



新奥天然气股份有限公司
ENN Natural Gas Co., Ltd.

With Wisdom, we Innovate Sustainable Energy



2024

Environmental, Social and Governance Report

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About This Report

This report is the 2024 Environmental, Social and Governance Report (hereinafter referred to as the "ESG Report" or "this report" for short) released by ENN Natural Gas Co., Ltd. It aims to demonstrate ENN Natural Gas Co., Ltd.'s strategies, management and practices in the aspects of environment, society and governance, as well as its responses to key issues of concern to stakeholders. This report has been reviewed by the Company's Board of Directors, which is responsible for the authenticity and validity of the information contained herein.

Scope of this Report

The scope of this report aligns with the entities included in the consolidated financial statements of ENN Natural Gas Co., Ltd. For detailed information on the Company's business development and comprehensive financial statements, please refer to the Company's 2024 Annual Report.

References

For ease of presentation and reading, ENN Natural Gas Co., Ltd. is hereinafter referred to as "ENN-NG", "the Company" or "we/us". The entities mentioned in this report, including ENN Energy, Xinneng Energy, ENN Qinshui, Zhoushan Terminal, Xindi Engineering and ENN Logistics, are all subsidiaries of ENN Natural Gas Co., Ltd.

Full Name of Company	Abbreviation
ENN Energy Holdings Limited	ENN Energy
Xinneng Energy Co., Ltd.	Xinneng Energy
Shanxi Qinshui ENN Clean Energy Co., Ltd.	ENN Qinshui
ENN (Zhoushan) LNG Co., Ltd.	Zhoushan Terminal
Xindi Energy Engineering Technology Co., Ltd.	Xindi Engineering
ENN Energy Logistics Co., Ltd.	ENN Logistics

Preparation Basis

This Report has been prepared in accordance with the *Guidelines No. 14 of Shanghai Stock Exchange for Self-regulation of Listed Companies—Sustainability Report (Trial)* and the *Environmental, Social and Governance (ESG) Reporting Code* (Appendix C2 of the Main Board Listing Rules) of the Stock Exchange of Hong Kong Limited ("SEHK"), and with reference to the *2021 GRI Sustainability Reporting Standards* ("GRI Standards").

Reporting Period

The reporting period of this Report is from January 1, 2024 to December 31, 2024. To ensure information continuity, certain contents may include retrospective or forward-looking information.

Data Source

All the information and data contained herein are derived from the Company's official documents, statistical reports, financial statements, and environmental, social, and governance (ESG) information that has been collected, consolidated and verified by the Company. This Report is published in both Chinese and English versions. In case of any discrepancy between the two versions, the Chinese version shall prevail. Unless otherwise specified, all monetary amounts are expressed in RMB.

Response to the Four Principles of SEHK's ESG Reporting Guidelines

Materiality

For the purpose of this Report, the Company has conducted a materiality assessment process to determine the disclosure content and the level of detail for each issue herein.

Quantif-ication

This Report discloses quantitative data in the environmental and social dimensions to demonstrate the performance against key indicators.

Balance

The contents of this Report are derived from the Company's internal management documents, statistical data, public disclosures, and public media reports, without improper modifications.

Consis-tency

Unless otherwise specified, the data disclosed in this Report have been collected and processed according to the standardized information collection procedures and working mechanisms established by the Company to ensure the year-on-year comparability.

Access to this Report

This Report is available for viewing and download on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Company (www.enn-ng.com).

This Report provides a detailed disclosure of ENN-NG's ESG performance and achievements in 2024. It has been reviewed and approved by the First ESG Committee Meeting of the Tenth Board of Directors in 2025 and the 26th Meeting of the Tenth Board of Directors.

Message from the Chairman



The year 2024 marked the 20th anniversary of the ESG concept and a landmark year for ESG policy advancements in China. With the introduction of China's ESG disclosure standards and tightening carbon emission requirements, the relaunch of the China Certified Emission Reduction (CCER) scheme reinvigorated the market. Meanwhile, expanded support for green finance continued to drive market prosperity, presenting both challenges and opportunities in the ESG field for listed companies. In 2024, artificial intelligence also developed in leaps and bounds, with AI technologies such as DeepSeek integrating into industries at an unprecedented pace. This transformation profoundly influenced customers' diverse demands, reshaped business operation models, and redefined corporate development strategies. In response, ENN-NG actively adapted to the changing times, stayed attuned to policy shifts, and remained centered on customer needs. With an open mindset, an altruistic spirit, a philosophy of shared growth, and a strong sense of responsibility, the Company advanced its environmental, social, and governance (ESG) initiatives in a comprehensive and in-depth manner.

Looking back over the past year, we celebrated a major milestone – the 30th anniversary of our listing. During this year, we upgraded our "WISE" sustainable development philosophy, gained deeper insights into customer needs across all scenarios, and injected fresh momentum into our sustainability journey. Even more exciting, our MSCI ESG rating saw a two-notch upgrade to AAA, establishing our company as a global leader. This achievement is not only a strong recognition of our sustainability strategy by international rating agencies but also serves as a testament to our commitment to sustainable development and our leadership in driving green development within our industry over the years.

In terms of corporate governance, we always pursued excellence, cementing the foundation for our growth. We continuously refined our ESG management system, established internal coordination mechanisms, and deeply embedded ESG principles into every aspect of our corporate strategy and daily operations. Through a comprehensive ESG indicator system and by employing an ESG digital intelligence management platform, we achieved data-driven precision management. At the same time, we have continuously optimized the structure of the board of directors and special committees, and have been constantly strengthening the ability of directors, supervisors, and senior executives to perform their duties as well as their sense of responsibility. We have comprehensively improved the level of corporate governance, attached great importance to investor returns, and further enhanced the long-term investment value of the company. In 2024, the Company was included in the SSE 180 Index, which underscored the capital market's strong recognition of our overall strength, operational performance, and long-term strategic value.

In terms of safety management, we prioritized safety across all aspects of our operations and upheld the safety bottom line. We are well aware that safe production is the cornerstone of our company's stable operations and that occupational health is essential for employees to engage in safe production. To this end, we always upheld our safety management approach of identifying hidden risks, addressing major risks and effectively managing risks. Leveraging intelligent solutions, we addressed gas safety concerns, using a safety risk map as a guiding tool to drive safety accountability and strengthen risk prevention measures throughout the year. Additionally, based on customers' safety needs, we tailored intelligent safety capabilities to enable smart safety management, providing a solid foundation for the Company's stable operations. Furthermore, we carried out extensive safety initiatives and enhanced our promotional efforts and training programs, fostering an environment where all employees engage in collective safety efforts through concrete actions.

Looking to the future, ENN-NG will continue to prioritize customer needs and remain dedicated to driving high-quality development in the energy industry. We will deepen our expertise in the natural gas field and bolster our professional capabilities, always aiming to contribute to customer success. Based on the integration of industry and intelligence, we will persistently explore and innovate green growth models for the natural gas business, and actively provide safe and clean energy solutions for all energy scenarios. "Lucid waters and lush mountains are invaluable assets." The company's high-quality development is not just about meeting today's energy needs but also about ensuring long-term sustainability. We look forward to working hand in hand with our customers and ecosystem partners, pooling our collective strengths to build a green, intelligent, and sustainable energy future. Together, we will drive and champion the green transition and innovative development of the global energy industry.

In terms of environmental protection, we actively implemented a low-carbon strategy and demonstrated our commitment to green development. In response to China's call for a low-carbon energy transition, we steadfastly executed our "Green Action 2030— ENN Journey to Net Zero" development plan, continuously increased investment in research and development of new energy technologies such as hydrogen energy and bio-natural gas, and accelerated the transition and application of clean energy. In collaboration with various stakeholders, we explored green development pathways and supported our customers in achieving their own green transformation. We pushed forward with carbon inventory across our supply chain, enabling refined management over energy consumption and carbon emissions. In addition, our participation in the UN Global Compact's Climate Ambition Accelerator helped us deepen our comprehensive climate risk management, seize climate-related opportunities, and work alongside our ecosystem partners to drive carbon emission reduction initiatives, thereby contributing to the green development of the energy sector.

In terms of social responsibility, we upheld a people-centered philosophy and actively fulfilled our social responsibilities. We believe that talent is the key driver of corporate competitiveness. With effective means to safeguard employee rights, we improved talent management and development mechanisms. Moreover, we leveraged intelligent technologies to empower our workforce. These efforts laid a solid talent foundation for high-quality growth. At the same time, we were concerned about our employees' physical and mental well-being, fostering a fair, open, harmonious, and inclusive work environment to inspire employees' motivation and strengthen team cohesion. While fulfilling our social responsibilities, we were committed to the principle of sharing the development achievements with society and giving back through action. We identified five key philanthropic areas: education, a green future, public welfare, rural assistance, and cultural development. By systematically advancing our social welfare endeavor, we remained true to our philanthropic mission, striving to be a responsible, compassionate, and accountable corporate citizen.

Jiang Chenghong
Chairman of ENN-NG

About ENN-NG

Company Profile

ENN Natural Gas Co., Ltd. ("ENN-NG", stock code: 600803.SH) was listed in 1994. As a listed company in the energy industry, its business covers the entire natural gas scenarios, including natural gas sales, construction and operation of a natural gas expertise & capability platform, infrastructure operation, engineering construction and installation, as well as integrated energy and Smart Home businesses. Leveraging its capabilities in the entire natural gas scenarios and Internet of Things (IoT) data, ENN-NG strives to build an industrial Foundation Model, and is committed to becoming an operator of a natural gas expertise & capability platform.

ENN-NG operates 261 natural gas projects across 20 provinces, municipalities, and autonomous regions in China, serving over 31 million households and 270,000 enterprise customers. Leveraging its four core business capabilities, a solid customer base, a robust fulfilment and delivery network, a diversified domestic and international resource pool, and an international advanced risk control system, the Company has established its core competitive advantages, accumulated best practices in natural gas industry operations, and independently developed and operated GreatGas, a natural gas expertise & capability platform. By integrating digital intelligence technology to connect supply and demand sides of natural gas, GreatGas enables intelligent matching from international to domestic markets and from national to regional levels, optimizing the overall operational efficiency of the industry.

Rating Performance



Awards and Honors



Huxiu Website: Responsibility Governance Award of 2024



Observer Information: 2024 ESG Exemplary Companies – Best ESG Practices



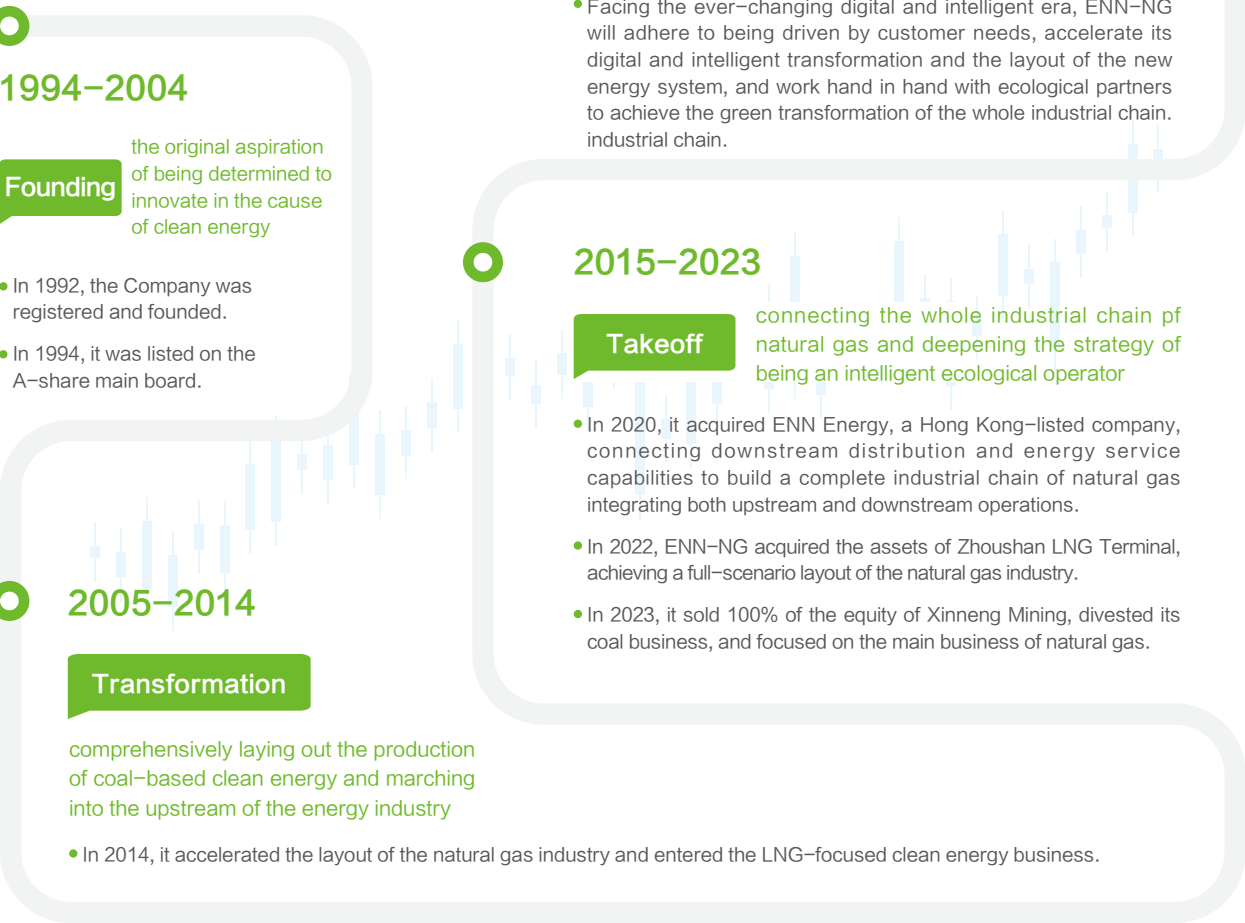
ENN-NG Leads Energy Conservation and Carbon Reduction Across the Entire Industrial Chain

Preface

In the global wave of low-carbon transformation, the energy industry faces unprecedented opportunities and challenges. High-carbon energy sources dominated by oil and coal are being gradually replaced by low-carbon energy sources such as natural gas, as well as renewable energy sources like hydrogen and biomass. The rapid development of artificial intelligence has also brought unprecedented opportunities for low-carbon transformation and intelligent upgrading of industrial chains.

Driven by customer success, ENN-NG continuously innovates new models for the integration of natural gas production and smart technologies, refines its professional capabilities, and upgrades its natural gas expertise & capability platform. Committed to enhancing industrial efficiency through technological innovation of clean energy sources and model innovation of intelligent platforms, the Company leads energy conservation and carbon reduction across the whole industrial chain and contributes to global green and low-carbon development with ENN's solutions.

Table ENN-NG's Development Timeline



Four Capability Pillars Supporting ENN-NG

Demand

- Achieving optimal matching to meet customers' stable gas supply needs.
- Promoting green energy to fulfill customers' clean energy needs.

Facilities

- Striving to build a "zero-carbon receiving terminal": Continuously expanding businesses such as photovoltaic power generation, cold energy utilization, wind power generation, energy conservation and emission reduction, and precise carbon footprint verification, and promoting the process of making the receiving terminal cleaner.
- Controlling emissions during the logistics process: The company's self-owned LNG transportation fleet has achieved 100% use of clean energy for its self-owned transport capacity and a BOG recovery device for tank truck pressure relief has been installed at the receiving terminal.

Risk Control

- Methane Emission Control: Reducing the risk of methane leakage through measures such as deploying laser pan-tilt devices, installing BOG recovery equipment, upgrading old pipeline networks, identifying potential leakage points with simulation technology, and strengthening safety inspections.
- Managing carbon compliance costs: Regularly purchasing EUAs on a quarterly basis according to the compliance requirements and making payments for compliance and exploring management approaches such as direct procurement in the primary EUA market and trading in EUA futures.
- Promoting carbon inventory work: Multiple emission data of Scope 3 have been disclosed and the carbon inventory work throughout the value chain will be continuously enhanced. Formulating targeted carbon reduction plans based on the results of the carbon inventory to reduce the transformation risks related to carbon emissions.

Resources

Lay out green and low-carbon resources:

- Connecting international low-carbon resources with domestic market demand by diverse means such as long-term contracts and spot trading, and increasing the procurement of low-carbon LNG to reduce carbon emissions in the industrial chain from the source.
- Cooperating with multiple international energy enterprises, paying attention to carbon targets and the progress of carbon emission reduction, conducting regular exchanges on topics related to low-carbon and energy transformation, and promoting the production and application of low-carbon energy.

Diversifying the layout of clean energy technologies:

- Hydrogen energy: Building the technological capabilities to control the whole industrial chain covering diversified hydrogen production, hydrogen storage and transportation, and hydrogen application.
- Energy storage: Accelerating the layout and investment of energy storage projects, optimizing the model "clean energy + energy storage", deploying the energy storage operation cloud platform, and carrying out pilot projects for the load, photovoltaic and energy storage platform.
- Photovoltaic: Having rich experience in distributed photovoltaic projects and possessing the development capabilities for multiple scenarios such as industrial parks, airports, and public buildings.
- Biomass: Building a bio-natural gas pilot platform, developing anaerobic fermentation technology and EPC capabilities, and actively expanding engineering projects.
- Green Methanol: Undertaking sourcing and demonstration of advanced gasification technology and actively engaging in the formulation of industry standards for green methanol-related industries.
- Utilization of coal-based clean energy: Possessing the technological capabilities for the whole industrial chain from gasification to synthesis.

Looking forward to a low-carbon future

Amid the global transition toward low-carbon economies, natural gas will remain the most realistic and practical energy solution for meeting industrial demands across sectors for the foreseeable future. With a global vision, ENN-NG drives intelligent transformation across the natural gas value chain through continuous innovation. The company strengthens its four key business pillars: a solid customer base, a robust fulfilment and delivery network, a diversified domestic and international resource pool, and an international advanced risk control system. By optimizing the entire natural gas value chain and advancing intelligent platform development, the Company is steering its natural gas business towards high-quality, smart, and sustainable growth.

Building on its core competencies across the entire natural gas value chain and intelligent platform development, the Company will pioneer innovative "Natural Gas+" solutions to drive convergence in natural gas applications, hydrogen energy adoption, and integrated energy systems. The Company is expanding its technological portfolio in new energy, strategically seizing emerging market opportunities while actively developing tomorrow's energy ecosystem. Through these initiatives, the Company aims to power a more efficient and sustainable energy industry chain.

ENN-NG's ESG Governance System

ENN-NG is guided by sustainable development principles, continuously refining its governance structure and operational frameworks. The company strives to foster a balanced alignment between corporate growth and environmental/social responsibilities, while elevating ESG management practices and performance to generate long-term sustainable value for all stakeholders.

Governance

ENN-NG recognizes ESG as a driver for business development. The company has established a dedicated ESG committee under its Board of Directors, chaired by the Vice Chairman*. This governing body is tasked with formulating ESG strategies, setting measurable targets, and monitoring their implementation across environmental, social, and governance domains. Under the ESG committee's oversight, an ESG Working Group has been formed. This cross-functional group is led by the President, supported by the Vice President and heads of each Intelligent Capability Group, to coordinate enterprise-wide ESG initiatives and operational execution.



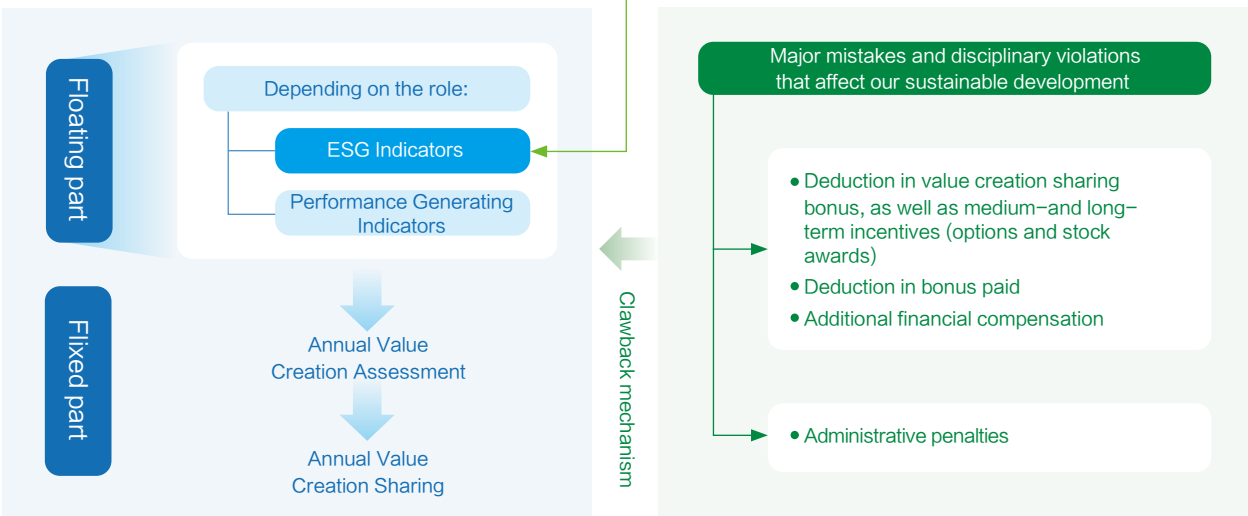
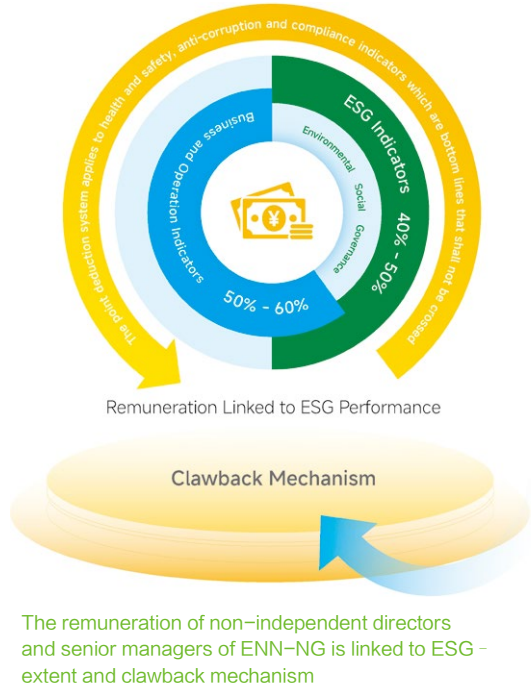
In 2024, ENN-NG held two meetings of the ESG Committee. In March, the Committee reviewed the Company's 2023 ESG Report and received progress updates on key ESG initiatives for 2024. During the November session, members examined the outcomes of 2024 ESG-related activities, and discussed emerging trends in ESG regulations and carbon market developments, while formulating strategic plans and enhancement measures for ESG priority tasks in the upcoming year.

