- 4.2 Environmental Management
- 4.3 Ecological and Environmental Protection
- 4.4 Green Operation



4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

PERFORMANCE HIGHLIGHTS

- 110 project companies have obtained ISO 14001 Environmental Management System certification.
- Promoted the green and low-carbon renovation of Shanghai Putuo District Central Hospital by replacing gas boilers with air-source heat pumps and upgrading heating, cooling and lighting systems. Upon full project completion, the comprehensive energy-saving rate is expected to reach approximately 15%.
- Committed to capping methane emission intensity from operated assets at 0.15% by 2025. This target has been verified under the OGMP 2.0 methane partnership.
- In the photovoltaic field, 23 new self-invested projects were added, with newly installed capacity of 52.6 MW and annual power generation of 4,522 GWh.
- Sales volume from green electricity and green certificate transactions reached 212,828 MWh.
- Committed to achieving net-zero deforestation by 2035 and to achieving no net loss (NNL) of biodiversity for all new projects by 2035.
- The Group's total ESG-linked loans amounted to HK\$2.655 billion equivalent.

SDGs Involved in This Chapter



Material ESG Issues Addressed in This Chapter

- ▶ Climate change and greenhouse gas management
- ▶ Sewage and waste management
- ▶ Resource and energy use and efficiency
- ▶ Biodiversity conservation
- ▶ Water use and efficiency
- ▶ Construction management for projects under construction

China Gas systematically incorporates the concept of green development into its corporate strategy framework. The Group actively benchmarks against China's "Dual Carbon" goals and the United Nations Sustainable Development Goals (SDGs), and has established an environmental management system covering the full business chain. In project implementation and operations, we implement specific measures including green construction, green operations, energy conservation and consumption reduction, water conservation and pollutant discharge control. We also work with supply chain partners to strengthen climate resilience, explore scalable low-carbon practices, and pragmatically advance the implementation of carbon peaking and carbon neutrality goals.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.1 RESPONSE TO CLIMATE CHANGE

China Gas acknowledges long-term implications of climate change on industry evolution and the implementation of its own strategy, and continues to improve its climate governance structure. The Group follows the disclosure recommendations of the HKEX *Climate Disclosure Guide*, while also referencing the framework requirements of the Task Force on Climate-related Financial Disclosures (TCFD) and International Financial Reporting Standards – Climate-related Disclosures (IFRS S2). We have systematically established a climate management system covering four core dimensions: governance, strategy, risk management, and metrics and targets. This promotes the full integration of climate considerations into strategy formulation and daily operations. Through climate scenario analysis, we systematically identify, assess and respond to risks and opportunities, conduct financial impact analysis, formulate climate risk response plans, and continuously enhance climate resilience.

4.1.1 Governance

China Gas incorporates climate change into the Group's overall sustainability governance structure, forming a closed-loop management system of "Board decision-making – management execution – frontline implementation". The Board and the Sustainability Committee established under the Board are responsible for the overall supervision of climate-related matters, ensuring that climate strategy is aligned with the Group's long-term strategy. Committee members possess professional backgrounds in climate governance and proactively enhance their ability to identify and supervise climate-related risks and opportunities through continuous learning mechanisms and industry exchanges. The Board convenes at least one regular meeting each year, during which the Sustainability Committee reports to the Board on discussions of climate-related risks and identified opportunities. Climate-related work is subject to the highest level of decision-making and supervision by the President and the core management team (CMT). Under the Sustainability Committee, the Leadership Group, chaired by the President, the Office and the **Carbon Peaking and Carbon Neutrality Working Group** ensure implementation. Please refer to the "Sustainability Governance" section of this Report for details of the sustainability management structure.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Functions of China Gas Departments/Organisations

 Board		As the highest decision-making body, the Board assumes ultimate responsibility for the Group's sustainability strategy, including climate-related matters.
 Sustainability Committee		A committee established under the Board. It is responsible for formulating and overseeing the Group's climate strategic direction and strategies, and implementing overall supervision.
 Sustainability Committee Leadership Group		Responsible for overseeing the overall planning of climate governance; identifying and assessing climate-related issues, risks and opportunities; formulating climate policies and strategies; reviewing and optimising the Group's climate performance and management structure; supervising and reviewing the daily work of the climate governance office; and holding regular meetings to review progress against climate targets and explore areas for improvement.
 Sustainability Committee Office		Responsible for coordinating resources to support functional departments with climate-related initiatives, managing the Group's daily climate-related affairs, maintaining communication and liaison with stakeholders, organising meetings to discuss climate-related disclosures and identify areas for improvements, and submitting periodic progress reports to the Sustainability Committee.
Working Groups	Carbon Peaking and Carbon Neutrality Working Group	Track climate risk-related matters, oversee total greenhouse gas emissions, set the Group's "dual carbon" targets, and formulate and verify carbon reduction measures.
	Methane Control Working Group Rural Coal-to-Gas Working Group Safety Monitoring Working Group	Work with the Carbon Peaking and Carbon Neutrality Working Group to implement methane reduction targets, conduct facility emissions measurement and industry technical collaboration, promote rural clean energy substitution, and incorporate emissions risks into safety and environmental supervision systems to provide operational support for climate governance.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

The Group has formulated and implemented the *Climate Change Policy*, establishing Group-wide processes to identify, assess and address climate-related risks and opportunities. It manages climate impacts through scientific methods and has established an annual assessment mechanism. Climate risk analysis results are regularly reported to the Safety Management Committee and the Sustainability Committee to ensure timely review and effective response. For full policy details, please refer to the *Climate Change Policy* available on the Group's official website (www.chinagasholdings.com.hk).

In terms of performance incentives, China Gas has established a well-structured ESG-linked mechanism. We directly link core ESG indicators including carbon emissions and energy conservation and emission reduction to performance appraisal and remuneration packages for directors and senior management. Specifically, the Group assigns defined weightings for quantifiable indicators such as carbon emission intensity and incorporated them into the overall performance score. Climate governance performance is also comprehensively assessed against strategic contribution and management effectiveness. In addition, functional departments also implement ESG performance appraisals, incorporating carbon emissions management and climate risk governance into the annual value creation assessment mechanism. A dynamic tracking mechanism has also been established: where significant deviations in environmental indicators are identified during quarterly assessments, the performance plan adjustment process is immediately initiated to ensure management timeliness.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.1.2 Strategy

Climate Scenario Selection

As an integrated natural gas service provider, the Group's production and operations, business development and asset safety are materially affected by multiple factors, including China's "Dual Carbon" goals, carbon market mechanisms, energy structure transformation and extreme weather events. To systematically identify climate-related risks and opportunities and effectively incorporate them into strategy and decision-making, the Group has established a dynamic assessment mechanism covering the short term (2026–2030), medium term (2031–2050) and long term (2051–2060), and conducts scenario analysis and resilience assessments.

Climate Scenario Selection of China Gas

Scenario Category	Green Scenario/Accelerated Transition Scenario (<2°C/1.5°C)	Brown Scenario/High-warming Scenario (>3°C)
Scenario Description	Coordinated global efforts are made to advance ambitious emissions reductions, limiting global warming to below 1.5°C by 2100 under the Paris Agreement. Energy systems accelerate the transition to renewable energy, fossil fuel consumption drops markedly, and technologies such as carbon capture, utilisation and storage are deployed at scale. At the same time, the frequency and intensity of extreme weather decrease, supporting the physical integrity and steady operation of gas pipeline networks, gas storage facilities and stations.	Global climate action stagnates, with global warming exceeding 3°C by 2100. The frequency and intensity of extreme climate events increase significantly, posing severe threats to natural ecosystems and socio-economic systems.
Transition risks/opportunities	Net Zero Emissions by 2050 Scenario (IEA-WEO)	Stated Policies Scenario (IEA-WEO)
Physical risks/opportunities	SSP1–2.6 (IPCC)	SSP5–8.5 (IPCC)

Climate Risk and Opportunity Assessment

China Gas systematically identified climate-related risks and opportunities around the potential impacts of climate change on business operations, the value chain and financial performance, covering physical risks, transition risks and potential opportunities. This year, we optimised and screened the existing list of risks and opportunities in light of business layout, operating model and value chain attributes. Focusing on its two core business segments of city gas and liquefied petroleum gas (LPG), the Group conducted a comprehensive assessment of climate risks across value chain stages, financial impacts and short-, medium- and long-term impact levels.

Value Chain Stages (City Gas Segment)



Climate Risk Assessment Results of China Gas (City Gas Segment)

Risk Category	Value Chain Stage	Potential Impact	Impact Horizon (Short, Medium, Long)	Financial Materiality	Response Measures
Physical Risk	P1 Typhoon Engineering operations	- Strong winds or cyclones may damage overhead or shallow-buried gas pipelines - Structural damage to ground facilities - Flooding may submerge underground equipment, triggering equipment breakdown, delayed services, disrupted gas supply and transport, and hindered inspection and emergency maintenance works.	Short to long term	Low	- Implement reinforcement works and regular inspections in typhoon-prone areas to eliminate potential hazards. - Establish dedicated typhoon emergency response plans to address the risk of underground equipment failure caused by flooding, ensuring timely restoration of inspections, emergency repairs and gas supply services. - Purchase third-party commercial insurance to cover potential and actual economic losses caused by disasters.
	P2 Extreme heat Engineering operations	- Prolonged high temperatures may affect the operational efficiency and health of outdoor employees, causing heat-related illnesses - High temperatures during working days may cause equipment overheating, accelerate equipment ageing, reduce equipment durability and shorten replacement cycles	Long term	Low	- Enhance employees' awareness of heatstroke prevention through policy guidance and drills, implement staggered working hours and provide cooling facilities to mitigate the impact of prolonged high temperatures on outdoor work efficiency and employee health. - Select heat-resistant materials for equipment manufacturing to reduce equipment overheating and ageing risks at source and extend equipment service life. - Actively cool equipment through manual intervention to ensure stability and durability under high-temperature conditions.
	P3 Extreme cold Engineering operations	- Extremely low temperatures may cause frozen soil, uplift buried pipelines and trigger pipeline accidents - Increased heating demand from residential, industrial and commercial users may create significant peak-valley differences, imposing extreme pressure on pipeline transmission, distribution and peak-shaving capacity	Long term	Low	- Implement insulation upgrades such as electric heat tracing and water-bath boilers, purchase antifreeze, and strengthen pipeline inspections to reduce physical damage risks. - Develop winter operation safety emergency response plans and strengthen pipeline transmission, distribution and peak-shaving capabilities to ensure service continuity under extreme weather conditions.
	P4 Extreme precipitation Engineering operations	- Urban flooding may submerge above-ground and underground pipeline network facilities - Electrical equipment may short-circuit, corrode faster or fail during operation - Prolonged water accumulation may soften soil, resulting in pipeline foundation settlement, displacement or even rupture - Geological disasters, such as landslides and collapses, may expose or even rupture pipelines	Medium to long term	Medium	- Advance drainage system upgrades and increase leakage inspections to reduce the risk of pipeline foundation settlement and displacement. - Install waterproof housings for key equipment to prevent operational failure caused by water accumulation and ensure facility stability under extreme weather conditions. - Purchase third-party commercial insurance to cover potential and actual economic losses caused by disasters.
Transition Risk	T1 Policy and legal Engineering operations	National restrictions on the use of fossil fuels in business operations may require further adjustment of the energy mix for production, development of renewable energy, and achievement of stringent energy conservation and emission reduction targets as stipulated by local authorities	Long term	High	- Closely monitor government policy direction and market trends, and adjust the energy structure in a timely manner. - Pilot technologies such as carbon capture, utilisation and storage, develop renewable energy, and establish dedicated green transition funds to provide necessary financial support for low-carbon technology R&D and business structure adjustment.
	T2 Market risk Downstream customer service	Markets and customers increasingly favour green economy and electrified products; electrification upgrades by industrial and commercial users may reduce annual gas sales volume	Medium to long term	Medium	- Implement energy-saving measures. - Prioritise renewable energy possibilities in new project development. - Actively develop new energy projects such as hydrogen energy and biomass energy.
	T3 Reputational risk Downstream customer service	Increased customer interest in green products and services may affect customer retention and new customer acquisition if the existing business model is maintained	Long term	Low	- Closely monitor customer satisfaction and the Group's reputation, and promptly identify changes in customer demand for green products and services. - Regularly disclose corporate climate actions and achievements to stakeholders to enhance brand trust.

Value Chain Stages (LPG Segment)



Climate Risk Assessment Results of China Gas (LPG Segment)

Risk Category	Value Chain Stage	Potential Impact	Impact Horizon (Short, Medium, Long)	Financial Materiality	Response Measures
Physical Risk	P1 Typhoon	Upstream transportation, operations and distribution - Typhoons or cyclones may cause cargo vessels to suspend sailing or reroute, and may lead to the closure of ports/terminals and unloading operations, obstructing filling and distribution - Damage to terminal facilities, storage tanks and transportation vehicles	Short to long term	Medium	- Develop dedicated typhoon emergency response plans to address vessel suspensions and port closures, optimise transport scheduling, and reduce interruptions to filling and distribution. - Implement reinforcement works and regular inspections in typhoon-prone areas, focusing on damage to terminals, storage tanks and transportation vehicles, to eliminate potential hazards. - Purchase third-party commercial insurance to cover potential and actual economic losses caused by disasters.
	P2 Extreme heat	Operations and distribution - High temperatures may increase storage tank pressure during storage, raising the risk of safety relief - Extreme heat may cause equipment overheating - Extreme temperatures may restrict outdoor operations and increase personnel health risks during operations and distribution	Long term	Low	- Use heat-resistant materials and manual cooling interventions to prevent overheating of storage tanks and other equipment from affecting storage stability. - Implement staggered working hours, provide cooling facilities and strengthen employee heatstroke prevention training. - Enhance response capabilities for extreme heat through policy guidance and drills to ensure continuity and safety in operations and distribution under extreme temperatures.
	P3 Extreme cold	Operations and distribution - Freezing of equipment and materials may cause key equipment failure during operations - Road icing may obstruct transportation during distribution	Long term	Low	- Develop winter operation safety emergency response plans, optimise logistics scheduling and strengthen pipeline inspections to ensure the safety of operating facilities under extreme weather conditions. - Implement insulation upgrades such as electric heat tracing and water-bath boilers, and purchase antifreeze to prevent freezing of key equipment and materials.
	P4 Extreme precipitation	Operations and distribution - Increase in heavy rainfall days and precipitation may increase the risk of infrastructure flooding - Urban flooding may cause equipment failure - Geological disasters, such as landslides and collapses, may expose, displace or even rupture pipelines	Medium to long term	Medium	- Carry out drainage system upgrades in key cities and increase leakage and drainage inspections of infrastructure to reduce facility flooding risks. - Install waterproof housings for key equipment to prevent failure caused by flooding and ensure stability in operations and distribution. - Purchase third-party commercial insurance to cover potential and actual economic losses caused by disasters.
Transition Risk	T1 Policy and legal	Downstream sales - Shifts in energy policy may compress long-term LPG market demand - Carbon pricing mechanisms, such as carbon markets and carbon taxes - Tightening environmental regulations may require emissions monitoring and data disclosure during operations	Long term	High	- Closely monitor the direction of energy policies and carbon pricing mechanisms, as well as long-term LPG market demand, and flexibly adjust downstream sales strategies. - Pilot technologies such as carbon capture, utilisation and storage, and strengthen emissions monitoring and data disclosure during operations.
	T2 Market risk	Downstream sales - Accelerated electrification may replace industrial and commercial fuel demand with electricity during distribution and sales - Increased green preferences may weaken the market competitiveness and premium capability of traditional LPG products during sales	Medium to long term	Medium	- Adjust sales strategies in line with market trends to maintain the market competitiveness and customer retention of traditional LPG products in the context of green transition. - Actively develop new energy projects such as hydrogen energy and biomass energy.
	T3 Reputational risk	Downstream sales - Poor environmental reputation may lead to customer loss during sales and obstacles to new-customer acquisition - ESG ratings may face downgrades	Long term	Low	- Closely monitor customer satisfaction and the Group's reputation, and promptly identify changes in customer demand for green products and services. - Regularly disclose corporate climate actions and achievements to stakeholders to enhance brand trust.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Physical Risk Analysis and Assessment

Based on the selected climate change scenarios, SSP1–2.6 and SSP5–8.5, we adopted the climate projection dataset released by the Beijing Climate Center (BCC), using 2030, 2050 and 2060 as the short-, medium- and long-term time horizons. We selected 39 city clusters where its principal businesses operate, covering the city gas and LPG business stages. Drawing on preliminary risk-assessment outcomes, we concluded that extreme precipitation and typhoons exerted the most substantial impacts on the Group's operations. Accordingly, we adopted an impact-level assessment framework defined as likelihood × severity to evaluate the potential impacts of the two physical risks, namely extreme precipitation and typhoons, over different timeframes, providing a basis for strengthening risk management capabilities and deploying response actions.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Physical Risk Analysis and Assessment Results²

Physical Risk	Climate Scenario	Cities Affected in the Short Term	Medium Term	Long Term
Extreme precipitation	SSP1–2.6	Beijing, Yiyang, Wuhu, Yichang, Xiaogan, Nanjing, Xinyang, Hangzhou, Jiamusi, Nanning, Shiyan, Wuhan, Huanggang, Handan, Puyang, Liaocheng, Tianmen, Mianyang, Yangpu, Shanghai, Wenzhou, Shenzhen, Hong Kong	Based on the short-term results, Huainan, Jinan, and Qinhuangdao are added; Jiamusi is no longer included among the affected cities.	Based on the medium-term results, Xuzhou, Suzhou, and Baoji are newly added.
	SSP5–8.5	Yiyang, Wuhu, Yichang, Xiaogan, Xuzhou, Suzhou, Baoji, Nanjing, Xinyang, Hangzhou, Nanning, Shiyan, Chongqing, Wuhan, Huanggang, Puyang, Tianmen, Mianyang, Yangpu, Shanghai, Wenzhou, Shenzhen, Hong Kong	Based on the short-term results, Beijing, Jinzhou, Handan, and Qinhuangdao are added; Chongqing is no longer included among the affected cities.	Based on the medium-term results, Liaocheng are newly added.
Typhoon	SSP1–2.6	Hangzhou, Qinhuangdao, Yangpu, Shanghai, Wenzhou, Shenzhen, Hong Kong	Compared to the short term, Hangzhou is no longer included among the affected cities.	Consistent with the medium term, there are no additions or reductions in cities.
	SSP5–8.5	Hangzhou, Qinhuangdao, Yangpu, Shanghai, Wenzhou, Shenzhen, Hong Kong	Consistent with the short term, there are no additions or reductions in cities.	Consistent with the medium term, there are no additions or reductions in cities.

The assessment results indicate that extreme precipitation stands out as a high-priority physical risk for the Group under various climate scenarios. Compared with the SSP1–2.6 scenario, the scope of affected cities under the high-emission SSP5–8.5 scenario is already extensive in the short term and further expands or maintains a high level of exposure in the medium to long term, indicating that the potential impact of extreme precipitation on operating cities is more widespread under high-emission pathways. From a temporal perspective, certain cities remain continuously exposed to extreme precipitation risks in the short, medium, and long terms, suggesting that relevant regions may become high-risk nodes requiring sustained monitoring. Regarding typhoon risks, affected cities stay relatively fixed, concentrated mainly in coastal and near-coastal cities such as Hangzhou, Qinhuangdao, Yangpu, Shanghai, Wenzhou, Shenzhen, and Hong Kong, with minimal variation across different scenarios and timeframes. Overall, extreme precipitation risks feature expanding scope and long-lasting exposure, whereas typhoon risks are marked by regional concentration and long-term stability.

² The content under “Medium Term” and “Long Term” reflects changes in city coverage compared with the previous reporting period.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Transition Risk Assessment

For transition risks, China Gas considered multiple factors under different climate scenarios, including policy and regulatory trends, shifts in market demand, technological development pathways and evolving customer preferences. Combined with its existing management practices, the Group systematically assessed impact and materiality from two dimensions: risk urgency and level of awareness. In light of identification results, China Gas will focus on high-risk categories of transition risks, including policy and legal constraints, changes in market risks and increasing reputational risks.

Transition risks are classified into three tiers based on assessment analysis: low, medium and high.

Low			Medium			High		
Transition Risk	Risk Level							
	Net Zero Emissions by 2050 Scenario (IEA-WEO)(Green Scenario)			Stated Policies Scenario (IEA-WEO) (Brown Scenario)				
	Short Term	Medium Term	Long Term	Short Term	Medium Term	Long Term		
	Policy and legal							
Market risk								
Reputational risk								

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

The assessment results reveal that policy and legal risks trend upwards under both scenarios, escalating from medium risk in the short term to high risk in the medium and long term. Market risks remain stable at medium risk under both scenarios, with no significant changes across the short, medium and long term. Reputational risks sit within the low-risk bracket throughout all timeframes and scenarios without notable rises.

Against the backdrop of green and low-carbon policy rollouts and industrial transformation, China Gas converts climate challenges into business opportunities. By diversifying its business layout, the Group taps into emerging market demand and enhances our core competitiveness and sustainable development capabilities within the low-carbon landscape. Driven by energy structure transformation, the Group focuses on green business segments including electricity, biomass and energy storage, and expands integrated energy services by leveraging our existing customer and channel resources. Meanwhile, we press ahead with overseas expansion to diversify risks and seize international market opportunities.

Financial Impact of Climate Risks

Based on climate risk identification and assessment, the Group systematically assesses the potential impact of climate change on its operations and finances, and uses the assessment results as the basis for formulating climate actions and management measures.

During the reporting period, extreme precipitation pushed up maintenance expenses within the city gas segment, while typhoon events led to higher repair costs and lower operating revenue for the LPG segment. Such outcomes illustrate the direct impacts of physical risks on specific business segments and provide a basis for resource allocation and resilience enhancement.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

In the short and medium term, taking into account adaptation measures such as infrastructure reinforcement and the improvement of emergency response plans, the overall financial impact of physical and transition risks remains controllable. In the long term, transition pressures such as stricter policies, increased customer preference for green solutions and rising alternative energy penetration may pose potential challenges to strategy, costs and competitiveness, particularly as the impact are expected to become progressively pronounced alongside the accelerated carbon neutrality transition leading up to 2050.

Climate Risk Mitigation

Driven by green and low-carbon policies and industry transformation, China Gas strengthens overall planning and resource support, diversifies its presence in emerging markets and enhances low-carbon competitiveness. For identified risks and opportunities, the Group formulates response strategies and supporting funding plans to support implementation. In the transformation of energy structure, the Group focuses on electricity, biomass, energy storage and smart energy, and expands integrated energy services by leveraging its existing channels. We also advances overseas expansion, focusing on Southeast Asia, Europe and North America, and explores biomass and energy storage cooperation to diversify risks and capture international opportunities. The Group has established a three-wheel-driven strategy of “traditional gas + integrated energy + new retail” to reduce dependence on fossil energy. Through these measures, China Gas aims to optimise our business structure, enhance our core competitiveness in the green economy, and build a future-oriented low-carbon business ecosystem.

4.1.3 Risk Management

China Gas incorporates climate risks into its enterprise risk management framework, identifies key risks with material operational and financial impacts, and includes them in the Company’s strategic risk register for unified management alongside other strategic risks. We incorporate climate change risks into all stages of project design, construction and operation. During project investment due diligence, we include climate-related risks in due diligence reports and incorporate variables such as carbon price fluctuations into sensitivity analysis. In engineering practice, we integrate climate adaptation factors into engineering project design solutions, continuously enhancing the sustainability and climate resilience of new projects and achieving deep integration between risks and business operations. At the same time, the Group actively conducts training and awareness-raising activities to strengthen employees’ understanding of climate change risks, enhance climate risk awareness across all employees, and increase their participation and sense of responsibility in risk management. We have also established a transparent monitoring and reporting mechanism, regularly reporting the effectiveness of corporate climate risk management to stakeholders and continuously improving sustainability governance.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

China Gas Climate-related Risk and Opportunity Management Process

Establish a list of risks and opportunities	Systematically identify transition risks, physical risks and associated opportunities involving city gas and LPG around key business scenarios and value chain stages such as extraction, transportation, engineering operations and distribution, and clarify risk exposure points.
Impact pathway analysis	Through interviews and document analysis, establish a logical chain of “business scenario – risk – potential impact – financial impact” to clarify how climate risks are transmitted step by step to the operational and financial levels.
Risk assessment	Assess risks from short-, medium- and long-term perspectives in combination with climate scenario analysis. Physical risks are analysed based on impact level and response capability, while transition risks are judged based on urgency and level of awareness.
Quantification and determination of financial impact	Analyse the financial impact of climate risks based on data including assets, revenue, costs and cash flows, and identify risks with substantive impact according to internal thresholds.
Risk management and response implementation	Integrate climate risks into the enterprise risk management framework and include major risks in the strategic risk register for unified management; embed climate adaptation requirements throughout the project life cycle, including design, construction and operation; formulate dedicated measures and promote implementation; and establish continuous monitoring and regular reporting mechanisms to ensure closed-loop management.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.1.4 Metrics and Targets

Carbon Neutrality Targets and Carbon Emissions³

China Gas actively responds to China's "Dual Carbon" strategic deployment. In 2022, we released the *China Gas Carbon Neutrality Action Report*, systematically proposing an emissions reduction action framework in key areas including green energy substitution, energy-saving technology innovation, low-carbon logistics system development, smart operations upgrade, methane emissions control, net-zero pathway planning and green ecosystem building. We are committed to reducing Scope 1 and Scope 2 greenhouse gas emission intensity by 50% by 2030 compared with 0.20 kg CO₂e/GJ of energy sold in 2021, ensuring that carbon emissions peak before 2030, and achieving carbon neutrality across all operational activities by 2050. This carbon reduction target covers all operational activities of China Gas. In FY2025/26, the Scope 1 and Scope 2 greenhouse gas emission intensity of China Gas was 0.20 kg CO₂e/GJ of energy sold.