To advance the Company's sustainable development agenda, we have closely integrated ESG indicators with the remuneration performance of management. Subsidiaries and business units now operate under clearly defined annual ESG assessment metrics, where performance outcomes directly determine incentive pool allocations for both management and staff. Additionally, we link ESG performance indicators to the remuneration of non-independent directors and senior managers and establish the senior management remuneration clawback and bonus return mechanisms to conduct a review and assessment of the performance of Board members and senior management annually or in the event of significant corporate changes.

* The 26th meeting of the tenth session of the Board of Directors of the Company was held on 26 March 2025 to consider and approve the *Resolution on Adjustment of Directors' Duties and Amendment of the Articles of Association*, pending consideration and approval at the subsequent shareholders' general meeting.

ESG-linked Remuneration Mechanism

- ESG indicators are regarded as important indicators affecting the evaluation results of vaVChange Impact Response Group has been established to oversee implementation and ensure compliance. Annual value creation assessments are conducted for senior executives, with remuneration aligned to evaluation outcomes.
- Incentive measures are implemented in combination with the assessment. ESG indicators such as carbon neutrality, energy conservation and emission reduction, digital intelligence and technological innovation, and safety management, as well as indicators related to climate change, are incorporated into the evaluation of the annual work objectives of senior management, regional companies, and member enterprises.
- The evaluation results directly affect the performance bonuses of senior management, regional companies, and member enterprises, forming a value creation evaluation and incentive system for regional companies and member enterprises that is linked to sustainable development performance.
- A clawback mechanism has been set up. For major mistakes and violations of laws and disciplines by management personnel that affect the Company's sustainable development, both financial and administrative penalties are imposed. Through the clawback mechanism, actions that damage the Company's sustainable development plan are eliminated as much as possible.



Remuneration Structure Linked to ESG Indicators and Clawback Mechanism

Strategy

Amidst profound transformations in the global energy landscape and escalating climate change risks, ENN-NG has crafted its sustainability vision under the guidance of "With Wisdom, We Innovate Sustainable Energy." We have established the WISE-centric strategic framework that addresses three fundamental pillars – environmental stewardship, social responsibility, and governance excellence. This model operationalizes through four actionable pathways: "Self-driven Altruism," "Excellent Governance," "Safe Energy Supply," and "Green Development," collectively forming our strategic sustainability architecture. Guided by this paradigm, we are implementing phased milestones to strengthen our industry leadership and social accountability execution. This strategic blueprint serves as the foundational compass for managing corporate sustainability initiatives, ensuring alignment with our overarching development objectives.



Impact, Risk and Opportunity Management

ENN-NG actively integrates ESG risk management into its comprehensive risk management system. The Company has institutionalized governance by clearly defining the Board of Directors' oversight responsibilities of ESG issues and establishing a dedicated ESG Management Committee to oversee and coordinate cross-departmental efforts. Through systematic risk identification protocols, the organization identifies and categorizes material ESG exposures across environmental, social, and governance domains. These risks undergo rigorous evaluation through a dual approach combining quantitative analysis and qualitative evaluation, with a particular focus on their potential operational, financial, and reputational implications.

To address identified risks, the Company has developed tailored mitigation strategies and implemented an ESG risk management monitoring system. This system enables continuous tracking of risk exposure dynamics while integrating findings into the enterprise risk reporting structure, ensuring timely executive decision-making. Furthermore, ENN-NG maintains proactive engagement with stakeholders through annual ESG report disclosures and multilateral dialogues—transparently communicating ESG risk management advancements to strengthen accountability and stakeholder confidence. These coordinated efforts embed ESG risk management into core business processes, strengthening organizational capacity for sustainable development and generating lasting value for both shareholders and society at large.

Indicators and Goals

We have formulated medium-term and long-term sustainable development goals covering environmental, social, and governance aspects. By consistently monitoring and reviewing goal progression, the Company ensures the timely achievement of all ESG goals, advances sustainable development initiatives, and drives steady corporate growth while fostering social prosperity.

Area	Business	Goals/Commitments	Achievements in 2024
Environmental	Natural Gas Distribution	By 2030, the greenhouse gas emission intensity of the urban gas business will be reduced by 50% from the 2019 level.	The greenhouse gas emission intensity of the urban gas business decreased by 37.4% compared to the 2019 level.
		By 2025, the Company will integrate methane emission control into its greenhouse gas reduction development plan and work together with partners of the China Oil and Gas Methane Emissions Reduction Alliance to achieve the goal of "reducing the average methane emission intensity in natural gas production to below 0.25%".	ENN Energy paid great attention to the methane emission control measures of the alliance and strived to work together with alliance members to achieve the goal.
	Integrated Energy	By 2030, the greenhouse gas emissions intensity of the integrated energy production business is projected to decrease by 48% compared to the 2019 level.	The greenhouse gas emission intensity of the integrated energy production business decreased by 41.5% compared to the 2019 level.
		By 2030, the Company will increase the share of its energy supply from renewable and zero-carbon sources such as photovoltaic, biomass, geothermal, and hydrogen energy to 36%.	The share of its renewable and zero-carbon energy sources such as photovoltaic, biomass, geothermal, and hydrogen energy increased to 23.5%.
Social	—	By 2030, the Company will reduce the "work-related accident rate per million working hours" of employees and contractors to 0.75.	The work-related accident rate per million working hours was 0.12.
Governance	—	By 2030 or earlier, the Company aims to increase the proportion of its female directors to 30%.	The proportion of its female directors was 18%

The base year for both the natural gas distribution business and the integrated energy business is 2019.

ENN-NG Sustainable Development Goals

Excellent Governance:
Achieving Long-Term Value
Creation

Enhanced Governance and Diversified Development

Proportion of independent directors
on the board of directors:

36%

Proportion of female
directors:

18%

To enhance the diversity of board members, the Company has
set a target of increasing the proportion of female directors to

30% by 2030

Both the Audit Committee and Remuneration &
Appraisal Committee are

100% composed of Independent Directors

Shareholder Returns with Steadily Growing
Dividend Payout Ratio

For 2023 to 2025, the cash dividend per share (tax-inclusive)–
combining regular and special dividends–shall be no less than

RMB 0.91, 1.03, and 1.14 respectively

From 2026 to 2028, the annual cash dividend payout
ratio shall not be less than

50%

of core profit attributable to listed company shareholders

Strengthened Risk Control and Ethical Operations

The Company conducted

16

specialized risk management training sessions

A total of

4,628 person-times

participated in the training

Self-driven Altruism: Creating
a Diverse and Harmonious
Ecosystem

Talent Development

The Company's training investment amount:

RMB 35.4882 million

Cumulative hours of training and learning by employees:

1.4514 million

Percentage of trained employees:

100%

Per capita:

36.87 hours

Supply Chain Management

100%

of suppliers have signed the *Commitment of
Integrity and Self-discipline*

ESG capacity enhancement training provided
to 152 key suppliers

100% coverage

Social Development

Total philanthropic
contributions of the
Company:

RMB 31.27 million

Total time of employees'
participation in public welfare
projects:

451,600 hours

Total number of employees' participation
in public welfare projects:

47,400

Safe Energy Supply: Laying the
Foundation for Social
Development

Safety Capacity Building

Employees completed safety training:

480,597 person-times

Safety training
coverage:

100%

Contractors completed safety
training:

41,424 person-times

Safety training
coverage:

100%

Occupational Health & Safety

ENN-NG and its subsidiaries passing
ISO 45001 occupational health and safety
management system verification:

94 companies

Disabling incident frequency
rate per million man-hour for
employees:

0.23

Disabling incident frequency
rate per million man-hour for
employees and contractors:

0.12

Achieved the target of "disabling incident
frequency rate per million man-hour

0.75

by 2030" for three consecutive years

Investment in health and safety:

RMB 1.324 billion

Employee physical
examination coverage:

100%

Green Development: Co-Creating
an intelligent Low-Carbon
Framework

Climate Action

Total Scope I greenhouse gas emissions decreased by

1.48% year-on-year

Total Scope II greenhouse
gas emissions decreased by

11.25% year-on-year

Enabled CO₂ emission
reductions of

58.02 million tons

for society and customers

Environmental Protection

Number of member enterprises with external ISO 14001
environmental management system certification:

94

Total number of
environmental protection–
related training sessions:

1,078

Coverage:

7,446 person-times

Total emissions of air pollutants decreased by

35.78% year-on-year

Biodiversity Conservation

In 2024, the Zhoushan LNG Terminal invested RMB 1.93

million in fish release initiatives, carrying out 6 batches

of seedling releases and releasing a total of 84.2245

million juvenile fish for stock enhancement.

Green Development of the Industrial Chain

On September 25, a natural gas development ecology seminar
themed "Integration and Symbiosis, Intelligent Creation of the

Future" was held, attracting nearly 260 participants, including
representatives from industry partners, energy companies, think
tanks, international consulting firms, and senior executives from
ENN-NG. The event focused on promoting green and low-
carbon development across the entire natural gas value chain.

01

Excellent Governance: Achieving Long-Term Value Creation

- ▶ ENN-NG is committed to building a professional corporate governance system to ensure the transparency and effectiveness of the decision-making process, improving the risk management system to safeguard the stability of operations, adhering to the stance of business ethics and anti-corruption, strictly carrying out asset integrity management, and strengthening information security and privacy protection. These measures jointly lay a solid foundation for the stable development of ENN-NG.



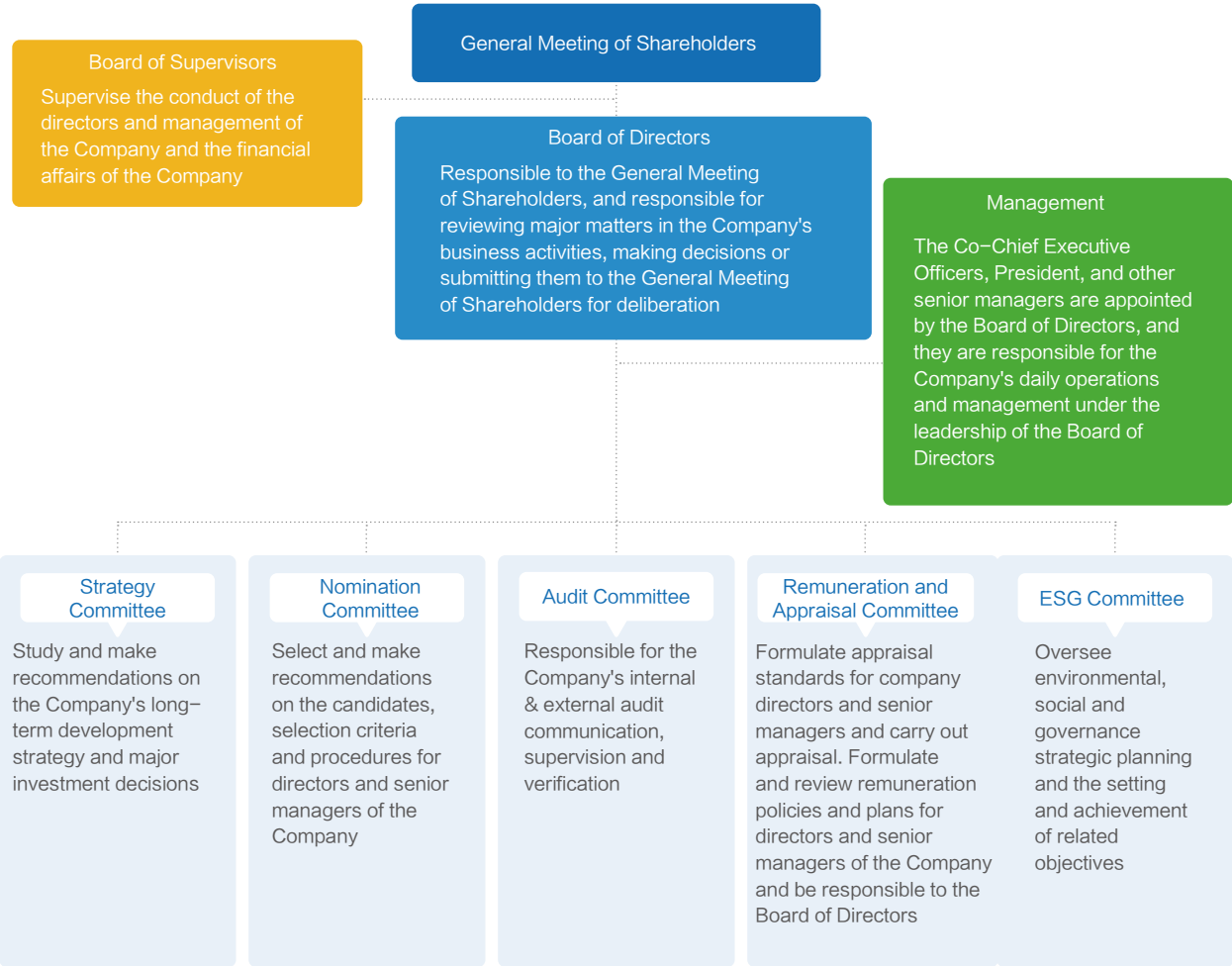


Corporate Governance

ENN-NG practices the core values of "upholding conscience and advocating self-motivation", improves the corporate governance structure and compliance management system, enhances the operational efficiency of the Board of Directors, and ensures the Company's compliance in creating value and sustainable development.

Corporate Governance

The Board of Directors of ENN-NG consists of 11 members, including 7 non-independent directors and 4 independent directors. In strict accordance with the requirements of the *Company Law of the People's Republic of China* regarding the term of office of directors, a general election is held every three years. The average term of office of board members is 4.45 years. The Board of Directors is responsible for reviewing and making decisions on major matters in the Company's business activities, and has established five committees, including the Strategy Committee, the Nomination Committee, the Audit Committee, the Remuneration and Appraisal Committee, and the ESG Committee.



ENN-NG Governance Structure

Committee	Chaired	Proportion of Independent Directors
Strategy Committee	Chairman	/
Nomination Committee	Independent Director	60%
Audit Committee	Independent Director	100%
Remuneration and Appraisal	Independent Director	100%
ESG Committee	Vice Chairman	50%

Tenure of the Chairpersons of Committees under the Board of Directors and Proportion of Independent Directors

Measures for Optimizing the Operation of the Board of Directors in 2024

- Enhancing the ability of directors, supervisors and senior managers to perform their duties:

Directors, supervisors and senior managers participated in the research of the Linkong, Zhoushan and Lianyungang projects for 3 times, and participated in training or studied regulatory documents for more than 15 times.
- Strengthening the performance of duties by independent directors:

Work plans were formulated for independent directors to perform their duties. In addition to attending meetings, the Company organized independent directors to pay visits, conducted investor research, held performance briefings to ensure the performance of duties by independent directors. The reporting contents of the special committees and the meetings of independent directors were improved, proposals were fully discussed, and irregular communication with independent directors was strengthened to keep informed of the Company's business operations. The progress of the reform of independent directors was continuously followed up, and regulatory dynamics were promptly communicated to independent directors.

Shareholder Returns

It is an unshirkable responsibility of listed companies to safeguard the rights and interests of shareholders and creditors. ENN-NG rewards shareholders, formulates dividend distribution plans, and reexamines the future shareholder return plan at least once every three years based on market conditions to ensure the rationality, continuity and stability of the dividend distribution system.

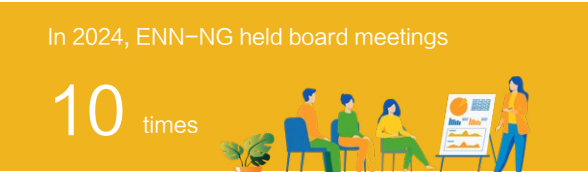
- Shareholder Return Plan for 2023–2025:

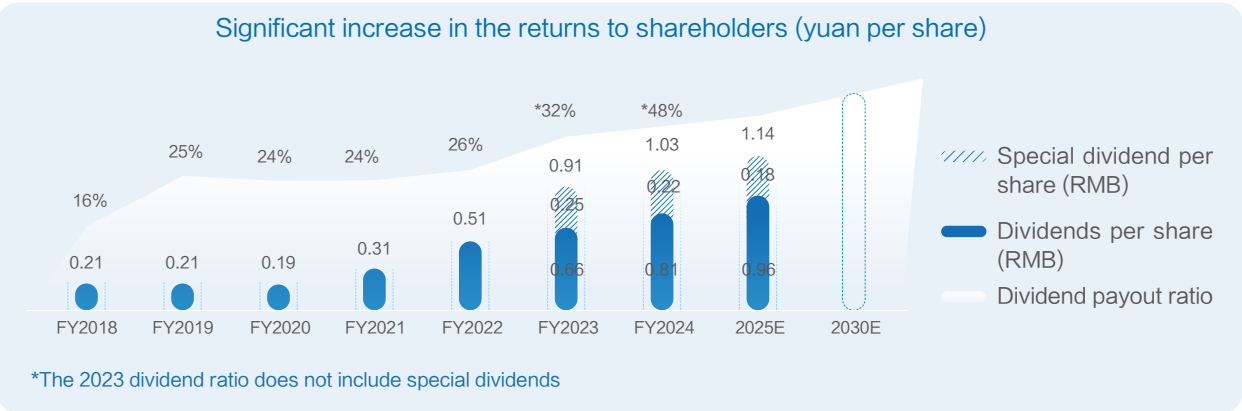
The company's annual cash dividend shall be no less than 10% of the distributable profit achieved in that year. The cumulative amount of profits distributed in cash by the company in the most recent three years shall be no less than 30% of the average annual distributable profit achieved in the most recent three years. In the next three years, the annual increase in the cash dividend distribution shall not be less than RMB 0.15 per share (including tax). At the same time, the proportion of annual cash dividends shall be no less than 30% of the core profit attributable to the shareholders of the listed company in that year.
- Special Dividend Plan for 2023–2025:

The company will make special dividends using part of the investment income obtained from the sale of 100% equity of Xinneng Mining Co., Ltd. The cash dividends per share for 2023, 2024, and 2025 will be RMB 0.25 (including tax), RMB 0.22 (including tax), and RMB 0.18 (including tax), respectively.
- Profit Distribution Plan for the Year 2024:

The company intends to deduct the repurchased shares that do not participate in the profit distribution from the total share capital of the company at the end of 2024, and distribute a cash dividend of RMB 10.3 (including tax) for every 10 shares to all shareholders. The total cash dividend to be distributed is planned to be RMB 3.164 billion (including tax).

According to ENN-NG's *Rules of Procedure for the Board of Directors*, the attendance rate of the Board of Directors shall not be less than 75%. In 2024, ENN-NG held 10 board meetings (4 periodic meetings and 6 ad-hoc meetings), with a 100% attendance rate of directors. The Board of Directors requested the convening of four general meetings of shareholders with a 100% attendance rate of independent directors. The meetings voted and passed on 21 agenda items, fully protecting the rights and interests of shareholders, especially small and medium-sized shareholders.





While maintaining stable dividend distributions, in order to ensure the alignment of the interests of ENN-NG, its shareholders and employees, we have established two phases of restricted stock incentive plans. This effectively constructs an equity structure that aligns the interests of the management, key personnel and all shareholders, and establishes an incentive mechanism that integrates long-term and short-term incentives and constraints.

Professionalism and Diversity of the Board of Directors

We strive to promote the diversity of the Board of Directors in terms of gender, culture, professional skills, etc., to align with our business direction and create long-term value for the Company and all stakeholders. The Company has formulated the *Policy on the Diversity of Board Members*, which clearly states that factors such as age, gender, cultural background, and cooperation ability should be comprehensively considered during the nomination process of the Board of Directors. The board members of ENN-NG have rich professional backgrounds and industry experience, covering areas such as corporate governance, financial management, risk management, human resources management, and market development of the energy industry. The Company has revised the *Independent Director System* to clarify the qualifications for independent directors, the selection and appointment procedures, the scope of powers, etc., to promote the efficient operation of the Board of Directors.

As of the end of 2024,
independent directors
accounted for

36%

and female directors
accounted for

18%

of the Company's total number of directors.

To ensure that women's innovation and leadership play an important role in ENN-NG, we have set the goal of increasing the proportion of female directors to 30% by 2030.

Name	Financial Expert	Industry Expert	Risk Management Expert	Sex	Age
Jiang Chenghong (Chairman)	✓	✓	✓	Male	50
Yu Jianchao (Vice Chairman)	✓	✓	✓	Male	56
Han Jishen (Executive Director)	–	✓	–	Male	60
Zhang Yuying (Executive Director)	–	✓	✓	Male	52
Wang Yusuo (Executive Director)	–	✓	✓	Male	61
Zhang Jin (Non-Executive Director)	–	–	✓	Female	51
Wang Zizheng (Non-Executive Director)	–	✓	✓	Male	36
Tang Jiasong (Independent Director)	✓	–	✓	Male	50
Zhang Yu (Independent Director)	–	✓	✓	Male	67
Chu Yuansheng (Independent Director)	–	–	✓	Male	62
Wang Chunmei (Independent Director)	–	✓	–	Female	61

Information on the Diversity of ENN-NG Board Members

Remuneration Structure for Senior Management

To ensure that the Company attracts and retains key talents, ENN-NG submits the remuneration plans and policies for all board members to the annual general meeting of shareholders for voting and review each year, encouraging directors and senior managers to achieve long-term value creation. The long-term equity incentive remuneration for the Company's co-CEOs and senior managers is linked to key performance indicators such as the Company's net profit and operating cash flow. Additionally, an equity policy for executive directors and the CEO has been formulated, requiring executive directors and the CEO to hold shares with a value not less than five times their salary. The vesting period for the variable remuneration linked to the equity of the co-CEOs is four years. The restricted stock incentive plan formulated by the Company has conditions for lifting the restrictions on share sales, including assessments at both the Company business level and the individual level, covering ESG-related indicators such as low-carbon development, safety, anti-corruption, compliance, employee and customer satisfaction.

In 2024, the ratio of the value of the Company's shares held by Han Jishen, the co-CEO of the Company, to his basic salary was 6.1 times, and for other executive directors (including Wang Yusuo and Yu Jianchao), this ratio was 7.1 times.