To support the implementation of these targets, we continue to conduct full value chain greenhouse gas emissions inventories covering Scope 1, Scope 2 and Scope 3, systematically identifying major emission sources and improving carbon emissions monitoring, accounting and reporting mechanisms to ensure that data is traceable and verifiable. We have established a dynamic tracking and assessment mechanism for carbon emission targets, regularly conducting quantitative assessment of emissions reduction progress and optimising action plans based on assessment results, thereby achieving closed-loop target management.

In terms of implementation pathways, China Gas adheres to the dual drivers of technological innovation and management optimisation. The Group deeply explores carbon reduction potential across the full value chain, identifies low-carbon transition pathways suited to the gas industry, and gradually builds a "Dual Carbon" solution system with China Gas characteristics. Going forward, we will continue to strengthen the strategic leadership of carbon neutrality, empower green operations through digital and intelligent means, promote the application of green and low-carbon technologies and business model innovation, fulfil corporate environmental responsibilities, and steadily advance into a new stage of sustainable development.

³ The current greenhouse gas emission targets of China Gas have not been derived using industry decarbonization methodologies. The Group will carry out phased assessments and feasibility reviews going forward.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Climate-related Metrics

The Group has established a physical risk assessment methodology suited to the characteristics of its assets. Using operating cities as the basic units, and taking into account local climate characteristics and the distribution of fixed assets, the Group systematically assesses the physical risk exposure of various facilities. Under the brown scenario in the short term (2025–2030), projects affected by extreme precipitation account for the majority, with affected regions covering multiple key cities. Projects affected by typhoons are mainly distributed in coastal and southeastern cities.

Climate transition risks and opportunities span the entire value chain of the Group's city gas and LPG businesses, encompassing gas sourcing, transmission and distribution, storage, sales and services. At present, traditional gas and LPG operations constitute the Group's core business portfolio, while emerging businesses such as new energy account for a smaller proportion. Transition risks are predominantly concentrated within traditional business segments, while climate-driven opportunities are largely anchored in the new energy sector.

The Group focuses on industry metrics that are highly relevant to its operations, including water withdrawal and water efficiency, and energy consumption intensity. At present, internal carbon pricing has not yet been incorporated into climate-related considerations. The Group recognises its value in making climate costs explicit, guiding resource allocation and strengthening the implementation of governance targets. Moving forward, the Group will conduct feasibility studies in light of operational realities and strategic planning, and continue to enhance the robustness and efficacy of climate governance.

4.2 ENVIRONMENTAL MANAGEMENT

China Gas continues to optimise its environmental management system, set phased governance targets and establish a dynamic assessment mechanism, building a full-chain environmental risk identification, quantification and tiered control system. The Group integrates low-carbon transition into the full process of project construction and operations, implements full-process monitoring through digital platforms, regularly evaluates environmental performance, and consolidates the foundation for green development. During the reporting period, there were no major administrative penalties arising from environmental non-compliance incidents or from violations of environmental laws and regulations.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.2.1 Environmental Management System

China Gas strictly complies with relevant laws and regulations, including the *Environmental Protection Law of the People's Republic of China*, the *Environmental Impact Assessment Law of the People's Republic of China*, the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China* and the *Water Pollution Prevention and Control Law of the People's Republic of China*. The Group has publicly issued the *Environmental Policy*, which applies to the Group and all its subsidiaries, and extends to suppliers, contractors, joint ventures and other partners that provide products or services to the Group. The Group incorporates environmental risk management into daily operations, facility operation, distribution and logistics, due diligence, and mergers and acquisitions, with a view to reducing adverse environmental impacts. On this basis, China Gas progressively builds a clean, low-carbon, safe and efficient energy system, continuously improves the utilisation efficiency of natural resources, promotes the use of clean energy and optimises its energy structure, thereby reducing energy consumption throughout the operating cycle and across the value chain. (For more information, please refer to the *Environmental Policy* published on our website www.chinagasholdings.com.hk).

At the institutional level, China Gas has established internal environmental management systems for all business units and subsidiaries. The Group has formulated the *Guidelines for the HSE Management System* with reference to ISO 14001 standard. In line with the Asian Development Bank's *Safeguard Policy Statement* and relevant laws and regulations, the Group has formulated the *Environmental and Social Management System*, establishing an environmental management framework covering key areas such as pollution prevention and control, resource protection, green construction and office operations, biodiversity, and environmental education and training across the full business chain.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

The Group has established a regular audit mechanism to periodically review the implementation effectiveness of the *Environmental Policy* and submit the results to the Sustainability Committee for consideration. Based on the Committee's review comments, the Group facilitates the dynamic iteration and optimisation of policy management, driving sustained improvements in environmental governance.

4.2.2 Environmental Governance Structure

China Gas has established a three-tier environmental governance structure led by the Board. As the highest decision-making body for the Group's environmental affairs, the Board is responsible for reviewing and making decisions on major matters. The Board-level Sustainability Committee oversees the implementation of environmental policies and continuous improvement of environmental performance, and provides professional advice and regular updates to the Board on major environmental issues. Under the Sustainability Committee, a leading working group comprising senior management and relevant functional personnel coordinates and advances the implementation of the environmental management system across the Group.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

In terms of environmental management system development, China Gas simultaneously promotes internal environmental management audits and external environmental management system certification. As of 31 March 2026, 110 project companies under the Group had obtained ISO 14001 Environmental Management System certification, representing 53.43% of the Group's total revenue. Separately, 436 companies had passed China Gas HSE internal audits and obtained China Gas HSE management system certification, further strengthening the Group's environmental management foundation.



ISO 14001 Environmental Management System Certification of Fengshun China Gas Development Company Limited and Pingyuan China Gas Development Company Limited



ISO 14001 Environmental Management System Certification of Bobai China Gas Development Company Limited

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.2.3 Environmental Management Targets

The Group has established the following phased environmental management targets and regularly tracks progress against these targets:

Environmental Target	Target Description
 Carbon emission target	• To reduce carbon emissions intensity by 50% by 2030 compared with 2021 level • To achieve carbon peak by 2030 • To achieve carbon neutrality in its own operation by 2050⁴ • To control the methane emissions intensity of the Group's own operating assets to within 0.15% by 2050
 Energy usage efficiency target	• To reduce energy use intensity continuously
 Water usage efficiency target	• To reduce water consumption by 16% with 2020 as the baseline year and 2025 as the target year
 Waste reduction target	• To improve the collection and integration process of waste data continuously

China Gas strictly implements national and local environmental protection regulatory requirements and continues to strengthen environmental compliance management. During the reporting period, the Group recorded no non-compliance incidents and penalties resulting in penalties due to environmental or ecological issues.

⁴ The business scope covers urban gas services, value-added services, China Gas energy services, power and new energy services, digital development services, etc.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.3 ECOLOGICAL AND ENVIRONMENTAL PROTECTION

China Gas attaches great importance to biodiversity conservation and integrates ecological protection principles throughout the full project life cycle. In strict compliance with the laws and regulations at project sites, the Group conducts environmental impact assessments and dedicated biodiversity assessments, and safeguards species habitats and living environments through multi-dimensional measures, including institutionalised management, risk prevention and control mechanisms, and regular awareness education, thereby promoting ecosystem stability and sustainability.

4.3.1 Biodiversity Protection System

To ensure that Group members duly consider biodiversity factors in business operations and implement relevant measures to advance ecosystem restoration, China Gas has formulated the *Biodiversity Protection Policy*, which sets out phased management requirements.

- Pre-construction: Environmental Impact Assessments (EIA), safety pre-assessments and social stability risk assessments are strictly conducted. Project site selection strictly follows ecological red line control requirements. On the premise of meeting required safety distances, land acquisition is minimised through scientific planning and rational layout.
- During project implementation: Construction boundaries are clearly defined, and existing vegetation within construction areas is strictly protected. Damage to grass, trees and other vegetation for construction convenience is prohibited. Environmental management plans and risk prevention and control requirements set out in assessment reports are fully implemented.
- Post-construction: Acceptance inspections are strictly carried out in accordance with assessment standards. After completion, ecological restoration works are promptly implemented to systematically restore the surface and soil of construction areas, minimising soil erosion and meeting other ecological and environmental protection requirements.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

China Gas follows the principle of net-zero deforestation and targets achieving net-zero deforestation by 2035, covering its own operations as well as all suppliers, contractors and partners. The Group avoids any deforestation of natural forests and any conversion of other natural ecosystems, ensuring that vegetation loss caused by projects is restored through equivalent or additional tree planting. The Group clearly avoids operating in areas of high biodiversity value, including World Heritage Sites and International Union for Conservation of Nature (IUCN) Category I – IV protected areas. Throughout the full project life cycle, the Group applies the mitigation hierarchy to reduce, restore and offset disturbance and impacts on biodiversity, and is committed to achieving no net loss (NNL) of biodiversity for all new projects by 2035. For further details, please refer to the Group's *Biodiversity Protection Policy*, available on the official website (www.chinagasholdings.com.hk).

In addition, through the *Supplier Code of Conduct*, the Group encourages suppliers to proactively participate in and invest in ecological protection practices such as biodiversity conservation, river clean-up, tree planting and afforestation, and protection of rare species. Suppliers are also encouraged to comply with no-deforestation requirements and, where land is suitable for greening, to plant grass and trees to reduce the duration of exposed land.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.3.2 Biodiversity Risk Assessment

China Gas adopts the Locate-Evaluate-Assess-Prepare (LEAP) framework recommended by the Taskforce on Nature-related Financial Disclosures (TNFD) to conduct biodiversity risk assessments across key project areas. This methodology guides the identification and geographic mapping of areas potentially affected by project activities, classification and evaluation of associated ecological risks, and development of mitigation measures for both construction and operational stages. It also informs the preparation of contingency plans and follow-up arrangements to minimise long-term environmental impacts. The scope of biodiversity risk assessment covers terrestrial and aquatic species situated within the Group's own operating footprint, including stations and pipelines, as well as areas adjacent to its business. Specifically, it includes:

- Terrestrial vascular plant diversity: floristic composition, vegetation types and distribution, vegetation biomass and productivity in the assessment area, and distribution of nationally protected wild plants.
- Terrestrial wildlife diversity: amphibians, reptiles, birds, mammals and other wildlife.
- Aquatic biodiversity: aquatic habitats, aquatic plants, phytoplankton, zooplankton, benthos, fish, important habitats such as the "three grounds" of fish, and key protected wild species.

In FY2025/26, China Gas implemented biodiversity protection measures for engineering construction. A total of 3,102 landscaping plants, including boxwood and red twig dogwood, were protectively transplanted, 7,000 square metres of turf were restored, and RMB195,000 was invested for dedicated purposes. These measures effectively maintained vegetation integrity and ecosystem functions around project sites.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.4 GREEN OPERATION

China Gas is committed to integrating green concepts throughout its whole production and operation cycle. Focusing on efficient resource utilisation, pollution prevention and control, and low-carbon transition, the Group systematically advances green operation management. By enhancing carbon emissions management, promoting the development of integrated energy, strengthening water resource and emissions management, implementing green construction and environmental advocacy, and leveraging green finance support, the Group steadily lifts the sustainability and eco-performance of its business activities.

4.4.1 Carbon Emissions Management

Carbon Management Strategy

China Gas has developed a systematic and standardised carbon management framework, including the *Carbon Management Manual*, *Carbon Management Procedure Document*, *Control Procedures of Carbon Management Objectives*, *Control Procedures of GHG Emission Source Identification*, *Accounting and Reporting*, *Control Procedures of Data Collection for Carbon Management*, *Control Procedures of Carbon Management Training* and *Control Procedures of Carbon Management Monitoring, Measurement and Analysis*. Together, these documents form a standardised management system covering the full process of carbon emissions identification, accounting, monitoring and reporting. As of this financial year, China Gas has completed carbon asset management certification and obtained a carbon management system assessment certificate.



圖：碳管理體系認證證書



圖：碳管理體系貫標示範單位

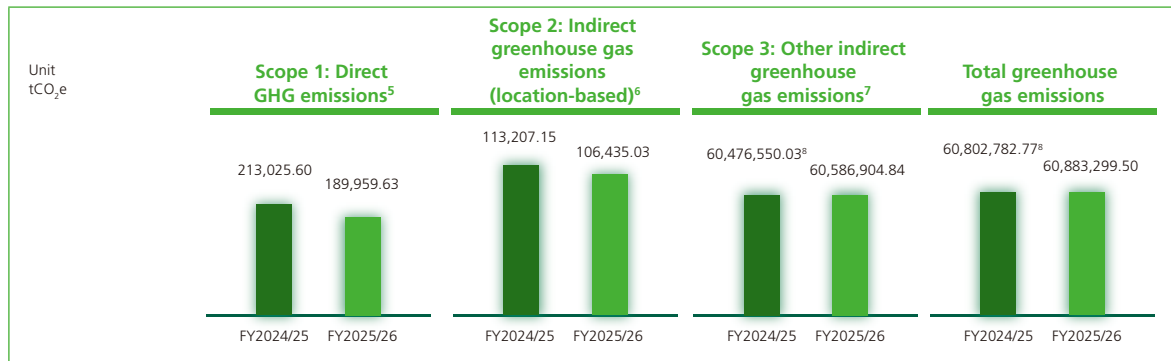


圖：2022-2023年EATNS碳管理體系
優秀案例證書

Carbon Management System Certification

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

China Gas conducts greenhouse gas inventories annually in accordance with international standards for greenhouse gas emissions accounting and reporting, enabling the Group to systematically understand its overall greenhouse gas emissions. At the same time, the Company continues to advance carbon inventory work across the value chain, and has disclosed certain Scope 3 emissions information related to its business activities.



Case: Advancing the Green and Low-Carbon Retrofit of Shanghai Putuo District Central Hospital

Shanghai Putuo District Central Hospital is a comprehensive medical facility. Its ageing energy system leaves considerable scope for improvements in energy conservation, carbon reduction and operational efficiency. In support of the green transition of public medical institutions, China Gas provided the hospital with an integrated energy solution to promote a green and low-carbon retrofit while maintaining uninterrupted medical services.

During project delivery, China Gas introduced an air-source heat pump system tailored the hospital's energy use profiles to replace the original gas boilers for hot water and heating supply, thereby reducing emissions from traditional gas-based energy generation. At the same time, energy-saving upgrades were carried out for the heating and cooling air-conditioning systems and lighting systems, with the aim of continuously improving overall energy efficiency. Upon completion, the project is expected to increase the hospital's comprehensive energy-saving rate to approximately 15%, set a replicable benchmark for green and low-carbon retrofits in medical institutions.



Integrated Energy Retrofit Project Site at Shanghai Putuo District Central Hospital

⁵ Scope 1 emissions include fossil fuels consumed in operations, fugitive emissions during the transmission/transportation of natural gas and petroleum gas, and external heating consumption by thermal power project companies.

⁶ Scope 2 emissions include non-renewable electricity consumed for operations.

⁷ Scope 3 emissions include Category 1 (purchased goods and services), Category 4 (upstream transportation and distribution), Category 6 (employee air travel) and Category 11 (use of products sold).

⁸ Data restatement: To enhance the accuracy and comparability of data disclosure, certain historical data have been restated in this report. Upstream transportation and distribution emissions under Scope 3 for FY2024/25 were originally disclosed as 249,632.92 tonnes, and have been adjusted to 7,515,706.24 tonnes following review. Accordingly, the total Scope 3 emissions for FY2024/25 have been revised to 60,476,550.03, total greenhouse gas emissions have been revised to 60,802,782.77, total greenhouse gas emissions excluding integrated energy business have been revised to 60,664,490.74, and greenhouse gas emission intensity (Scope 1, Scope 2 and Scope 3) has been revised to 42.84.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Methane Emission Control

China Gas positions methane emission control and the coordinated development of green methane as an important pillar in its green transition for city gas operations. The Group has established a high-calibre methane emissions regulatory framework covering methane monitoring, reporting and verification, and has set up a dedicated methane control working group to systematically advance methane emission verification, experimental research on methane emissions from gas facilities, and exploration of relevant emission reduction pathways. These efforts support the integrated implementation of methane emissions management and green methane application.

China Gas has implemented a number of innovative measures to achieve methane emission reduction:

Methods for Methane Emission Control	Specific Measures
 Intrinsic safety management of equipment	Strengthen the renovation of old pipelines and the scheduled maintenance of equipment and facilities at stations and pipeline networks to ensure the intrinsic safety of pipelines and ancillary equipment. At the same time, strengthen inspections of pipelines and ancillary facilities to prevent third-party damage and reduce gas leakage.
 Anti-corrosion layer inspection and cathodic protection system management	Enhance the effective management of cathodic protection systems for steel pipelines and increase the frequency of anti-corrosion layer inspections to reduce leakage caused by pipeline corrosion.
 Emission control during pipeline connection and maintenance	Adopt indirect replacement methods during pipeline connection and maintenance to reduce methane emissions.
 Remote real-time leak monitoring	Install remote leakage detection devices on pipelines, pipe sections and valve wells to enable 24-hour monitoring, ensuring immediate response to leaks and reducing methane emissions.
 Application of leakage detection equipment	Equip each region with high-precision detection vehicles, including ppb-level vehicle-mounted laser methane leak detection vehicles and BeiDou high-precision positioning devices, to proactively identify and address leakage points.
 Application of BOG recycling technology	Recycle boil-off gas (BOG) released by LNG transport tankers and gas storage facilities to reduce methane fugitive emissions during storage and transportation.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Methods for Methane Emission Control	Specific Measures
 New technology pilot applications	Pilot and apply new technologies within the Group, such as pre-coated steel pipes, small-calibre fully automatic welding machines and automatic inspection two-wheel vehicles, to further improve intrinsic safety and reduce methane emissions.
 Application of digital and intelligent technologies and systems	Utilise information technologies such as supervisory control and data acquisition (SCADA) platforms, inspection systems and geographic information systems (GIS) to monitor and provide early warnings for real-time business scenarios, improving leak response speed.
 Employee training and awareness improvement	Provide professional training to employees on the environmental impacts of methane to enhance their environmental awareness.
 External regular inspection	Regularly engage external parties to carry out methane emission detection work to eliminate leakage risks to the greatest extent and improve management standards.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

China Gas continues to advance methane fugitive emissions control and has set a target to reduce methane leakage and fugitive emissions by 5.91% by 2025. In addition, the Company has rolled out its ageing-pipeline-renewal programme covering 2022–2025. Through technical measures such as strengthened leakage detection, anti-corrosion layer inspection, cathodic protection system upgrades and smart pipeline construction, the Company is systematically reducing methane fugitive emissions. It is estimated that these measures will effectively reduce methane emissions from multiple sources through 2050, including new pipeline replacement, pipeline transmission fugitive emissions, third-party damage emissions, gas storage facility emissions and emissions from company vehicle transportation.

As a member of the Oil and Gas Methane Partnership (OGMP), the Group has pledged to control the methane emission intensity of its operating assets to below 0.15% by 2025. This target has been verified by the OGMP 2.0 Methane Partnership for three consecutive years. In this financial year, the Group's methane emissions were 14,617 tonnes, with an emission intensity of 0.147%, representing a decrease of 3,724 tonnes, or 20.30%, compared with the previous financial year.

Energy Usage Management

In energy management, China Gas focuses on three key action areas – energy efficiency improvement, energy mix adjustment and vehicle optimisation – in line with the Group's dual carbon goals, and continues to enhance its green and low-carbon operation system.

Energy Efficiency Improvement

The Company systematically promotes the upgrades and retrofits of high-energy-consuming equipment and replacement of ageing equipment. It also carries out pipeline network renovation, waste heat recovery schemes, energy management system development and data centre micro-module technology upgrades to improve energy efficiency through multiple measures. The Group regards technological innovation as a key enabler for its low-carbon transition. In terms of technology research and development, it has completed the development, testing and patent acquisition of a prototype of a new gas tobacco-curing barn, and has advanced the development and application of industrial heat pumps. It has also prepared a series of technical solutions, including the *Industrial Park Research Report*, providing technical support for subsequent project implementation.

Energy Mix Adjustment

The Company continues to promote the replacement of natural gas with electricity for canteens and heating, gradually develop energy tower projects, expand self-used photovoltaic power generation, and optimise its energy structure by procuring green electricity, thereby accelerating the formation of a clean, low-carbon, safe and efficient energy system. For example, China Gas implemented a building-integrated distributed photovoltaic project at its headquarters, integrating renewable energy generation with the existing office building and effectively reducing carbon emissions from the operation of its office premises. To lift its clean-energy penetration rate, the Company has set clear targets for clean electricity consumption: clean sources electricity will account for 50% of total electricity consumption from 2026 to 2030, the proportion will increase to 70% between 2031 and 2024; it will reach 90% for 2041–2050; and 100% of electricity consumption will be green-sourced from 2051 onwards.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Vehicle Usage Management

The Company has formulated and implemented the *China Gas Vehicle Management System*, which sets unified standards and operational guidelines for the allocation, renewal and procurement of various types of vehicles across its subsidiaries. When purchasing vehicles, the Company gives priority to small-displacement and economical vehicles, while actively promoting the replacement of fuel-powered vehicles with electric vehicles to gradually achieve a clean transition for its vehicle fleet. For administrative vehicles, the Company has set a fuel vehicle electrification replacement target, aiming to achieve full use of electric vehicles for administrative vehicles by 2029. In addition, the Company reduces vehicle operating energy consumption and carbon emissions from transportation by providing energy-saving driving technology training and practical application, strictly controlling vehicle speeds within economical speed ranges, and reasonably planning transportation routes by prioritising routes with good road conditions. In logistics transportation, the Company continues to promote the development of an intelligent vehicle transportation system, leveraging big data and neural network technologies for intelligent dispatching and optimised transportation scheduling. This effectively reduces the empty-load rate of transport vehicles, thereby reducing fuel consumption by tankers and cylinder transport vehicles. Once the relevant platform is in stable operation, it is expected to achieve approximately 14.5% annual carbon reduction in the transportation segment.

During the reporting period, the Group's total direct energy consumption was 3,513,695.69GJ, with an energy intensity of 0.002GJ/GJ of energy sold. Energy consumption mainly came from natural gas, petrol, diesel, liquefied petroleum gas, heavy oil and purchased electricity consumed in daily operations and transportation. For a detailed breakdown of direct energy consumption data, please refer to the Performance Data Table in the appendix.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.4.2 Promoting the Development of Integrated Energy

Guided by the dual carbon goals, China Gas positions itself strategically as a “green city operator” and actively advances the transformation and development of its integrated energy business. The Group has achieved significant progress by making coordinated efforts across heating, photovoltaics, energy storage and biomass energy.

Thermal Energy Sector

Tailored to regional conditions and application-specific requirements, China Gas addresses customers’ needs for low-carbon transition, energy conservation and cost reduction by integrating multi-energy complementary systems, green and low-carbon technologies, and smart and efficient solutions. Focusing on buildings, industrial facilities and industrial parks, the Company provides integrated energy supply and low-carbon intelligent solutions covering cooling, heating/steam supply and power supply. In FY2025/26, China Gas added nine integrated energy-saving retrofit projects across core cities including Beijing, Shanghai and Wuhan, achieving annual energy savings of 6.17 million kWh. Based on the energy consumption characteristics of different projects, China Gas flexibly deploys technology routes such as closed energy tower heat pumps, small air-source heat pump and gas boiler hybrid systems, and off-peak electricity thermal storage. It also adopts diversified business models, including BOT(Build-Operate-Transfer), BOO(Build-Own-Operate), EPCO(Engineering, Procurement and Construction + Operation), EMC(Energy Management Contracting), financial leasing and entrusted operation, to provide customers with differentiated and customised energy solutions.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Case: Energy-Saving Retrofit Project for the Thermal Energy System of InterContinental Dalian

InterContinental Dalian's legacy heating system had run for many years, with its heating and steam equipment facilities suffering from ageing issues. The hotel relied heavily on gas boilers to supply domestic hot water, space heating and disinfection, resulting in relatively low energy performance and energy losses. To help the hotel upgrade safety and energy efficiency of its heating system, China Gas developed and implemented an energy-saving retrofit plan for the heating system.

The project phased out legacy boilers for domestic hot water provision by installing a high-efficiency heat pump system, and introduced municipal hot water resources to replace high-zone gas boilers for heating. For steam use, new steam generators were added to replace the original gas boilers to meet the hotel's disinfection needs, thereby reducing energy consumption and emissions from direct gas combustion. To support the optimisation of the overall energy structure, the project also upgraded the cooling system by introducing centrifugal chillers to replace certain ageing equipment, improving system stability. Upon completion, the retrofit is expected to reduce gas consumption and energy intensity, supporting the hotel's transition towards more efficient and low-carbon operations.



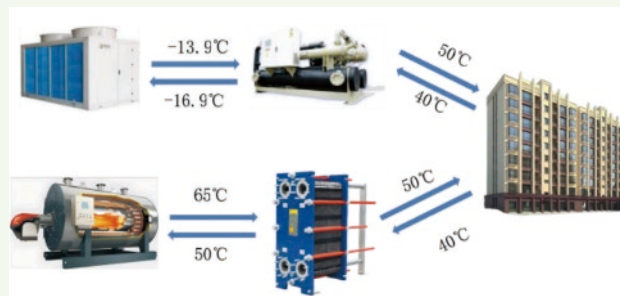
InterContinental Dalian

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Case: Closed Energy Tower Heat Pump Technology Incorporated into Beijing's New Energy Heating Policy System

China Gas advances the adoption of clean heating technologies in key cities. The closed energy tower heat pump technology route, led and developed by Beijing China Gas New Energy Co., Ltd., has been incorporated into Beijing's new energy heating policy framework. Its technical solution and new project have been included in Beijing's catalogue of new technologies for new energy heating, and have received municipal fixed asset investment support, merging as a key technical paradigm for the city's new energy heating sector.

The project adopts a hybrid heating system combining closed energy tower air-source heat pumps and gas boilers, with a heat source tower heat pump installed capacity of 1,736 kW and a gas boiler installed capacity of 700 kW. Renewable energy heating installed capacity accounts for 71.3%. The project is expected to provide stable and clean centralised heating services to more than 500 local households. By integrating closed energy tower heat pumps with a smart energy management system, the project can significantly improve overall system energy efficiency compared with traditional air-source heating methods, and is projected to reduce carbon dioxide emissions by approximately 346 tonnes per year. The project delivers replicable insights for new-energy heating deployments during Beijing's urban-renewal initiatives, and fuels decarbonisation across heating industries in Beijing and the broader Beijing-Tianjin-Hebei region.



Schematic Diagram of Winter Heating Operation of the Project

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Photovoltaic Sector

China Gas actively develops distributed photovoltaic projects and presses ahead with green energy trading initiatives to underpin low-carbon advancement. On the power-generation front, the Company steadily promotes the construction and operation of photovoltaic projects; on the electricity-sales-related businesses, China Gas takes an active part in green electricity trading to facilitate the application and promotion of new energy.

In FY2025/26, the Group rolled out 23 self-invested photovoltaic projects in the photovoltaic sector, with total self-invested installed capacity of 52.6 MW and an annual power output of 4,522 GWh. In addition, electricity trading volume reached 7.33 billion kWh, representing a 31.2% year-on-year increase. The sales volume of green electricity and green certificate transactions reached 212,828 MWh, a 527.0% increase year on year, which substantially outperformed internal sales targets.

Case: Providing Distributed Photovoltaic Power Station Construction Services to Yanjing Brewery

In response to industrial clients' demand for green energy adoption, China Gas Hongming Electric Power Technology Group cooperated with Beijing Yanjing Brewery on its distributed photovoltaic project. The Group built a distributed photovoltaic power station and provided full-set engineering, procurement and construction services for Beijing Yanjing Brewery.

China Gas Hongming Electric Power Technology Group was responsible for the overall design of the photovoltaic system, equipment procurement, engineering construction and grid connection implementation. By introducing distributed photovoltaic power generation into the brewery's production lines and auxiliary facilities, the project helps the enterprise increase its use of renewable energy and reduce electricity-related carbon emissions from production and operations. This project demonstrates China Gas's delivery strengths in distributed photovoltaics for industrial clients, and serves as a valuable reference for the green transition within traditional manufacturing industries.



Beijing Yanjing Brewery Distributed Photovoltaic Power Station Construction Project

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Energy Storage Sector

Based on the philosophy of “strengthening fundamentals and fostering growth”, China Gas has steadily deployed energy storage projects on a large scale across the industrial and commercial sectors. Such initiatives relieve grid peak-shaving pressure and reduce corporate energy costs, while also expanding participation in electricity spot trading and ancillary service markets. The Group further explores the “energy storage +” business model, integrating application scenarios such as photovoltaics, charging piles and industrial energy conservation, and pooling diversified resources to build virtual power plants. Integrated energy efficiency services are being advanced in key regions such as the Yangtze River Delta and the Greater Bay Area.

In support of the development of a new power system, Phase I virtual power plant under the China Gas Integrated Energy Service Platform serves as a core strategic platform for deepening multi-format energy coordination across the Group. Using Wuxi in Jiangsu Province as a pilot city, the project carried out pre-emptive system planning and completed the development of key capabilities such as spot trading price forecasting for Jiangsu Province. At present, the virtual power plant has fully onboarded 54 energy storage stations, representing 496 MWh of flexible load. Two existing photovoltaic stations have been connected to the platform through the Group’s SCADA system, with real-time data acquisition and online monitoring enabled for nine charging stations. The project team has efficiently advanced technical coordination and compliance certification with the Jiangsu power grid, and the virtual power plant was officially short-listed in the 13th batch of Jiangsu Province 2025 virtual power plant catalogue in 2025, which is the 20th batch in total, in October.

In terms of platform and capability development, the Group takes the digital platform as the core to promote multi-source data integration and analysis, gradually breaking down boundaries between traditional business formats and enabling coordinated application of energy consumption data, equipment operating data and power market information. At present, the platform has delivered 13 major modules and 163 functions accessible via PC and mobile terminals, and will enter the practical application stage. By continuously strengthening energy storage dispatch, energy efficiency management and market response capabilities, China Gas is accelerating the development of a business system covering low-carbon technology applications, digital power capabilities and multi-scenario integrated energy services, thereby accelerating its transformation from a traditional gas supplier into an integrated energy service provider.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Case: Jiangyin Haida Rubber and Plastic Energy Storage Project

China Gas collaborated with Jiangyin Haida Rubber & Plastic Co., Ltd. to develop an energy storage project under an Energy Management Contract model, providing an integrated energy solution to enhance energy efficiency and power supply reliability. Developed in two phases, the project has established a large-scale energy storage system that effectively meets the company's growing energy demand. Upon commissioning, the project has reduced electricity costs through peak-shaving operations and mitigated fluctuations in production-related power loads through the flexible regulation capabilities of the energy storage system, enhancing power supply stability and providing reliable energy support for business operations. In addition, the project contributes to carbon emissions reduction, supports Haida Rubber and Plastic's green and low-carbon transition, and further strengthens China Gas's practical experience in the commercial and industrial energy storage sector, creating long-term and sustainable value for both parties.



Jiangyin Haida Rubber and Plastic Energy Storage Project

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Biomass Energy Sector

As a member of both the China Association for the Promotion of Industrial Development Biomass Energy Industry Promotion Association and the China Biogas Society, China Gas keeps track of and actively participate in the development and exchange of the biomass energy sector. By participating in industry academic activities, the Group stays updated on technological advances and policy developments, continuously strengthening the professional foundation for its biomass energy business. Leveraging its gas network and integrated energy service capabilities across urban and rural areas, the Group focuses on biomass-based heating, steam supply and other application scenarios, exploring a low-carbon transition pathway coordinated with its traditional gas business. In business practice, China Gas promotes the application of biomass energy in rural and industrial scenarios, gradually building a multi-energy complementary model of “gas-heat-electricity”. While reducing the carbon intensity of its traditional gas business, these efforts also promote the resource utilisation of agricultural and forestry waste, reduce environmental pollution caused by straw burning, and support rural environmental governance and local employment development.

The Company has formulated a five-year development plan for sustainable products and biomass business. Focusing on the commissioning scale and revenue growth targets of the biomass business, it systematically advances phased project delivery and business expansion. In addition, the biomass business segment has developed an internal development and technical plan, focusing on the research, development and application of advanced complete systems, polygeneration equipment and biomass fine chemicals to continuously enhance the added value of biomass products. In biomass steam supply and power generation, the Company optimises the feedstock structure and reduces raw material production costs to capture price elasticity and profitability potential. It also relies on high-value-added products to hedge against gas price fluctuations, driving holistic cost optimisation and efficiency improvement while enhancing the overall market competitiveness and financial returns of its projects.

The Group has steadily scaled up resource investment in its biomass business, supporting biomass project infrastructure construction, new project investment and preliminary engineering support. In terms of R&D resource allocation, the Company has established a dedicated technical team for biomass business with fixed staffing and corresponding human resources budgets, overseeing technology iteration, process optimisation, equipment R&D and engineering application deployment for biomass projects. This provides continuous technical support for business advancement.

In addition, to meet the needs of the biomass business, the Company has established a regular internal training mechanism covering R&D, processes, engineering design, production operations, safety management and other related functions. Training is centred on technical centre personnel and focuses on biomass gas business, multi-scenario industry applications, system configuration design, engineering implementation and safety standards. Through weekly training and review sessions, combined with specific engineering project cases, the Company continues to identify design and operational risks, clarify safety control requirements, and drive the ongoing optimisation and delivery of technical solutions. Currently, the Group’s biomass projects mainly comprise newly constructed and commissioned projects. Going forward, the Group will coordinate facility optimisation, process retrofits and system upgrades based on project operations and actual operating data, further improving operating efficiency and business performance.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Case: Application Practices of Biomass Energy in Industrial Energy Supply and International Green LNG

Leveraging its technological accumulation and engineering delivery capabilities in biomass energy, China Gas continues to promote the application of biomass energy in industrial energy supply scenarios, providing green and low-carbon energy solutions for high-energy-consuming industries. Domestically, the Group has achieved multiple biomass energy substitution applications in industrial steam supply and cogeneration. Notable cases include the provision of green biomass steam to the Nanjing Gotion battery project, replacing approximately 8 million cubic metres of natural gas annually; and biomass supply for the battery project of DEEIoT, a subsidiary of Chery Automobile, replacing approximately 38.4 million cubic metres of natural gas annually. The biomass business of China Gas focuses on accelerating biomass energy substitution among leading companies in energy-intensive sectors, including lithium battery, steel, metallurgy, glass, and chemical industries.

In overseas markets, China Gas has steadily advanced its international development by leveraging its R&D and engineering capabilities in biomass-based green LNG, securing substantive breakthroughs in overseas order acquisition. Through the coordinated advancement of domestic industrial scenarios and overseas LNG projects, China Gas continues to expand the application boundaries of biomass energy and promote its commercial rollout across different industries and regions.



Nanjing Gotion New Energy Biomass Clean Heating Project



Visit by Singapore's Tuas Power to China Gas

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

In promoting the application of biomass-based green energy across multiple industries, China Gas continues to strengthen cooperation with industry organisations and key enterprises to advance research and practice on the application of biomass fuels in industrial fields. In China, the Company has entered into a consulting service contract with the China Inorganic Salts Industry Association to conduct systematic energy consumption research on sub-sectors of the inorganic salts industry. The study analyses how variations in fuel quality affect process parameters and product quality under different production process conditions, and evaluates the feasibility of replacing traditional fossil fuels with green fuels. In parallel, China Gas is advancing cooperation with the China Architectural and Industrial Glass Association and the China Building Ceramics and Sanitaryware Association to conduct ongoing research on the application of biomass energy in high-energy-consuming industrial scenarios, providing industry-level support for related business expansion and technology implementation.

4.4.3 Water Resource Management

To systematically advance water resources management and boost water efficiency, the Group has established a clear water resources management target system tailored to its production operations and daily management practices. The Group has committed to reducing water consumption by 16% by 2025, using 2020 as the baseline year, and has broken down the target across different types of operating sites:

- The standard for administration buildings: 70 litres per person per day;
- The standard for water consumption in dispatch centres, office buildings of stations, customer service centres and other office premises: 110 litres per person per day;
- The water replenishment standard for gas boilers: Less than 3 tons per month; and
- The water replenishment standard for fire reservoirs: Less than 5 tons per month.

During the reporting period, the Group continued to implement water-saving management measures, driving an 11% reduction in total water consumption compared with the 2020 baseline and showing a steady overall downward trend in water usage. Regional disparities in business expansion progress, varying operational scales, and rising water demand from individual projects have to some extent hindered the delivery of phased water-saving targets. Going forward, the Group will dynamically optimise its water resources management target system based on actual operating conditions, and formulate medium- to long-term water-saving targets that better align with the business characteristics of China Gas.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Water Resource Conservation and Utilisation

In line with its established water-saving target, the Group has established a water efficiency management mechanism covering all employees, integrating the concept of water conservation into daily operations and management. The Group has formulated and implemented unified water resources usage systems and management processes, clearly defining water management responsibilities and requirements. At the same time, across various projects and office premises, the Group continues to implement multiple water-saving management measures based on actual water usage scenarios:

- Use recycled water for natural gas compressors, ice makers, sprinkler systems, and other water consumption appliances to improve water efficiency;
- Install rainwater collection facilities for water recycling;
- Adopt induction-type taps and flushing devices to save water;
- Regularly inspect and maintain water pipes, valves, and other facilities to reduce water waste caused by leakage;
- Select easy-to-grow, drought-resistant plants, and develop a reasonable watering schedule based on the plant type, season, and environmental conditions to reduce water waste during the green plant maintenance;
- Post water conservation signs, conduct employee training and strengthen publicity on environmental protection to raise employees' environmental awareness and responsibility.

During the reporting period, the Group's total water consumption was 1,955,660.52 tonnes, and water intensity was 1.33 kg/GJ of energy sold. Water consumption by source is shown in the table below:

Water Consumption by Source	Unit	FY2025/26	FY2024/25
Municipal water supply or other water utilities	tonne	1,741,537.72	2,181,337.97
Groundwater	tonne	43,970.76	139,198.03
Surface water	tonne	120,251.00	79,340.66
Seawater	tonne	49,901.04	54,344.00
Total	tonne	1,955,660.52	2,454,220.66

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Wastewater Management

China Gas strictly complies with the requirements of the *Water Pollution Prevention and Control Law of the People's Republic of China* and other laws and regulations related to wastewater management, and consistently implements wastewater management and water pollution prevention and control work. The Group follows the principles of “focusing on source control, strengthening monitoring methods, adopting centralised wastewater treatment, and improving emergency response system”. The Group has refined institutional rules for wastewater discharge and treatment management, and has advanced water pollution prevention and control in an orderly manner through measures such as tightening monitoring and early warning, standardising treatment processes and improving emergency response systems, to ensure that wastewater treatment and discharge comply with relevant national standards. In practice, China Gas has focused on implementing the following water pollution prevention and control measures:

- Strengthen the collection and treatment of wastewater, and regularly inspect wastewater treatment facilities and sewage tanks to prevent leakage of production and domestic wastewater and avoid pollution of the surrounding water environment;
- Take anti-seepage measures for the wastewater treatment devices, wastewater tanks and garbage bins, and construct rain and wastewater diversion systems within the stations;
- Develop dedicated emergency plans for water sources, formulate water pollution prevention and control systems and procedures, clarify the responsibilities of each department, and conduct water quality monitoring. In the event of a water pollution incident, the emergency plan will be activated promptly to identify and cut off the pollution source, and investigate the extent and scope of pollution;
- Adopt wastewater treatment technologies such as biological treatment and membrane technology to treat and recycle wastewater, thereby realising water recycling, reducing pressure on water resources and minimising water wastage;
- Provide employees with water resources protection training to enhance their environmental awareness and sense of responsibility, thereby further reducing water pollution risks.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

The Group's wastewater mainly comes from production wastewater, equipment cleaning wastewater and domestic sewage from employees. During the reporting period, the Group's total wastewater discharge was 846,537.19 tonnes. Wastewater discharge by destination is shown below:

Wastewater Discharge by Destination		Unit	FY2025/26	FY2024/25
Municipal wastewater treatment plants or other wastewater treatment facilities	tonne		223,306.77	961,486.88
Groundwater	tonne		61,249.77	77,019.09
Surface water	tonne		5,479.25	230,989.69
Seawater	tonne		556,501.40	6,153.76
Total	tonne		846,537.19	1,275,649.42

4.4.4 Emissions Management

Waste Gas Management

China Gas strictly complies with the *Atmospheric Pollution Prevention and Control Law of the People's Republic of China*, the *Integrated Emission Standard of Air Pollutants*, the *Emission Standard of Air Pollutants for Boiler*, and other applicable regulations governing waste gas. To effectively manage and reduce waste gas emissions, the Group has implemented three core initiatives:

- **Equipment Upgrades and Retrofits:** systematic maintenance and technological upgrades of ageing equipment to improve efficiency and reduce emissions.
- **Process Innovation:** ongoing optimisation of engineering and technical processes to minimise emissions at the source.
- **Accelerated Energy Transition:** active promotion of clean energy technologies, including natural gas boilers, biomass boilers, and heat pumps, alongside the implementation of key initiatives such as 'coal to gas' conversions, aimed at reducing fossil fuel consumption and associated emissions.

For a detailed breakdown of waste gas emission data during the reporting period, please refer to the Performance Data Table in the appendix.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Waste Management

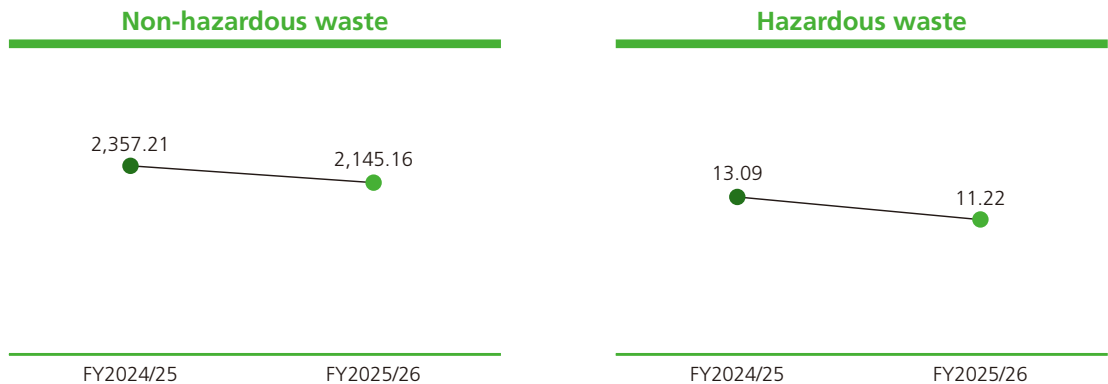
China Gas strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste* and other laws and regulations related to solid waste management. The Company has established a full-process management system spanning waste generation, collection and disposal. Through measures such as setting waste reduction targets, improving the waste classification management system and implementing waste recycling and treatment arrangements, the Company promotes the standardised management and resource utilisation of solid waste.

For a detailed breakdown of material and packaging material consumption during this financial year, please refer to the Performance Data Table in the appendix.

China Gas produces various types of waste in its daily operations, among which non-hazardous waste mainly includes office and domestic waste, non-hazardous parts generated during the manufacturing and maintenance of gas appliances, and small-volume residues from gas-pipeline cleaning. During this financial year, all non-hazardous waste of the Group was still regularly removed and landfilled by official sanitation authorities to ensure hygiene and environmental safety. Hazardous waste includes waste batteries, waste lamps, waste machine oil, waste chemicals and hazardous metal parts from discarded circuit boards of gas appliances. Such hazardous materials needs to be entrusted to recycling and treatment units with relevant qualifications for compliant disposal to achieve 100% recycling to prevent adverse impacts on the environment and human health.

Waste Category

tonne



In addition, China Gas has promoted waste reduction, resource utilisation and harmless treatment through various management and operational measures. For example, the Company has established a reverse logistics network with the warehouse in Zhongshan as the centre to collect and reuse defective products, thereby promoting material recycling. At the same time, the Group is gradually replacing traditional wooden pallets with fully recyclable HDPE plastic pallets. With a service life of 5–10 years, such pallets effectively reduce replacement frequency and resource consumption. In terms of packaging management, the Company promotes the use of honeycomb paper to replace foam materials, and phases out plastic bags for fittings in favour of paper-based packaging to limit non-recyclable materials. China Gas has incorporated environmental requirements into its supplier management system. Procurement contracts stipulate that raw materials should meet national environmental standards, and suppliers are required to furnish third-party test certificates.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.4.5 Green Construction

In the field of Green Construction, China Gas strictly follows the national “dual carbon” goals and local environmental protection requirements, and implements full-process environmental risk management. From project planning, design, construction and building works to operations and maintenance, China Gas has established a closed-loop management system to minimise the negative impact of engineering construction and operations on the environment.

Project phase	Management measures
Planning and design	• Environmental Impact Assessment: Before carrying out all projects, China Gas strictly follows the statutory process of environmental impact assessment and implements the <i>Environmental Impact Assessment Report Outline</i> and the <i>Engineering Construction Risk Management and Control Guidelines</i> formulated by the Group to identify potential environmental impacts and risks, and develop response measures and protection plans. We invite third-party assessors to conduct Environmental Impact Assessment (EIA) or Social Impact Assessment (SIA), and promptly implement, follow up and improve our response measures and protection plans based on the assessment results. • Environment-Friendly Materials and Processes: The steel pipes of the Group are all pre-coated with anti-corrosion layers to reduce painting work at construction sites and reduce the emission of volatile organic compound (VOC) pollutants at construction sites. • Social Impact Assessment: We assess the impact of projects on local employment and residents’ livelihood and well-being. For example, energy storage projects are sited to ensure a safe buffer zone, while heat pump projects are designed to mitigate noise impacts on nearby residential areas.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Project phase	Management measures
Construction	• Waste Management: We promote construction site cleaning and garbage disposal to ensure the standardised discharge of waste. During earthwork excavation, we backfill the original soil and recycle construction slurry. • Noise Control: We strictly implement prevention and control plans for construction noise pollution, scientifically arrange construction hours, and properly lay out and use construction machinery, such as low-noise equipment. • Dust Control Measures: Vehicles carrying surplus soil are fully covered with mesh fabric. Dust control measures are implemented for material stacking during construction, including covering, watering, spraying covering agents or other dust prevention measures, to reduce the impact of dust. • Slurry Treatment: For directional drilling operations, environmentally friendly measures must be implemented for slurry disposal. • Biodiversity Mitigation Actions: A vegetation survey is conducted prior to construction. Targeted measures such as protective fencing and transplanting are applied to safeguard trees and saplings within the construction area. Construction site layouts are planned reasonably to reserve adequate access routes for daily use. Upon project completion, an environmental restoration plan is immediately initiated. Through protective transplantation of original vegetation and surface ecological restoration measures, China Gas promotes ecological regeneration in disturbed areas, progressively restores vegetation coverage and soil structure, improves the biophysical functions and productivity of ecosystems, and facilitates the harmonious coexistence of engineering construction and the natural environment. • Biodiversity Protection: For projects located in ecologically sensitive areas such as fishponds or wetlands, directional drilling technology is employed to install pipelines without disturbing surface water bodies. This approach avoids issues such as water turbidity and sediment disruption, thereby minimising impacts on aquatic ecosystems.
Operation and maintenance	• Innovative Energy-saving Management Technologies: We promote the installation of leakage alarm systems by customers, and the use of automatic solenoid valve linkage for leakage alarms and remote cut-off at outlet pipes by users in high-rises, to monitor potential emissions and energy use in real time. • Environmental Emergency Response Management: We develop environmental emergency response management systems and environmental emergency response plans, clarifying measures, processes and responsibilities to actively respond to potential environmental accidents or emergencies.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.4.6 Environmental Advocacy

Green Office

China Gas continues to promote the concept of green office operations by optimising office practices and management measures to lower environmental footprints from routine office activities. The Company has long promoted video conferencing and remote working arrangements, reasonably reduced unnecessary business travel, and strengthened electricity management for air conditioning and lighting to promote energy conservation and gradually foster a low-carbon and efficient working environment.

In terms of office environment management, the Company formulated and implemented the *7S Office Environment Management System*, which standardises office area management requirements in accordance with the principles of Sort, Set in order, Shine, Standardise, Sustain, Safety and Save. In collaboration with FujiFilm Business Innovation, the Group has also implemented the *Office Printing Improvement Programme* to guide employees to optimise printing behaviour, promote the use of eco-friendly consumables and equipment, and reduce paper and office resource consumption. In addition, the Company issued the *China Gas Management Regulations on Business Travel* to further standardise employee business travel and business hospitality practices, thereby supporting the implementation of green office measures at the institutional level.

Management dimension	Management measures
Operational energy efficiency management	• Adjust and control air conditioning usage to conserve office electricity consumption. • Establish a visualised and intelligent energy management system to collect, analyse and process electricity consumption data from office equipment, lighting and air conditioning at the headquarters building, and develop targeted energy efficiency improvement measures.
Promoting green office practices	• Promote paperless office practices and require the reuse of printed documents. • Encourage double-sided printing to reduce paper usage. • Promote shared office supplies to improve resource utilisation efficiency.
Encouraging low-carbon travel	• Optimise digital office systems and promote video conferencing to reduce unnecessary business travel. • Develop low-carbon commuting incentive measures to encourage employees to use public transport or new energy vehicles for commuting. The Group also explores internal low-carbon lifestyle points schemes and remote working arrangements to reduce commuting-related carbon emissions.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

Green Advocacy

China Gas is committed to promoting environmental protection advocacy, creating a green-oriented office culture, continuously enhancing employee environmental management and environmental awareness training, improving employees' environmental awareness and environmental professional capabilities, and actively practising corporate social responsibility.

In terms of office environment development, the Company integrates green concepts into daily operations and management, and promotes landscaping optimisation in office and living areas. By planting evergreen trees around office buildings, installing landscaped flower beds and planning small garden spaces, the Company progressively improves the office environment and landscape, creates a more comfortable and pleasant working atmosphere, and embeds the concept of sustainable development into employees' daily work and life.

When it comes to biodiversity protection, the Company enhances employees' awareness through a combination of training and practice. The Group incorporates biodiversity-related content into its employee training system and carries out targeted ecological protection actions based on the actual conditions of project locations. Meanwhile, through community outreach and public education activities, the Group raises awareness among employees and the wider public regarding the importance of biodiversity conservation.

For disseminating environmental protection concepts, the Company places emphasis on environmental education and publicity activities during project construction and operation, guiding employees to pay attention to the natural ecological environment and encouraging them to participate in various environmental public welfare activities, thereby enhancing their environmental awareness and sense of social responsibility. Through diversified publicity and education formats, the Company continuously promotes the concepts of resource conservation and low-carbon living to the public, and actively builds a joint environmental-governance platform involving multiple parties, maintaining regular communication with governments, communities and environmental protection organisations. The Group also shares environmental protection concepts and related practices through its official website, WeChat Official Account, news media and other channels, promoting public participation in ecological and environmental protection.