Name of Directors	Allowance of Directors	Salary and Allowance	Short-term Incentives	Total Remuneration	Insurance and Housing Provident Fund
Jiang Chenghong	–	200.0	200.0	400.0	16.02
Yu Jianchao	–	150.0	150.0	300.0	11.35
Han Jishen	–	150.0	150.0	300.0	7.46
Zhang Yuying	–	200.0	200.0	400.0	16.36
Wang Yusuo	–	290.0	–	290.0	–
Zhang Jin	60.1	–	–	60.1	–
Wang Zizheng	60.0	–	–	60.0	–
Tang Jiasong	24.0	–	–	24.0	–
Zhang Yu	24.0	–	–	24.0	–
Chu Yuansheng	24.0	–	–	24.0	–
Wang Chunmei	24.0	–	–	24.0	–

Breakdown of Remuneration of ENN-NG Board Members (in RMB 10 thousand)

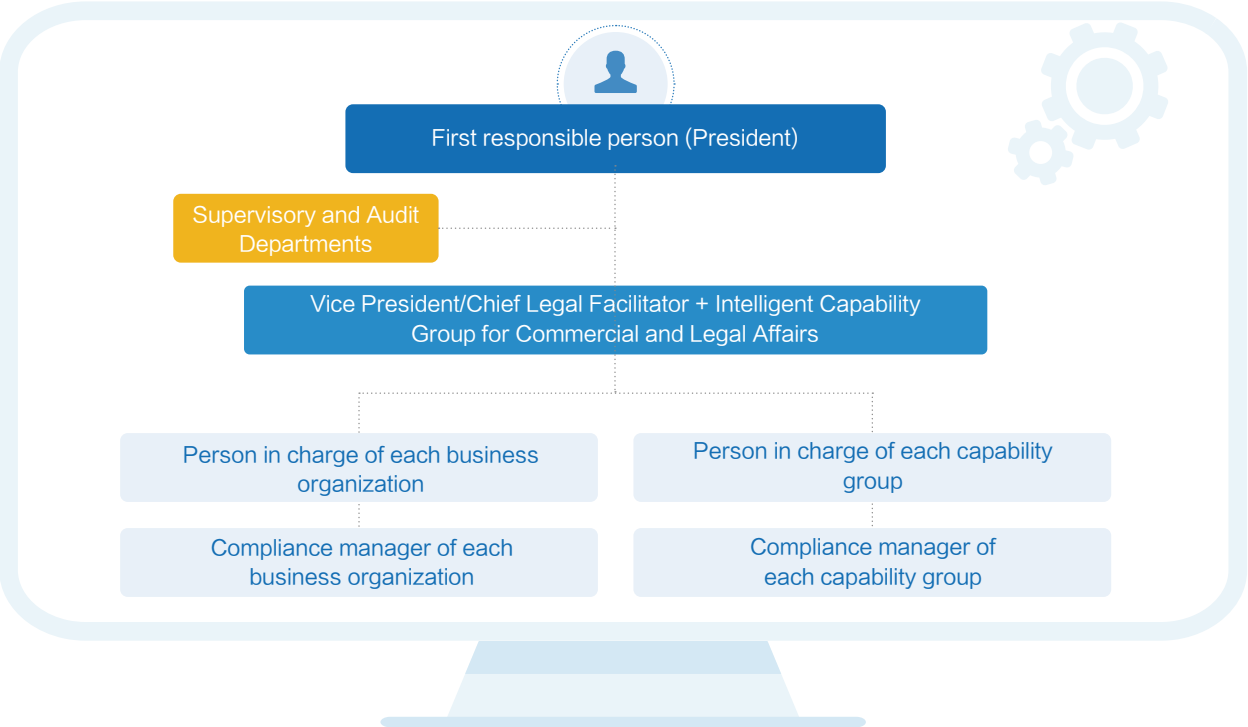
In order to understand the operation status of the Board of Directors and the Board of Supervisors, we regularly conduct in-depth internal evaluations of the rationality of the Board of Directors' structure, its effectiveness, and the effectiveness of its operating mechanism through evaluation questionnaires. This enables us to promptly identify potential problems and take targeted measures for improvement, thereby effectively safeguarding the interests of all shareholders.



Analysis of the 2024 Evaluation Questionnaire on the Operation of ENN-NG's Board of Directors and Board of Supervisors

Compliance Management Mechanism

To enhance the effectiveness of corporate governance, we have established a compliance leading group, which comprehensively coordinates compliance affairs and actively accepts the supervision of the supervisory and audit departments. In 2024, we added the *Detailed Rules for Shared Responsibility and Authority in Internal Reporting of Major Compliance Matters* and the *Information Disclosure Coordinated Management System*, and revised the *Regulations on the Management of Red and Yellow Safety Lines and the Measures for the Management of Employees' Violations of Regulations and Disciplines*. These measures further clarify and strengthen the awareness of responsibility and authority of senior managers down to primary-level employees in aspects such as compliance management, information disclosure, work safety, and discipline compliance, creating a favorable situation of full participation and shared responsibility and authority, and further improving the level of compliance management.



ENN-NG Compliance Management Structure

With the support of the digital and intelligent management system, the Company can achieve the timely update and processing of basic information of legal affairs and information of qualifications and licenses, effectively improving the efficiency of legal affairs management and reducing compliance risks, thus providing strong support for the stable operation of the Company. Through in-depth research on customers in specific scenarios, in 2024, we officially released and launched the generative contract template for prepayments in LNG sales. By leveraging digital and intelligent means, we have enhanced the standardization and efficiency of the production platform.

We regularly conduct internal and external compliance audits. We carry out regular internal audits of the compliance management system to monitor the actual implementation of compliance in various departments, and compile internal audit reports to comprehensively reflect the current situation of compliance management. During the reporting period, the Company audited nearly 60 internal systems related to compliance, checked the performance of compliance duties in various departments and the implementation of various compliance obligations, and no major compliance risks were found.

ENN-NG passed the supervision and certification of the

ISO 37301

compliance management system

Type of Event	Number
Harassment or discrimination	0
Leakage of customer private data	0
Conflict of interest	0
Money laundering or insider trading	0
Major litigation cases	0

ENN-NG's Compliance-related Performance in 2024



ENN-NG's ISO 37301 Compliance Management System Certificate

Compliance Training

The Company regularly organizes compliance training programs covering all employees to continuously improve their compliance awareness and executive ability. In addition, special training is provided for the compliance internal audit specialists of each business organization to ensure the efficient operation and strict supervision of the compliance management system. By doing so, a corporate culture atmosphere is created where the concept of compliance is deeply rooted in the hearts of employees, and the Company adheres to the bottom line of compliance.

Number of compliance training sessions for employees	Number of employees participating in compliance training	Total hours of compliance training for employees
6 Sessions	300 Persons	3,600 Hours

Relevant Data of ENN-NG's Compliance Training

Case Compliance and Fair Competition Training for GreatGas

In 2024, ENN-NG carried out compliance training for the business leaders and key business personnel of the GreatGas platform. The training publicized the business related to combating unfair competition on the Internet. At the same time, the Company improved the business transaction rules and contracts to avoid unfair competition on the platform.

Sharing of Legal Compliance Awareness for Business on the GreatGas Platform

Intelligent Capability Group for Commercial and Legal Affavirs

2024.10

(一) Briefing of the New Law on Platform Operation—Interim Provisions on Anti-Unfair Competition on the Internet

The Interim Provisions on Anti-Unfair Competition on the Internet (hereinafter referred to as the "Provisions") came into effect on September 1, 2024. As China's first anti-unfair competition legal document targeting the Internet ecosystem, the Provisions, on the basis of clarifying the responsibilities of Internet operators, distinguish between general operators and platform operators, and impose stricter liability requirements on platform operators. These requirements include prohibiting platform operators from using technical means, information advantages, service agreements, or trading rules to carry out unfair competition, comprehensively covering all types of business entities.



Double Materiality

Double Materiality

ENN-NG aims to improve the construction of its own ESG information disclosure system. By comprehensively considering the new expectations of current stakeholders for corporate management and development and meeting regulatory requirements, it has carried out the identification and evaluation process of ESG dual materiality issues. Based on the characteristics of the industry and its business, ENN-NG comprehensively evaluated the impact materiality and financial materiality of ESG issues on the Company in this year, and finally formed the materiality issue matrix for 2024.

Regarding impact materiality, the Company has formed the assessment results of issues with high, medium, and low impact materiality by sorting out regulatory requirements, benchmarking against peers, and conducting stakeholder surveys.

Identification

Based on the compliance requirements of various regulatory authorities, drawing on the key issues of focus by international rating agencies for the energy industry and the information disclosure practices of other leading companies within the industry, the Company conducted an in-depth analysis of its own business characteristics and the actual situation of the Company's operations, systematically identifying the issues of impact materiality to the Company's operations.

Analysis

Based on the recent domestic policy dynamics, the analysis of energy industry policies, the research on market development trends, and the occurrence and impact of historical events, the Company comprehensively judged the degree of impact of relevant issues on stakeholders and the likelihood of these issues having an impact in the short term, and then preliminarily determined the impact materiality level of each issue.

It invited 2 to 3 external investment institutions to serve as representatives of stakeholders, to conduct comprehensive discussions from multiple angles and at a deep level, and to provide objective opinions on the impact materiality, including adding or reducing issues, adjusting the impact materiality level, etc.

Survey

It synthesized the analysis and survey results to form an evaluation result of the degree of impact materiality.

Confirmation

Excellent Governance:
Achieving Long-Term
Value Creation

Self-driven Altruism:
Creating a Diverse and
Harmonious Ecosystem

Safe Energy Supply:
Laying the Foundation
for Social Development

Green Development:
Co-Creating an Intelligent
Low-Carbon Framework

Regarding financial materiality, the Company has formed the assessment results of issues with high, medium, and low financial materiality by sorting out external regulatory requirements or guidelines, selecting asset indicators as materiality assessment indicators, and conducting stakeholder surveys.

Identification

The Company sorted out external regulatory requirements and ESG-related guidelines on the identification of financial materiality. Based on the identification results of the its materiality issues, as well as its business characteristics and financial situation, the Company systematically identified the issues of financial materiality to its operations.

Analysis

The Company selected its total assets as the assessment indicator for the degree of financial materiality. It took the proportion of the potential financial impact generated by relevant issues to its total assets as the basis for classifying the financial materiality levels, and then preliminarily determined the financial materiality level of each issue.

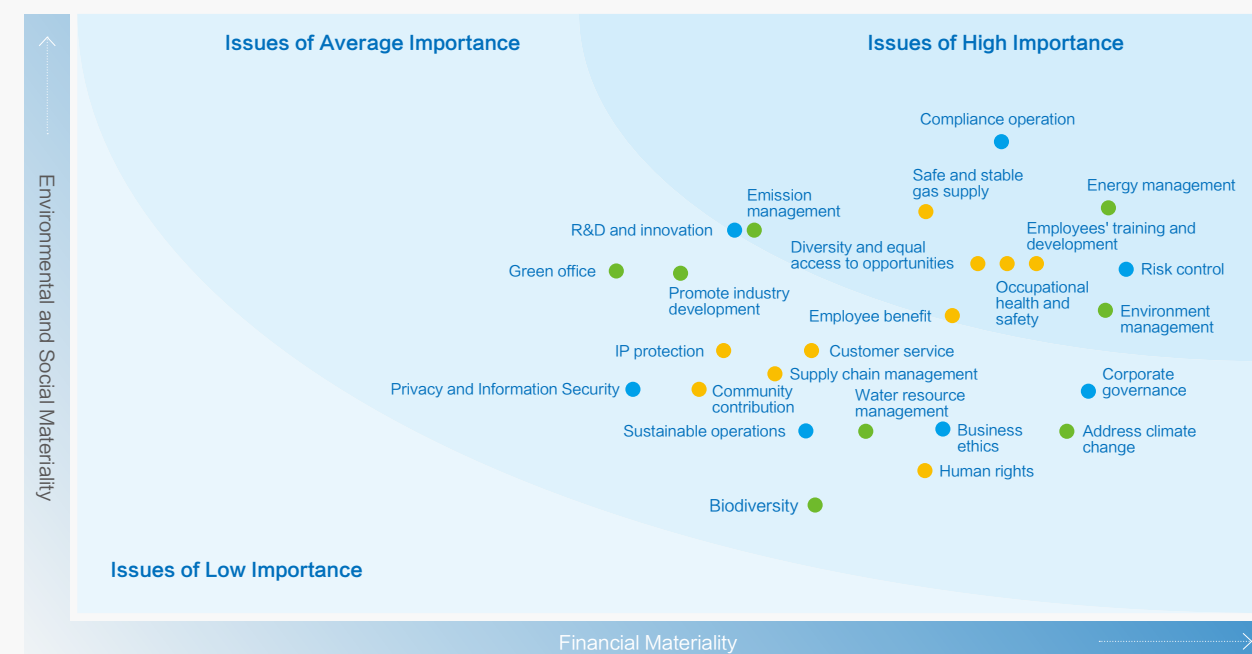
Survey

First, several important external institutional investors provide their opinions on financial materiality, and then the Company's senior management and internal employees made a comprehensive assessment on financial materiality. Through the integration of external and internal information, the final assessment of stakeholders on the degree of financial materiality was obtained.

Confirmation

It synthesized the analysis and survey results to form an evaluation result of the degree of financial materiality.

● Environmental ● Social ● Governance



Stakeholder Engagement

ENN-NG is well aware that the opinions and expectations of various stakeholders have a significant impact on the Company's operations and development. The Company always pays attention to the opinions and demands of internal and external stakeholders, establishes a comprehensive and multi-channel communication mechanism, continuously optimizes the Company's sustainable development strategy, actively shares its sustainable practices with internal and external parties, and accepts the supervision from all stakeholders.

Case

The Series Activity of "Understanding My Listed Company: Blue Chips" Visited ENN-NG

In September 2024, the series activity of "Understanding My Listed Company: Blue Chips" jointly carried out by Shanghai Securities News and the China Securities Investor Services Center visited ENN-NG to explore the Company's latest business development and strategic layout on the spot. The shareholder observation group, composed of individual investors, securities analysts, media representatives and representatives of the Investor Services Center, under the guidance of the senior management of ENN-NG, made an on-site visit to the Company's gas storage station. They had in-depth interactive exchanges with the Company's management on such aspects as the Company's performance, corporate governance, development strategy, operation status and sustainable development.



Stakeholders	Main Expectations	Communication Methods	Communication Highlights in 2024
Investors / banks / financial institutions	<ul style="list-style-type: none">Sustained performance growthTransformation of traditional businessesStable expectations for future developmentStandardized corporate governanceOperational risk preventionImprovement of information disclosure	<ul style="list-style-type: none">Establish multiple communication channels: Investor exchange meetings, the "E-Interaction" platform of the Shanghai Stock Exchange, teleconferences, information disclosure methods such as regular reports and temporary announcements, etc.Set up an investor interaction group to be responsible for communicating with investors about their questions and daily liaison.The Company's official websiteRoadshows	<p>Actively communicated with the capital market through various forms, effectively conveying the Company's financial performance and development strategy to the capital market:</p> <ul style="list-style-type: none">Held the annual general meeting of shareholders via live streaming for the first timeConducted 8 global performance briefingsReceived 12 on-site research visits from investors and analystsOrganized 200 offline or online investor meetingProvide two on-site survey and communication activities for small and medium-sized investorsParticipate in 25 investment banking strategy meetingsOrganize a series of activities for the 30th anniversary of listing
Government and regulators	<ul style="list-style-type: none">Compliance with national laws and regulationsIntegrity and compliance in business operationsFull tax payment in accordance with the lawAlignment with national strategies	<ul style="list-style-type: none">Accept supervision and appraisalSpecial reportsParticipate in the formulation of industry policies and plans	<ul style="list-style-type: none">Accepted on-site research visits from the securities regulatory commission twiceHad 3 special communications with the securities regulatory commission regarding the completion of performance commitments, asset sales matters, and the progress of audit workReport to the Shanghai Stock Exchange once on the company's ESG disclosure, measures for improving information disclosure, disclosure of shareholders' rights and interests, etc.
ENN's business partners	<ul style="list-style-type: none">Protection of employee rights and interestsEmployee career developmentCare for employee well-being	<ul style="list-style-type: none">Establish trade union organizations at all levelsChannels for employees to participate in enterprise managementTimely encourage and solicit opinions and rationalization suggestionsAll kinds of internal and external training	<ul style="list-style-type: none">Conducted research to understand employees' needs in response to strategic hotspots and partners' demands, and formed research reports and empowerment maps
Customers	<ul style="list-style-type: none">Provision of high-quality products and servicesProtection of customer privacyResponse to customer needs	<ul style="list-style-type: none">Customer satisfaction surveysCustomer relationship managementCustomer seminars and visitsRespond to customer complaints	<ul style="list-style-type: none">Carried out special inspections on user safety
Suppliers / contractors	<ul style="list-style-type: none">Adherence to business ethicsOpen, fair, and impartial procurementMutually beneficial and win-win cooperation for common development	<ul style="list-style-type: none">Disclose procurement informationNegotiations and exchangesIndustry forums	<ul style="list-style-type: none">Regularly provided safety training for contractorsOrganized training on handling quality issues and technical standard rules for suppliers
Partners (industry associations, universities, research institutes, etc.)	<ul style="list-style-type: none">Collaborative promotion of sustainable developmentOptimization of sustainable development management	<ul style="list-style-type: none">Learning and exchangesSustainable development forums	<ul style="list-style-type: none">Organized exchange activities with outstanding domestic companies to learn about ESG management measures and advanced experiencesParticipated in multiple sustainable development forums to exchange and learn about the latest developments in sustainable standards and practical cases of excellent companies
Community representatives (NGOs, local residents, and public welfare projects)	<ul style="list-style-type: none">Responsible business operationsDevelopment of community public utilitiesIncrease in social employmentEnvironmental protectionInformation communication and cooperation	<ul style="list-style-type: none">Seminars and exchangesCarry out activities in cooperationParticipate in community public welfare activities and publicity activitiesDisclose environmental assessment information	<ul style="list-style-type: none">Established a complete community engagement mechanism, with the ESG Working Group directly responsible for community participation work, collecting and handling complaints from community members, and regularly reporting to the ESG Committee
Media	<ul style="list-style-type: none">Information transparencySmooth communicationMaintenance of good media relations	<ul style="list-style-type: none">Press conferencesMedia project inspectionsExclusive interviews with the management	<ul style="list-style-type: none">Organized on-site surveys and interviews for media journalists

Stakeholder Communication of ENN-NG in 2024

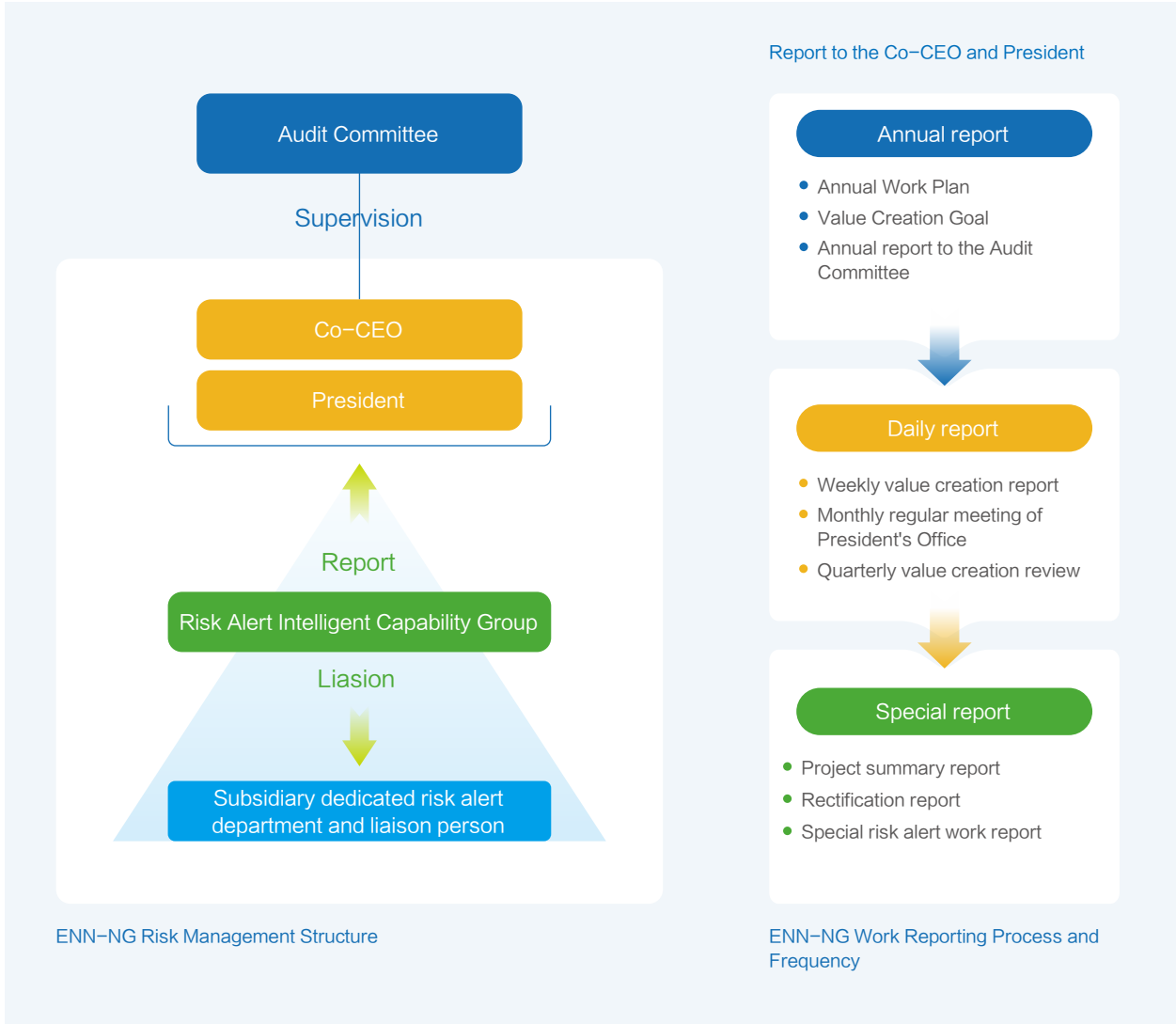


Risk Management

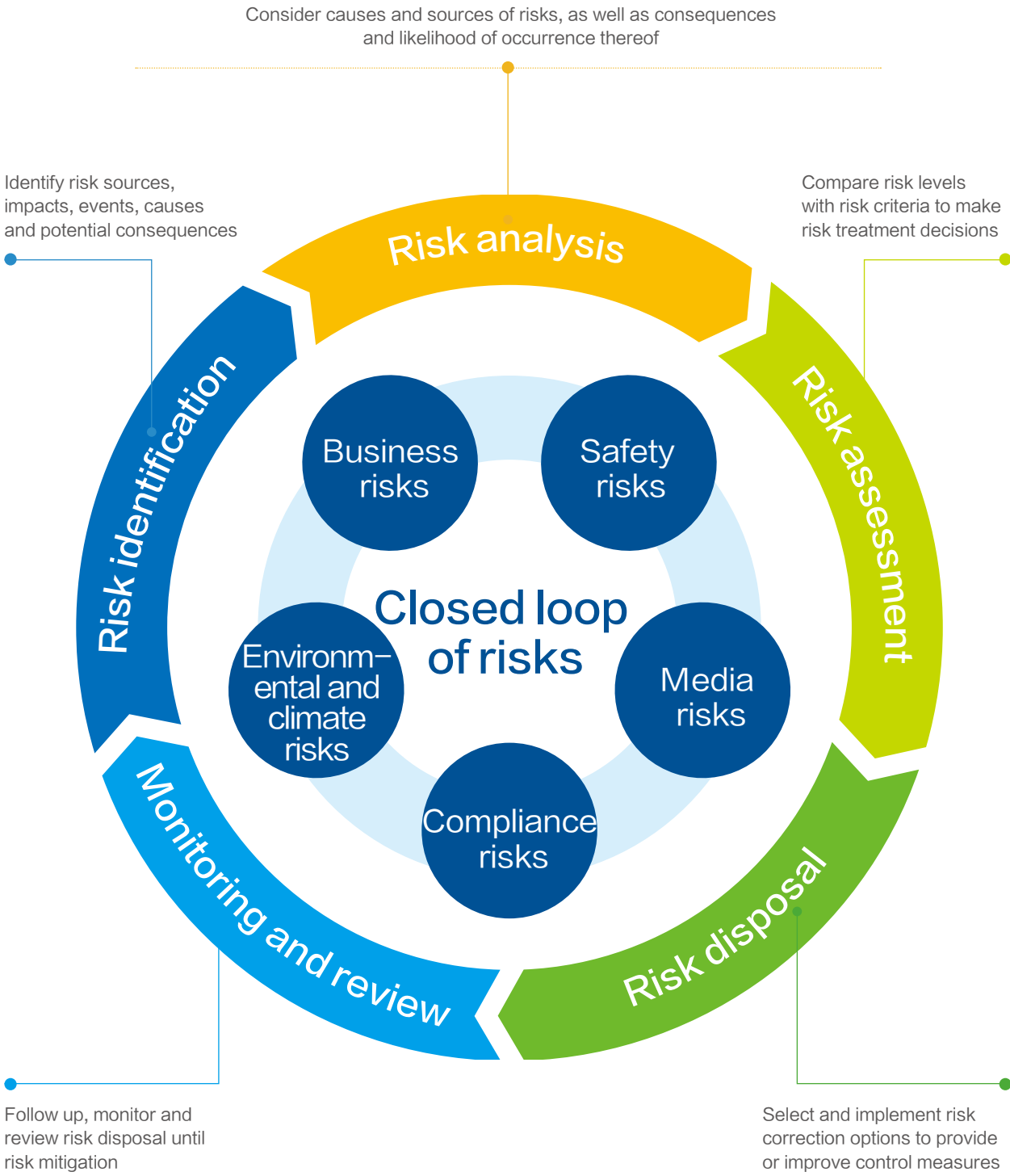
In order to better respond to the complex and rapidly changing market environment, ENN-NG continuously updates and improves its risk management framework and management mechanism, conducts dynamic management of different risks and events by classification and grading, optimizes the risk identification and assessment mechanism, and effectively prevents and responds to risks in a timely manner.

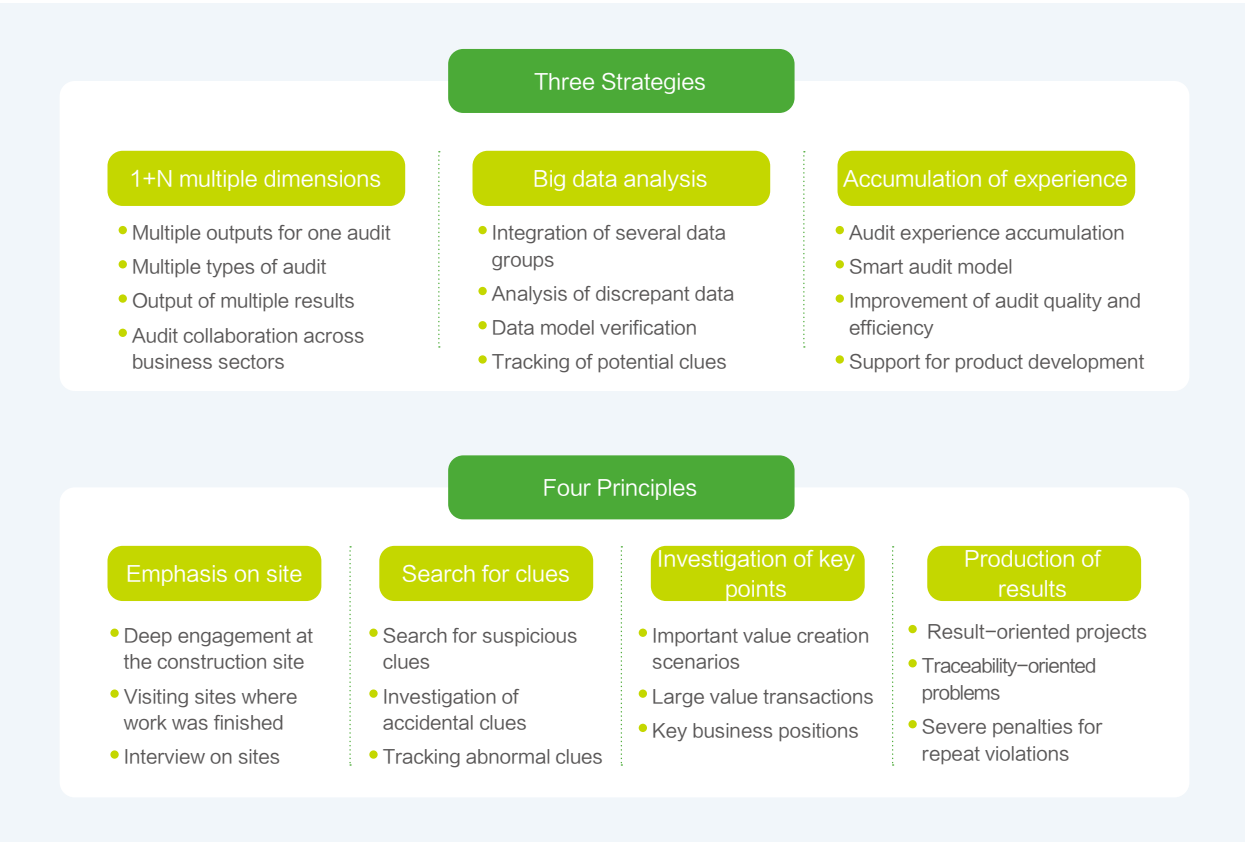
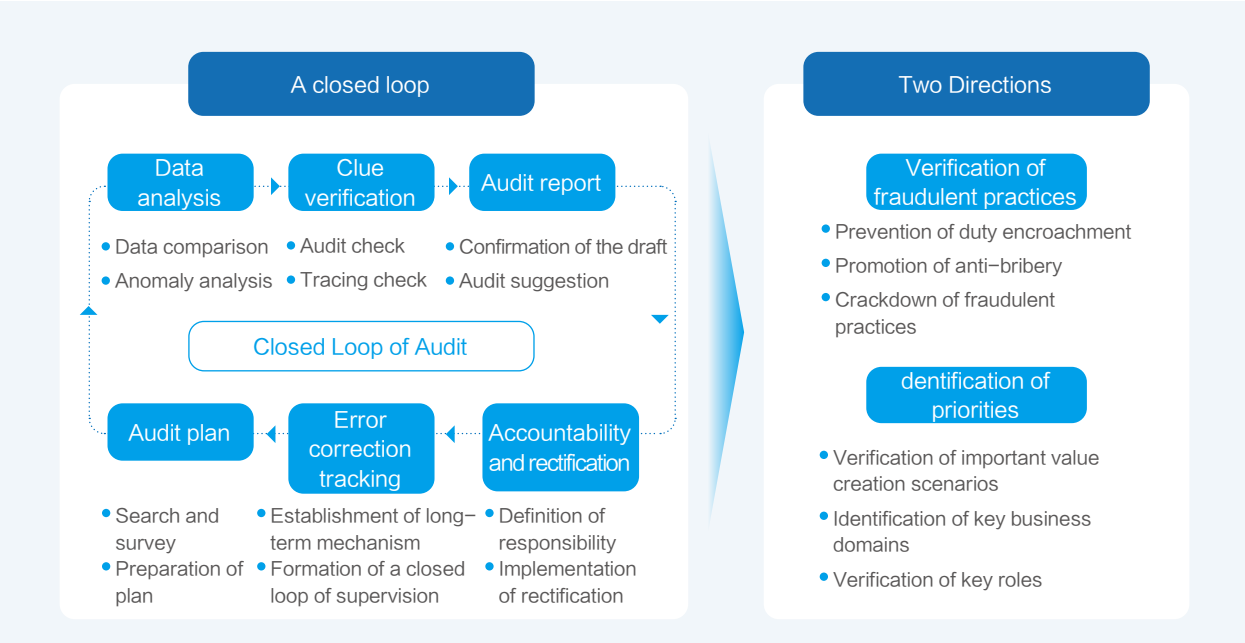
Risk Management Framework

The Company continues to improve its risk control framework. The Audit Committee is responsible for supervising the overall risks of the Company. Chen Zhenjun, the Chief Risk Alert Officer, leads the Risk Alert Intelligent Capability Group to be responsible for the specific work of risk management, supervises the risk control of each subsidiary, and regularly reports to Tang Jiasong, the Chairman of the Audit Committee.



Risk Management Process





ENN-NG Risk Governance Approach

ENN-NG adheres to the risk control and governance concept of "one closed loop, two directions, three strategies, and four principles", and upholds the cultural concept of "self-motivation, self-discipline, self-reflection, and self-renewal", and prevents and controls various dynamic risks in the enterprise development process from multiple dimensions.

ENN-NG's Risk Alert Highlights in 2024:

- We enhanced the capabilities of rule scanning and root-cause risk alert, improved the risk alert coordination mechanism, and promoted the resolution of problems at their roots.
- We improved the capabilities of extended investigation in supervision and internal coordination, used supervision to promote rectification, and created an incorruptible culture.
- We constructed a risk management model for business scenarios and enhanced the capabilities of early warning and pre-control.

Case Trade scenario: Monitoring of credit changes of business partners

The Company connected the data interfaces of various system platforms to obtain risk information data resources such as Qixin.com data, company blacklists, and ecosystem blacklists. It realized the association of risk information such as enterprise litigation, equity pledge, chattel mortgage, and administrative punishment in the blacklist database and Qixin.com with business partners.

Case Production scenario: Coal quality early warning model

Xinneng Energy developed a coal quality early warning model based on data such as the detection by the sampler and manual quality inspection, improving the accuracy of the sampler in identifying unqualified coal. Combined with the functions of the sampler automatically judging and restricting the entry of unqualified coal into the factory, the risk of unqualified coal trucks entering the factory was reduced.



Risk Identification and Control

ENN-NG continuously applies digital and intelligent products to construct a risk map to improve the efficiency of risk management and control. In 2024, the Company updated the results of risk identification, incorporated ESG risks such as emerging risks into the Company's risk map, and managed them in a unified manner to prevent the recurrence of risks and enhance the ability to respond to risks.

Emerging risk 1: AI risk (risk type: technical risk)

Risk description and potential impact

- When applying AI technology, the Company needs to collect and process user data. However, inadequate data protection measures may lead to data breaches, which in turn violate user privacy. At the same time, hacker attacks or improper operations by internal personnel pose a significant threat to data security.
- In addition, when AI technology is used to generate content or make decisions, it may involve issues related to laws and regulations, industry standards, or ethics. Non-compliant content will bring legal risks and reputational losses to the Company.

Mitigation measures

- The Company has strengthened data encryption technology to ensure data security and established a strict data access control mechanism. Only authorized personnel are allowed to access sensitive data. At the same time, regular data security audits and vulnerability scans are carried out to maintain the stability of the data system.
- In addition, the Company has established and improved a content review mechanism, introduced automated tools to improve the efficiency and accuracy of review, and regularly updated and refined the content compliance policy to ensure synchronization with regulatory requirements and industry development.

Emerging risk 2: Energy price fluctuation risk (risk type: economic risk)

Risk description and potential impact

- Uncertainties in the international situation and the economy may lead to drastic fluctuations in energy prices which will directly affect the procurement costs and profit levels of ENN Energy. When prices rise, the Company needs to pay more funds for energy procurement, thus squeezing its profit margins.
- The Company operates multiple international long-term LNG purchase and sales contracts on a regular basis. The pricing of these contracts is mainly linked to international crude oil or natural gas price indices, and changes in them may expose the Group to risks.

Mitigation measures

- Price hedging strategy: The Company has established a complete risk management policy and commodity hedging system. The aim is to carry out hedging for a certain reasonable proportion of the annual LNG purchase and sales plan, reduce commodity price risks, and stabilize the Company's LNG procurement costs, thus avoiding the adverse impacts of factors such as fluctuations in international energy prices on the Company's business operations.
- Forward foreign exchange contract strategy: The Company has signed forward foreign exchange contracts with several financial institutions to stabilize procurement costs.

Results of Identification of Emerging Risks of ENN-NG in 2024

In risk management, the risk appetite of each business is integrated into actual operations, and a prudent strategy is adopted, with a "zero-tolerance" attitude towards safety, fraud, and compliance issues. For innovative businesses, such as the expansion of integrated energy services and smart home services, we comprehensively consider the balance between market expansion and potential risks.

In terms of responding to and controlling risks, we regularly assess strategic, reporting, and compliance objectives, conduct analysis and adjustments based on the assessment results, and optimize risk control measures to ensure the continuous and healthy development of the Company. In 2024, we enriched more than 20 business risk scenarios, optimized identification methods and response strategies, and used Internet of Things (IoT) data and innovative algorithms to achieve intelligent early warnings for some scenarios.

In terms of supervision and improvement, we conduct internal audits and ISO 37001 management system audits every year. High-risk areas are covered through cyclic testing. The internal audit team reports to the Audit Committee and the Board of Directors every six months and puts forward suggestions to improve the deficiencies in the system. The management attaches great importance to the closed-loop handling of audit issues, which is promoted and implemented by the audit department. The control effectiveness is incorporated into the annual performance assessment. An evaluation is carried out at the beginning of each year, and a plan is formulated, and the situation is tracked quarterly.

Risk Management Culture

ENN-NG adopts various methods to promote the development of risk culture. It regularly conducts risk prevention and management training to continuously improve employees' awareness and response capabilities regarding risks. It uses the iCome platform to push the risk map to all employees, providing descriptions and analyses of risk scenarios related to the business, which enhances the Company's overall awareness and emphasis on risk management and control. In this way, the awareness of risk management is deeply rooted in the hearts of employees, and a solid ideological defense line is established for the stable development of the Company.

In 2024, the Company carried out a total of 16 risk-themed training sessions, with more than 4,628 participants, demonstrating a favorable situation where the Company's risk culture covers multiple levels and all employees.

All directors and senior managers of the Company

- Special training on the responsibilities of directors of listed companies, compliance, and ESG sharing to improve their ability to fulfill responsibilities.

Newly appointed top-level officers

- Special compliance risk alert training to establish the awareness of rules and compliance for newly appointed top-level officers

Backbone personnel and personnel in key positions

- For front-line grid leaders and business backbones: Compliance training in the fields of smart home business, integrated energy microgrids, source-load-network-storage, etc.
- For the backbones of the Inspirational Pioneer Camp: Training on *Contract Compliance of Downstream Natural Gas Business*.
- For the top-level officers of the Company's head office, each region, and each enterprise, the convener of each department, and personnel in key positions: Incorruption alert education and compliance training to enhance employees' awareness of risks and laws.
- For the financial heads, cost estimators, procurement personnel, project managers, operation managers of each enterprise, as well as the core teams of regional enterprises, top-level officers of key enterprises, and personnel in key positions: Offline special risk alert training.

New employees

- Special training on integrity, compliance, and risk alert.

Supervision unit of ecological partners


- Special training on risk scenarios to enhance the awareness of risk compliance.

Risk Training of ENN-NG in 2024

Case

Interpretation of the Revised the *Company Law of the People's Republic of China* and Risk Identification Training

In 2024, ENN-NG held the first and second sessions of training on the revised the *Company Law of the People's Republic of China* in April and July. The training focused on exchanges and explanations of the impact of the revised *Company Law* on the Company's full life cycle management, the practical norms of the Company's internal management and external supervision such as company establishment, change, and cancellation, as well as the management of the "Three Meetings" (General Meeting of Shareholders, and meetings of the Board of Directors and Board of Supervisors) of ENN-NG's subsidiaries. Through the training, relevant business personnel gained an understanding of the revised law, which helped the Company better understand and apply the new *Company Law*, improved the legal awareness of the Company and its employees, enhanced their ability to prevent risks, and ensured the compliant operation of the Company.





Business Ethics and Anti-corruption

ENN-NG has established a comprehensive governance framework for business ethics. It conducts regular business ethics audits to ensure smooth reporting and complaint channels, fosters a corporate culture of incorruptibility and self-discipline, and comprehensively safeguards the Company's ethical and compliant operations.

Business Ethics Management System

The Company strictly complies with laws and regulations such as the *Anti-Unfair Competition Law of the People's Republic of China* and the *Anti-Monopoly Law of the People's Republic of China*. It has formulated policies including the *Policy on Anti-fraud, Anti-corruption and Anti-bribery*, the *Code on Good Faith and Compliance*, and the *Measures for the Management of Employees' Violations of Regulations and Disciplines*. A business ethics governance framework has been established, with the Board of Directors serving as the core leadership. The Risk Alert Intelligent Capability Group and the Intelligent Capability Group for Commercial and Legal Affairs jointly oversee its implementation. The Company continuously strengthens its anti-corruption management mechanism, upholds the Ten Principles of the United Nations Global Compact, and ensures the standardization of business ethics management.

ENN-NG is committed to strictly prohibiting corruption and commercial bribery.

Our Actions:

- It is explicitly prohibited in our policy to directly or indirectly offer benefits to others in exchange for business opportunities and advantages. Employees are also strictly forbidden from directly or indirectly accepting or soliciting benefits from others during business activities.
- We promote incorruptibility and self-discipline requirements to all employees through various channels and conduct regular anti-corruption training.
- We sign the *Code of Conduct for Employees* with all employees, and sign the *Integrity Agreement* with external customers and suppliers.
- We continuously monitor and conduct regular audits of violations such as corruption and bribery across various business operations.

Regarding the operation process, we audit all the Company locations every three years and conduct an annual company-wide special audit on business ethics and anti-corruption. In 2024, the Company conducted exit audits and special audits on employees, covering aspects such as incorruptibility and self-discipline, fulfillment of duties, and economic responsibilities during their tenure, as well as the accountability of personnel involved in special procurement operations. We ensure that any identified issues are thoroughly investigated and addressed, reinforcing the foundation of business ethics.

To standardize business ethics for all employees, we have incorporated indicators such as independent external certification of business ethics and anti-corruption training into the performance assessment of the risk department, ensuring the effectiveness of the Company's anti-corruption management system. In 2024, ENN-NG successfully passed the ISO 37001 Anti-bribery Management System supervision certification.



ENN-NG Anti-bribery Management System (ISO 37001) certification



2024 ENN-NG Business Ethics-related Data

Business Ethics Training

We strive to create a fair and just business environment together with our employees, suppliers, and contractors. The Company signs codes of conduct with all employees, suppliers, and contractors and actively promotes business ethics through awareness publicity and training programs. In 2024, we organized multiple training sessions and awareness activities on business ethics and anti-corruption, targeting the Company's Board of Directors, Board of Supervisors, all employees (including interns and part-time employees), suppliers, and contractors.

Anti-fraud warning training

Conducted anti-fraud risk awareness training for 85 middle and senior managers in the Natural Gas Trading Group, emphasizing integrity, cautious conduct, and crime prevention while enhancing managers' awareness of ethical business practices.

Building an incorruptible culture

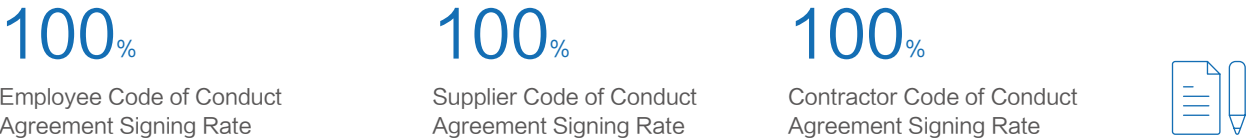
Analyzed internal and external warning cases in alignment with industry developments. A total of six issues of the *Bi-Monthly Warning Education Newsletter* were published and distributed to all employees for learning throughout the year.

Incorruptibility education through police-enterprise collaboration

Each business unit participated in a training video titled *Healthy Development through Police-Enterprise Cooperation*, focusing on integrity education and ethical awareness, with a total of 1,540 participants.

Anti-Corruption Training and Awareness Initiatives of ENN-NG

2024



Code of Conduct Agreement Data of ENN-NG



Anti-Corruption Training Data of ENN-NG

Whistle-blowing Mechanism

We have established a whistle-blowing and consulting service center, with complaint channels such as telephone, email, WeChat, website and the Sunshine Publicity Board open 24 hours a day. We accept complaints related to business ethics, anti-corruption and other issues, and regularly communicate them to interested parties, including employees, suppliers and customers. For reported incidents, we develop investigation plans, form investigation teams, prepare investigation reports and track the effectiveness of subsequent corrective actions to ensure the timeliness and effectiveness of complaint handling. For the identified incidents and the violations of rules and disciplines by employees, the Company handles them in accordance with the Measures for the *Management of Employees' Violations of Regulations and Disciplines*, and archives the investigation reports.