We firmly believe that environmental protection is a shared responsibility of enterprises and society. In the future, we will continue to deepen our green development practices and work with all stakeholders to create a bright future of sustainable development through more innovative environmental advocacy initiatives.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

4.4.7 Green Finance

China Gas continues to drive innovation in sustainable finance by building a diversified and systematic green financing system to support the Group's low-carbon transformation and the development of related businesses. The Company proactively utilises a range of green financial instruments, including, but not limited to, green medium-term notes and sustainability-linked loans, and channels proceeds into eligible green projects such as clean energy development and the application of energy conservation and emission reduction technologies, thereby enhancing the synergy between the use of funds and strategic objectives. In overseas capital markets, China Gas has issued sustainability-linked loans with financing terms linked to the SDGs, with the indicator framework covering multiple dimensions, including energy and emissions management, employee training and gender issues, further strengthening the incentive and constraint role of financing instruments in corporate sustainability performance. Beyond the environmental dimension, the Group also attaches great importance to the social value generated by financing projects. Through the issuance of social responsibility syndicated loans and rural revitalisation medium-term notes, the Group supports rural infrastructure and related construction, promotes coordinated regional development, and facilitates the organic integration of commercial value and social responsibility, providing useful experience for sustainable finance practices in the industry.

At the specific business level, China Gas focuses closely on two core development areas: biomass green energy and energy storage. Upholding the principle of "project-driven + dynamic management", the Company has built a green investment and financing system, accurately matching funding needs to support the scaled implementation of its businesses. The Company has identified green and low-carbon transformation as a core element of its medium- to long-term strategy, and keeps increasing resource allocation in line with the pace of business development, empowering project construction and operation in all aspects. In the energy storage business, the Company actively explores diversified investment and financing models, including, but not limited to, joint investment with industry chain partners and financial institutions, to sustain the expansion of its energy storage business. At the same time, the Company will continue to deepen collaboration with equipment suppliers and promote project implementation through an integrated model of "equipment + capital + project development". It will deploy energy storage equipment in European markets and, taking into account local energy structures and market demand, gradually implement investment projects and business layouts, thereby expanding the global footprint of its energy storage business.

In the energy storage sector, the Company actively innovates diversified investment and financing models and deepens joint investment mechanisms with industry chain partners and financial institutions. At the same time, by strengthening the integrated collaboration of "equipment + capital + project development", the Company accelerates project implementation. In particular, for European markets, the Company will promote the deployment of energy storage equipment and business layout in parallel, taking into account local energy structures and market demand, to fully expand its global market footprint.

As of 31 March 2026, the Group's ESG-linked loans reached the equivalent of HK\$2.655 billion.

4. ECOLOGICAL CO-PROSPERITY: MOVING TOWARDS GREEN DEVELOPMENT

➤ **Green Medium-Term Notes**

In October 2022, China Gas successfully issued two medium-term notes with an issuance size of RMB1 billion. The proceeds were primarily utilised for gas pipeline renewal and renovation projects in Baotou, Wangdu, Pizhou and Maoming. By adopting clean energy solutions, replacing ageing pipelines, and deploying equipment such as intelligent pressure regulators and high-precision flow metres, the projects effectively reduced transmission losses and improved energy efficiency. In addition, in July 2025, China Gas successfully issued its fourth tranche of green medium-term notes, with an issuance size of RMB400 million. The proceeds were mainly used for the construction of energy storage power stations at BASF Shanshan Power Station, Shenzhen, Wuxi and Zhenjiang, further supporting energy structure optimisation and green development.

➤ **Social Responsibility Syndicated Loans**

In June 2022, China Gas Capital Management Co., Ltd., a wholly-owned subsidiary of China Gas, signed a three-year social responsibility syndicated loan agreement worth US\$500 million with multiple overseas banks. The project combines the Group's rural coal-to-gas business in Northern China with the SDGs, supports the coordinated delivery of social benefits and corporate development, and has received recognition from numerous international institutions and professional media.

➤ **Medium-Term Notes (Rural Revitalisation)**

In active response to the national Rural Revitalisation strategy, China Gas issued its 2023 Series 1 medium-term notes (Rural Revitalisation) in September 2023, raising RMB1.5 billion in total. No less than 30% of the funds were allocated the rural coal-to-gas project in Leting County, Tangshan, Hebei Province, supporting the optimisation of the energy structure and improvement of living environments in rural areas.



5

TALENT EMPOWERMENT: CO-CREATING VALUE

- 5.1 Employee Rights
- 5.2 Training and Development
- 5.3 Occupational Health and Safety
- 5.4 Employee Care



PERFORMANCE HIGHLIGHTS

- ◆ **5,309** frontline employees successfully obtained cross-post certifications
- ◆ AI practical training covered over **15,000** employees
- ◆ The Future General Programme covered **382** newly appointed directors and **1,032** backbone employees, with a pass rate of **96%**
- ◆ Continued to deepen university-industry cooperation, with strategic partnerships established with **4** institutions

SDGs Involved in This Chapter



Material ESG Issues Addressed in This Chapter

- ▶ Employee rights and well-being
- ▶ Occupational health and safety
- ▶ Training and development
- ▶ Diversity, anti-discrimination and equal opportunity
- ▶ Prevention of child labour and forced labour
- ▶ Employee communication and satisfaction

China Gas embraces a people-centred management approach and is committed to achieving synergy between employees' personal value and its strategic goals. While strictly complying with labour laws and regulations and safeguarding employees' legitimate rights and interests, the Group continuously enhances its full-cycle growth support system, covering vocational training and diversified promotion pathways. In addition, the Group places great emphasis on employees' physical and mental health. By upgrading workplace conditions, establishing two-way communication channels and strengthening welfare protection, we cultivate an inclusive and positive corporate culture, enhancing employees' sense of belonging and engagement.

5.1 EMPLOYEE RIGHTS

China Gas continues to deepen its talent development strategy, extensively expanding diversified talent attraction channels and strengthening its talent pipeline. By developing market-competitive remuneration incentive schemes, establishing multi-dimensional career development pathways and implementing a systematic training framework, we are committed to promoting the deep integration of employees' personal fulfilment with the Group's long-term strategic goals, achieving mutual growth for the organisation and its staff.

5.1.1 Fair Employment

China Gas consistently adheres to the national labour law framework, including the *Labour Law of the People's Republic of China*, the *Labour Contract Law of the People's Republic of China*, the *Law of the People's Republic of China on Promotion of Employment*, the *Provisions of the State Council on Working Hours of Employees*, the *Unemployment Insurance Regulation of the People's Republic of China* and the *Regulation on Work-Related Injury Insurances*, fully discharging the insurance obligations under the *Social Insurance Law of the People's Republic of China* covering illness, work injury, maternity, medical care, retirement, and death insurance. On top of these, the Group formulated and implemented its *Equal Rights and Interests Policy*, the *China Gas Human Resources Management Manual*, and the *China Gas Recruitment Management System* to ensure equitable and compliant recruitment, employment, termination, and administrative procedures, fostering an equal, diverse, and inclusive workplace.

In recruitment, the Company adopts a zero-tolerance policy towards discrimination based on gender, race, age, religion, health condition, marital status, and other factors, and strictly prohibits child labour, forced labour or the use of fraudulent identity credentials. The *China Gas Compliance Code of Conduct* further stipulates that employees shall not be subjected to discrimination or unfair treatment on the grounds of race, ethnicity, religious belief, gender, physical health status, sexual orientation and other factors. Its *Equal Rights Policy* commits to providing employees with a workplace free from harassment and discrimination. All induction training for new employees covers equal rights, anti-discrimination, anti-harassment and anti-sexual harassment requirements set out in the *China Gas Compliance Code of Conduct*, the *Equal Rights Policy* and the *Management Regulations on Employees' Reward and Punishment of China Gas*. In FY2025/26, the Group revised the *Management Regulations on Employees' Reward and Punishment of China Gas* to strengthen control measures against harassment, demonstrating its firm commitment to maintaining workplace equality and safety.

To ensure smooth feedback channels, employees may report violations in writing, by email, verbally or through other means to the Audit and Supervision Department or the Legal and Compliance Department on a named or anonymous basis. The receiving departments will maintain strict confidentiality and respond promptly. In accordance with the *China Gas Compliance Code of Conduct*, cases will be handled by category, including but not limited to workplace misconduct, such as personal attacks, perjury and sexual harassment, violations of public order and good customs, and illegal or criminal acts. Verified cases will be subject to accountability and rectification within a specified timeframe in accordance with regulations. In FY2025/26, the Group recorded no case of employee discrimination or harassment, nor was it penalised for any violation of laws or regulations relating to labour protection, child labour or forced labour.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

In terms of protecting basic rights, China Gas ensures that employees receive full wages to meet their daily living costs and sets maximum weekly working hours to control labour intensity. Through the *China Gas Headquarters Employee Attendance and Leave Regulations*, the Group has established a standardised working-hour management system, specifying paid leave such as annual leave, marriage leave, maternity leave and paternity leave to support work-life balance and prevent excessive overtime. Under special circumstances, employees may submit overtime applications through the Leave and Attendance System. Upon approval by the department head, the overtime arrangement may serve as the basis for compensatory leave or overtime pay calculation. Employees who work overtime may apply for compensatory leave within six months. If such leave remains unused upon expiry and is duly approved, overtime pay will be issued in accordance with the remuneration system. For work performed on statutory holidays, the Company strictly pays overtime remuneration in accordance with national laws and regulations, effectively protecting employees' legal rights and interests. In addition, the Company did not conduct any large-scale dismissal. For individual cases of dismissal, the Company strictly implements the requirements of the *China Gas Labour Contract Management Regulations* and specifies the standards for notice period management. Where an employee is unable to perform their duties after the expiry of the medical treatment period due to illness or non-occupational injury, remains unqualified even after training or reassignment, or when objective circumstances on which the labour contract was concluded have materially changed and no agreement has been reached through consultation, the Company will provide 30 calendar days' prior written notice to the employee, or pay one-month salary in lieu of notice, and grants statutory severance payments. The Company implements compensation and placement measures throughout the process in accordance with regulations, fully safeguarding employees' right to know and transition rights upon departure.

As of 31 March 2026, China Gas had a total of 76,004 employees, including 5,580 ethnic minority employees and 12 overseas employees. For detailed breakdowns of employees by gender, age, region, rank and employment type, please refer to the Performance Data Table in the Appendix.

5. TALENT EMPOWERMENT: CO-CREATING VALUE



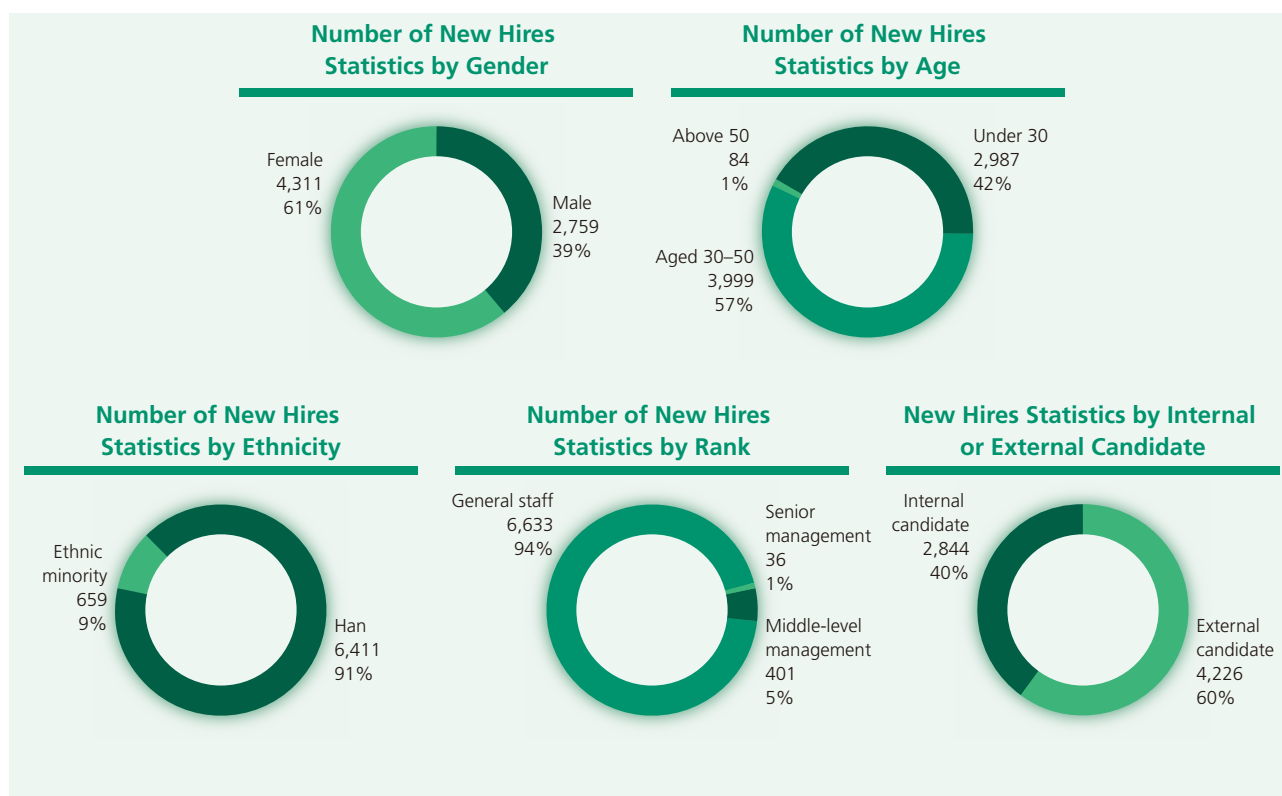
Employee Statistics by Ethnicity

Indicator	Unit	FY2025/26
Percentage of Han employees in all management positions	%	92
Percentage of ethnic minority employees in all management positions	%	8

5. TALENT EMPOWERMENT: CO-CREATING VALUE

The Group consistently upholds the principles of “openness, fairness and impartiality”, and has developed an institutional framework centred on the *China Gas Human Resources Management Manual* and the *China Gas Recruitment Management System*. In terms of talent acquisition channels, we integrate multiple platforms such as campus recruitment, social recruitment, the Group’s official website and WeChat Official Account, and gradually improve the university talent acquisition mechanism. At the same time, the Group deepens cooperation with government departments, universities and research institutions to extensively attract diversified talent, including full-time employees, interns and re-hired retired experts. In FY2025/26, the Group continued to improve the efficiency of human capital allocation, with an average recruitment cost of RMB29.80 per full-time employee equivalent hour. Details of new hires and employee turnover are set out in the figures below.

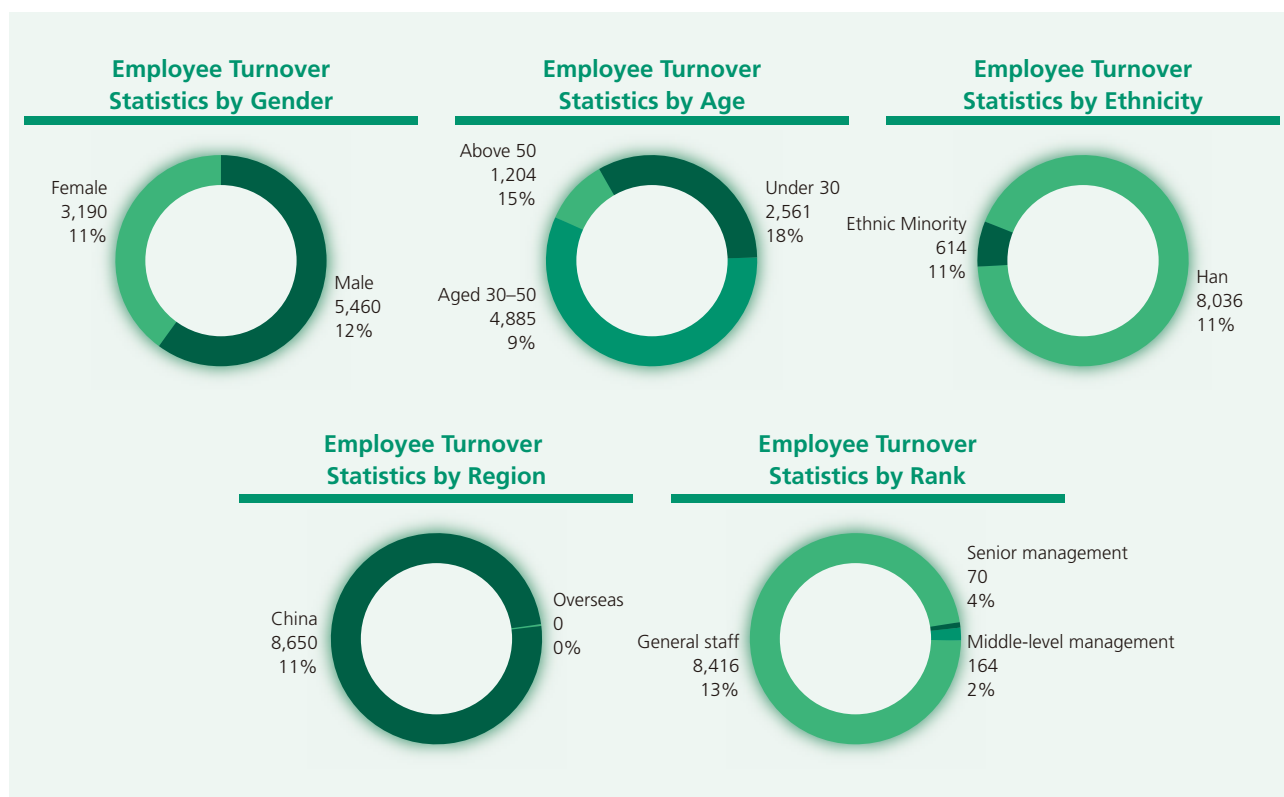
New Hires Statistics by Gender, Age, Ethnicity, Rank, and Internal or External Candidate



5. TALENT EMPOWERMENT: CO-CREATING VALUE

Employee Turnover Statistics by Gender, Age, Ethnicity, Region and Rank

Indicator	Unit	FY2025/26
Employee turnover rate	%	11
Employee voluntary turnover rate	%	8
Employee turnover	person	8,650



5.1.2 Employee Remuneration

While strictly complying with the *Labour Law of the People's Republic of China*, China Gas adheres to the principle of equal pay for equal work and has established an incentive-based remuneration system aligned with industry features, the Group's strategy and the development of diversified businesses. This system ensures that remuneration is closely linked to employees' contributions, accumulated experience and performance, with the aim of providing market-competitive rewards. In terms of fairness, the Group actively implements gender pay equality, regularly monitors and analyses remuneration differences between male and female employees across ranks, and improves and adjusts remuneration measures where appropriate, striving to promote equal career development opportunities.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

The Company's remuneration system consists of statutory benefits and incentive remuneration. Statutory benefits cover paid leave, pension insurance, medical insurance, unemployment insurance, work injury insurance, maternity insurance and housing fund. Incentive remuneration is built on a differentiated structure determined by job value, individual performance and competency assessment, and is subject to regular market benchmarking and dynamic adjustments.

To enhance incentive effectiveness, we have adopted the following measures:

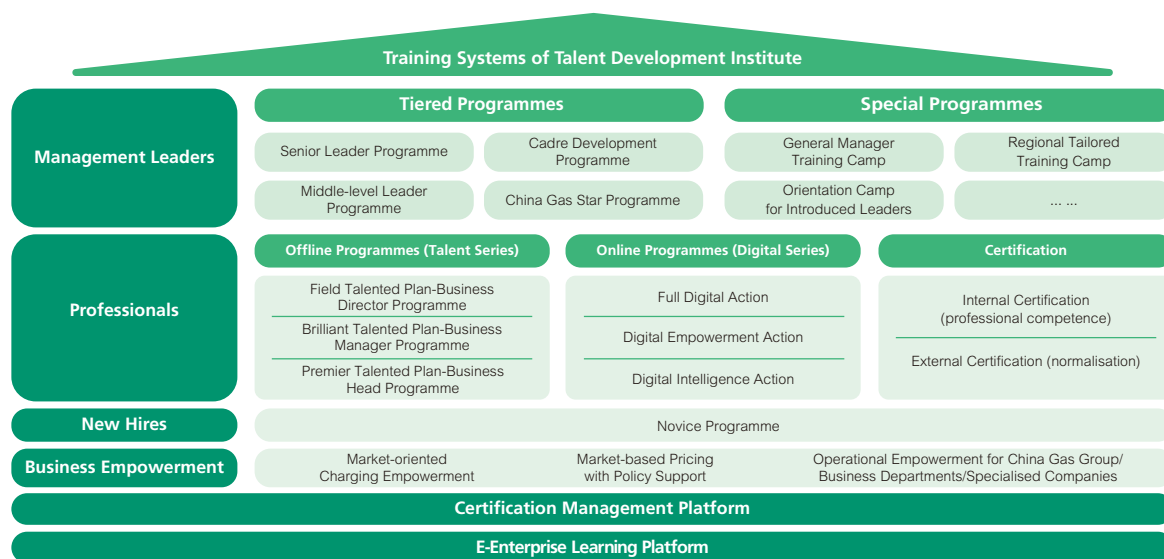
- **Regionally differentiated strategy:** Standards are set with reference to local market remuneration levels, taking into account both fairness and competitiveness;
- **Performance incentive plan:** Bonuses, incentives and equity are granted to qualified employees based on the Group's financial performance;
- **Mid-level management incentive enhancement:** Salary benchmarks are raised and bonus thresholds are optimised to enhance incentive effectiveness for mid-level teams.

We focus on remuneration compliance management and continue to optimise the overall payroll control mechanism and remuneration system. Based on the *China Gas Compliance Code of Conduct* and operational compliance control standards, the Legal and Compliance Department added compliance assessment dimensions for 13 functional departments and 8 regions of the Group. The assessment covers anti-monopoly, compliance with business ethics and other ESG-related indicators, which are closely linked to annual organisational performance. If legal risks specified under these indicators occur, the annual performance score of the relevant department or unit will be lowered, ultimately reducing year-end bonus payouts.

5.2 TRAINING AND DEVELOPMENT

We regard talent growth as the core driver for sustainable development. Leveraging the professional resources from its Talent Development Institute, we have established a systematic and multi-tiered learning and development framework. Training programmes cover leadership development, professional competency enhancement and new employee onboarding, providing targeted support for employees at all stages of their careers and ensuring the deep alignment of human capital with organisational goals.

5.2.1 Employee Training



Training System of China Gas Talent Development Institute

To ensure continuous adaptation to industry-wide shifts, China Gas Talent Development Institute updates its training framework and has developed a four-pillar system with six core modules, aiming to strengthen employees' awareness and capabilities. The specific structure is as follows:

- **Leadership Training:** Tiered Programmes + customised Special Programmes;
- **Employee Development:** Onsite "Talent Series" + online "Digital Series" initiatives, supplemented by internal certification, external qualification programmes and the Novice Programme for new hires;
- **Business Empowerment:** Focuses on market-oriented charging, market-based pricing with policy support, and business challenges faced by the Group, Business Departments and specialised companies;
- **Platform Building:** Certificate Management Platform + E-Enterprise Learning Platform.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

Leveraging eight regional hands-on training bases, the Group carried out diversified training covering leadership development, digital transformation, cultural education, employee vocational skills development and business empowerment. The training covered internal formal employees, contract workers and part-time employees, achieving full-cycle training for echelon talent and providing a standardised system guarantee for employees' career development.

In FY2025/26, the Group implemented 26 flagship training projects for groups including general managers at all levels, professional directors, externally recruited new business directors, echelon talent and frontline employees. By adopting a closed-loop model spanning training, assessment and application, the Group ensures that training content is aligned with its business and cadre management systems. Through full-process tracking, regional coordination and job rotation review, the Group promotes the application of theoretical knowledge to practical work, enhancing talent's ability to support business development.

On this basis, regional companies focused on optimising cadre echelon development. In response to issues relating to cadre structure, the Northeast Regional Company publishes typical stories of young cadres on a monthly basis, improves the development mechanism, and holds monthly youth seminars in pilot units, with an attendance rate maintained above 70%. This has stimulated the vitality of young cadres and formed a talent development ecosystem featuring Group-level coordination and regional linkage.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

Key Training Projects of China Gas

Training Group	Training Content	Training Results
General managers at all levels	Developed 60 strategic breakthrough courses focused on business insights and investment decision-making efficiency, achieving full-process coverage of 80% of strategic priorities	Implemented five core projects, covering over 500 general managers at all levels and over 1,800 participants, with a completion rate of 100%
Professional directors	Covered professional directors across seven lines, namely safety, operations, engineering, customer service, finance, treasury and marketing, with the core objectives of addressing professional shortcomings, strengthening comprehensive capabilities and consolidating duty performance foundations	The Future General Programme covered 382 newly-appointed directors and 1,032 backbone employees, with a pass rate of 96%
Externally recruited new business directors	Helped externally recruited directors quickly integrate and address business shortcomings within 90 days through professional courses and certified instructor coaching	Covered 45 new business directors, completed three-stage training and developed 95 courses
Echelon talent	Improved the comprehensive appointment rate and retention rate of echelon talent, addressed cadre capability gaps, strengthened digital intelligence and new business capabilities, and provided stable talent support for the Group's "one-to-three transformation" strategy	Young Cadre Class covered 403 echelon talents, with a coverage rate of 89%; university graduate training achieved 100% coverage
Frontline employees	Promoted a cross-post certification mechanism and improved practical business capabilities through AI practical training and standardised courses	Covered 31,118 employees; 9,575 employees passed duty performance certification; 5,309 employees passed composite certification; AI practice covered over 15,000 employees

Through its systematic talent development mechanism, China Gas has not only strengthened talent provision and business execution efficiency for key positions, but also effectively reduced external recruitment costs and shortened vacancy cycles. The improvement of the internal promotion mechanism has further lifted staff retention and organisational operational efficiency, bringing tangible business outcomes for the Group.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

Total Number of Trained Employees, Training Hours and Expenditure		
Total number of trained employees  76,004 persons	Total training hours  4,598,258 hours	Total training expenditure 25,591,438 RMB
Training coverage rate 100%	Average training hours per employee 61 hours	Average training expenditure per employee 336.7 RMB
Number of Trained Employees and Training Hours by Gender		
Number of male employees trained  47,287 persons	Number of female employees trained  28,717 persons	
Total training hours for male employees  2,875,873 hours	Total training hours for female employees  1,722,385 hours	
Average training hours for male employees  61 hours	Average training hours for female employees  60 hours	
Number of Trained Employees and Training Hours by Rank		
Number of trained senior management 1,727 persons	Number of trained middle-level management 8,563 persons	Number of trained general staff 65,714 persons
Total training hours for senior management 65,298 hours	Total training hours for middle-level management 474,135 hours	Total training hours for general staff 4,058,825 hours
Average training hours for senior management 38 hours	Average training hours for middle-level management 55 hours	Average training hours for general staff 62 hours
Number of Trained Employees and Training Hours by Age		
Number of trained employees under 30 14,589 persons	Number of trained employees aged 30–50 53,257 persons	Number of trained employees above 50 8,158 persons
Total training hours for employees under 30 892,211 hours	Total training hours for employees aged 30–50 3,230,835 hours	Total training hours for employees above 50 475,212 hours
Average training hours for employees under 30 61 hours	Average training hours for employees aged 30–50 61 hours	Average training hours for employees above 50 58 hours
Average Training Hours by Training Type		
Average hours of leadership training 52 hours	Average hours of employee professional skills development training 62 hours	Average hours of business empowerment training 59 hours

Case: Expanding the Industry Training Network to Drive Cross-Organizational Collaborative Growth

China Gas has actively built a cross-organisational learning network by encouraging its employees to participate in the China Experience Learning Technology Conference. We foster interaction between our staff, industry experts, and peers during summits and within online communities, enabling collaborative learning that transcends traditional role boundaries. Upon returning to the Company, participating employees conduct secondary training sessions for their colleagues, disseminating external insights across internal platforms. Additionally, an external expert repository has been established to provide regular Q&A support. This hybrid model, integrating face-to-face engagement with social media interaction, has effectively facilitated knowledge sharing and skill enhancement, vividly embodying the principle of team collaborative learning through professional networks and communities of practice.



China Gas Organises Employees to Participate in the China Experience Learning Technology Conference

5.2.2 Career Development

China Gas has formulated the *Individual Performance Appraisal Management Measures*, specifying a full set of appraisal systems and procedures. We have established a sound performance appraisal framework covering management to frontline employees, including job competency and team performance assessments, and implemented fiscal-year cycle management:

- **Assessment:** The assessor and the assessee engage in thorough communication to establish and confirm assessment plans, objectives, and standards;
- **Ongoing Assessment:** Based on the principle of agile dialogue, both parties maintain regular interaction and performance communication to understand task progress in a timely, objective, and accurate manner, ensuring successful achievement of each task;
- **Post-Assessment Conclusion:** The assessor provides formal feedback to the assessee covering results, strengths, improvement areas, and actionable recommendations.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

Drawing on appraisal outcomes, the Group prioritises the promotion of outstanding employees and dynamically optimises human resource allocation efficiency. The Group signs the *Dual Responsibility Letter of Operational and Safety Targets* with heads of regional and project companies, whereby yearly assessment results directly determine performance-bonus payments.

Case: Composite Talent Development Practice

Facing the expansion of frontline job scopes and rowing prevalence of cross-functional assignments, China Gas Talent Development Institute, together with the Natural Gas Centre of Excellence, Engineering Operation Department, Customer Service Department and Safety and Supervision Department, promoted the Composite Professional Competency Certification (the cross-post certification) on the basis of continuous on-the-job duty performance competency certification. A total of 5,309 frontline employees from engineering, operations, customer service and safety supervision lines participated in training and obtained the certification. By promoting the A/B role development model, the project enhanced employees' skills and competencies, facilitated multi-job arrangements and improved frontline workforce efficiency.



Composite Talent Development Practice

China Gas has established a multi-level honour incentive system featuring Group-regional linkage, aiming to unlock employees' potential and cultivate an organisational focused on the pursuit of excellence. At the Group level, the Golden Roc Award has been established as the highest honour to acknowledge outstanding contributions and set industry-wide benchmarks. Regional companies refine incentive measures based on local conditions to ensure the effective implementation of the honour mechanism. The Northeast Regional Company standardised the "Monthly Star" recognition mechanism, ensuring 100% coverage among regional companies by the end of March 2026. Through diversified publicity such as posters and videos, it fostered an atmosphere of striving for excellence, while also carrying out the "Silver Roc Award" selection to recognise outstanding teams and individuals in FY2025/26, guiding all units to benchmark against top-performing peers and fix internal weaknesses.

5. TALENT EMPOWERMENT: CO-CREATING VALUE



China Gas “Golden Roc Award” Ceremony

China Gas continues to improve its talent assessment system by implementing standardised certification processes, dynamically updating competency standards, strengthening result application and honour incentives. These measures foster a fair and equitable workplace and ensure that employees have access to development opportunities proportionate to their expertise and contributions.

5.3 OCCUPATIONAL HEALTH AND SAFETY

5.3.1 Employee Physical and Mental Health

China Gas always prioritises employees’ physical and mental health and is committed to fostering a healthy and harmonious working environment. In terms of physical health, we organise weekly sports activities such as badminton, basketball, table tennis and yoga, as well as yearly fun sports galas and autumn hiking activities. Comprehensive on-site amenities at headquarters offer staff easy access to these wellness-focused programmes.



Yoga Activity



China Gas 2025 Quarterly Badminton Competition

5. TALENT EMPOWERMENT: CO-CREATING VALUE



Autumn Hiking Activity



China Gas Fun Sports Day

In terms of mental health, the Group has established a systematic support mechanism. It provides free stress-relief courses, such as floristry, and vocational training for new employees, regularly organises emotional management lectures, and collaborates with communities and universities to carry out care activities. We also care for employees' physical health through major illness assistance, health lectures and the establishment of a community health service centre.

Case: Establishment of the Health Service Centre at China Gas Headquarters

In an effort to foster a healthy workplace, the Group's headquarters launched its Health Service Centre with professional medical teams and AED first-aid equipment, enabling employees to access medical services conveniently during working hours and complete social insurance settlement. In addition to basic diagnosis and treatment, the centre also introduces diversified health management services, including traditional Chinese medicine physiotherapy and rehabilitation healthcare, aiming to relieve employees' work pressure and common physical discomfort. With appointment-based services available year-round, the centre registered over 700 consultation visits, effectively enhancing employees' health protection and reflecting the Group's emphasis on employees' life and health.



Health Service Centre at China Gas Headquarters

5. TALENT EMPOWERMENT: CO-CREATING VALUE

China Gas Group executives, the Employee Care Committee, China Gas Charity Foundation and trade unions regularly visit frontline employees. Relying on the Group's Frontline Employee Care Fund, they provide heatstroke prevention supplies and various consolation items, focusing on addressing practical livelihood issues faced by frontline employees and improving their working environment.

Case: Frontline Employee Visits

In February 2026, China Gas Group's management team visited Fushun China Gas to conduct Spring Festival visits, with special attention devoted to households of disadvantaged employees. The leaders communicated face to face with employees, gained a detailed understanding of their living conditions and challenges and promised tailored support funded by the Frontline Employee Care Fund. During this visit, China Gas Charity Foundation provided special care to more than 10 employees suffering from serious illnesses, granting each of them a care fund of RMB10,000 to alleviate their financial stress. By establishing a regular care mechanism, the Company keeps responding to employees' pressing concerns and effectively address their difficulties.



Frontline Employee Visit



Charity Foundation Care Visit

5.4 EMPLOYEE CARE

China Gas regards employee care as a core component of its social responsibility. We have established diversified communication channels to ensure the effective operation of a two-way dialogue mechanism. In terms of welfare design, the Company has strengthened the precision of its subsidy mechanism and promoted a family-friendly approach. Meanwhile, the Company has established dedicated care programmes for female employees and special employee care plans. Through targeted support measures, we enhance employee experience and strengthen organisational resilience.

5.4.1 Employee Communication

China Gas regards the protection of labour rights and interests as a core governance priority. The Group strictly complies with national labour laws and regulations, and fully safeguards employees' lawful rights to form and join trade unions. As of 31 March 2026, 29,642 employees of the Group were covered by independent trade union representatives or collective bargaining agreements, accounting for 39% of total employees.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

To deepen employee relations management, China Gas has established a diversified communication matrix. Relying on the office automation (OA) platform, the Group has set up a dedicated “Strategic Suggestions” section to encourage employees to provide advice and recommendations on business operations and sustainability. A professional Q&A forum has also been established, where heads of functional departments respond promptly to employee concerns. In terms of organisational culture development, the Company regularly conducts cultural promotion activities and implements a democratic life meeting system. Through business reviews and team integration activities, the Group promotes strategic consensus and cross-departmental collaboration. With regard to rights protection, the Audit and Supervision Department implements an independent complaint investigation mechanism to ensure process transparency, with investigation results reported simultaneously to complainants and management. In addition, through the President’s Mailbox and instant communication tools, management and frontline employees have established a regular two-way feedback channel to ensure employee requests are addressed promptly and managed through a closed-loop process. Some regional companies have further innovated their communication practices by regularly organising General Manager Lunch Talk Sessions, widely collecting and efficiently resolving employee concerns. These initiatives have effectively improved employee retention and team collaboration, providing strong cultural and organisational support for regional development.

5.4.2 Employee Benefits

China Gas has established a comprehensive welfare system that is both market-competitive and humane. We produce normative documents including the *China Gas Employee Care and Welfare Manual* and the *China Gas Employee Care and Welfare Management System*, to systematically enhance the scientific and practical management of employee welfare. Implementation of national and corporate welfare programmes is dependent on local conditions and includes, but is not limited to, the following major categories:

➤ Welfare and Subsidies

We provide our employees with various types of welfare subsidies, including seniority allowance, holiday bonuses, marriage and childbirth subsidies, supplementary commercial insurance premiums, medical coverage, and meal allowances. The Group is committed to providing more opportunities for employees to enjoy these benefits, creating an encouraging work environment and enhancing overall remuneration competitiveness.

➤ Family-friendly Employment

We recognise that employees have family responsibilities outside work. To create a family-friendly work environment, we have implemented policies for employee localisation and leader localisation, which help maintain team stability and facilitate resource complementation among teams. Paid caregiver leave is provided for employees with family care responsibilities, allowing them to work with greater peace of mind while fulfilling their family responsibilities. The Employee Care Committee regularly organises activities such as Parent-Child Summer Camps and Employee Family Fun Days to enhance communication between employees and their families, promoting the mutual development of the Group and its employees.

5. TALENT EMPOWERMENT: CO-CREATING VALUE

➤ Care for Special Employees

We consider every employee an important member of our organisation. We actively provide assistance to employees and their families facing difficulties, while encouraging employees to extend care and support to those in need. We have formulated the *Interim Provisions on Employee's Wedding, Burial, Work-related Injuries, and Visits to Major Diseases*, the *Headquarters Staff Care Programme* and the *China Gas Employee Care Committee Assistance Application Guide*, which help us understand and address employees' practical needs. We also provide assistance to employees suffering from illness and employees from low-income families in accordance with the *China Gas Employee Care Committee Assistance Application Guide*, supporting them through life's challenges together.

➤ Care for Female Employees

The Group is committed to establishing a favourable working environment and conditions for female employees, and strictly complies with the *Protection of Women's Rights and Interests* and the *Labour Protection of Female Employees*, among other relevant laws and regulations. Each year, we provide festival allowance subsidies for female employees on Women's Day. We comply with maternity, prenatal and lactation leave requirements. Female employees who are seven months pregnant or in the lactation period may choose flexible working hours during routine workdays. Positions remain secured for employees on maternity or paternity leave, ensuring that their job arrangements, future career development, remuneration and benefits remain unaffected, while fully supporting and encouraging their return to the workplace.

Time of Paid Leave for Employees Needing to Participate in Family Care for FY2025/26

Time of employee maternity and nursing leave for FY2025/26	239,859 hours
Time of employee paternity leave for FY2025/26	36,532 hours

5. TALENT EMPOWERMENT: CO-CREATING VALUE

Case: China Gas and the Women's Federation Jointly Organised a Themed Salon on "Growth of Female Managers in the Workplace"

On 17 September 2025, China Gas, together with the "Three New" Sector Women's Federation of Tianxin Community, Sungang Subdistrict, Luohu District, Shenzhen, held a themed salon on "Growth of Female Managers in the Workplace" at China Gas Building. Focusing on the career development and self-empowerment of female employees, the event brought together more than 30 outstanding working women from the district. Community leaders attended and delivered remarks, while participants engaged in in-depth dialogue on self-exploration and personal growth. Participants shared that the event effectively relieved work-related stress, helped them better understand their strengths and potential, and enhanced their professional confidence and resilience. The event provided a platform for exchange, supported female employees in balancing work and family, and promoted gender equality and organisational inclusion.

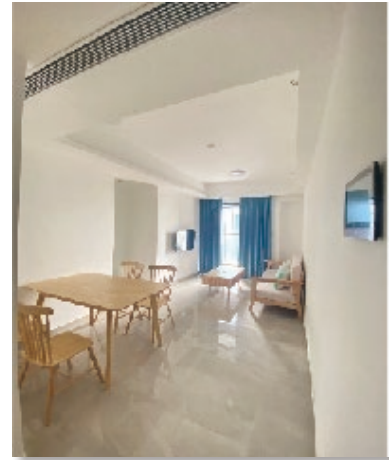


"Growth of Female Managers in the Workplace" Themed Salon

➤ Talent Housing Allocation and Employee Residence

China Gas places great emphasis on supporting employees' accommodation needs. We have formulated the *Group Headquarters Talent Housing Allocation and Management Regulations* and the *Headquarters Administrative Service Center Dormitory Management Policy* to establish a standardised housing support system. Talent housing and dormitory resources are provided to eligible full-time employees based in Shenzhen. Through strict application approval procedures and dynamic management mechanisms, we optimise the efficiency of resource allocation and effectively alleviate employees' housing pressure.

5. TALENT EMPOWERMENT: CO-CREATING VALUE



Talent Housing Allocation

➤ Dignified Retirement Care

China Gas has established a systematic dignified retirement care mechanism to express respect and gratitude to retiring employees through formal retirement ceremonies and diversified commemorative activities. We highly recognise retirees' personal dedication and contributions to the development of the Group's business. Through seminars, retirement galas and other activities, we express sincere appreciation to those who have contributed to the Group, set value benchmarks for current employees, inspire the spirit of legacy and succession, and strengthen organisational cohesion and cultural identity.



Dignified Retirement Ceremony



6

COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

- 6.1 Supply Chain Management
- 6.2 Industry Exchange and Cooperation
- 6.3 Public Welfare



6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

PERFORMANCE HIGHLIGHTS

- Provided more than **20** training sessions for procurement-related personnel, with over **5,000** participants
- Actively implementing coal-to-gas projects through serving nearly **5 million** residential users, and has developed into the largest construction and operation entity for gas in North China
- Recorded **9,568** participations in public welfare and volunteer activities, benefiting **156,498** people
- Increased the number of pilot companies under the “Gas Social Supervisor” mechanism from **6** to **9**

SDGs Involved in This Chapter



ESG Material Issues Addressed in This Chapter

- ▶ Supply chain management
- ▶ Community relation management
- ▶ Respect for the rights of local people
- ▶ Support for local development
- ▶ Market positioning

China Gas consistently upholds its mission of “Converging in Harmony and Benefiting Communities”. Leveraging its industry leadership, the Group integrates sustainability principles into supply chain management and continues to promote the development of a responsible supply chain. By deepening industry exchanges and cooperation, we work with industry partners to enhance governance and development standards, fulfil corporate social responsibility, and contribute to the sustainable development of the industry and society.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.1 SUPPLY CHAIN MANAGEMENT

China Gas understands that the delivery of excellent products and services stems from deep collaboration with suppliers. The Group is committed to establishing long-term and stable strategic partnerships with quality partners, empowering suppliers to enhance their management capabilities and overall competitiveness, and jointly achieving high-quality and sustainable development. We strive to build a standardised, transparent and mutually beneficial supplier management system, and to jointly develop a responsible and resilient green supply chain.

6.1.1 Supplier Management System

China Gas strictly complies with relevant laws and regulations, including the *Law of the People's Republic of China on Bid Invitation and Bidding* and the *Law of the People's Republic of China Against Unfair Competition*. We have established a full lifecycle supplier management system covering supplier access, performance management and exit mechanisms, clarified the responsibilities of each business unit in supply chain management, and standardised supplier review, performance evaluation and exit criteria. Leveraging the Supplier Relationship Management (SRM) system, the Group has achieved digital management of supplier registration, inspection and rating, while revising and improving supporting documents such as the *Supplier Management System of China Gas*, further strengthening risk control and compliance.

Supplier Access

During the supplier sourcing phase, we prioritise leading suppliers based on industry characteristics, focusing on their compliant operations, professional focus, and service quality and efficiency. Suppliers with outstanding sustainability performance are given priority for inclusion in our core supplier database:

- **Environmental and social aspects:** We prioritise partnerships with leading suppliers that share the Group's sustainability philosophy. Suppliers with ESG-related qualifications and third-party certifications, such as ISO 14001 and ISO 45001, are prioritised. Newly applying key and important materials suppliers (manufacturers) are required to obtain environmental management system certification and occupational health and safety management system certification.
- **Governance:** All suppliers are required to sign the *Integrity Commitment Letter* and the *Sunshine Audit Agreement*, and compliance with the *Supplier Code of Conduct* is a prerequisite for cooperation with all suppliers.
- **Business relevance:** China Gas categorises suppliers into goods, services, engineering and other categories. For each category, we formulate screening criteria and procedures aligned with its business relevance, and clearly specify the list of documents required for supplier certification in each category.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

In FY2025/26, the Group formulated and implemented the *Cybersecurity and Information Security Responsibility Commitment for Partner Enterprises of China Gas*, incorporating it into the supplier access management process. All categories of suppliers are required to confirm their commitment to information security and data confidentiality obligations when applying for access through the SRM platform before registration can be completed. As of 31 March 2026, a total of 3,022 suppliers had completed certification through the China Gas Bidding and Procurement Platform.

Supplier Statistics

Total number of suppliers certified by the China Gas Bidding and Procurement Platform

250

Total number of suppliers participating in the annual audit

250

Number of Suppliers by Geographical Region

East China

96

Northeast China

15

North China

53

Northwest China

10

Central China

13

Southwest China

28

South China

16

Central Plains

19

The Number and Proportion of Suppliers with Certifications

The number of suppliers with ISO 14000 certification

236

The proportion of suppliers with ISO 14000 certification

94.40%

The number of suppliers with OHSAS 18001/ISO 45001 certification

234

The proportion of suppliers with OHSAS 18001/ISO 45001 certification

93.60%

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Supplier Evaluation

Based on the *Supplier Management System of China Gas* and the *Detailed Implementation Rules for Supplier Assessment and Evaluation of China Gas*, the Group has established a systematic supplier assessment, evaluation and tiered management mechanism. Tiered management follows the principle of “Quantitative Evaluation and Dynamic Management”, taking into account supplier assessment results, quality inspection results, annual on-site and documentation review results, and feedback from business departments. Suppliers admitted to the pool are classified accordingly, with dynamic adjustments made based on actual circumstances to continuously enhance supply chain management.

We conduct annual supplier audits in accordance with the *Supplier Management System of China Gas* and carry out assessments of the Group’s centralised procurement suppliers. Currently, all supplier desk assessments are conducted through the SRM platform, with reference to the common evaluation standards adopted by industry-leading companies. In FY2025/26, 250 suppliers participated in the Group’s centralised annual supplier audit, including 129 significant suppliers, covering four major categories: materials, services, engineering, and engineering services. Based on the audit results, the Group revoked the centralised procurement qualification of one supplier and required three suppliers to formulate rectification plans and strengthen supervision. The rectification outcomes will affect future cooperation decisions.

We conduct supplier inspections from time to time each year to assess supplier performance objectively and fairly. The Group selects a certain number of admitted centralised procurement suppliers for on-site inspections, focusing on their management standards, technical capabilities and continuity of business operations. In FY2025/26, the Group expanded the scale of inspections and conducted unannounced inspections on 50 suppliers, covering 29 centralised procurement categories and approximately 100% of centralised procurement suppliers and 100% of centralised procurement value. No significant issues were identified during the inspections.

In addition, the Group continues to optimise and improve procurement technical standards, using them as an important basis for procurement selection and quality inspections. The Group has also introduced a product certification management mechanism and moderately increased the frequency of quality inspections of procured products to strengthen quality control. For materials and equipment with a high degree of standardisation and relatively low impact on production and operations, the Group arranges testing by third-party testing institutions. For non-standard products and equipment with significant operational impact, relevant functional departments of the Group jointly organise centralised on-site evaluations of bidding samples and invite third-party institutions to participate in verification. The evaluations focus on product reliability, stability and safety. Based on the test results, the Group urges suppliers to make necessary adjustments and improvements to continuously enhance the overall quality and performance of procured products.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Supplier Assessment Indicator and Performance		
Supplier compliance rate	On-time delivery rate	Outgoing quality control rate
100%	98.93%	99.25%
Excellent supplier ratio	Total number of suppliers assessed	Percentage of significant suppliers among all suppliers assessed
87.26%	83	13.25%
The number of suppliers assessed with substantial actual/potential negative impacts	The number of suppliers requiring corrective actions following the assessment	The number of suppliers in capacity building programmes
3	3	29

Supplier Risk Management

China Gas systematically identifies and manages supply chain-related risks, covering key stages such as sourcing, production and transportation. Through management processes including supplier access review, on-site inspection, performance appraisal and evaluation, the Group identifies, analyses and assesses suppliers' environmental, social and governance-related risks, including environmental management, occupational health and safety, business ethics and information security. In the risk management process, the Group comprehensively considers the risk profile of the country or region where the supplier is located, the characteristics of the supplier's industry, and the risk level associated with the specific products or services provided by the supplier. The Group also monitors changes in relevant risk factors on an ongoing basis. Based on the assessment results, the Group adjusts and improves supplier screening criteria and review requirements as appropriate, strengthening dynamic management of supply chain risks and enhancing the overall robustness and sustainability of the supply chain.

- For key and important materials, the Group conducts routine on-site supervision and manufacturing oversight for high-risk materials across the Group, supervising the entire production process to strengthen quality control and reduce operational risks.
- For common materials, the Group conducts on-site supervision and review of critical supplier quality control points through unannounced supplier inspections and the establishment of capability baselines for high-risk category suppliers, effectively preventing significant risks relating to product configuration and performance.

In addition, the Group leverages its digital supplier management system to further strengthen supplier risk monitoring and control. Through the supplier management intelligent platform, the Group manages supplier financial, quality, audit and other relevant data in a centralised and systematic manner. The system can automatically identify abnormal risk scenarios and trigger alerts, while sending rectification notices to relevant suppliers to facilitate timely resolution of issues. The Group's Tendering and Procurement Management Department also conducts regular risk scans of all suppliers through the platform and dynamically monitors the expiry or invalidation of supplier qualification certificates. Where necessary qualifications are not renewed on time, the Group will suspend cooperation as appropriate in accordance with laws and regulations, ensuring the validity of supplier qualification information and preventing potential operational and compliance risks.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Supplier Punishment and Exit Mechanism

To standardise supplier performance and compliance, China Gas has formulated and implemented the *China Gas Supplier Reward and Punishment Management Measures*, which clearly define the criteria for identifying supplier misconduct and the corresponding handling measures. The Group requires all business departments to fully record and truthfully report suppliers' violations or misconduct during business dealings, clarify responsibilities, and provide a basis for subsequent management and handling. The Group takes into account factors such as suppliers' procurement performance, annual assessment results, quality inspection and acceptance, annual on-site inspection conclusions, and cooperation feedback. For suppliers with violations, the Group applies tiered management measures, including four categories: "Warning", "Suspending", "Phasing Out" and "Blacklisting". These measures help ensure that suppliers continue to comply with the ESG requirements of the *Supplier Code of Conduct* in relation to business ethics, environmental protection, and occupational health and safety.

At the implementation level, suppliers in the "Phasing Out" status are prohibited from re-entering the Group's qualified supplier pool for the relevant procurement organisations and access categories for two years. Suppliers placed on the "Blacklist" are prohibited from participating in supplier access for the Group for three years. Meanwhile, through the supplier management platform, the Group issues rectification notices to suppliers found to have issues during annual on-site audits and unannounced inspections, specifying rectification requirements and completion deadlines. Suppliers that complete rectification within the specified timeframe and pass the Group's acceptance review may be restored to "Qualified" status. Suppliers that still fail to meet management requirements after follow-up review will be phased out in accordance with laws and regulations.

During the reporting period, based on quarterly supplier performance assessment results, the Tendering and Procurement Management Department organised relevant departments to conduct meetings with 3 underperforming suppliers, requiring them to develop rectification plans for identified issues and implement improvement measures. For major issues, the Group promptly held special meetings with suppliers to discuss solutions and drive effective rectification. In FY2025/26, China Gas phased out one supplier.