The Company accepts anonymous reports and strictly fulfills its responsibilities for whistleblowers protection, ensuring the safety of the personal information. Without the consent of the relevant leader and the whistleblower, the Company will not disclose or leak any information regarding the whistleblower or the content of the report. Any personnel violating confidentiality regulations will be subject to strict penalties, and those whose actions constitute a crime will be handed over to judicial authorities according to law to protect the legitimate rights and interests of the whistleblowers.

Whistle-blowing Channels of ENN-NG

- Mobile phone / SMS / WeChat / QQ: 13932699610
 - Telephone: 0316-2597567
 - Email: 803jvbao@enn.cn
- Office address:
Tower B, South Court, ENN Science Park,
Guangyang Avenue, Langfang Economic and
Technological Development Zone



Asset Integrity Management

Asset integrity management is the cornerstone of ENN-NG's commitment to safe operations and serves as a strong safeguard for the Company's long-term sustainable development. Currently, the Company's main asset categories include buildings, transportation equipment, production equipment and storage facilities.

We place great emphasis on asset management and continuously enhance our asset management capabilities. To standardize hierarchical asset management, we have formulated regulations such as the *Administrative Measures for Fixed Assets*. The Company has established an asset management framework, with the Board of Directors as the highest responsible body. The Intelligent Capability Group for Financial and Value Creation Operations is responsible for developing the hierarchical asset management system, formulating asset management plan, conducting asset inspection and inventories, assessing asset management effectiveness, and overseeing the execution of asset management responsibilities by specialized Intelligent Capability Groups for asset management.

To enhance employees' awareness of assets protection, ENN-NG explicitly stipulates in the *Code on Good Faith and Compliance* that all employees are responsible for safeguarding company assets. If they discover any incidents of theft, loss, damage or misuse, they must immediately report them to the relevant departments. Additionally, the Company provides asset management training for all employees to strengthen their ability to protect the Company's assets.

In 2024, the Company conducted multiple asset audits, inspecting inventory management and other key areas, promptly identifying risks, and formulating corresponding risk management measures.

ENN-NG's Measures for Fixed Asset Management in 2024:

- Clearly define the principles for the use of fixed assets, striving to maximize asset utilization efficiency while ensuring asset security and integrity.
- Establish and strictly enforce specific procedures for fixed assets maintenance management, maintain a fixed asset maintenance ledger, and ensure that assets remain in optimal condition at all times.



- Conduct annual inspections and supervision of fixed asset usage and maintenance, promote necessary rectifications, effectively prevent potential performance failures, and proactively mitigate the risk of fixed asset losses.
- Develop a fixed asset inventory plan every six months, organize inventory check accordingly, generate inventory reports, and promptly identify the causes of asset gains and losses. Promptly investigate and determine the causes of asset fluctuations and losses.

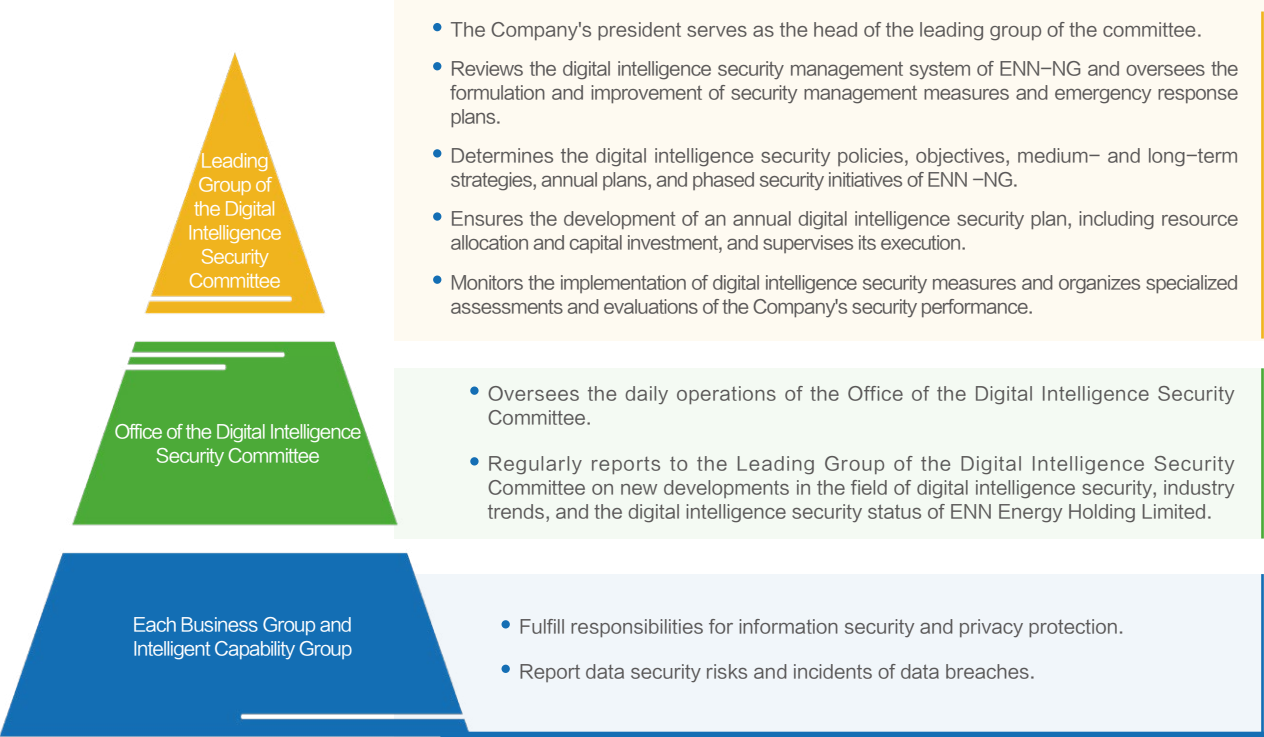


Information Security and Privacy Protection

ENN-NG upholds the fundamental principle of ensuring information security and user privacy. We continuously refine institutional regulations for information management and supervision, strengthen data application control, enhance employees' risk awareness and operational security management capabilities, and comprehensively safeguard customer information security while effectively mitigating cybersecurity risks.

Construction of the Information Security and Privacy Protection System

We strictly adhere to the legal and ethical standards for information security and privacy protection, and comply with laws and regulations including the *Data Security Law of the People's Republic of China* and the *Personal Information Protection Law of the People's Republic of China*. We have established standardized management documents, such as the *Management Specifications for Data Classification and Grading*, integrating information security and privacy protection requirements seamlessly into our entire business process. In 2024, we issued several new policies, including the *Regulations on Digital Intelligence Security Management*, the *Management Measures for Digital Intelligence Security and Confidentiality Work*, and the *Management Measures for Office Network Security*. These policies further refine and enhance our digital security management framework, update data leakage scenarios, and explicitly prohibit unauthorized disclosures. Meanwhile, we continue to optimize the structure of the Digital Intelligence Security Committee to ensure the effective implementation of information security initiatives.



Organizational Structure of ENN-NG's Digital Intelligence Security Committee

ENN-NG places great emphasis on protecting users' personal data privacy. The Company has established a privacy protection framework and published the *Customer Privacy Policy* on the GreatGas Industry Intelligent Platform, outlining the principles of privacy information processing and implementing strict measures to prevent personal data breaches. In the data collection process, the Company adheres to the principle of data minimization, collecting only the necessary information. During the data usage stage, all data access and operations are recorded and stored in real-time, with de-identification measures applied to sensitive personal information. At the data storage stage, firewalls are implemented to prevent unauthorized access and potential data breaches.

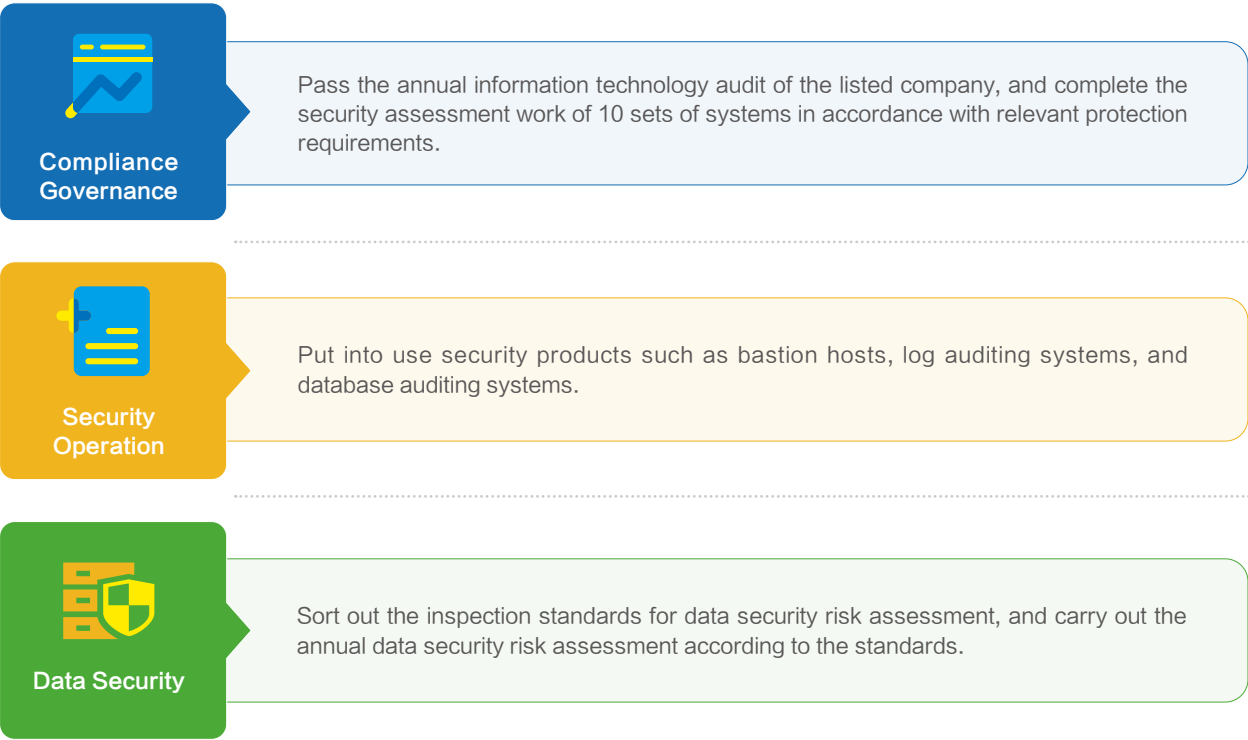
In 2024
The number of privacy breach incidents in the company was
0



Information Security Audit Certification and Risk Assessment

The Company invites a third-party institution to conduct a specialized audit on information security management. The operation scope, accounting for 80.83% has passed both the ISO 27001 Information Security Management System Certification and the ISO 27701 Privacy Information Management System Certification. Additionally, we conduct an external audit of the management system annually and carry out an independent third-party risk assessment every two years. In 2024, we performed 154 compliance inspections on aspects such as application security testing and personal information security testing, and no privacy compliance issues were found.

The Company regularly reviews and organizes the standards for data security risk assessment, covering compliance governance, secure operations, basic security, product security, data security, and organizational personnel, and carries out annual data security risk assessment and response management activities in accordance with the standards



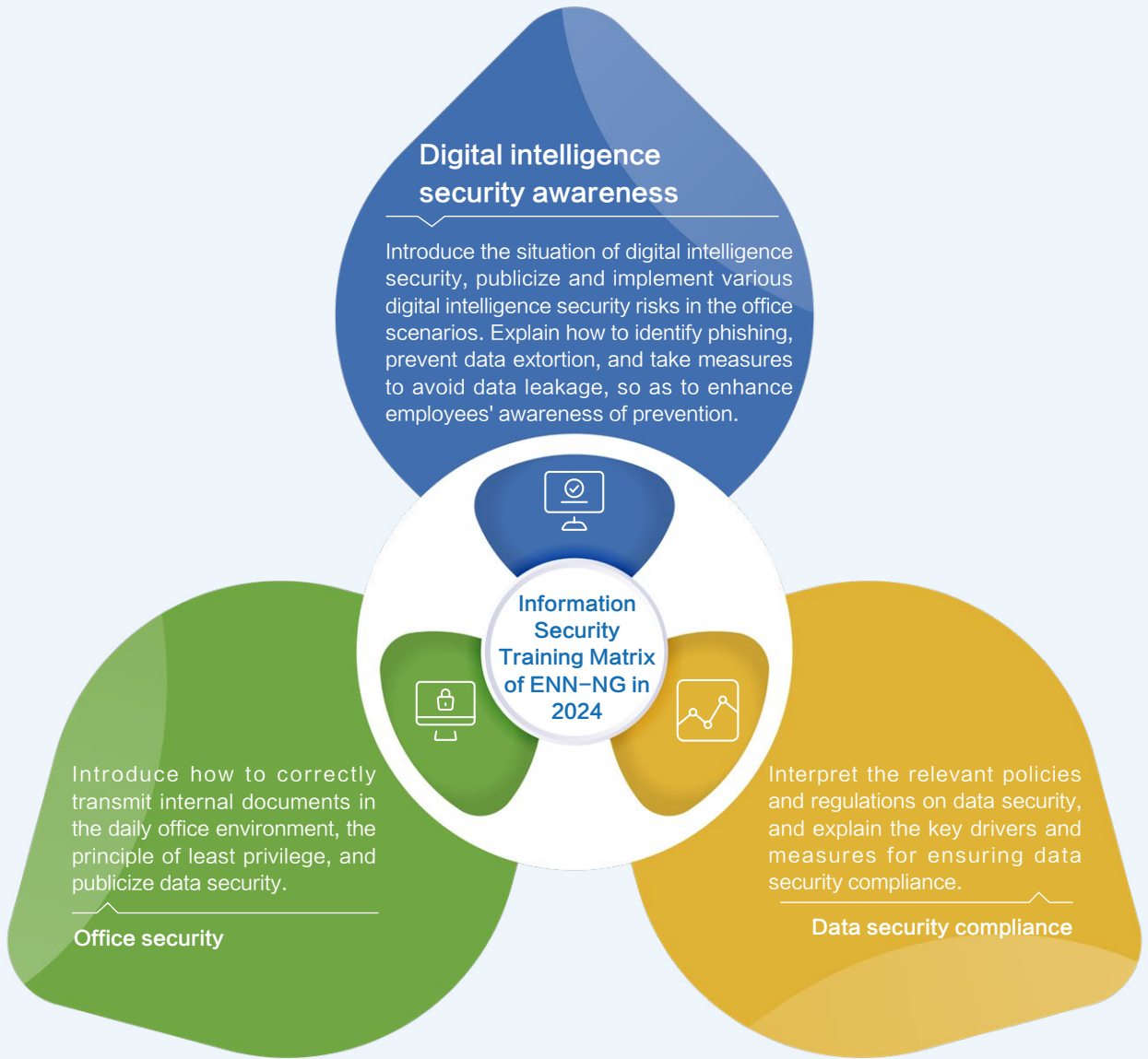
The Company develops and refines the response mechanism for major security incidents and the security emergency response plan. It works with regulatory agencies to conduct security drills and deploys security protection products such as WAF (Web Application Firewall), host protection, bastion hosts, log auditing, database auditing, and SOC (Security Operations Center) on hosts and servers to achieve multi-layered and comprehensive protection of the system.

In 2024

the coverage rate of the security level protection filings for the Company's important information systems reached	the rectification rate of security test issues in important systems was	the number of major network security complaints or incidents was	the number of complaints or incidents related to digital security and privacy protection was
100%	100%	0	0

Construction of Information Security Culture

ENN-NG organizes annual information security and privacy protection training for all employees, aiming to enhance employees' awareness in information security and privacy protection. The training covers information protection measures, fostering data compliance awareness, phishing prevention skills, and clear definition of security red lines. In 2024, we carried out a total of 3 security training sessions. The training themes and contents are as follows:



Information Security Training Matrix of ENN-NG in 2024



Self-driven Altruism: Creating a Diverse and Harmonious Ecosystem

ENN-NG actively promotes the close collaboration and coordinated development of the upstream and downstream value chains by leveraging its own advantages, creating a harmonious and diverse ecosystem. It converges powerful forces for good through every small action and is committed to promoting the common progress of all sectors of society.





Talent Development

ENN-NG adheres to the talent development strategy of "sharing with wisdom and stimulating the motivation of partners", actively advocates a corporate culture featuring diversity, fairness and inclusiveness, and is committed to promoting the common growth of employees and the enterprise.

Growth Stimulation

ENN-NG focuses on the "Growth Stimulation" and establishes a cultivation mechanism for the common growth and evolution of employees and the organization. We formulate systematic training plans and clear promotion channels, provide employees with diverse career development paths, and help employees achieve the improvement of their core competencies and the realization of their personal values. ENN-NG improves the perceptible and traceable employee growth system to ensure the systematic construction of the talent echelon, enabling employees to visualize their value creation journey.

Talent Attraction and Recruitment

ENN-NG conducts strategic planning and analysis of the talent system in a scientific manner, attracts various outstanding talents globally through extensive recruitment channels, and continuously optimizes the construction of the talent pipeline. In terms of external recruitment, the Company broadens the recruitment channels. Through recruitment roadshows, campus presentations, management trainee programs, etc., it strengthens the talent reserve. Internally, the Company actively carries out internal recruitment, formulates the Personnel Appointment Rules, and releases job requirement information through the internal talent management platform "Career Circle". Employees conduct internal talent screening through internal self-recommendation and recommendation by others to strive for job opportunities.

External recruitment:

- Campus recruitment, social recruitment, headhunting.
- A total of 4,690 people are recruited externally.

Internal recruitment:

- Job requirement information is published in the "Career Circle".
- 124 people are recruited internally, filling 2.58% of the vacant positions.

Case Integrated Recruitment Strategy Attracts High-quality Talents, and Characteristic Training Programs Facilitate the Growth of Newcomers

The Company reaches more than ten thousand college students through online promotion and offline presentation meetings, covering six major job categories such as IT, technology, finance, and marketing. Meanwhile, the Company has launched training programs such as "Xin Zhi Ren" and "Xiang Xin Li" to help new employees quickly integrate. These measures have enhanced the understanding of the corporate philosophy, improved the brand awareness, and effectively attracted and retained outstanding talents.



Recruitment Campaign Publicity Map



Employees' Training

ENN-NG ensures that employees' professional qualities and work capabilities keep pace with the times and continue to grow. The Company comprehensively optimizes the talent cultivation system, which is refined into four specialized training streams. It continuously enriches various talent cultivation programs to achieve all-round improvement of employees in three dimensions: leadership, professional ability, and general ability. Meanwhile, the Company actively encourages and supports employees to pursue further education for academic qualification improvement and the professional certification of various skill certificates, and provides exam leave, certification subsidies, etc., to relieve employees' workload and economic burdens during the process of studying and obtaining certificates.



Special Training Programs in 2024

"Seed Camp" Program

The cultivation plan is carried out for high-potential employees, and training programs such as the "An'xin" Seed Camp and the "Xin Cai Ren" Seed Camp are launched, respectively.

Certification Support Program

Employees are encouraged to obtain various certification certificates. In 2024, a total of 6 employees obtained the Certified Safety Engineer certificate. There were 20 employees who obtained the Certified Constructor certificate, 18 employees who obtained the certified associate constructor certificate, and 14 employees who obtained other certified certificates.

The amount of investment in training is RMB

35.49 million

The average expenses on training per employee is RMB

901.5



The total training and learning hours exceed

1.45 million hours

with an average of

36.87 hours

per person

the scope of employees training reached



100%

Case Lizhi Training Project for Natural Gas

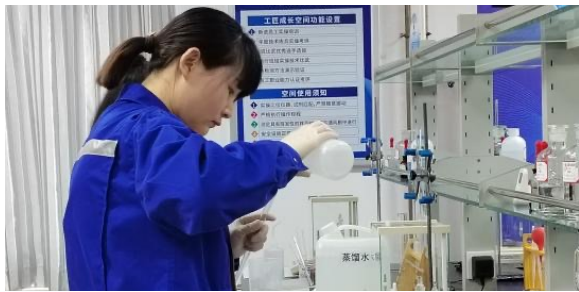
The second module of the "Lizhi" Project Pioneer Camp kicked off in Zhoushan, attracting more than 80 participants. This training camp, which focuses on the theme of "Market and Key Customers", is divided into four sub-topics composed of Key Customer Development and Business Opportunity Acquisition, Key Customer Service and Operation, Commercial Contracts, and GreatGas, and is jointly taught by several professional instructors. Through multi-scenario business practices and case sharing, the Lizhi Project effectively expands the participants' cognition and horizons, and helps employees improve their business capabilities and service capabilities.



The Company actively explores various ways to assist in employees' growth and builds new platforms for employees' growth through means such as employees' skills competitions and the construction of micro-ecological work teams. Among them, the micro-ecological work teams encourage employees to actively participate in management and innovation, stimulating their initiative and creativity. In this year, the Company has organized and formed 7 micro-ecosystem teams, among which 3 have been awarded the title of five-star team, 2 have been awarded the title of four-star team, and 2 have been awarded the title of three-star team.

Case The 7th Final of the Grassroots Innovation and Skills Competition of the "Smart Craftsman Project"

To carry forward the craftsmanship spirit and stimulate employees' enthusiasm for work and their vitality for creating value, we held the 7th Final of the Grassroots Innovation and Skills Competition of the "Smart Craftsman Project". Since its launch on October 29th, the competition has lasted for nearly two months, covering two cities. Three competition venues have been set up, including six skill competition items and attracting 109 participants. This skills competition has comprehensively demonstrated the exquisite craftsmanship and good mental outlook of the Company's skilled talents, and unearthed numerous outstanding talents for the Company.



The Final of the Skills Competition of the "Smart Craftsman Project"

Sharing Stimulation

ENN-NG actively improves employees' well-being, implements a comprehensive compensation and performance management system, establishes a dynamic incentive mechanism, and realizes the creation of employees' value and the sharing of achievements. We care about our employees, provide a wide variety of non-compensation benefits, and enhance their sense of happiness and belonging. We hope to create a virtuous cycle of "Earn-Share-Reinvest", making every incentive and benefit a spark to activate the vitality of the organization.

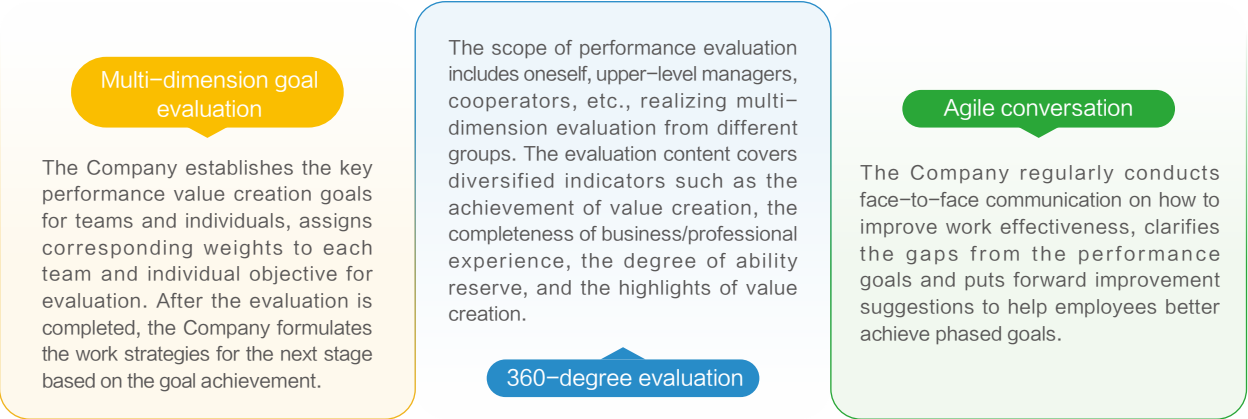
Employees' Compensation and Incentives

ENN-NG continuously improves the employees' performance evaluation and incentive mechanism, and provides employees with competitive performance-related compensation. In terms of employees' compensation, we provide employees with fixed compensation, year-end double pay, project bonuses, year-end incentives, etc. The Company has established and improved the variable compensation plan, and uses the intelligent evaluation model for highly self-motivated talents in the employees' performance management. It evaluates the performance of talents from three dimensions: "consistent delivery of good value creation results", "undertaking an important role in various businesses", and "continuous growth". In addition, in the employees' performance evaluation, we adopt methods such as self-set goal evaluation, 360-degree evaluation, and agile conversation, and conduct performance evaluations once a year, striving to evaluate the performance of each employee in a more holistic, fair, and objective manner.

In 2024,
the scope of employees'
performance evaluation
reached

100%

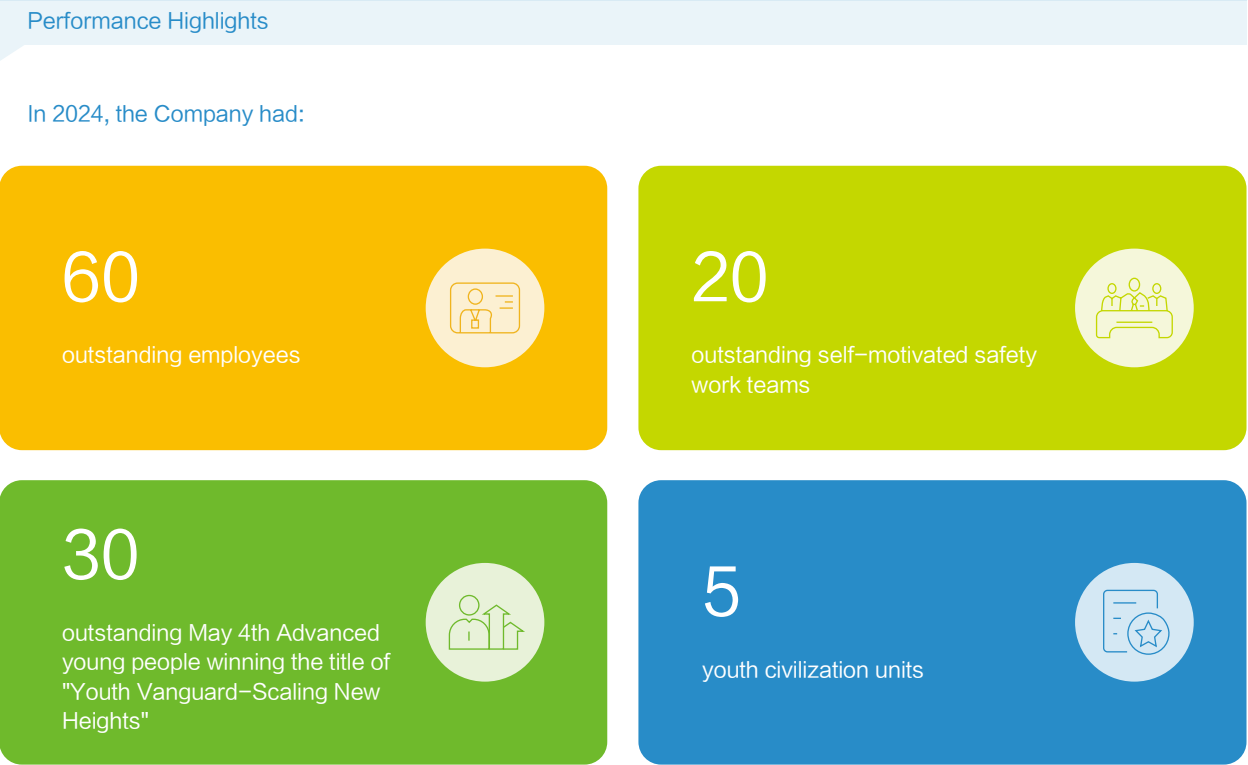




Three Major Ways of Performance Evaluation

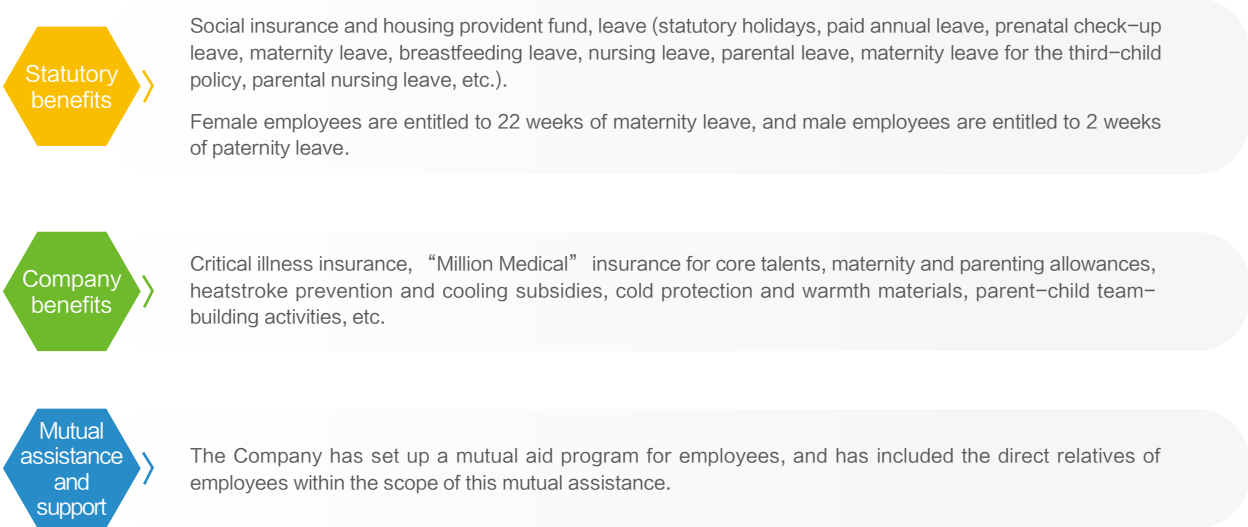
The Company adopts the form of medium- and long-term restricted stock incentives for employees to motivate and retain employees who have excellent performance and development potential, and organically connects employees with the development of the enterprise.

To fully stimulate employees' work enthusiasm and creativity, the Company conducts various activities to select outstanding individuals, jointly creating a positive working atmosphere of positivity and pursuit of excellence, and promoting the continuous improvement of the Company's overall performance and culture.



Employees' Benefits

ENN-NG has built a talent care system. With statutory benefits as the foundation and company benefits as the safeguard, it has set up special benefits for female employees and those in difficulty. It organizes a rich variety of employees' activities to enhance employees' cohesion and boost employees' sense of belonging. In 2024, the coverage rate of non-compensation benefits for employees remained at 100%.



Case

Forum Activity of Staff Family Members

In February 2024, the Company held a Forum Activity for the Moon Festival with the theme of "Creating Smart and Joyful Events Year by Year, and Sharing the Happy Moment of Family Reunion". More than 20 employees and representatives of outstanding family members gathered together for this activity. The Company expressed its gratitude to them through this event, which further enhanced the family members' understanding and recognition of the Company.



The Forum Activity for the Moon Festival

Case The Second Health Sports Meeting

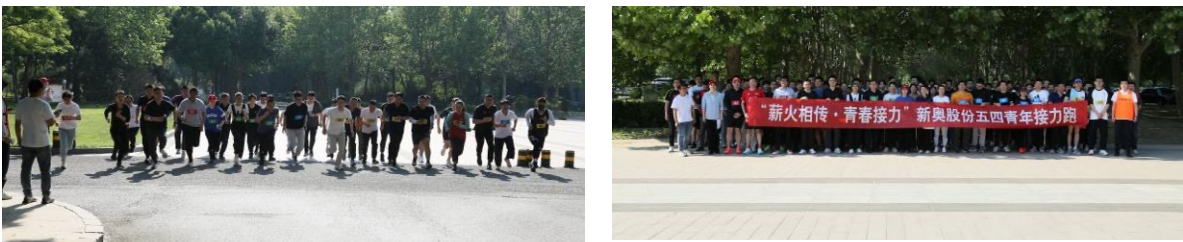
In May 2024, the Company organized the Second Health Sports Meeting with the theme of "Gathering the Strength of Partners and Stimulating the Enthusiasm for Value Creation". More than 120 employees participated in the sports meeting. These sports meeting effectively promoted everyone to practice the concept of "Working Healthily and Creating Value Joyfully". It not only enhanced employees' health awareness and team cooperation ability but also enabled the Company to create a positive working atmosphere.



The Second Health Sports Meeting

Case The May 4th Youth Relay Race

On the afternoon of May 7, 2024, to celebrate the 30th anniversary of the listing of ENN-NG, we held the May 4th Youth Relay Race with the theme of "Passing on the Torch Youth Relay", which attracted more than 120 employees from five organizations to participate. While enriching employees' cultural and sports life and enhancing team cohesion, this activity effectively publicized and inherited the Company's spirit, injecting youthful impetus into the development of the enterprise.



The May 4th Youth Relay Race

Case Golden Autumn Outreach Activities

On October 26, 2024, we held the employees' outreach activities with the theme of "Golden Autumn Outreach Promotes Health, and Happy Value Creation Leads to the Future", and more than 50 employees participated in it. During the activity, we also organized a patriotic song singing competition to celebrate the 75th anniversary of the founding of the People's Republic of China. This activity effectively implemented the care for employees, enhanced their sense of belonging, and enabled employees to devote themselves to work with a more enthusiastic spirit.



Golden Autumn Outreach Activities

Identification Stimulation

ENN-NG takes the protection of employees' rights and interests as the cornerstone of employees' identification with the Company. We have established a comprehensive labor rights due diligence system to foster a diverse and inclusive workplace.. Through system innovation and cultural development, we enable every employee to have their rights and interests fully protected, and deeply integrates their personal values with the corporate mission.

Protection of Employees' Rights and Interests

ENN-NG respects and protects the various rights and interests of all employees and candidates, and strictly complies with relevant laws and regulations such as the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China, the Provisions on the Prohibition of Using Child Labor, as well as relevant international covenants of human rights and labor standards such as the Ten Principles of the United Nations Global Compact. The Company formulates the Policy on Talent Development and Employment, which clearly stipulates provisions regarding forced labor and child labor, as well as discrimination and harassment. This policy covers all employees, as well as other partners such as suppliers and contractors, guiding the entire industrial chain to build a favorable ecosystem that respects employees' rights and interests.

ENN-NG continuously strengthens the supervision of the recruitment and employment process, integrates the concepts of equality and non-discrimination into various employment links such as recruitment, promotion, and dismissal. It opposes any form of forced labor and employment discrimination, and adheres to providing inclusive and fair employment opportunities for employees of different genders, nationalities, ages, races, skin colors, physical defects, family statuses, religious beliefs, and political stances, safeguarding the legitimate rights and interests of every employee.

The Company has established reporting procedures and channels for discrimination and harassment. Employees can make anonymous reports via the supervision email. In the event that situations such as the employment of children, forced labor, discrimination or harassment are discovered, we will handle them properly in accordance with the internal regulations on punishment for violations, and take further steps to avoid and put an end to such illegal incidents.



In 2024

ENN-NG had no illegal or rule-breaking incidents such as the employment of children or forced labor.

Our commitments:

- Respect and safeguard all human rights recognized internationally.
- Never participate in any acts that show indifference to or trample on human rights, including human trafficking.
- Put an end to any discriminatory behaviors in employment and occupation, and adhere to the principle of equal pay for equal work.
- Avoid all forms of forced labor and the employment of children.
- Prohibit workplace harassment.
- Defend employees' freedom of association and safeguard their rights to collective bargaining.

The above commitments cover all suppliers and other partners of ENN-NG.

Survey on Protection of Labor Rights and Interests

ENN-NG conducts an annual survey on the protection of labor rights and interests covering the entire company to identify potential risks of labor rights and interests in its own operations, supply chain, and other value chains related to business activities.

We conduct in-depth assessments of the types of risks and their degrees of impact, and formulate targeted risk mitigation and remediation measures to ensure a prompt and effective response to various issues of labor rights and interests. If any issues of risks of labor rights and interests are discovered, we will take measures such as suspension from duty, salary reduction, and dismissal against the employees who violate the regulations. For high-risk suppliers, we will promptly take measures such as making corrections within a fixed period of time or terminating the cooperation. For the victims, we will provide care and psychological counseling to relieve their psychological burdens and injuries. In addition, we also strengthen the study, training, and publicity and implementation of the systems related to the protection of labor rights and interests in our daily work. In 2024, the Company carried out a comprehensive due diligence investigation on high-risk areas such as workplace harassment, forced labor, child labor, and discriminatory behaviors, and no high-risk areas were found.

Diversity, Equity, and Inclusion (DEI) for Employees

ENN-NG follows domestic and foreign laws and regulations such as the Law of the People's Republic of China on the Protection of Rights and Interests of Women, the Special Rules on the Labor Protection of Female Employees, as well as conventions like the Women's Empowerment Principles. It attaches great importance to the protection of the rights and interests of female employees. In internal systems such as salary and performance management, it strictly restricts content that may lead to gender differences. It actively implements the principle of equal pay for equal work, ensuring that all employees are paid according to their positions, abilities, and performance.

ENN-NG actively carries out the employment equity for people with disabilities, ensuring that they can obtain equal employment opportunities. There are 86 employees with disabilities in the Company. The Company has provided a suitable working environment and facilities for people with disabilities to support them in better demonstrating their abilities at work.

Indicators	Unit	Data for 2024
Percentage of female employees	%	25.48
Percentage of female employees in management positions	%	24.84
Percentage of female employees in junior and middle management	%	27.25
Percentage of female employees in senior management (including executives at the level of CEO and similar positions)	%	17.05
Percentage of female employees in the management of business departments (that is, excluding functional departments such as HR and administration)	%	8.76
Percentage of females in STEM-related positions	%	18.28
Average salary gap between men and women at the CEO level (basic salary) ¹	%	3.46
Average salary gap between men and women at the CEO level (basic salary + other cash incentives)	%	7.89
Average salary gap between men and women at the management level (basic salary)	%	11.82
Average salary gap between men and women at the management level (basic salary + pay for performance)	%	8.59
Average salary gap between men and women at the non-management level (ordinary employees)	%	9.12

Female Labor Performance

¹ Salary gap = (Male Salary – Female Salary) / Female Salary



Case

The Activity of International Working Women's Day on March 8 themed "Walking Hand in Hand with Intelligence and Blooming All the Way"

On the occasion of International Women's Day in 2024, the Company planned the Themed Event for the March 8 International Women's Day themed "Walking Hand in Hand with Intelligence and Blooming All the Way". It sent festive greetings and carefully prepared gifts to female employees, and organized them to go on a rural picking trip together. This not only enhanced the sense of belonging and happiness of female employees, promoted communication among employees, but also improved team cohesion, allowing female employees to relax physically and mentally during the festival and deeply feel the care of the Company.

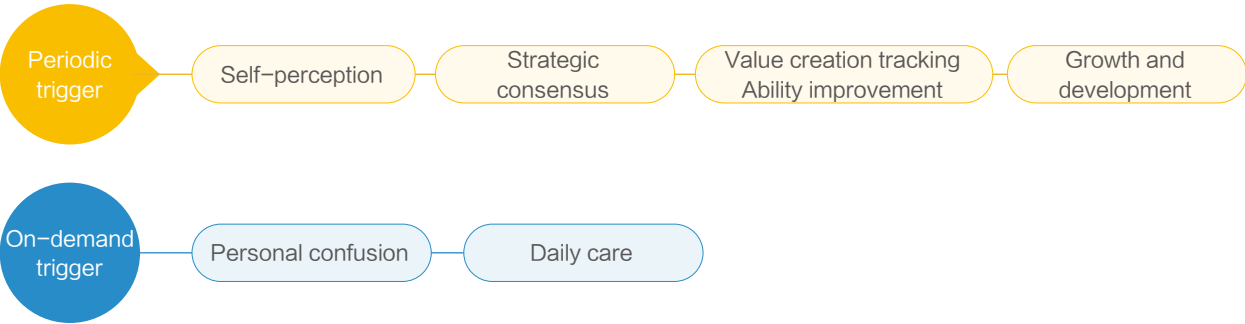


Themed Event for the March 8 International Women's Day

Democratic Management of Employees

ENN-NG strengthens democratic management, and the coverage rate of collective agreement and negotiation agreement for employees remains at 100%. We encourage open communication and have set up various channels such as the HR complaint hotline, email address, discipline inspection members of grassroots Party organizations, and the trade union chairman's visits to grassroots units to promote communication and feedback from employees.

In 2024, the Company conducted an in-depth survey of the needs of young employees, covering eight aspects such as digital intelligence, corporate culture, career development, personal growth, and ESG. A total of 145 people participated in the survey, and nearly 1,000 pieces of opinions and suggestions were collected and effectively conveyed to the decision-making level.



Communication Panorama

Case May 4th Youth Forum

In April 2024, the Company held a forum on management and young employees with the theme of "Young Hearts Devoted to the Party, Pioneering and Leading a New Future". Several company leaders, including the executive chairman, had in-depth exchanges and shared their thoughts with 30 representative young employees from various business groups in a relaxed and open atmosphere. This event has unblocked the expression channels for young employees, helped the Company understand the ideas of the youth, and effectively promoted communication and exchange among employees.



May 4th Youth Forum

In order to further understand the employees' satisfaction level and work demands, the Company collects and listens to employees' feedback and expectations through means such as employee satisfaction surveys and employee opinion collection, and continuously optimizes the organizational construction. In 2024, conducted a company-wide satisfaction survey covering key dimensions including the Company job-related happiness, work intensity and pressure, career development, a sense of accomplishment at work, and a sense of purpose at work. The participation rate of employees in this satisfaction survey reached 100%. The results showed that the level of employees' satisfaction with the Company was 4.46 (out of a full score of 5), which had a significant increase compared to last year (4.34 points). Regarding the opinions and suggestions feedback by employees in the survey, the Company has taken targeted measures to optimize and solve them, enabling all employees to truly feel the care from the Company.



Guidance of Party Building

In 2024, ENN-NG adhered to the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, fully implemented the guiding principle of the 20th National Congress of the Communist Party of China and the Third Plenary Session of the 20th Central Committee of the Communist Party of China, and led high-quality development with high-quality Party building.

Clarify the guiding principle	Complete the <i>Guiding Opinions on Party-Mass Work in 2024</i> and have it reviewed and approved at the Party Committee meeting of ENN-NG.
Strengthen the foundation of management	Formulate documents such as the <i>Regulations on Archives Management of ENN Natural Gas Co., Ltd.</i> and the <i>Implementation Rules for the Archives of the Party, Trade Union and Communist Youth League of ENN Natural Gas Co., Ltd. (Trial)</i> to strengthen the standardized management of the archives of the Party, labor union and Communist Youth League, and ensure the integrity, accuracy and security of the archives.
Empower management with digital intelligence	Design and develop the digital intelligence application "Party-Mass Home" in the Party-mass field, integrate and connect functions such as organization management, Party member management, Party affairs, Hall of Honor, employee care, and Party-mass positions, effectively link and connect the value creation scenarios in the fields of the Party, labor union and Communist Youth League.
Strengthen ideological construction	Establish a publicity platform, release news articles about Party-mass activities through the iCome Party-mass organization account and WeChat Party-mass account, and set up columns such as the training on the guiding principles of the Third Plenary Session of the Twentieth Central Committee of the Communist Party of China, the study of Party discipline, and the "Party-Mass Mini Think Tank".

Case ENN-NG Youth Volunteer Service Team

In 2024, on the occasion of the 75th May 4th Youth Day, the Youth League Committee of ENN-NG launched two youth action plans, namely the "'Spark' Youth Pioneer Camp" and the "ENN-NG Youth Volunteer Service Team", intending to inherit and carry forward the spirit of the great May Fourth Movement and call on the vast number of young people in ENN-NG to embrace their dreams and be brave enough to take on responsibilities. On the day of the event, the CEO and Secretary of the Party Committee of ENN-NG respectively presented the flags to the representatives of the two teams.



Flag-Presenting Ceremony of the Youth Action Plan



Sustainable Supply Chain Management

ENN-NG builds a stable and reliable supply chain system, embedding responsible procurement principles and integrating ESG management initiatives and requirements across the entire supply chain management process. The Company collaborates with suppliers to create a sustainable future.

Optimise Procurement Process

ENN-NG incorporates ESG management elements into its existing supplier management system, enhancing supply chain management through system optimisation, digital intelligence empowerment, and sustainability promotion. The Board places significant emphasis on sustainable supply chain management, addressing it regularly at meetings where directors receive detailed reports from the Risk Management Committee and senior management. This ensures that daily supplier management aligns with sustainability principles, reflecting the Company's strong commitment to and ongoing focus on supply chain sustainability.