6.1.2 Sustainable Supply Chain

China Gas systematically integrates ESG principles into the entire supplier management process, incorporating environmental and social responsibility requirements into procurement and cooperation decisions. Through the implementation of responsible procurement practices, the Group works with suppliers to promote the development of a green supply chain and advance sustainable development across the upstream and downstream value chain.

Supplier ESG Management

To further promote sustainable development across the value chain, China Gas incorporates suppliers' ESG performance into systematic management and supervision. The Group's supplier ESG management and capability enhancement work is subject to the highest-level decision-making and supervision by the President and the core management team, while the Tendering and Procurement Management Department and other functional departments are responsible for specific implementation. By continuously improving the supplier management system, the Group regulates and manages suppliers' and contractors' ESG performance. It also sets out clear requirements for China Gas suppliers in key areas including employee relations, occupational health and safety, environmental protection and business ethics, encouraging them to fulfil corresponding environmental and social responsibilities in their operations.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

ESG-related Requirements under the Supplier Code of Conduct of China Gas

1 Employee relations	• Ensure that all employees are employed of their own free will and prohibit any discrimination based on gender, race, age, health, or other related factors; • Avoid child and forced labour, with no restrictions on personal liberty; • Comply with all applicable laws and regulations regarding minimum wages, working hours, and rest periods, and strive to avoid excessive overtime or overwork; • Respect employees' freedom of association and their right to engage in collective bargaining.
2 Health and safety	• Provide a safe and healthy workplace; • Obtain, maintain, and renew all necessary health and safety permits, and abide by related regulations that are applicable.
3 Environmental protection	• Obtain, maintain, and renew all necessary environmental permits, approval documents and registration certificates; • Comply with all applicable laws and regulations relating to pollutants; reduce or eliminate the generation and emission of pollutants from the source; • Adopt preservation and replacement measures to reduce the consumption of energy, water, and natural resources, thereby decreasing GHG emissions; • Actively initiate and invest in public welfare projects such as biodiversity protection, afforestation, and the protection of rare species, follow the requirement of no deforestation, and reduce the time during which soils are left as bare lands.
4 Business ethics (Chapter 1 with More Details)	• Require all our suppliers to formulate anti-corruption policies, and take relevant measures to prohibit them from corruption or dishonesty; • Prohibit unfair competition, uphold fair trade and competition, prevent conflicts of interest, and foster a sound cooperative environment.

China Gas continues to conduct supplier communication and capability building activities to promote the effective implementation of procurement management requirements and ESG principles across the supply chain. The Group regularly holds performance communication sessions with suppliers, and uses platforms such as performance communication meetings and supplier conferences to systematically communicate China Gas's procurement management standards and ESG-related requirements. These activities cover all significant suppliers and aim to support them in enhancing their ESG management and performance capabilities. In FY2025/26, the Group carried out capacity building programmes with 29 suppliers.

Meanwhile, to ensure that suppliers accurately understand and implement relevant requirements relating to technical standards, quality management and sustainable supplier management during the tender award and contract fulfilment process, the Group organises communication meetings with successful bidders of centralised procurement projects. These meetings focus on key management requirements during the contract fulfilment stage, promoting long-term and stable cooperation on the basis of standardised management.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Responsible Procurement

The Group continues to strengthen the capabilities of its internal procurement team. Through systematic empowerment of frontline procurement personnel, the Group continuously enhances their understanding and practice of sustainable procurement principles. Leveraging internal expert-led training, the Group provides training and exchange sessions for headquarters procurement-related personnel and frontline procurement staff on topics including tendering and procurement operations, monthly procurement forecast plans, and the procurement supermarket. These initiatives help procurement personnel gain a deeper understanding of the Group's sustainable supply chain management system and supplier ESG requirements, and effectively strengthen their ability to identify and manage supplier ESG risks in key processes such as supplier access and assessment. In FY2025/26, the Group completed more than 20 relevant training sessions, with cumulative participation exceeding 5,000.

The Group has established the principle of prioritising local procurement. Through measures such as establishing long-term supplier cooperation mechanisms, selecting suppliers by region based on merit, prioritising suppliers with local manufacturing facilities under equal conditions, and optimising logistics and delivery routes, the Group effectively reduces pollution emissions during production and the carbon footprint of transportation. In addition, in FY2025/26, on the basis of centralised tendering for highly polluting materials such as seamless steel pipes, the Group further integrated procurement projects for highly polluting materials, effectively reducing resource consumption and management costs. Through centralised procurement, the Group has streamlined its supplier structure while improving overall supplier quality, promoting more efficient, standardised and sustainable procurement management, and supporting the green development of subsequent business operations.

Empowering Industry Development

China Gas places great emphasis on the green transformation of the value chain. The Group has formulated green procurement-related standards and guides and encourages upstream partners to jointly carry out carbon reduction actions through a range of management measures, including:

- Require suppliers to provide data on product carbon emissions, promote the establishment of carbon emission management systems by suppliers, and facilitate the implementation of carbon reduction actions.
- Require or advocate suppliers to set carbon neutrality-related targets, and include carbon neutrality goals, carbon reduction and emission control targets, and energy use efficiency as scoring items in bidding documents to guide suppliers to actively achieve carbon neutrality targets.
- Require or advocate suppliers to participate in internationally recognised CDP questionnaires, ESG ratings, and TCFD report disclosures to guide them to improve their carbon management.
- Jointly conduct low-carbon themed activities or relevant training with suppliers to raise their awareness and competency in carbon reduction.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

As a Standing Council Member of the Enterprise Anti-Fraud Alliance, the Group enhances its own anti-fraud governance and integrity culture while working with industry partners to build an ethical business ecosystem. We collaborate with the Enterprise Anti-Fraud Alliance to conduct industry integrity training, case study discussions and compliance standards promotion, helping upstream and downstream enterprises in the value chain reduce compliance costs and supporting small and medium-sized enterprises in enhancing their internal control capabilities. These efforts align with Shenzhen's policy on "promoting ESG transformation among small and medium-sized enterprises", supporting the development of a fair competitive market environment and achieving integrity resonance across the entire value chain.

6.2 INDUSTRY EXCHANGE AND COOPERATION

The Group recognises the critical role that industry exchange, business cooperation, and Industry-University-Research (IUR) cooperation play in fostering continuous innovation and development within the gas industry. Therefore, we have joined the United Nations Global Compact (UNGC), working through cooperation and partnerships to advance the broader United Nations Sustainable Development Goals (SDGs). We keep pace with industry development trends, explore cutting-edge technologies and innovative applications in depth, promote the transformation of technological achievements and the co-development of industry standards, actively cooperate with enterprises, further advance IUR development, and work with universities and institutions to cultivate talent, thereby supporting the sustainable development of the gas industry.

6.2.1 Industry Exchange

As a council member of the China Gas Association, China Gas has continued to expand its technological ecosystem in industry research in recent years. The Group actively fulfils its duties as a council member, participates in domestic and international industry forums, technical seminars and professional exhibitions, and maintains regular communication with industry experts, leading enterprises and research institutions. Through in-depth participation in industry topic discussions, sharing of cutting-edge technologies and standard-setting, the Group continues to capture the momentum of energy transition and digital and intelligent development, and further enhances its industry influence and voice in the gas and integrated energy sectors.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: China Gas Appears at the China-ASEAN Building Technology Expo, Deepening Its Presence in Guangxi and Empowering Energy Transition in Southeast Asia

In September 2025, the China-ASEAN Building Technology Expo was held in Guilin. China Gas participated in the exhibition with a range of cutting-edge achievements, comprehensively showcasing its robust capabilities in transforming from a traditional gas supplier into an integrated energy service provider. During the exhibition, China Gas highlighted innovative businesses including the “Smart Gas City” solution, industrial and commercial energy storage, biomass energy, and closed energy tower heat pumps. Its subsidiary, Yipin Smart Living, also introduced modern home solutions such as the “Five Constant System” and direct drinking water through pipelines. Having operated in Guangxi for more than 20 years, China Gas has cumulatively built nearly 15,000 kilometres of pipeline networks and served over 3 million users. During the exhibition, China Gas signed zero-carbon park cooperation framework agreements with the High-tech Zone of Chongzuo City and Pingxiang Industrial Park, and reached cooperation on direct drinking water projects with Country Garden and other partners. Mr. Liu Ming Hui, Chairman of the Board, stated that during the “15th Five-Year Plan” period, Guangxi will serve as a “bridgehead” for China Gas, which will prioritise entry into emerging markets such as Vietnam, Cambodia and Indonesia, pilot multi-energy complementary projects, and empower energy transition in Southeast Asia.



China Gas Booth

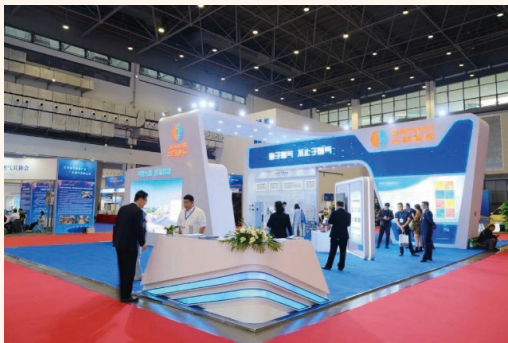


Mr. Liu Ming Hui, Chairman of the Board and President of China Gas, being interviewed by the Media

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: China Gas Participates in the International Gas Exhibition, with Industrial and Commercial Energy Storage and Biomass Energy in the Spotlight

In October 2025, the 27th China International Gas, Heating Technology and Equipment Exhibition was held in Haikou. China Gas made a strong appearance with cutting-edge achievements across the entire industrial chain. Mr. Kuang Xiaodong, Vice President of China Gas and Vice Chairman of the China Gas Association, attended the event. Mr. Qian Wenbin, Chief Engineer of the China Gas Design Institute, was invited to attend a sub-forum of the conference and delivered a keynote speech titled "Innovative Practices in Building an Excellent Operation System for Gas Enterprises Driven by Digital-Intelligent Integration". At the exhibition, China Gas's "integrated space-air-ground gas safety protection solution" became a key focus. Gas inspection drones have increased efficiency to 20 times that of manual inspection. The micro-pipeline network solution has been included twice in the No. 1 Central Document and has been implemented in dozens of regions across China. For household users, the smart gas terminal integrates leakage detection and automatic valve shut-off functions, providing "dual protection" for gas safety. Biomass energy zero-carbon combustion technology can reduce pollutant emissions by more than 80% compared with traditional coal-fired boilers and has already been applied in dozens of cities. The China Gas booth received more than one thousand professional visitors and reached multiple cooperation intentions, demonstrating the Group's leading capabilities in smart gas and zero-carbon energy.



Site of the China International Gas, Heating Technology and Equipment Exhibition

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.2.2 Business Cooperation

China Gas places great emphasis on building its green technology R&D capabilities. The Group proactively strengthens collaborative innovation with leading enterprises across industries in the green and low-carbon sector, focusing on key areas such as mobile energy storage, waste heat recovery, biomass energy and photovoltaics. It systematically advances green technology research and the transformation of achievements, continuously enriches the supply of green technologies, and injects new momentum into, and provides solid support for, low-carbon transition.

Case: Partnering with TCL Smart HVAC to Empower Green and Intelligent Manufacturing in the HVAC Industry

In April 2025, the 2.5MW/5.375MWh industrial and commercial energy storage project jointly developed by China Gas and Guangdong TCL Smart HVAC was officially put into operation. The project is equipped with 25 integrated cabinets and two power conversion systems, and adopts fully liquid-cooled lithium iron phosphate technology. It is equipped with a “black start” function, enabling it to supply power to core production lines in the event of a grid failure. At the same time, it reduces corporate electricity costs through “peak shaving and valley filling”, while stable power output provides safeguards for the precision production of smart HVAC equipment, helping TCL gain an advantage in green competition in the global HVAC market. This project is an important practice of China Gas in the HVAC manufacturing sector and will continue to promote the green transition of the industry.

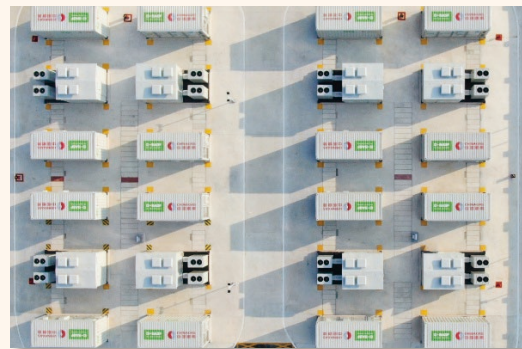


Cooperation between China Gas and Guangdong TCL Smart HVAC

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: Collaborating with BASF Shanshan to Promote Production Upgrade in the Battery Materials Industry

In October 2025, the 40MW/80MWh new intelligent energy storage power station jointly developed by China Gas and BASF Shanshan was officially put into operation in Changsha. The power station is a large-scale user-side energy storage facility with demonstrative significance in Hunan Province. It is equipped with 16 energy storage battery cabins and eight power conversion systems, and can store 80,000 kWh of electricity in a single cycle. It operates under a contract energy management model through “peak shaving and valley filling” and “peak-valley arbitrage”. After being put into operation, the power station has significantly enhanced the grid regulation capability and power supply reliability of the Changsha base, providing important infrastructure support for BASF Shanshan to advance green production and achieve its 2050 net-zero emissions target. As an important practice by both parties in the energy storage sector, the project provides a replicable and scalable cooperation model for the industry and supports the optimisation and upgrading of the regional energy structure.



Cooperation between China Gas and BASF Shanshan

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: Empowering Magma Technology to Support the Green Upgrade of Precision Manufacturing

In 2025, China Gas Energy Management Company, a subsidiary of China Gas, put into operation an 8MWh energy storage power station for Magma Technology in Hangzhou, Zhejiang. Targeting Magma Technology's pain points of annual electricity consumption of 21.10 million kWh and cost pressure arising from peak-valley electricity tariffs, the project adopts the EMC contract energy management model. China Gas fully invests in, constructs, operates and maintains the project, and adopts a "two charges and two discharges" operating strategy to charge during off-peak periods and discharge during peak periods, effectively reducing the enterprise's electricity expenses. Magma Technology is a high-tech enterprise in the field of neodymium-iron-boron materials, with an annual output value exceeding RMB1 billion. Its products are used in high-end fields such as sensors and aerospace. Following commissioning, the project has smoothed fluctuations in electricity load, reduced maximum demand charges, and achieved significant annual cost savings, providing a demonstrative example for the green transition of the precision manufacturing industry.



Cooperation between China Gas and Magma Technology

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.2.3 Industry-University-Research (IUR) Cooperation

The Group values IUR cooperation with industry associations and universities. Through joint R&D, talent development, technical exchange and other approaches, it continuously advances breakthroughs in new technologies, process optimisation and industrial application. This cooperation model not only effectively enhances the Group's technological R&D capabilities and the efficiency of transforming achievements, but also provides solid support for the cultivation of high-calibre technical talent. It has created a positive framework for school-enterprise complementarity, resource sharing and coordinated development. The Group's technological exchange and cooperation partners in FY2025/26 are summarised below:

No.	Type of Partners	Partners	Technological Exchange and Cooperation Direction
1	Government departments	Ministry of Housing and Urban-Rural Development	Led research on the topic of "Township Integrated Energy Construction Models and Promotion Pathways".
2		Ministry of Science and Technology, Ministry of Housing and Urban-Rural Development	Participated in the national key R&D programme topic of "Key Research Technologies and Demonstration for the Identification, Investigation and Control of Accident Hazards in Urban Gas Systems".
3		Ministry of Forestry	Participated in the preparation of the "Biomass Gas" standard.
4		Shandong Energy Institute	Conducted research and development on bubbling fluidised bed gasifiers.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

No.	Type of Partners	Partners	Technological Exchange and Cooperation Direction
5	Industry associations	China Gas Association	Participated in three major research topics: the “15th Five-Year Plan” technology development plan for China’s city gas industry, lifecycle safety management and technical systems for indoor gas systems, and the application status and development trends of smart gas meters for residential users.
6		China Enterprise Confederation	Deeply participated in entrepreneur forums and the application work for the Top 500 enterprises ranking.
7		China Inorganic Salts Industry Association	Conducted energy use surveys for domestic sub-sectors of the inorganic salts industry, investigated the impact of fuel quality on production process parameters and product quality in enterprises’ production processes, and explored feasible pathways for green fuel substitution.
8		China Decoration Association	Carried out cooperation and exchange on partial renovation in home decoration.
9		Guangdong Household Electrical Appliances Association	Carried out cooperation and exchange on household electrical appliances.
10		Guangdong E-Business Association	Carried out cooperation and exchange on e-commerce and online businesses.
11		Shenzhen E-Commerce Association	Carried out cooperation and exchange on e-commerce platforms.
12		Shenzhen Gas Association	Carried out cooperation and exchange on the installation and maintenance of gas appliances.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

No.	Type of Partners	Partners	Technological Exchange and Cooperation Direction
13	Universities and Research institutes	North China Municipal Engineering Design & Research Institute	Participated in the revision of the national standard <i>Code for Design of Liquefied Petroleum Gas Supply Engineering</i> GB51142, with additional content related to small propane storage tank gas supply installations.
14		Tsinghua University School of Environment	Participated in the Carbon Neutrality Capacity Enhancement Program organized by Tsinghua University School of Environment in 2026.
15		Harbin Institute of Technology, Renmin University of China, China University of Petroleum (Beijing), and Chongqing University	Established in-depth collaborations with leading universities in the field of methane emissions. Focusing on empirical measurement and methodological research regarding methane emissions, these partnerships aim to refine monitoring technologies and calculation methodologies, progressively building a more scientific and systematic methane emission monitoring framework.

China Gas has established cooperation with three professional testing agencies to carry out systematic methane emission detection across nearly 100 project companies in the eight major regions nationwide. The testing strictly follows the principle of scientific sampling and takes into account factors such as project type, operating years, geographical location and pipe material characteristics, with differentiated selection of testing targets to ensure coverage of the main application scenarios in gas transmission and distribution operations. Through continuous testing and data aggregation and analysis, the Group has initially established a methane emission factor database with industry reference value. On this basis, China Gas has further strengthened industry-university-research collaboration, working closely with universities such as Harbin Institute of Technology, Renmin University of China, China University of Petroleum and Chongqing University on methane emission measurement and methodology research, promoting the improvement of monitoring technologies and accounting methodologies, and gradually building a more scientific and systematic methane emission monitoring system.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.3 PUBLIC WELFARE

China Gas actively fulfils its responsibilities as a corporate citizen and continues to improve its multi-level and broad-based public welfare system. Focusing on areas such as responding to national strategies, community co-development, charitable giving and volunteer services, the Group actively coordinates corporate resources and platform capabilities, promotes the in-depth integration of its core gas business with public welfare practices, and continuously enhances the breadth and depth of its social responsibility efforts. In doing so, the Group enables the benefits of corporate development to reach more grassroots communities and special groups.

6.3.1 Responding to National Strategies

China Gas actively responds to the national rural revitalisation strategy and requirements for safeguarding people's livelihoods. Through initiatives such as natural gas household connections, convenient grassroots services and industrial collaboration, the Group continues to advance rural clean energy development and community services, helping to improve residents' quality of life and the rural living environment, while earnestly fulfilling its corporate social responsibilities.

➤ Inclusive Energy for People's Livelihoods

Guided by its mission of "Converging in Harmony and Benefiting Communities", China Gas integrates clean energy and water security into livelihood services and social governance while developing its business. Through various measures, the Group effectively reduces energy costs for low-income groups, safeguards their demand for gas and water, and enables more households to enjoy safe, stable and affordable energy services, supporting the development of a fair, inclusive and sustainable modern energy service system.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Inclusive Energy Initiatives

Type	Actions
Financial support	Qufu Fuhua Gas and other entities provided water, gas and electricity subsidies to households receiving subsistence allowances and families in hardship within local communities. They also installed small water- and energy-saving devices free of charge, reducing daily water and electricity costs and enabling low-income groups to access basic water and energy services at a low and stable cost.
Flexible payment	Dandong China Gas, Shanxian China Gas and other companies provided community users with flexible payment methods or digital tools, helping residents manage their energy expenses independently while improving payment convenience and service experience.
Facility upgrades	Zhuanghe China Gas and other companies cooperated with local developers to promote direct drinking water through pipelines and encouraged the use of water purifiers in villages, ensuring the hygiene and safety of residents' drinking water.
Community cooperation	Shanxi China Gas and Nanning China Gas advanced gas pipeline renovation projects in old residential communities in Xiangning, working with government departments to improve urban and rural gas supporting infrastructure, ensure a stable, safe and affordable clean energy supply, and enhance the protection of people's livelihood needs for gas.
Related projects	While connecting with major provincial and municipal projects and further exploring growth in industrial gas demand, Nanjing China Gas actively promoted cooperation in industrial energy efficiency, building energy efficiency, direct drinking water through pipelines, and photovoltaic and charging projects. It also plans to carry out a green and low-carbon retrofit of the air-source heat pump heating system for the swimming pool at Kunshan Olympic Sports Centre, achieving energy conservation, consumption reduction and intelligent system control, and creating a regional energy-saving demonstration project.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

➤ Development of Coal-to-Gas Projects

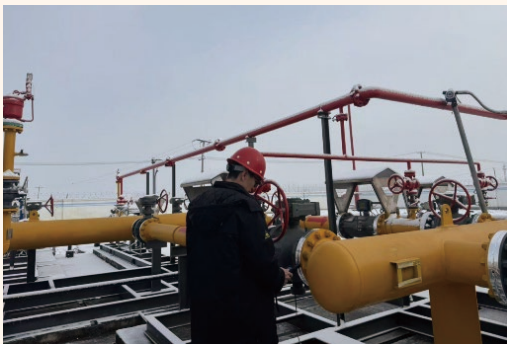
In 2017, the National People's Congress formally introduced the concept of the "Blue Sky Defence Campaign", with the "coal-to-gas" clean heating initiative as one of its core measures. China Gas actively responded to the national strategy by implementing coal-to-gas projects in the Beijing-Tianjin-Hebei region and surrounding areas, and has now become the largest gas construction and operation provider in North China. In FY2025/26, China Gas served over 5 million residential users in the North China region.

In response to the sharp increase in gas demand during the heating season, the North China region adhered to coordinated dispatch and scientific deployment, establishing a robust and reliable gas supply assurance system. The region made advance preparations for gas sources, ensuring the full implementation of residential regulated gas contracts on the one hand, while actively reserving market-based low-cost resources and emergency gas on the other, thereby laying a solid foundation for supply assurance. At the same time, a winter supply assurance task force was established, together with a "daily monitoring and weekly dispatch" mechanism, to dynamically coordinate upstream resources and accurately match livelihood-related gas demand. Project companies also established government-enterprise coordination mechanisms with district and county governments to enhance emergency dispatch capabilities. Since the start of the FY2025/26 heating season, there has been no winter gas supply suspension or interruption in the North China region. Through concrete actions, China Gas has honoured its commitment to supply assurance and safeguarded warmth for thousands of households through the winter.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: Acting on Snowfall to Safeguard Warmth – Dingxing China Gas Responds Fully to the First Snowfall

On 12 December 2025, Dingxing County in Hebei Province experienced its first snowfall of the winter. As temperatures dropped sharply, gas facilities faced safety risks such as ice blockage and freezing cracks. Dingxing China Gas acted immediately upon the snowfall, swiftly activated its emergency response plan, and arranged for all employees to remain on 24-hour standby. As early as the beginning of the heating season, the Company had formulated an emergency response plan for rain and snow weather, making comprehensive arrangements for equipment operation and maintenance, pipeline network inspections and emergency support. Once the snowfall began, the Company immediately raised its response level, and emergency vehicles were equipped with anti-skid chains to ensure rapid mobilisation. At each station, inspection frequency was increased, anti-freezing checks were conducted on key facilities, and snow and frost were cleared in a timely manner. Inspection personnel braved wind and snow to patrol outdoor pipelines, valves and pressure regulating facilities, identify secondary risks such as fallen trees, and use high-precision equipment to carry out underground pipeline leakage detection. The 24-hour customer service hotline remained open, enabling repair orders to be promptly transferred and closed-loop services to be formed. Through the dedication of all employees and meticulous deployment, Dingxing China Gas maintained stable, safe and uninterrupted gas supply across its service area, safeguarding warmth for local residents throughout the winter.



Winter Supply Assurance Action in Dingxing County, Hebei Province

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

➤ Supporting Rural Revitalisation

China Gas actively implements the national rural revitalisation strategy and regards natural gas household connections as an important livelihood project to improve the rural living environment and enhance farmers' quality of life. The Group continues to extend clean energy coverage to rural areas. Based on local conditions, regional companies of the Group innovate their service models and open up the "last mile" for the implementation of policies that benefit the public, fulfilling corporate social responsibility through concrete actions.

Case: Laohekou China Gas Advances Natural Gas Household Connection Project to Support Rural Revitalisation

In August 2025, Laohekou China Gas actively advanced the rural natural gas household connection project. Its marketing team visited villages to promote natural gas policies that benefit residents and provide centralised application services. To maximise convenience for villagers, the team set up a centralised service point at the village committee and provided "one-stop" household connection services, including policy interpretation, contract signing and procedural guidance. Under high temperatures, staff visited households one by one to explain in detail the positive role of natural gas household connections in improving the living environment, heating conditions and daily convenience, while patiently answering villagers' questions. During the activity, villagers showed growing enthusiasm for applications, and the on-site contract signing atmosphere was vibrant, effectively advancing the local energy transformation process. The project not only promoted the upgrading of rural energy infrastructure, but also drove the development of related installation and service industries, further improving the quality of life of rural residents and injecting sustainable development momentum into rural revitalisation.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.3.2 Supporting Public Welfare with Practical Actions

China Gas established the China Gas Charity Foundation in 2014, integrating the Group's products and services with social philanthropy. Guided by the Group's *Policy on Stakeholder Engagement*, the Foundation includes vulnerable groups in stakeholder identification and comprehensively assesses the needs and concerns of communities and local stakeholders in the course of business operations, ensuring that the Group's decisions and actions take into account the interests of all parties. Upholding the overall principle of "bringing love to the outside and caring for the inside", the Foundation actively explores public welfare mechanisms with China Gas characteristics, serves the Group's development strategy, and plays an active role in areas such as caring for vulnerable groups, flood control and disaster relief, and environmental education.