Improve Procurement System

Drawing on the standards of amfori BSCI (Business Social Compliance Initiative), ENN-NG continuously refines its procurement systems and strengthens supplier audit standards to elevate the standardisation of procurement processes. In 2024, the Company enhanced internal material procurement and management for key businesses, introducing the following initiatives:

Notice on further standardising procurement work

The Company refined procurement rules across 10 aspects, including personnel capabilities, material system development, and requirement standardisation, achieving full process coverage and boosting procurement compliance.

Notice on standardising the management of service procurement of ENN Energy

For service procurement, the Company refined the rules for procurement requirements, implementation, acceptance, payment, and other aspects, clarifying key elements such as the content, quality, duration, delivery method, response time, and performance indicators of the service, creating a practical and effective service procurement management system.

ENN-NG issued the Notice on ENN Sustainable Development Strategy, incorporating the concept of green procurement concepts into supplier product design, raw material selection, production, and packaging, committing to collaborate with suppliers to build a green supply chain, balancing economic and environmental benefits.

ENN-NG actively regulates supplier behaviour, mandating the use of materials meeting national environmental and quality standards to ensure products do not harm the environment. Where product quality is comparable, suppliers with superior environmental performance are prioritised, encouraging improvements in green production and advancing the green procurement strategy.

Digital Intelligence Procurement

ENN-NG continues to enhance its digital intelligence procurement platform, aiming to empower the supply chain ecosystem comprehensively through advanced technology. The platform enforces strict merchant entry reviews by publishing detailed certification standards and factory inspection rules, ensuring standardised and transparent management of procurement and operational processes.

Intelligent material selection

We have developed merchant selection methods such as bidding, negotiation, price comparison, competitive negotiation, comparison, and bargaining by using digital intelligence technology to analysis the transaction data, category characteristics, and supplier numbers.

Intelligent verification

We carry out merchant intelligence (quality) certification based on digital credit and has built a high-quality supplier pool.

Intelligent delivery

We recommend delivery plans based on customer procurement demands and dynamic supply data. It also monitors the delivery process in real-time, intelligently identifies performance risks, and issues early warnings. If any abnormal delivery situations arise, timely resolutions will be performed.

Intelligent Control across the entire supply chain

By applying digital intelligence technology, the platform enables automatic collection of material quality data, real-time monitoring, early warning of exceptions, intelligent analysis, and online rights linkage control across all quality assurance scenarios in the entire supply chain, incl. production, installation, construction, and operation.



Digital Intelligence Procurement Platform

Management Capacity Building

- The Company conducted qualification certification exams for personnel involved in material procurement, quality inspection, and warehouse management, mandating participation from all relevant staff, including business convenors and module convenors. The training addressed scenarios across city gas, integrated energy, and value-added businesses. A total of 2,230 examinees participated, a 190% increase from the previous year, significantly enhancing the expertise of material management personnel.
- The Company provided ESG supply chain risk management training for procurement personnel, promoting the Company's overarching sustainable development strategy. This training clarified roles and responsibilities within the sustainable supply chain management system, steadily elevating ENN Energy's sustainable supply chain management capabilities.

A total of

2,230

examinees participated,

190%

increase from the previous year

Supplier Management Across the Entire Process

ENN-NG embeds the concept of sustainable development into supplier screening and access, classification management, review and evaluation, rectification and clearance, and daily risk prevention and control processes. This approach further standardises supplier behaviour, reduces risks, and fosters a sustainable supply chain.

Supplier Screening and Access

ENN-NG applies rigorous assessment standards for supplier screening and access. Beyond evaluating enterprise qualifications and delivery quality, the Company integrates ESG-related criteria into these standards to ensure the sustainability and reliability of potential suppliers.

Supplier Screening

- Incorporates supplier qualification system certifications (e.g., ISO 14001, ISO 45001, and ISO 9001) into assessment criteria.
- Integrates ESG factors—such as environmental management, product safety, and business ethics performance—into screening standards, setting a minimum ESG assessment weight.
- Prioritises suppliers with superior ESG performance when product quality is comparable.

Supplier Access

- Includes the *Health, Safety and Environment (HSE) Agreement with Suppliers* as part of material procurement contracts. Requires all suppliers to comply with the *ENN Energy Holdings Limited Supplier Corporate Social Responsibility Code of Conduct*.
- Mandates that all suppliers sign the *Commitment to Integrity and Self-Discipline* to foster a transparent and ethical supply chain.

The proportion of qualified suppliers that have obtained the Environmental

>90%

The proportion of qualified suppliers that have obtained Occupational Health Certification

>80%

ENN-NG also emphasises key risk prevention and control during supplier screening, enhancing the supply chain's resilience and achieving comprehensive risk management:

- Monitors policy, regulatory, and industry standard trends in suppliers' countries and regions, covering political, economic, trade, environmental, and safety aspects.
- Tracks national standard updates for specific products (e.g., PE pipes and PE ball valves), planning proactively to prevent non-compliance risks and ensure purchased products meet standards.
- Selects multiple shortlisted suppliers for joint bidding and procurement of key categories to mitigate supply risks from natural disasters or other disruptions.
- Internally, the risk management department oversees the procurement process and provides a dedicated complaint channel to ensure compliance.

Supplier Classification Management

The Company classifies suppliers based on material features and annual procurement volume, categorising them into three Class.



Supplier Assessment and Evaluation

The Company employs its digital intelligence procurement platform to conduct a combination of daily assessments and periodic evaluations. In line with the *ENN-NG Supplier Corporate Social Responsibility Code of Conduct* and referencing amfori BSCI (Business Social Compliance Initiative) standards, the Company incorporates key ESG issues—such as business ethics, environmental protection, employee relations, and health and safety—into the review process for all supplier types. Multiple measures ensure comprehensive performance monitoring:

Proportion of top 10 material suppliers

52.05%

In 2024

Total number of first-tier suppliers

7,000

Total number of first-tier significant suppliers¹

152

Percentage of the total expenditure by the top ten suppliers

52.05%

Total number of non-first-tier significant suppliers²

1,783

Total number of significant suppliers (first-tier and non-first-tier)

1,935

Number of Suppliers by Category

¹ The total number of first-tier significant suppliers constitutes the critical supplier quantity, totaling 152.
² Non-first-tier significant suppliers make up the number of important suppliers, totaling 1,783.

Supplier Assessment

- Before conducting audits, The Company confirms the supplier's supply categories and collects the latest national standards and policies related to the industry as audit criteria.
- The Company conducts at least one thorough evaluation and performance assessment for critical and important material suppliers each year.
- The Company conducts irregular desk assessments and on-site spot checks, with procurement staff/contract consultants and other personnel responsible for conducting different inspections and audits, and promptly discloses the assessment results.
- The Company hires national authoritative third-party organisations to inspect the product quality of suppliers and issue inspection reports.

Supplier Evaluation

- Suppliers in the same category are evaluated and ranked based on their scores, with a last-place elimination system in place.
- The Company evaluates suppliers from dimensions such as supply quality and delivery performance, and applies the evaluation results to the supplier selection for the next year. Publicise excellent suppliers and grant them certain rights.
- For problems found in the evaluation, The Company takes different handling methods according to the severity of the problems in accordance with the corrective action/improvement applicable to all suppliers, stipulates different time limits for suppliers to rectify in a timely manner, and assigns dedicated staff from the Company to support suppliers in carrying out the corrective action/improvement plan online or onsite.
- Supplier management employees of the Company contacts the assessor to jointly carry out systematic verification of the assessment results in accordance with the Company's internal standards and related public information.

Number of suppliers that underwent factory inspection

The review coverage rate of critical suppliers for the past three years

Percentage of critical suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation

1,104

100%

100%

Number of suppliers that underwent on-site visits inspection

Percentage of critical suppliers assessed via desk assessments/on-site assessments

Number of critical suppliers with significant actual/potential negative impacts terminated after failing to meet standards post-correction

34

100%

2

Number of audited suppliers that underwent online factory inspection

Number of critical suppliers assessed with substantial actual/potential negative impacts

1,104

12

Batches verified by third parties

Percentage of critical suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plans

180+

100%

Supplier Violation Rectification and Withdrawal Mechanism

To cultivate a healthy and sustainable supply chain ecosystem, ENN-NG has established an effective mechanism for supplier rectification and withdrawal. All supplier violations are addressed seriously in accordance with relevant laws, regulations, and internal rules.

The Company has implemented a Supplier Blacklist management mechanism and issued related documents, including supplier violation management rules and appeal management rules. Factors such as substandard product quality, failure to meet environmental emission standards, and involvement in bribery or corruption—each significantly conflicting with ESG requirements are considered. Continuously refines the development of these systems to strengthen oversight.

Notice of Rectification

For suppliers with significant actual /potential negative impacts, the Company immediately orders the supplier to rectify within the specified time limit after the problem is discovered, and reviews the results of the rectification.

Freezing of Rights

If the relevant supplier fails to complete the corresponding rectification as required within the specified time, the Company will freeze all current rights enjoyed by the supplier for a certain period of time, and continue to require the supplier to rectify the relevant problems.

Withdrawal

If the relevant supplier still fails to complete the rectification requirements within the rights freeze period, the Company will directly withdraw them from the supplier list.

Communication with Suppliers

ENN-NG engages with suppliers to share updates on technical standards and provide education on digital intelligence applications, process improvements, and ESG capacity building. The Company offers technical support and capacity-building solutions focused on quality and ESG performance to enhance suppliers' long-term ESG capabilities.

- Technical Support: The Company facilitates discussions on industry technical specification updates and digital intelligence tool applications through specialised seminars, technical training, and on-site diagnostics. To address challenges like outdated technical standards and limited digital intelligence adoption, ENN Energy collaborates with suppliers to develop tailored process improvement plans, supporting the establishment of comprehensive quality control systems.
- ESG Capacity Building: The Company tackles issues such as carbon emission management, green production, and business ethics through ESG-specific communication meetings, capacity-building workshops, and third-party evaluation feedback mechanisms. To address weak ESG awareness and data management capabilities, ENN Energy conducts awareness campaigns and co-designs ESG improvement roadmaps, effectively strengthening suppliers' ESG management systems and social responsibility fulfilment.



In 2024, ESG capacity building program reached all 152 critical suppliers, achieving a coverage rate of

100%

Additionally, the Company evaluates suppliers based on product quality, performance, delivery, and other factors, publicly recognising high-performing suppliers by category on its platform. An information-sharing mechanism allows suppliers to learn from the best practices of top peers, encouraging continuous improvement and fostering higher-quality development across the supply chain.



Case Quality Control Measures Across the Supply Chain Enhances Supplier Management

In 2024, the Company implemented quality control measures across the supply chain for 61 suppliers of 15 products, including alarms and PE pipes. By installing Internet of Things (IoT) equipment directly into plant production lines and testing systems, production and detection data were transmitted in real time. This significantly improved management efficiency and product quality consistency.



Customer Service

ENN-NG adheres to the service concept of "putting customers first", continuously optimizing service processes and improving service quality and standards. Meanwhile, we attach great importance to the safe use of gas by customers and make every effort to safeguard the lives and property of customers.

Customer Service System

ENN-NG attaches great importance to the needs of users, and continuously improves the customer service management system by formulating system documents such as the Service System Manual. Meanwhile, the Company is committed to continuously strengthening the efficient handling and positive response to user feedback. It provides more high-quality and efficient services for customers by enhancing the professional quality of the customer service team, building efficient and convenient communication channels, and enabling service processes through technological means of digital intelligence.

Organizational guarantee

A professional customer service team has been established. Through regular training and strict assessments, the professional skills and service awareness of the customer service team are enhanced.

Channel guarantee

The customer service hotline is available 24 hours a day, 7 days a week.

Reply guarantee

All details in the customer service process are recorded in detail to achieve accurate recording and efficient tracking of customer information.

Improvement guarantee

A customer feedback improvement mechanism has been established, with customer feedback being regarded as an important basis for continuous service improvement, thus forming a closed-loop management of service quality.

Customer Demand

Convenient business channels
Good user experience
High service efficiency
Optimal cost performance
Easy online interaction

Customer Service Channels

Enterprise WeChat, Official Account
95158 customer service hotline
Online service
Service hall
Voice service

Safety inspection service

Service availability

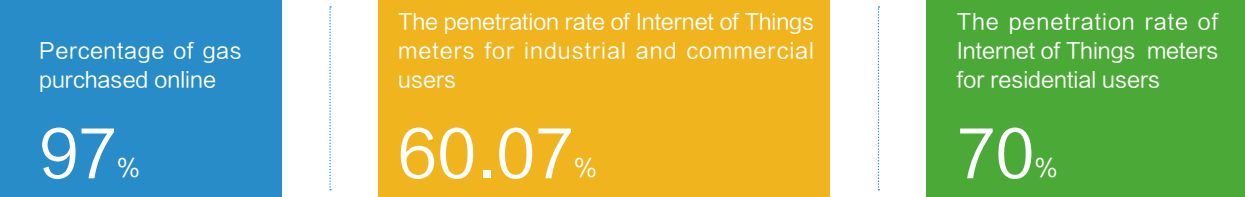
Payment service

Door-to-door service

Brand uniformity | Service uniformity | Multidimensional interaction | Customer operation |

Customer Service Panorama

In 2024



Case

The Intelligent Service Platform Optimizes the Customer Service Process

During this year, ENN-NG focused on customer needs and built an intelligent service platform. It achieved the online signing of real-name authenticated gas supply and usage agreements for customers, interaction throughout the service process, and intelligent payment by users. Moreover, it continuously optimized the mobile interaction experience to enhance the convenience for users. By the end of the reporting period, the platform had enabled the online signing of agreements with 620,000 users. The online reading volume of safety inspection reports reached 12.12 million times, and the proportion of customers' online independent appointments increased to 24%, effectively optimizing the customer service process.

Customer Complaints and Handling

ENN-NG has been continuously strengthening the handling of user complaints. We have formulated the Administrative Measures for Customer Complaints to standardize the complaint-handling process and ensure that the results of complaint handling meet the Company's service standards and customer expectations. In 2024, ENN-NG captured complaint information from multiple channels such as app feedback, voice calls, online chatting records, and 12345 government affairs information. It also used advanced data models to conduct a comprehensive analysis of the complaint information, comprehensively improving the efficiency of complaint handling.

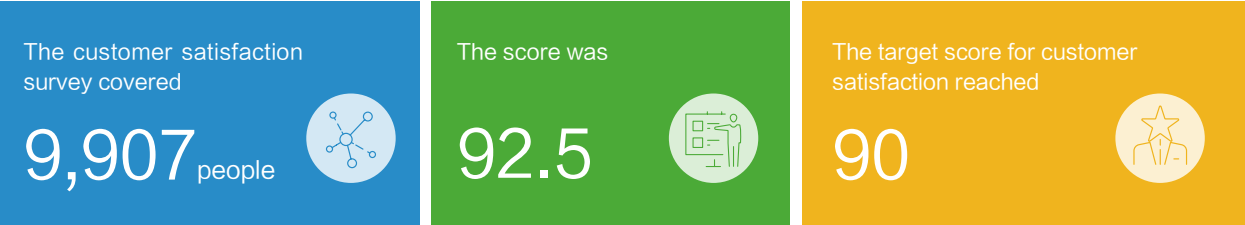
In 2024, the construction of the intelligent follow-up system was completed.

All complaints are
100%
closed-loop response and handling

	Number of customer complaints	Customer complaint rate	Prompt complaint handling rate	Complaint resolution rate	Satisfaction rate for complaint handling
2024	232	0.0045‰	95.93%	99.9%	93.56%

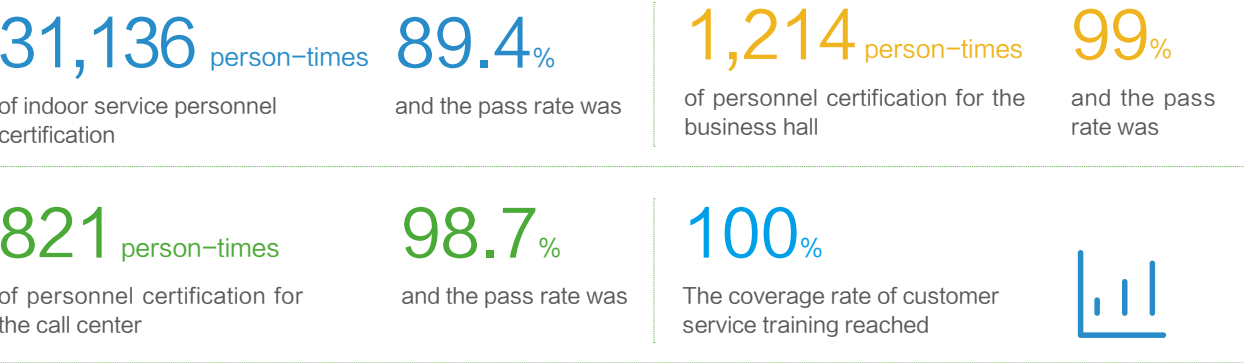
Customer Satisfaction

ENN-NG respects and listens to the opinions and feedback of every customer. It has established diverse and unobstructed customer communication channels, and optimizes and improves its products and services according to customer feedback and market conditions to enhance the quality and competitiveness of its products and services. The company conducts customer satisfaction surveys every year, ensuring the number of participants through the dual channels of "telephone + online evaluation". After the satisfaction survey is completed, we regularly track user feedback, urge improvement work, and further enhance the service level.

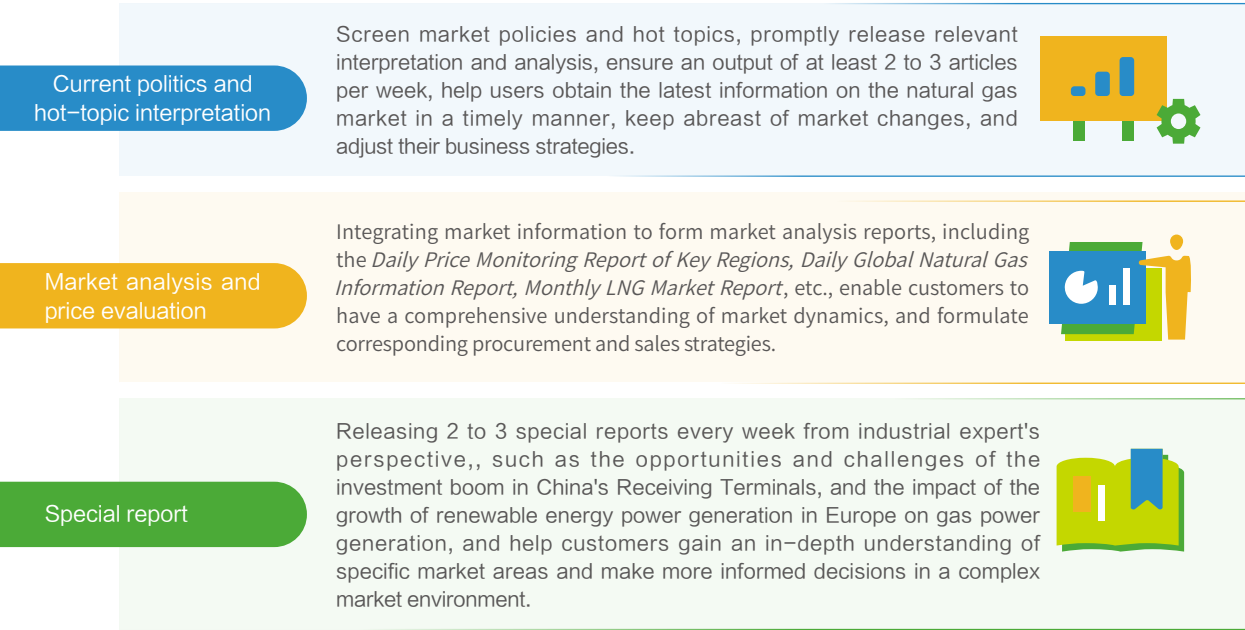


Improved Service Level

ENN-NG has always adhered to the customer-centered service concept and continuously improved its service level. In 2024, the Company organized several skill training sessions and certification programs for front-line service personnel, focusing on customer groups, service types, service skills, and other aspects in different customer scenarios. This effectively enhanced the skills of customer service staff and ensured that customers could enjoy excellent service quality.



ENN-NG actively provides customers with rich knowledge output, and is committed to becoming a market think-tank trusted by customers. This year, we have created sections on current politics and hot-topic interpretation, market analysis and price evaluation, and special reports, presenting a comprehensive view of the natural gas market to provide customers with powerful data support for their decisions on procurement, sales, and investment.



Guaranteed Stable Gas Supply

ENN-NG earnestly implements the natural gas energy supply guarantee demands of users, refines the deployment of energy supply guarantee work. By combining with the actual situations of various regions, it formulates and updates various guarantee plans, goes all out to ensure accurate energy supply, consolidates the foundation of energy supply guarantee, and safeguards the energy use of users.

Supply Guarantee During Winter

In the winter of 2024, ENN-NG focused on key scenarios such as optimizing resources, serving customers, and safe operation, leveraging its professional advantages to promote the overall linked and coordinated operation of the energy sector in all scenarios. Through monthly operation reviews, half-month rolling forecasts, weekly dynamic updates, and real-time early-warning corrections, we ensured sufficient energy inventory during winter.

Case

Intelligent Operation Means Ensure the Stable Operation of Heating Supply

The Company actively employs intelligent operation methods, innovates the heating management mode, precisely controls the energy distribution, and ensures the stable and efficient operation of heating supply within the region. Through these intelligent operation means, The Company has successfully achieved all-weather real-time monitoring of the pipeline network, predicted the changing trends of gas demand, and optimized the operation parameters of the pipeline network in advance according to the prediction results, thus ensuring the stable supply of gas.

智能运营中心

Case

Ensuring Safe and Stable Gas Supply in Response to Extreme Weather

In January 2024, in the face of the extreme rain and snow in Hunan, Guizhou and other places, ENN Energy promptly activated its emergency response mechanism. Through advance preparation and flexible resource allocation, it ensured the continuous supply of LNG to meet customers' needs. The three-level support teams of the enterprise-region-headquarters coordinated efficiently, accurately transmitted information, and effectively coped with the challenges of traffic control. With close internal cooperation and active external coordination, the stability of resource supply was ensured. Eventually, the LNG supply in Huaihua and Yongzhou of Hunan and Ningde of Fujian by ENN was not affected, achieving safe and stable gas supply under extreme weather conditions.