Key Public Welfare Achievements



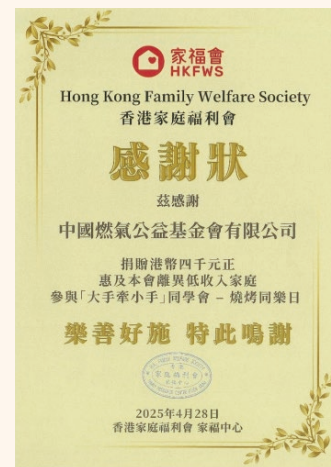
6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: China Gas Charity Foundation Organises Child Care Activity

On 26 April 2025, the “Big Hands Holding Small Hands – Barbecue Fun Day”, a child care activity for children from grassroots divorced families in Hong Kong, was successfully held with sponsorship from the China Gas Charity Foundation and organised by the Hong Kong Family Welfare Society. The activity invited children from several grassroots families and volunteers to participate in outdoor interactions. Children and volunteers barbecued, played games and exchanged ideas together, building friendships and sharing life experiences in a relaxed and enjoyable atmosphere. The volunteer team also paid close attention to the children’s psychological development and emotional needs, helping them enhance their self-confidence and social skills. This activity further strengthened social attention to children from grassroots families and fully demonstrated the social practice of enterprises and charitable organisations working together to promote the healthy growth of children.



Child Care Activity



Letter of Appreciation from the Hong Kong Family Welfare Society to China Gas

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: China Gas Charity Foundation Hosts the “Friendship and Love Elderly Singing Concert”

On 8 November 2025, the “Friendship and Love Elderly Singing Concert”, sponsored by the China Gas Charity Foundation, was held at the Chan Shu Kui Hall in North Point, Hong Kong, attracting approximately 500 elderly participants. The event invited a number of renowned singers to perform classic songs for the elderly, enriching their spiritual and cultural life through music and companionship. After the event, the volunteer team distributed care supplies such as “love rice” to the elderly, extending festive greetings and social care. The activity not only enhanced the elderly participants’ sense of happiness and belonging, but also further promoted the social values of respecting and caring for the elderly, contributing to harmony and inclusion.



The Venue of the “Friendship and Love Elderly Singing Concert”

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: China Gas Provides Relief Support for the Tai Po Fire in Hong Kong

In November 2025, a major fire occurred at Wang Fuk Court in Tai Po, the New Territories, Hong Kong, causing serious casualties and property losses. The China Gas Charity Foundation actively responded to the Hong Kong SAR Government's call for disaster relief, swiftly activated its emergency assistance mechanism and urgently allocated HK\$1 million in dedicated relief funds. Meanwhile, Yipin Smart Living Technology Company Limited, a subsidiary of the Group, leveraged its new retail supply chain advantages to rapidly mobilise urgently needed daily supplies for the disaster-stricken area. China Gas completed cash and in-kind donations with a total value of over HK\$1.2 million, fully demonstrating its rapid response capability and sense of social responsibility in major emergencies. Through concrete actions, the Group supported post-disaster recovery and livelihood protection in Hong Kong communities.



News Coverage of the Fire Relief Donation



Donated Supplies for Fire Relief in Hong Kong

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.3.3 Building Community Culture

China Gas actively promotes community co-development and continues to deepen exchanges and cooperation with local governments, sub-district communities and resident groups. Focusing on community safety, convenient services and public governance, the Group carries out diversified activities to help improve community governance efficiency and residents' quality of life.

In terms of media communication, China Gas continued to develop the "China Gas Media Alliance Programme" in FY2025/26 in accordance with the *Management System for Maintaining Media Relations of China Gas*. Following the principles of "Coordinated Planning, Tiered Accountability, and Regional Management", the Group promoted the maintenance of media relations across the organisation.

- **Public opinion risk prevention and control:** The Group established a vertical resource system for public opinion response covering government-enterprise coordination, enhancing its speed of response to, and efficiency in handling, sensitive online information and providing strong support for the prevention of public opinion risks.
- **Public opinion monitoring and follow-up management system:** Focusing on six high-risk areas for public opinion, namely human resources, engineering, customer service, marketing, safety and other areas, the Group initiated the development of a public opinion monitoring and follow-up management system covering the entire Group. The system is planned to be connected to the 95007 call centre and the employee reward and punishment mechanism, and has entered the formal development stage.
- **China Gas Home platform:** The Group completed Phase I construction of the "China Gas Home" platform, enabling unified backend publishing across DingTalk, OA and WeChat, and upgrading the internal communication mechanism into a new model of "headquarters building the platform, columns delegated to the frontline, and grassroots units publishing independently". Since its launch, the platform has published 2,273 articles, with total views reaching 8.51 million and daily views remaining stable at 70,000.

In terms of government-enterprise coordination and relationship maintenance, the Group and its subsidiaries deepened communication and cooperation with government departments, actively supported community cultural development, and provided strong financial support and policy coordination. In the face of energy challenges and market changes, the Group maintains close contact with governments at all levels and has established a three-tier government-enterprise relationship management system comprising the Group headquarters, regional management centres, and operational groups and project companies. By regularly reporting operational and management work to local Party committees, governments, people's congresses and political consultative conferences, actively participating in government public relations activities, and jointly building gas knowledge popularisation platforms with governments, the Group is committed to creating a favourable business environment and providing solid support for regional business development.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: Hengyang China Gas Baijiang Works with Government to Launch a Gas Safety “Cloud Classroom”

On 16 December 2025, the online livestreaming event “Focusing on Gas Safety and Protecting Family Well-being” was successfully held. During the event, more than 420,000 viewers watched online, with over 10,000 interactive comments. As one of the core producers and speakers, Hengyang China Gas Baijiang dispatched safety technical experts to provide public education on the safe use of bottled liquefied petroleum gas through physical demonstrations, scenario simulations and comparative explanations, helping citizens improve their ability to respond to leaks and early-stage fires. This livestream was a useful attempt to innovate safety publicity through government-enterprise collaboration. It not only demonstrated the Company’s technical capabilities and social responsibility, but also promoted the deepening of gas safety management from “one-way output” by the government and enterprises to “two-way interaction, co-development and co-governance” with the public.



Livestream of the Gas Safety “Cloud Classroom”

At the level of community and resident engagement, in response to the growing expectations of communities and residents for gas safety and service quality, China Gas maintains a positive approach of “open operation” as a municipal public utility. On the one hand, the Group prudently assesses livelihood-related impacts such as safety distance, noise control and community employment at the early stage of projects, and after project implementation carries out gas repair and knowledge popularisation activities for residents. On the other hand, the Group actively explores innovative industry supervision mechanisms by introducing social forces to participate in supervision, thereby building a new pattern of co-governance and shared benefits led by the government, undertaken by enterprises and coordinated by society.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Since the launch of the “Gas Social Supervisors” mechanism at the end of 2024, six companies – Hangzhou China Gas, Xinyang Fudi, Hohhot China Gas, Xiaogan Zhongya, Shenyang China Gas and Laishui China Gas – have become the first batch of pilot units, developing a number of innovative practices and receiving close attention from local government authorities and media at various levels. As results from the initiative continued to emerge, Nanjing China Gas, Chongqing China Gas and Yulin China Gas proactively applied to join the pilot programme, increasing the number of pilot companies to nine. More than 50 supervisors have been recruited in total, most of whom are key opinion leaders (KOLs) from various fields, marking a positive shift in social supervision from “observers” to “governance partners”.



Hangzhou China Gas Social Supervisors Annual Review Meeting and New Appointment Ceremony



Nanjing China Gas First Social Supervisors Appointment and Certificate Presentation Ceremony

Case: Yipin Smart Living Home Services Launches Community-based Public Welfare Repair and Convenience Services

On 9 September 2025, Yipin Smart Living, a subsidiary of China Gas Group, entered Xinjiefang Community, Chengzhong Sub-district, Hecheng District, Huaihua City, and jointly organised a public welfare repair and convenience service activity with relevant departments. Focusing on residents’ livelihood needs such as water and electricity safety, housing repairs and home inspections, the activity provided community residents with on-site inspections, equipment maintenance and safety knowledge publicity services, effectively addressing practical issues in residents’ daily lives. The activity delivered warmth and care to grassroots communities, further enhanced residents’ safety awareness and sense of happiness, and supported the improvement of urban functions and community governance efficiency through concrete actions.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: Suizhou China Gas Brings Gas Safety Knowledge to Grassroots Communities

On 25 March 2026, Suizhou China Gas was invited to participate in a work safety meeting held by Nanjiao Sub-district, Zengdu District, Suizhou City, Hubei Province, and delivered a specialised gas safety lecture to sub-district officials as well as community and village safety management personnel. The lecture, combined with typical gas safety accident cases in recent years, systematically explained topics such as the identification of daily gas safety hazards, maintenance of gas facilities and emergency response to leaks. It further enhanced grassroots safety management capabilities and residents' safety awareness, effectively promoted the dissemination of gas safety knowledge to grassroots communities, improved community safety governance, and provided strong support for building a safe and harmonious community environment.



Specialised Gas Safety Lecture

In communication with multiple local stakeholders, we proactively identify new issues and demands arising from regular communication and operational services. At the same time, we have established and improved a full-process management system covering grievance acceptance, circulation and handling, tracking and rectification. Supported by measures such as supervision and inspection, accountability assessment and capability enhancement, this has formed a long-term mechanism for early identification of issues, rapid response to demands and follow-up on rectification.

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

6.3.4 Participating in Volunteer Services

China Gas has long advocated the volunteer service philosophy that “public welfare for all is the real public welfare”. The Group actively organises employees to participate in charitable volunteer activities, continuously carrying out volunteer services in areas such as community care, companionship for the elderly and charitable blood donation, thereby fostering a positive corporate public welfare culture.

Case: Chongqing China Gas Carries Out Volunteer Services at a Nursing Home

On 11 March 2026, during the 62nd national Lei Feng Memorial Day and Lei Feng Month, Chongqing China Gas organised six volunteers to visit the nursing home of Konggang Jiayuan Community Hospital and carry out a volunteer service activity themed “Carrying Forward the Spirit of Lei Feng and Bringing Warmth to the Nursing Home”. During the activity, volunteers accompanied elderly residents in conversations and interactions, organised fun activities, and extended heartfelt care to them, further enriching their spiritual and cultural life. The activity promoted the volunteer spirit of “dedication, friendship, mutual assistance and progress” as well as the traditional virtue of respecting and caring for the elderly. It also enhanced employees’ awareness of public welfare participation and helped foster a social atmosphere of mutual assistance and friendship.

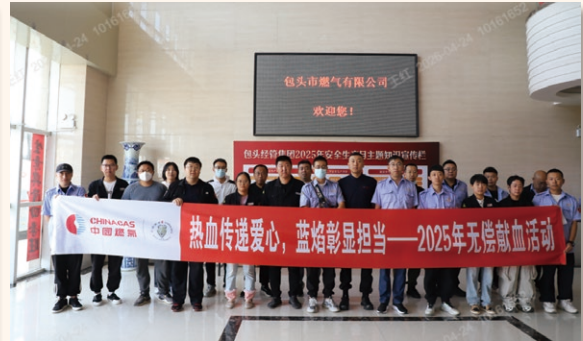


Chongqing China Gas Lei Feng Volunteer Activity

6. COOPERATING FOR COMMON INTEREST AND PUBLIC WELFARE

Case: China Gas Continues to Organise Charitable Blood Donation Activities

In FY2025/26, China Gas continued to organise charitable blood donation activities in various locations across the country, attracting hundreds of employees to participate actively. The Group also joined hands with surrounding enterprises and public institutions to participate, further expanding the impact of public welfare. Charitable blood donation has become one of China Gas's important public welfare brand activities carried out over many years, fully demonstrating employees' sense of responsibility in caring for life and contributing to society.



Charitable Blood Donation Activities across the Country

HKEX ESG CODE CONTENT INDEX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
Mandatory Disclosure Requirements		
Governance Structure	(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.	1.1 Corporate Governance, 1.2 Sustainability Governance
Reporting Principles	Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	Reporting Principles, 1.2 Sustainability Governance, Performance Data Table
Reporting Boundary	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.	Reporting Scope

APPENDIX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
Part C: “Comply or explain” Provisions		
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 emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.2 Environmental Management, Sustainability Policy and Regulation List, Performance Data Table
KPI A1.1	The types of emissions and respective emissions data.	4.4 Green Operation, Performance Data Table
KPI A1.2	Repealed 1 January 2025	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Green Operation, Performance Data Table
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	4.4 Green Operation, Performance Data Table
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	4.2 Environmental Management, 4.4 Green Operation
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	4.4 Green Operation

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	4.2 Environmental Management, 4.4 Green Operation, Sustainability Policy and Regulation List
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).	4.4 Green Operation, Performance Data Table
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	4.4 Green Operation, Performance Data Table
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	4.4 Green Operation
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	4.4 Green Operation During the reporting period, the Group did not encounter any issues related to the procurement of suitable water.
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	4.4 Green Operation, Performance Data Table
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 Environmental Management, Sustainability Policy and Regulation List
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 Environmental Management
Aspect A4: Climate Change		
General Disclosure	Repealed 1 January 2025	/
KPI A4.1	Repealed 1 January 2025	/

APPENDIX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
B. SOCIAL		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	5.1 Employee Rights, Performance Data Table
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	5.1 Employee Rights, Performance Data Table
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	5.1 Employee Rights
Aspect B2: Health and Safety		
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 providing a safe working environment and protecting employees from occupational hazards.	3.1 Safety Management, Sustainability Policy and Regulation List
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	3.1 Safety Management, Performance Data Table
KPI B2.2	Lost days due to work injury.	3.1 Safety Management, Performance Data Table
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	3.2 Work Safety, 3.3 Safety Technology, 3.4 Capacity Building, 3.5 Stakeholder Engagement

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
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 Training and Development
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	5.2 Training and Development, Performance Data Table
KPI B3.2	The average training hours completed per employee by gender and employee category.	5.2 Training and Development, Performance Data Table
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	5.1 Employee Rights, Sustainability Policy and Regulation List
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	5.1 Employee Rights, Sustainability Policy and Regulation List The Group regularly reviews its employment practice to ensure compliance with applicable laws and regulations in preventing child and forced labour.
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	5.1 Employee Rights The Group has zero tolerance towards such practice. Violations are subject to internal disciplinary actions or handled by relevant authorities.

APPENDIX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	6.1 Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	6.1 Supply Chain Management, Performance Data Table
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.	6.1 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	6.1 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	6.1 Supply Chain Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	2.1 Premium Quality The Group has not identified material concerns in its operations regarding advertising and labelling matters, thus dedicated policies are not in place. There are no laws and regulations that have a significant impact on the Group regarding health and safety, advertising, labelling and privacy matters relating to products and services provided by the Group.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	2.1 Premium Quality
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	2.2 Exceptional Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	1.3.3 Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	2.1 Premium Quality
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	2.2 Exceptional Service

APPENDIX

Subject Areas, Aspects, General Disclosures and KPIs	Description	Relevant Chapter or Other Explanation
Aspect B7: Anti-corruption		
General Disclosure	Information: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	1.3 Compliance Operation
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.	1.3 Compliance Operation
KPI B7.2	Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	1.3 Compliance Operation
KPI B7.3	Description of anti-corruption training provided to directors and staff.	1.3 Compliance Operation
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.	6.3 Public Welfare
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	6.3 Public Welfare
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	6.3 Public Welfare, Performance Data Table

PART D: CLIMATE-RELATED DISCLOSURES

Disclosure Obligation		Relevant Chapter or Other Explanation
(l) Governance	19. An issuer shall disclose information about:	
	(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
	(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	4.1 Response to Climate Change
	(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	4.1 Response to Climate Change
	(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;	4.1 Response to Climate Change
	(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and	4.1 Response to Climate Change
	(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	4.1 Response to Climate Change
	(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	4.1 Response to Climate Change

APPENDIX

Disclosure Obligation		Relevant Chapter or Other Explanation
(II) Strategy	Climate-related risks and opportunities	
	20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
	(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	4.1 Response to Climate Change
	(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 climate-related transition risk;	4.1 Response to Climate Change
	(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	4.1 Response to Climate Change
	(d) explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	4.1 Response to Climate Change

Disclosure Obligation		Relevant Chapter or Other Explanation
	Business model and value chain	
	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	4.1 Response to Climate Change
	(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 Response to Climate Change
	Strategy and decision-making	
	22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
	(a) information about how the issuer has responded to, 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. Specifically, the issuer shall disclose information about:	
	(i) current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	4.1 Response to Climate Change
	(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);	4.1 Response to Climate Change
	(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	4.1 Response to Climate Change
	(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and	4.1 Response to Climate Change
	(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	4.1 Response to Climate Change
	23. An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	4.1 Response to Climate Change

APPENDIX

Disclosure Obligation		Relevant Chapter or Other Explanation
	Financial position, financial performance and cash flows	
	Current financial effect	
	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	4.1 Response to Climate Change
	(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 Response to Climate Change
	Anticipated financial effect	
	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, taking into consideration:	
	(i) its investment and disposal plans; and	China Gas has formulated relevant investment plans based on the assessment results of the financial impacts of climate-related risks and opportunities, and we will formulate relevant disposal plans based on the implementation status of these investment plans in the future.
	(ii) its planned sources of funding to implement its strategy; and	4.1 Response to Climate Change
	(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 Response to Climate Change

Disclosure Obligation		Relevant Chapter or Other Explanation
	Climate resilience	
	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, which shall enable an understanding of:	
	(i) the implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis;	4.1 Response to Climate Change
	(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and	4.1 Response to Climate Change
	(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;	4.1 Response to Climate Change

APPENDIX

Disclosure Obligation		Relevant Chapter or Other Explanation
	(b) how and when the climate-related scenario analysis was carried out, including:	
	(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);	4.1 Response to Climate Change
	(ii) the key assumptions the issuer made in the analysis; and	4.1 Response to Climate Change
	(iii) the reporting period in which the climate-related scenario analysis was carried out.	4.1 Response to Climate Change

Disclosure Obligation	Relevant Chapter or Other Explanation
(III) Risk Management	27. An issuer shall disclose information about:
	(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:
	(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); 4.1 Response to Climate Change
	(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; 4.1 Response to Climate Change
	(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); 4.1 Response to Climate Change
	(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; 4.1 Response to Climate Change
	(v) how the issuer monitors climate-related risks; and 4.1 Response to Climate Change
	(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period; 4.1 Response to Climate Change
	(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 4.1 Response to Climate Change
	(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 Response to Climate Change

APPENDIX

Disclosure Obligation		Relevant Chapter or Other Explanation
(IV) Metrics and Targets	Greenhouse gas emissions	
	28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
	(a) Scope 1 greenhouse gas emissions;	4.4 Green Operation, Performance Data Table
	(b) Scope 2 greenhouse gas emissions; and	4.4 Green Operation, Performance Data Table
	(c) Scope 3 greenhouse gas emissions.	4.4 Green Operation, Performance Data Table
	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;	4.4 Green Operation
	(b) disclose the approach it uses to measure its greenhouse gas emissions including:	
	(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	4.4 Green Operation
	(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	4.4 Green Operation
	(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	4.4 Green Operation
	(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	4.4 Green Operation
	(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).	4.4 Green Operation

Disclosure Obligation		Relevant Chapter or Other Explanation
	Climate-related transition risks	
	30. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	4.1 Response to Climate Change
	Climate-related physical risks	
	31. An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	China Gas will further assess and quantify the amount and percentage of assets vulnerable to climate-related physical risks in subsequent reporting periods.
	Climate-related opportunities	
	32. An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	China Gas will further assess and quantify the amount and percentage of assets or business activities aligned with climate-related opportunities in subsequent reporting periods.
	Capital deployment	
	33. An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	China Gas will further assess and quantify the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities in subsequent reporting periods.

APPENDIX

Disclosure Obligation		Relevant Chapter or Other Explanation
	Internal carbon prices	
	34. An issuer shall disclose:	
	(a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	During the Reporting Period, China Gas has not applied an internal carbon pricing mechanism. The Group will continue to assess the feasibility of implementing carbon pricing in the future.
	(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 a carbon price in decision-making.	
	Remuneration	
	35. An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a) (iv).	4.1 Response to Climate Change
	Industry-based metrics	
	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 frameworks.	4.1 Response to Climate Change

Disclosure Obligation	Relevant Chapter or Other Explanation																								
Climate-related targets 37. An 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: <table border="1"> <tr> <td>(a) the metric used to set the target;</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(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);</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(d) the period over which the target applies;</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(e) the base period from which progress is measured;</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(f) milestones or interim targets (if any);</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</td><td>4.1 Response to Climate Change</td></tr> </table> 38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including: <table border="1"> <tr> <td>(a) whether the target and the methodology for setting the target has been validated by a third party;</td><td>During the Reporting Period, China Gas has not validated targets by a third party. The Group will continue to assess the feasibility of validating targets by a third party in the future.</td></tr> <tr> <td>(b) the issuer's processes for reviewing the target;</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(c) the metrics used to monitor progress towards reaching the target; and</td><td>4.1 Response to Climate Change</td></tr> <tr> <td>(d) any revisions to the target and an explanation for those revisions.</td><td>4.1 Response to Climate Change</td></tr> </table> 39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.		(a) the metric used to set the target;	4.1 Response to Climate Change	(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	4.1 Response to Climate Change	(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);	4.1 Response to Climate Change	(d) the period over which the target applies;	4.1 Response to Climate Change	(e) the base period from which progress is measured;	4.1 Response to Climate Change	(f) milestones or interim targets (if any);	4.1 Response to Climate Change	(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	4.1 Response to Climate Change	(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	4.1 Response to Climate Change	(a) whether the target and the methodology for setting the target has been validated by a third party;	During the Reporting Period, China Gas has not validated targets by a third party. The Group will continue to assess the feasibility of validating targets by a third party in the future.	(b) the issuer's processes for reviewing the target;	4.1 Response to Climate Change	(c) the metrics used to monitor progress towards reaching the target; and	4.1 Response to Climate Change	(d) any revisions to the target and an explanation for those revisions.	4.1 Response to Climate Change
(a) the metric used to set the target;	4.1 Response to Climate Change																								
(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	4.1 Response to Climate Change																								
(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);	4.1 Response to Climate Change																								
(d) the period over which the target applies;	4.1 Response to Climate Change																								
(e) the base period from which progress is measured;	4.1 Response to Climate Change																								
(f) milestones or interim targets (if any);	4.1 Response to Climate Change																								
(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and	4.1 Response to Climate Change																								
(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	4.1 Response to Climate Change																								
(a) whether the target and the methodology for setting the target has been validated by a third party;	During the Reporting Period, China Gas has not validated targets by a third party. The Group will continue to assess the feasibility of validating targets by a third party in the future.																								
(b) the issuer's processes for reviewing the target;	4.1 Response to Climate Change																								
(c) the metrics used to monitor progress towards reaching the target; and	4.1 Response to Climate Change																								
(d) any revisions to the target and an explanation for those revisions.	4.1 Response to Climate Change																								

APPENDIX

Disclosure Obligation		Relevant Chapter or Other Explanation
	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;	The greenhouse gas types currently covered by China Gas's greenhouse gas emission targets include: carbon dioxide (CO ₂), methane (CH ₄), and nitrous oxide (N ₂ O).
	(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	4.1 Response to Climate Change
	(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;	The current greenhouse gas emission targets of China Gas are gross targets.
	(d) whether the target was derived using a sectoral decarbonisation approach; and	The current greenhouse gas emission targets of China Gas have not been derived using industry decarbonization methodologies and will be progressively evaluated and explored for feasibility in the future.
	(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	During the Reporting Period, China Gas did not utilise carbon credits. China Gas will evaluate and explore the use of carbon credits.
	(ii) which third-party scheme(s) will verify or certify the carbon credits;	
	(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	
	(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	
	Applicability of cross-industry metrics and industry-based metrics	
	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 cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	4.1 Response to Climate Change, 4.4 Green Operation, Performance Data Table

SUSTAINABILITY POLICY AND REGULATION LIST

Policy Name	Corresponding HKEX ESG Code Provisions
Carbon Management Manual	A1 Emissions
Carbon Management Procedure Document	A1 Emissions
Control Procedures of Carbon Management Objectives	A1 Emissions
Control Procedures of GHG Emission Source Identification, Accounting and Reporting	A1 Emissions
Control Procedures of Data Collection for Carbon Management	A1 Emissions
Control Procedures of Carbon Management Training	A1 Emissions
Control Procedures of Carbon Management Monitoring, Measurement, and Analysis	A1 Emissions
China Gas Vehicle Management System	A1 Emissions, A2 Use of Resources
7S Office Environmental Management System	A2 Use of Resources
Office Printing Improvement Programme	A2 Use of Resources
Environmental Policy	A3 The Environment and Natural Resources
Environmental and Social Management System	A3 The Environment and Natural Resources, B8 Community Investment
Biodiversity Protection Policy	A3 The Environment and Natural Resources
Guidelines for the HSE Management System	A3 The Environment and Natural Resources
Environmental Impact Assessment Report Outline	A3 The Environment and Natural Resources
Engineering Construction Risk Management and Control Guidelines	A3 The Environment and Natural Resources
Special Emergency Response Plan for Natural Disasters	A3 The Environment and Natural Resources
Climate Change Policy	Part D Climate-related Disclosures
Equal Rights and Interests Policy	B1 Employment
China Gas Human Resources Management Manual	B1 Employment, B4 Labour Standards

APPENDIX

Policy Name	Corresponding HKEX ESG Code Provisions
China Gas Recruitment Management System	B1 Employment, B4 Labour Standards
Headquarters Employee Attendance and Leave Regulations	B1 Employment, B4 Labour Standards
Labour Contract Management Regulations	B1 Employment, B4 Labour Standards
Annual Target Responsibility Agreements of Headquarter Departments, Business Departments and Specialised Companies	B1 Employment
Annual Target Responsibility Agreements of Regional Management Centres	B1 Employment
Annual Target Responsibility Agreements of Regional Management Centres	B1 Employment
Safety Management System	B2 Health and Safety
Occupational Health and Safety Management System	B2 Health and Safety
Occupational Disease Hazard Monitoring and Evaluation Management System	B2 Health and Safety
Emergency Drill Management System	B2 Health and Safety
Safety Accident Management System	B2 Health and Safety
Application Assessment and Management Measures for the Safety Digital Integrated Management Platform of China Gas	B2 Health and Safety
Interim Provisions on Employee's Wedding, Burial, Work-related Injuries and Visits to Major Diseases	B2 Health and Safety
Headquarters Staff Care Programme	B2 Health and Safety
Employee Care Committee Assistance Application Guide	B2 Health and Safety

Policy Name	Corresponding HKEX ESG Code Provisions
Project Company Emergency Plan Preparation Guidelines	B2 Health and Safety
China Gas HSE Management Manual of China Gas (V2.0)	B2 Health and Safety
HSE Rating Inspection Standards	B2 Health and Safety
Individual Performance Appraisal Management Measures	B3 Development and Training
Basic Code of Conduct for Employees	B4 Labour Standards, B6.3 Description of Practices Relating to Observing and Protecting Intellectual Property Rights, B7 Anti-corruption
Supplier Management System	B5 Supply Chain Management
Supplier Qualification and Assessment Guidelines	B5 Supply Chain Management
Detailed Implementation Rules for Supplier Assessment and Evaluation	B5 Supply Chain Management
Supplier Code of Conduct	B5 Supply Chain Management
Sunshine Audit Agreement	B5 Supply Chain Management
Integrity Commitment Letter	B5 Supply Chain Management
Supplier Reward and Punishment Management Measures	B5 Supply Chain Management
Guidelines for Emergency Repair in the Production and Operation of China Gas Group's Project Companies	B6 Product Responsibility
Guidelines for the Construction of Emergency Repair System in the Production and Operation of China Gas Group	B6 Product Responsibility

APPENDIX

Policy Name	Corresponding HKEX ESG Code Provisions
Rectification and Management Procedure for Transmission Shortage	B6 Product Responsibility
Technical Regulations for Gas Flow Meter Selection	B6 Product Responsibility
China Gas Group Emergency Repair System Construction Work Guidelines	B6 Product Responsibility
Third-Party Construction-Related Damage Incident (Accident) Management and Assessment Measures	B6 Product Responsibility
City Gas Transmission and Distribution Management System	B6 Product Responsibility
Management Standards for the Operation and Maintenance of Gas Facilities	B6 Product Responsibility
CNG, LNG and L-CNG Gas Stations Production and Operation Guidelines	B6 Product Responsibility
Inspection Guidelines for Gas Pipeline and Ancillary Facilities	B6 Product Responsibility
Pipeline Leak Inspection and Investigation Guidelines	B6 Product Responsibility
Pipeline Network Inspection Management Guidelines	B6 Product Responsibility
Guidelines for Prevention of Damaged Accidents (Incidents) to Gas Pipeline Facilities	B6 Product Responsibility
Emergency Response Plan	B6 Product Responsibility
Customer Service Management System	B6.2 Number of products and service related complaints received and how they are dealt with.
Customer Complaint Management Regulations	B6.2 Number of products and service related complaints received and how they are dealt with.
Customer Service Red and Yellow Line & Negative List Scoring Regulations	B6.2 Number of products and service related complaints received and how they are dealt with.
China Gas Group Staff Service Code	B6.2 Number of products and service related complaints received and how they are dealt with.

Policy Name	Corresponding HKEX ESG Code Provisions
Intellectual Property Management System	B6.3 Description of practices relating to observing and protecting intellectual property rights.
Trademark Authorisation and Management Measures	B6.3 Description of practices relating to observing and protecting intellectual property rights.
Privacy Policy	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.
Information Security Management Measures	B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.
China Gas Compliance Code of Conduct	B7 Anti-corruption
Anti-bribery and Anti-corruption Policy	B7 Anti-corruption
Management Regulations on Employees' Reward and Punishment of China Gas	B7 Anti-corruption
Internal Supervision Work Management Measures	B7 Anti-corruption
Internal Supervision and Reporting Management System	B7 Anti-corruption
Bribery Management Implementation Measures	B7 Anti-corruption
Integrity Agreement for Supervision Projects	B7 Anti-corruption
Regulations on Red and Yellow Lines Management of China Gas	B7 Anti-corruption
Comprehensive Risk Management System of China Gas	B7 Anti-corruption
Integrity and Diligence Manual	B7 Anti-corruption
Policy on Stakeholder Engagement	B8 Community Investment

APPENDIX

PERFORMANCE DATA TABLE OPERATIONAL PERFORMANCE

	Unit	FY2025/26	FY2024/25	FY2023/24
Number of piped gas projects	No.	662	662	662
Total number of long-distance natural gas transmission pipelines	No.	32	32	32
Total length of natural gas pipelines	km	570,275	562,729	554,755
Number of CNG/LNG refilling stations for vehicles and vessels	No.	484	488	516
Number of LPG distribution projects	No.	128	120	119
Total natural gas sales volume	million m ³	41,431.2	39,959.8	41,698.4
Total LPG sales volume	million tonne	3.42	3.87	4.00

SUPPLIER OVERVIEW

	Unit	FY2025/26	FY2024/25	FY2023/24
Cumulative number of suppliers certified by China Gas Bidding and Procurement Platform ⁹	No.	250	250	255

BUSINESS ETHICS

	Unit	FY2025/26	FY2024/25	FY2023/24
Number of concluded legal cases regarding corrupt practices	No.	0	0	1

⁹ The total number of suppliers disclosed in this Report covers both Tier-1 and non-Tier-1 suppliers under the Group's centralised procurement.

APPENDIX

ENVIRONMENTAL PERFORMANCE

	Unit	FY2025/26	FY2024/25	FY2023/24
Greenhouse gas (GHG) emissions¹⁰				
Scope 1 (direct emissions) – Internal use	tCO ₂ e	52,146.57	74,733.57	77,034.87
Scope 1 (direct emissions) – Integrated energy business	tCO ₂ e	137,813.06	138,292.03	182,797.66
Scope 2 (location-based, energy related indirect emissions) ¹¹	tCO ₂ e	106,435.03	113,207.15	102,121.06
Scope 3 (other indirect emissions) ¹²	tCO ₂ e	60,586,904.84	60,476,550.03 ¹³	55,748,041.68
Scope 3 – Business Travel ¹⁴	tCO ₂ e	2,255.60	512.58	891.91
Scope 3 – Purchased goods and services	tCO ₂ e	12,239,610.63	11,754,227.20	12,017,923.37
Scope 3 – Upstream transportation and distribution	tCO ₂ e	7,036,356.21	7,515,706.24 ¹²	572,426.40
Scope 3 – Use of sold products	tCO ₂ e	41,308,682.40	41,206,104.00	43,156,800.00
Total GHG emissions	tCO ₂ e	60,883,299.50	60,802,782.77 ¹²	56,109,995.27
Total GHG emissions (excluding integrated energy business)	tCO ₂ e	60,745,486.44	60,664,490.74 ¹²	55,927,197.60
GHG intensity (Scope 1 and Scope 2)	kgCO ₂ e/GJ of energy sold	0.20	0.23	0.23
GHG intensity (Scope 1, Scope 2 and Scope 3)	kgCO ₂ e/GJ of energy sold	41.26	42.84 ¹²	35.12
Direct gas emissions¹⁵				
Particulate matter (PM)	tonne	16.98	21.27	21.18
Sulphur dioxide (SO ₂)	tonne	5.28	6.30	6.22
Nitrogen oxides (NO _x)	tonne	82.81	107.95	113.97

¹⁰ In FY2025/26, the data of the Group was calculated according to the *Environmental, Social and Governance Reporting Code* of the HKEX and other international references.

¹¹ Scope 2 GHG emissions primarily originate from the indirect GHG emissions generated by the non-renewable electricity consumed in the Group's operations. In FY2025/26, the Group adopts the electricity emission factor of 0.5306 kg CO₂/kWh as specified in the *Announcement of the Ministry of Ecology and Environment and the National Bureau of Statistics of China on the Release of the 2023 Electricity Carbon Dioxide Emission Factor* issued on 26 December 2025.

¹² The quantification of Scope 3 GHG emissions is guided by the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*. During FY2025/26, the Group's Scope 3 GHG emissions were from business travel (air travel by employees), purchased goods and services, upstream transportation and distribution, and the use of sold products.

¹³ Data restatement: To enhance the accuracy and comparability of data disclosure, certain historical data have been restated in this report. Upstream transportation and distribution emissions under Scope 3 for FY2024/25 were originally disclosed as 249,632.92 tonnes, and have been adjusted to 7,515,706.24 tonnes following review. Accordingly, the total Scope 3 emissions for FY2024/25 have been revised to 60,476,550.03, total greenhouse gas emissions have been revised to 60,802,782.77, total greenhouse gas emissions excluding integrated energy business have been revised to 60,664,490.74, and greenhouse gas emission intensity (Scope 1, Scope 2 and Scope 3) has been revised to 42.84.

¹⁴ Starting from FY2025/26, the Group has optimised the data collection approach for Scope 3 – business travel and expanded the scope of data collection. Data for previous years, including FY2024/25, only covered air travel by certain employees. In FY2025/26, the data covers both air and rail travel for all employees of the Group, resulting in an increase compared to the previous financial year.

¹⁵ In FY2025/26, the Group's direct gas emissions, including particulate matter, sulphur dioxide and nitrogen oxides, decreased, primarily due to reduced fuel consumption, particularly from private cars and goods vehicles, which reflects the effectiveness of its efforts in optimising the energy mix and improving operational efficiency.

	Unit	FY2025/26	FY2024/25	FY2023/24
Energy consumption				
Petrol	tonne	4,727.06	6,334.39	7,096.55
Natural gas – Internal use	m ³	11,714,646.97	15,457,693.26	15,567,876.98
Natural gas – Integrated energy business	m ³	66,682,016.32	67,610,579.64	89,677,457.85
LPG	tonne	23.49	54.68	69.84
Diesel	tonne	1,916.74	3,309.22	3,663.56
Heavy oil	tonne	0 ¹⁶	931.50	743.57
Fuel oil	tonne	0	0	0
Kerosene	tonne	0.05	0.04	0
Electricity (non-renewable energy)	kWh	200,585,503.97	203,317,438.93 ¹⁷	183,407,070.82
Electricity (renewable energy)	kWh	416,000.00	480,900.00	485,374.30
Total energy consumption ¹⁸	GJ	3,513,695.69	3,689,879.83	4,407,894.46
Total energy consumption (excluding integrated energy business)	GJ	1,139,249.11	1,282,368.51	1,214,614.70
Energy intensity	GJ/GJ of energy sold	0.002	0.003	0.003
Energy intensity (excluding integrated energy business)	GJ/GJ of energy sold	0.001	0.001	0.001
Material use				
Paper product/cardboard	tonne	262.00	227.00	201.41
Plastic	tonne	0	0	0.64
Styrofoam	tonne	67.00	77.00	114.87
Water consumption¹⁹				
Total water consumption	Tonne	1,955,660.52	2,454,220.66	2,901,566.03
Water consumption intensity	kg/GJ of energy sold	1.33	1.73	1.82
Wastewater and waste				
Total wastewater discharged	tonne	846,537.19	1,275,649.42	1,421,876.00
Non-hazardous waste produced ²⁰	tonne	2,145.16	2,357.21	21,350.75
Non-hazardous waste production intensity	tonne/employee	0.03	0.03	0.29
Hazardous waste produced ²¹	tonne	11.22	13.09	71.10
Hazardous waste production intensity	tonne/employee	0.000	0.000	0.001
Environmental compliance				
Environmental regulatory non-compliances	No.	0	0	0

¹⁶ Following adjustments to the Group's business operations relating to marine vessel, no heavy fuel oil consumption was recorded in FY2025/26.

¹⁷ The data sources cover Chinese Mainland and the Hong Kong Special Administrative Region of China.

¹⁸ Energy consumption is calculated based on the conversion factors provided in the *China Energy Statistical Yearbook 2019*.

¹⁹ In FY2025/26, China Gas continued to implement water conservation and water efficiency enhancement measures, while further strengthening water use monitoring and operational management. As a result, total water consumption decreased by 20.26% and water intensity decreased by 23.20% compared with FY2024/25.

²⁰ The non-hazardous waste generation data waste was obtained through estimation.

²¹ The hazardous waste generation data was obtained through estimation.

APPENDIX

EMPLOYMENT

		For the year ended 31 March		
	Unit	FY2025/26	FY2024/25	FY2023/24
Total number of employees	people	76,004	74,233	74,643
By employment type				
Full-time	people	76,004	74,233	74,643
Part-time	people	0	0	0
By gender				
Male	people	47,287	46,185	46,623
Female	people	28,717	28,048	28,020
By age				
Under 30 years old	people	14,589	14,249	14,942
30–50 years old	people	53,257	52,016	51,897
Above 50 years old	people	8,158	7,968	7,804
By rank				
Senior management	people	1,727	1,935	2,568
Middle-level management	people	8,563	8,115	8,037
General staff	people	65,714	64,183	64,038
By ethnicity				
Han	people	70,424	68,783	69,712
Ethnic minorities	people	5,580	5,450	4,931
Male to female ratios by rank				
Senior management				
Male	%	80	62	83
Female	%	20	38	17
Middle-level management				
Male	%	70	62	68
Female	%	30	38	32
General staff				
Male	%	60	62	61
Female	%	40	38	39

HEALTH AND SAFETY, TRAINING AND DEVELOPMENT, AND LABOUR PRACTICES

	Unit	FY2025/26	FY2024/25	FY2023/24
Health and safety				
Number of work-related injuries ²²	No.	1	2	1
Serious work-related injuries (excluding fatalities) ²³	No.	0	0	0
Number of work-related fatalities	No.	0	0	0
Number of work-related fatalities (employees)	No.	0	0	0
Number of work-related fatalities (contractors)	No.	0	0	/
Number of occupational disease cases	No.	0	0	0
Number of disability injuries	No.	0	2	0
Rate of work-related injuries ²⁴	/	0.0013	0.0030 ²⁵	0.0000
Serious work-related injury rate (excluding fatalities) ²⁶	/	0	0	0
Work-related fatality ²⁷	/	0.00	0.00	0.00
Lost working days due to work-related injury	day	70	160	70
Lost-time injury frequency rate (LTIFR)	case/million work hours	0.0066	0.0148	0.0077
Per million hours – employees				
Lost-time injury frequency rate (LTIFR)	case/million work hours	0.00	0.00	0.00
Per million hours – contractors				
Total working hours	hour	151,399,968	134,998,504	130,036,875
Total recordable injury rate ²⁸	case/1,000 persons	0.01	0.25	/
Training and development				
Employee training rate	%	100	100	100
Percentage of male employees trained	%	62	62	62
Percentage of female employees trained	%	38	38	38
Percentage of senior management trained	%	3	3	3
Percentage of middle-level management trained	%	11	11	11
Percentage of general staff trained	%	86	86	86
Total training hours	hour	4,598,258	4,497,035	4,575,616
Average training hours per employee	hour	60.50	60.58	61.30
Labour practices				
Number of violation cases related to employment or labour regulations	No.	0	0	0
Number of violation cases related to child labour or forced labour	No.	0	0	0
Number of discrimination cases related to gender, ethnicity, age and health during recruitment	No.	0	0	0

COMMUNITY INVESTMENT

	Unit	FY2025/26	FY2024/25	FY2023/24
Number of volunteers	people	9,568	9,475	44,189 ²⁹
Hour of voluntary services	hour	61,398	59,216	262,424 ³⁰
Number of beneficiaries	people	156,498	19,281	12,261
Charitable donations	HK\$	3,395,000 ³¹	884,000	2,097,000

²² Work-related injuries include work-related fatalities and serious work-related injuries.

²³ Serious work-related injuries (excluding fatalities) refer to those work-related injuries which caused the workers to fail or have difficulty recovering to their pre-injury state within six months.

²⁴ Rate of work-related injuries = (Total number of work-related injuries/Total working hours) × 200,000.

²⁵ To enhance the accuracy and comparability of data disclosure, certain historical data presented in this Report have been restated. Following verification, the rate of work-related injuries for FY2024/25 has been revised to 0.0030.

²⁶ Serious work-related injury rate (excluding fatalities) = (Total number of serious work-related injuries (excluding fatalities)/Total working hours) × 200,000.

²⁷ Work-related fatality = (Total number of fatalities as a result of work-related injury/Total working hours) × 200,000.

²⁸ The total recordable injury rate can be recorded covering both employees and contractors.

²⁹ Starting from FY2023/24, the statistical scope of the number of volunteers has been expanded.

³⁰ Starting from FY2023/24, the statistical scope of the hour of voluntary services has been expanded.

³¹ Charitable donations include the Group's community investments and various philanthropic contributions across six key areas, namely education, environment, labour needs, health, culture and sports. In the current financial year, the scope of data collection has been expanded to include relevant inputs from project companies, resulting in an increase in the reported figures.



INDEPENDENT ASSURANCE OPINION STATEMENT

Statement No.: **SRA-HK-845728**

China Gas Holdings Limited Sustainability Report 2025/26

The British Standards Institution is independent of China Gas Holdings Limited (hereafter referred to as "China Gas" in this statement) and has no financial interest in the operation of China Gas other than for the assessment and assurance of China Gas Sustainability Report 2025/26 (the "Report").

This independent assurance opinion statement has been prepared for China Gas only for the purposes of assuring its statements relating to the Report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read. This statement is intended to be used by stakeholders and management of China Gas.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by China Gas. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to China Gas only.

Scope

The scope of engagement agreed upon with China Gas includes the following:

1. The assurance covers information and data presented in the Report and focuses on systems and activities of China Gas and its subsidiaries in China, which include mainly in the investment, construction and operation of city and township gas pipelines, gas terminals, storage and transport facilities and logistics systems; delivering natural gas and liquefied petroleum gas (LPG) to residential, industrial, and commercial users; builds and operates compressed natural gas (CNG) and liquefied natural gas (LNG) fuelling stations while developing and applying natural gas and LPG technologies, during the period from 1st April 2025 to 31st March 2026. The Report is prepared in accordance with the Hong Kong Stock Exchange's ("HKEx") Environmental, Social and Governance Reporting Code ("ESG Reporting Code")

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Statement No.: **SRA-HK-845728**

2. Type 2 Moderate Level of Assurance as defined in the AA1000 Assurance Standard v3 ("AA1000AS v3") evaluates the nature and extent of China Gas adherence to four reporting principles: Inclusivity, Materiality, Responsiveness and Impact. Reliability of the following specified sustainability performance information/data disclosed in the Report has been evaluated.

- Total energy consumption
- Non-hazardous & hazardous waste disposal
- NOx emissions
- Water consumption
- Greenhouse gas emission:
 - Scope 1 (Direct emissions) : Self consumption & integrated energy business
 - Scope 2 (Energy indirect emission)
 - Scope 3 (Business travel, purchased goods and services, upstream transportation and distribution, use of sold products)
- Work-related injury rate: Employees and worker of contractor
- Work-related fatality number: Employees and worker of contractor
- Total number of suppliers

Opinion Statement

We conclude that the specified sustainability information of the Report provides a fair view of China Gas's sustainability programmes and performance in the Reporting Year. We believe that the social and environmental performance indicators for the sustainability subject matter of the Report are fairly represented in the Report, in which China Gas's efforts to pursue sustainable development are widely recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations. We considered China Gas has provided sufficient evidence that the report is considered acceptable in meeting the principles as set out in AA1000AP (2018) during the assurance processes.

Methodology

Our work was designed to gather evidence on which our conclusion is based. We undertook the following activities:

- A top level review of issues raised by external parties that could be relevant to China Gas's policies to check on the appropriateness of statements made in the Report;
- Discussion with senior executives on China Gas's approach to stakeholder engagement. We had no direct contact with external stakeholders;
- Interview with staff involved in sustainability management, report preparation and provision of report information;
- Review of key organizational developments;
- Review of supporting evidence for claims made in the sustainability subject matter of the Report including raw data and supporting evidence of the sustainability information; and
- An assessment of China Gas's reporting and management processes concerning reporting against the principles of Inclusivity, Materiality, Responsiveness and Impact as described in the AA1000 Accountability Principle 2018 Standard ("AA1000AP (2018)").

Issue Date: 2026-07-15

Effective Date: 2026-07-15

Page: 2 of 4

This statement was prepared in English and translated into Chinese for reference only.

Statement No.: **SRA-HK-845728**

Conclusions

A detailed review against the AA1000AP (2018) Principles of Inclusivity, Materiality, Responsiveness and Impact, and the Hong Kong Stock Exchange's ESG Reporting Code is set out below.

Inclusivity

The Report has reflected the fact that China Gas has engaged with its significant stakeholders through various channels such as General meetings; Annual reports, interim reports, announcements and circulars; Investor roadshows; Investor, analyst, and creditor meetings; Investor, analyst and creditor visits; Phone calls and emails; Work conferences / Feature conferences; Training programmes; Employees' congresses; Internal publications; Team building activities; Face-to-face meetings; Complaint mailbox; WeChat groups, official accounts, and other workplace software; Researches and meetings on special topics; Environmental impact assessment Reports; Environmental monitoring reports; Daily reporting and communication; Industry association activities; Relevant forums and exchanges; On-site inspections; Phone calls and Emails; Supplier conferences; WeChat groups and official accounts; Supplier training programmes; Strategic cooperation plans; Supplier performance communication meetings; Telephone service hotlines; Community service stations; Online customer service systems; Customer satisfaction surveys; China Gas "Smart Living" Platform; Press releases and announcements; Community promotion campaigns; Safety and science activities; Social welfare volunteering activities; On-site visits and tours; Stakeholder engagement plans; and more.

China Gas's operation involves various methods of engaging its stakeholders on an on-going basis. The Report covers economic, social and environmental aspects of concern to its stakeholders with a fair level of disclosure. In our professional opinion, China Gas adheres to the principle of Inclusivity. Areas for enhancement of the Report were adopted by China Gas before the issuance of this opinion statement.

Materiality

China Gas publishes sustainability information that enables its stakeholders to make informed judgments about China Gas's management and performance. In our professional opinion, the Report adheres to the principle of Materiality and identifies China Gas's material aspects by using appropriate methods of materiality analysis and demonstrating material issues in matrix form. Areas for enhancement of the Report were adopted by China Gas before the issuance of this statement.

Responsiveness

China Gas has implemented practices that respond to the expectations and perceptions of its stakeholders. These include sustainability reporting for both internal and external stakeholders. In our professional opinion, China Gas adheres to the principle of Responsiveness. Areas for enhancement of the Report were adopted by China Gas before the issuance of this statement.

Impact

China Gas has established processes to understand, measure and evaluate its impacts in qualitative and quantitative way. These processes enable China Gas to assess its impact and disclose them in the sustainability subject matter of the Report. In our professional opinion, China Gas adheres to the principle of Impact. Areas for enhancement of the Report were adopted by China Gas before the issuance of this statement.

Issue Date: 2026-07-15

Effective Date: 2026-07-15

Page: 3 of 4

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Statement No.: **SRA-HK-845728**

HKEx ESG Reporting Code

Based on our verification review, we are able to confirm that social responsibility and sustainability related key performance indicators and disclosures in two ESG subject areas (Environmental and Social) being reported are based on HKEx ESG Reporting Code.

In our professional opinion, the Report covers the China Gas's social responsibility and sustainability issues. Area for enhancement to the Report was adopted by China Gas before issue of this opinion statement.

Assurance Level

The Type 2 Moderate Level of Assurance provided in our review is defined by the scope and methodology described in this opinion statement.

Responsibility & Limitations

It is the responsibility of the China Gas's senior management to ensure that the information being presented in the Report is accurate. The assurance is limited by information presented by China Gas. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of lead assurors, who are experienced in the industrial sector, and trained in a range of sustainability, environmental and social standards including GRI G3, GRI G3.1, GRI G4, GRI Standards, GRI Certified Sustainability Professional, AA1000 Certified Sustainability Assurance Practitioner (CSAP), HKEX's ESG Reporting Code / Guide, UNGC's Ten Principles, ISO 20121, ISO 14064, ISO 14001, OHSAS 18001, ISO 45001, ISO 9001, and ISO 10002, etc. British Standards Institution is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.

For and on behalf of BSI:



Michael Lam – Senior Vice President, APAC Assurance
15/07/2026

Verifier of the Report:



Mr. Aaron Chim
Lead Assuror



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Issue Date: 2026-07-15

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Page: 4 of 4

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