ENN-NG utilizes cutting-edge technologies and advanced concepts to continuously iterate and improve its basic customer-service products, bringing a more excellent and personalized service experience to users. In 2024, we focused on updating the monthly resource optimization product, the monthly demand-supply matching product, and the intelligent risk control product (ETMO), effectively optimizing the allocation of customer resources, stabilizing energy supply, and addressing the pain points of large fluctuations in natural-gas trading prices and insufficient resources.

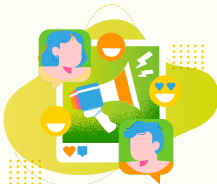
Monthly resource optimization product

Develop a monthly classified demand forecasting model, a dynamic demand-supply monitoring model, and a demand-supply matching model, help users capture opportunities for resource optimization in a timely manner, address the resource optimization needs in scenarios such as resource gaps, surplus resources, and resource replacement and optimization, and effectively optimize the resource structure and reduce resource costs.



Monthly demand-supply matching product

Optimize the two capabilities of demand-supply matching for the next month and implementation optimization for the current month, and meet the flexible and supply guarantee requirements of customers in various industries through a variety of resource combination methods according to the personalized needs of customers with different characteristics.



Intelligent risk control product (ETMO)

Accumulate the experience of hedging and pricing experts to form a hedging scheme and a pricing model, support users to provide quick quotations, enable customers to quickly lock in sales profits, and ensure that transaction risks are controllable.



Product for optimizing the flow direction of international ship cargoes

Monitor the fluctuations in the quantity and price of domestic and international demand and supply in real time, adjust the flow direction of international ship cargo resources promptly following the changes in demand, address the pain point that it is difficult for manual monitoring to keep track of the fluctuations in demand and supply in real time, and help customers obtain international resources at a lower cost and with greater flexibility.



Responsible Marketing

Carrying out responsible marketing activities is an important measure for ENN-NG to safeguard the rights and interests of customers. To ensure the legality and compliance of marketing activities, we abide by laws and regulations such as the *Law of the People's Republic of China for Countering Unfair Competition* and the *Advertising Law of the People's Republic of China*, and standardize the Company's principles in terms of business ethics and responsible marketing. It is clearly stipulated that exaggeration, deception, and false content are strictly prohibited in marketing, advertising, and sales activities. We always adhere to the principle of openness and transparency. When introducing products and services, we clarify the core elements such as product and service details, the price system, and quality certifications, effectively protecting consumers' right to know and shaping a trustworthy and reliable market image.

To strengthen compliance management, the Company has established a dynamically updated advertising review mechanism, regularly upgraded the publicity database, and improved the marketing code of conduct to avoid compliance risks from the source. During the reporting period, the marketing work of ENN-NG maintained a zero-violation record, and there were no controversial incidents or legal proceedings caused by product information disclosure and marketing publicity.



Social Development

ENN-NG combines its own advantages, promotes energy accessibility, continuously empowers community development, pools sincere efforts and good will, and contributes to the promotion of social sustainable development.

Energy Accessibility

ENN-NG comprehensively promotes the affordability and accessibility of energy in communities. By enhancing payment convenience, providing payment subsidies, and improving energy supply channels, it enables more people to enjoy green, economical, and sustainable energy services.

Case Building the "e-City e-Home" Payment Platform

In 2024, the Company built the "e-City e-Home" payment platform, providing customers with safe, convenient and efficient payment and fund management services. Through functions such as integrating multiple payment methods and offering flexible settlement options, the system helps customers manage their funds and expenses better, reducing debt accumulation and financial stress. For example, for corporate users, we provide payment and settlement methods that are in line with industry characteristics, supporting periodic settlement (such as daily/weekly/monthly settlement) and diverse billing methods (such as billing at the time of settlement and billing after monthly settlement). We also provide corporate users with payment transaction reports and data analysis services to help them optimize their procurement strategies. For individual users, we have opened multiple payment methods, including third-party payments (such as Alipay and WeChat Pay) and quick payments via bank cards, to meet the payment needs of individual users.

ENN-NG actively responds to the strategic requirements of China's "Urban-Rural Gas Supply Integration", and carries out pipeline network construction work in areas with weak energy infrastructure such as remote regions and rural areas, bringing safe and reliable gas energy to local communities.

Case The Gas Micro Pipeline Network Project Facilitates Energy Use in Rural Areas

In a rural area of Ningbo City, due to the mountainous terrain and complex topography, the construction of long-distance gas transmission pipeline networks is limited, resulting in a lack of local energy infrastructure. Local residents still rely on liquefied petroleum gas cylinders, firewood, and coal stoves as energy sources for their daily lives and business operations. This year, in response to the above issues, Ningbo ENN-NG has, in light of local conditions, built two rural micro pipeline network projects. Through innovative technologies such as the Internet, Internet of Things, and big data, it has enabled customers to place gas purchase orders with just one click through e-commerce on their mobile apps. This has effectively addressed the problems of uneven distribution of natural gas between urban and rural areas and the weak energy infrastructure in rural areas, achieving the goal of "bringing natural gas to the countryside" with ENN-NG's technologies.



Facilities of the Gas Micro Pipeline Network Project

In response to the needs of the disadvantaged and low-income groups, ENN-NG actively cooperates with local communities and local governments. Through measures such as presenting a certain amount of natural gas to subsistence allowance recipients every year, reducing the charging standards for poor users, and not implementing tiered gas pricing, it alleviates the energy consumption burden of the disadvantaged and low-income groups, ensuring that they can continuously obtain high-quality gas services.

Public Welfare and Charity

ENN-NG has formulated the *Policy on Public Welfare and Charitable Activities*, actively assuming corporate social responsibilities. Relying on its own industrial advantages and corporate characteristics, it gives back to society with practical actions. In order to promote the orderly development of the Company's charitable and public welfare undertakings, the Company has established a charitable and public welfare working group, which takes the lead in formulating the annual charitable work plan, tracking and providing feedback on project progress. It has also defined five action directions for social welfare work to ensure the implementation effect of social activities for public good and share the Company's development achievements with society.



Indicator Name	Unit	Data for 2024
Total amount of funds for public welfare projects	RMB 10,000	3,127
– A Green Future	RMB 10,000	1,142
– Rural Dream Building	RMB 10,000	284
– Warm Light Charity	RMB 10,000	127
– Light up wisdom	RMB 10,000	1,574
Total time of employee participation in public welfare projects	Hours	451,561.08
Total number of employees participating in public welfare projects	Person-time	47,352

ENN-NG's Data of Participation in Public Welfare and Charity

A Green Future

Case

The Second "Youth Forest" Tree Planting Activity

In April 2024, ENN-NG organized its employees to carry out the second "Youth Forest" green tree planting activity with the theme of "Harmonious Ecology, Beautiful Park". This activity attracted more than 50 employees to participate, and more than 30 Chinese scholar trees were planted. While actively practicing the concept of greenness and low carbon, it also planted a patch of coolness for the partners in the science and technology park.



Case

The Environmental Protection Campaign themed "Jointly Protecting the Mother River and Witnessing the Beauty of the City"

From September to October 2024, ENN-NG launched the "Ten-City Linkage" Campaign Themed "Jointly Protecting the Mother River and Witnessing the Beauty of the City", appealing to all employees to jointly protect the source of human life. The campaign covered more than 10 regions, provinces and cities across the country, including Qinshui in Shanxi, Luoyang in Henan, Xiangtan in Hunan, Dalad Banner in Inner Mongolia and so on. During the campaign, employees actively engaged in a series of environmental protection work along the riverbanks, such as riverbank greening and riverway garbage cleaning, helping the riverbanks regain a good appearance of lush green banks and beautiful scenery.



Warm Light Charity

Case "New Love" Voluntary Blood Donation Activity

On World Blood Donor Day, June 14, 2024, the Company held the second "New Love" Voluntary Blood Donation Activity, which attracted nearly 76 people to participate. Among them, 55 people successfully donated blood, and a total of 19,400 milliliters of whole blood was collected. The Langfang Central Blood Station presented the Company with a "Caring Enterprise" medal for voluntary blood donation for this.



"New Love" Voluntary Blood Donation Activity

Rural Dream Building

ENN-NG actively responds to the national strategy of rural revitalization. Through green projects and community cooperation, it enhances the economic vitality of rural areas, improves the quality of life of residents, and achieves the harmonious coexistence of society, the environment, and the economy.

Case Actively Carrying out Activities to Assist Farmers and Consolidating the Foundation of Agriculture

The Company actively responds to the national strategy of rural revitalization. Zhanjiang ENN organized its employees to carry out activities to assist farmers in their spare time in December of this year. They helped local fruit farmers conduct quality inspections of red oranges. Meanwhile, they also contributed to opening up a direct picking and selling channel from the orchard, thereby consolidating the foundation of the local agricultural product industry.



Employees are helping fruit farmers with quality inspection

Cultural Spark

Case The Activity themed "Cool Breeze in the Golden Autumn, Warmth for Sanitation Workers" to offer sympathy to sanitation workers

This year, Shijiazhuang ENN carried out a sympathy activity for sanitation workers, covering all front-line sanitation workers in the four urban districts of Shijiazhuang. A total of 260 packs of purified water, 100 cases of beverages, 100 cases of instant noodles, 100 cases of milk, and 100 cases of laundry detergent were distributed to express respect and care for sanitation workers and stimulate the understanding and support of all sectors of society for sanitation work.

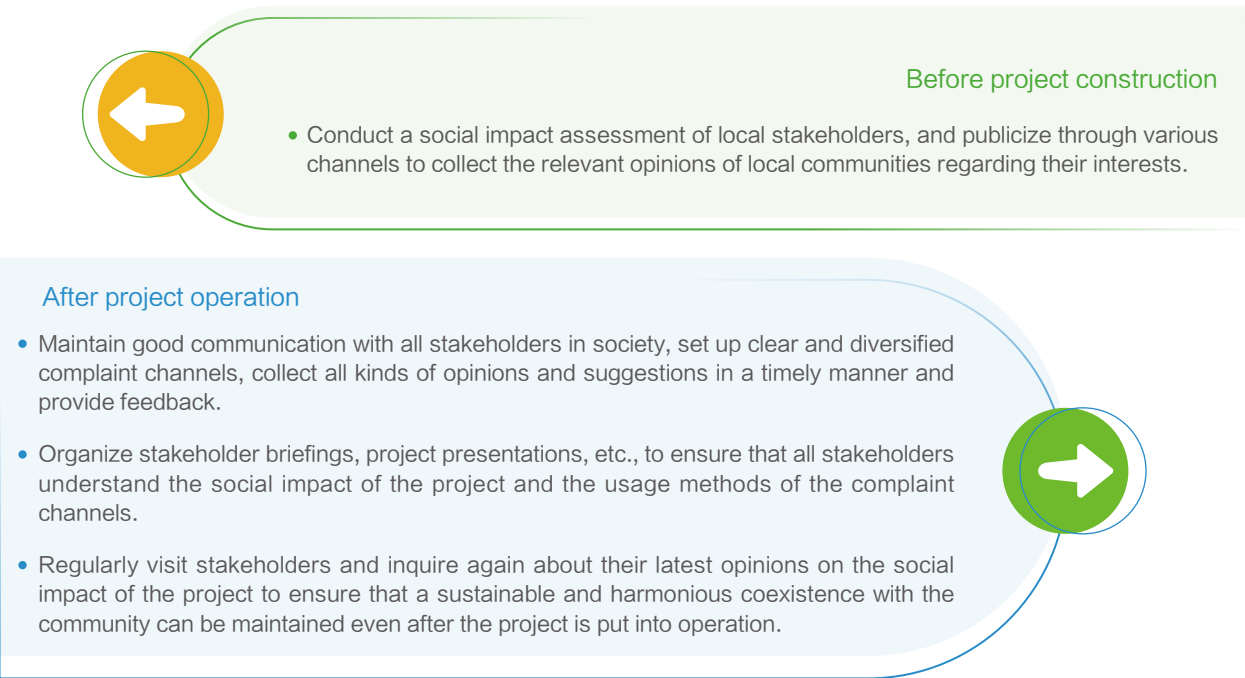


Sympathy Activity Site

Community Communication

ENN-NG attaches great importance to community communication. It commits to avoiding or minimizing the negative impacts of its business on local communities during the project construction period and operation process. Moreover, by leveraging its own industry advantages, it enhances the living convenience of community residents, improves their well-being, and ensures harmonious coexistence with the community.

The Company has formulated the Community Engagement Mechanism and the Stakeholder Policy covering its own operations and supply chain, clearly defining the scope and methods of stakeholder participation, the identification scope and identified groups of affected stakeholders, and the management of the complaint and feedback processes of stakeholders, etc. Meanwhile, we have designated the ESG working group as the direct person in charge of community participation work, and the board of directors as the highest decision-making body, which is responsible for supervising the effective implementation of stakeholder communication and impact assessment work.



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Feedback Channels for Community Stakeholders

Safe Energy Supply: Laying the Foundation for Social Development

- ▶ ENN-NG regards safe operations as the cornerstone of its development, continuously strengthening its safety management system through digital intelligence technologies. The Company constantly strengthens its safety management system through digital and intelligent technologies, building intelligent safety capabilities that ensure it "identify hidden risks, address major risks, and effectively manage risks". ENN-NG ensures a secure and stable energy supply by refining safety regulations and cultivating a proactive safety culture.





Safety Capability Building

ENN-NG continuously strengthens safety capacity building and improves risk prevention capabilities to ensure safe production and employee health.

Occupational Health and Safety

ENN-NG strictly complies with national and local safety production laws and regulations. The Company maintains an industry-specific safety regulation database and consistently optimizes its safety production framework to ensure regulatory compliance. In 2024, the Company updated two key safety management protocols: the *Regulations on the Management of Safety Rewards and Punishments* and the *Regulations on the Management of Red and Yellow Safety Lines*. These updates specify classifications and frequency metrics for unsafe behaviors, thereby achieving comprehensive safety management objectives across all operational activities.

ENN-NG has established a Safe Production Committee (hereafter referred to as the "Safety Committee") which is directly under the charge of the Board of Directors and serves as the top leadership for safe production management of the Company.



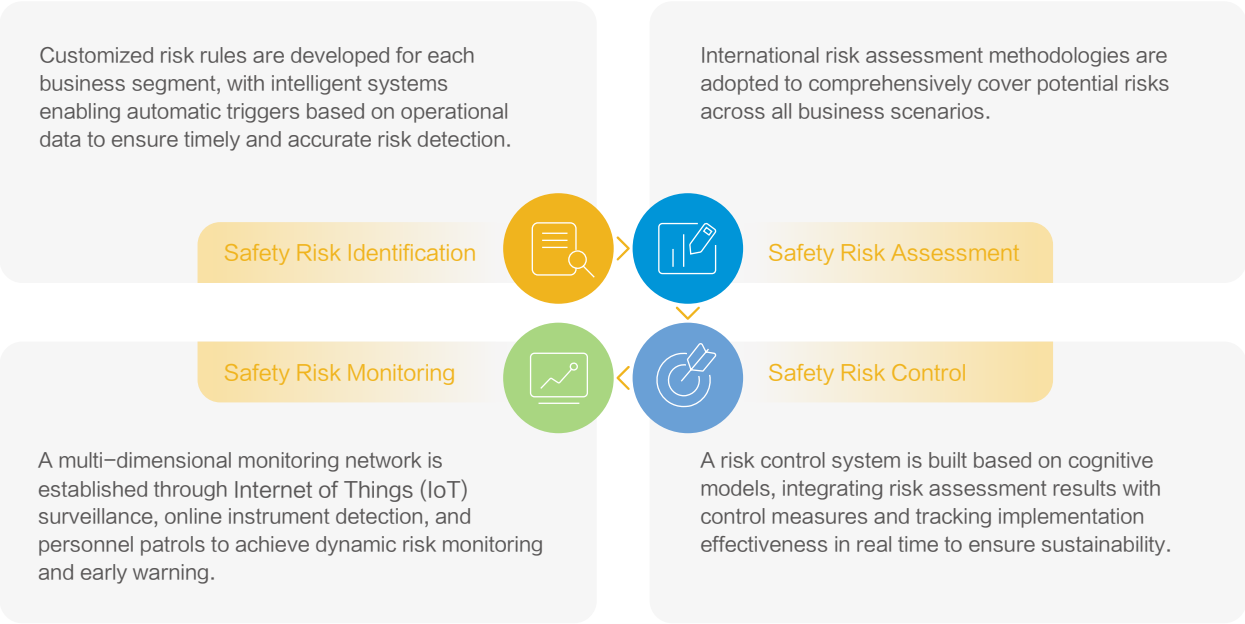
- Implement national and local laws and regulations concerning safe production
 - Promote safety compliance and the digital intelligence transformation of safety
 - Establish and implement sound safe production responsibility system and rules and regulations on safe production
 - Examine and approve medium- and long-term plans for safe production and safety inputs
- Develop safety work objectives and implementation schemes
 - Oversee and inspect the implementation of safe production work, and continually improve the approaches, methods and tools for safe production work
 - Make decisions, coordinate and address major issues in safe production
 - Examine and approve safety rewards and penalties, and conduct accident investigations

Key Responsibilities of ENN-NG Safe Production Committee

ENN-NG fully implements the Company-wide safe production responsibility system, establishes a long-term mechanism for key actions, decomposes the targets including the safety bottom line, key safety tasks and basic safety guarantees, formulates a safety performance assessment process and directly links the safety performance of the Company to the compensation of its directors and officers.

Safety Risk Management and Control

ENN-NG integrates safety risk management into frontline operations based on customers' needs for safe and stable energy supply, establishing specific processes for safety risk identification, assessment, control, and monitoring and prevention.



ENN-NG Safety Risk Management and Control Process

Case ENN-NG's Smart Safety Risk Map

In 2024, ENN-NG developed a Smart Safety Risk Map and rolled it out across 14 regional enterprises through ecosystem building, business standardization, and capability development initiatives, providing robust intelligent support for safety risk management.

By the end of the Reporting Period, the map had flagged 806 key risk incidents

806

ENN-NG conducts comprehensive internal and external safety inspections and audits covering all energy scenarios, focusing on weak links in safety management and promptly rectifying identified issues to ensure all energy scenarios' operational safety.

Name of Indicator	Unit	Data for 2024
Routine inspections conducted*	Times	83
Rectification completion rate of routine inspections*	%	100
Potential hazard investigations	Times	67,279
Rectification rate of potential hazard investigations	%	97.81
Total internal inspections*	Times	1,663
Internal management inspections at all levels	Times	16,848
Internal special safety inspections*	Times	1,371
Potential hazards identified and rectified during internal safety audits	Items	89,312
Rectification completion rate of internal safety audits	%	97.81
External inspections*	Times	226
Indoor comprehensive safety inspection rate	%	98
Rectification rate for Class I air leak hazards	%	100

* The data of ENN Energy is not included



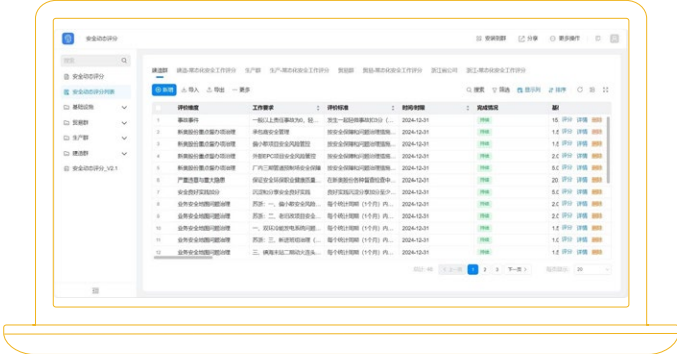
ENN-NG 2024 Annual Safety Special Inspections and Rectification Projects



Empower Safety with Digital Intelligence

ENN-NG Utilizes Smart Solutions to Address Gas Safety, diving the implementation of annual Safety Accountability and Risk Prevention. Based on customer needs for safe energy supply, ENN-NG builds intelligent safety competencies to achieve "smart safety management," providing a solid foundation for stable operations.

The company actively promotes independent R&D of safety intelligent tools and leverages information technology to provide robust support for safety management. In 2024, based on real-time collection, analysis, and processing of various safety activity data during operations, ENN introduced a Dynamic Safety Scoring System to evaluate business unit safety performance in real time, track implementation progress of key safety tasks, and reward top-performing units quarterly to drive efficient safety management.

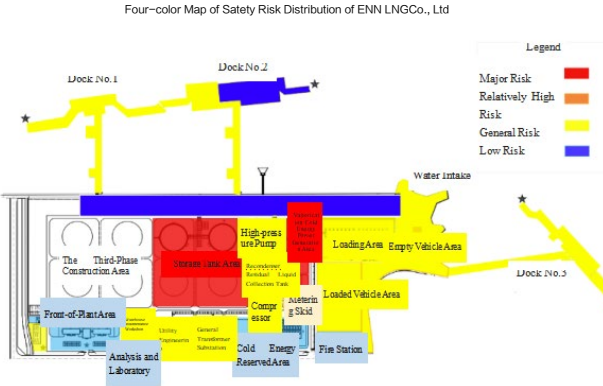


ENN-NG Dynamic Safety Scoring System Criteria

Infrastructure Operation Scenarios

ENN-NG leverages the GreatGas Intelligent Industry Platform's safety risk management and natural gas smart image recognition capabilities to achieve controllable and visualized safety risks. The smart image recognition capability enables precise identification and interpretation of gas industry-related images, including charts and equipment conditions, which has been widely applied in scenarios such as hazard detection and construction compliance verification.

For the Zhoushan Terminal, ENN identified safety risks, focusing on four critical areas: engineering technology, maintenance, personnel operations, and emergency measures. In 2024, the Company accurately identified 2 major risk points and updated the four-color Safety Map accordingly, providing clear guidance and a solid foundation for safety risk management.



Four-color Map of Risks for Zhoushan Terminal

In 2024, the Intelligent Operation Emergency Command Center of Zhoushan Terminal was completed and put into use. This center integrates the execution data of key businesses in pipelines and the Receiving Terminal, as well as real-time equipment operation data. It also accesses safety-related information such as personnel locations, special operations, on-site videos, and potential risks and hazards, enabling immediate alarms for abnormal situations and non-compliant behaviors. Meanwhile, by leveraging on-site videos and integrated communication functions, commanders can have real-time knowledge of on-site handling situations, rapidly allocate emergency resources, and significantly enhance the efficiency of emergency response.



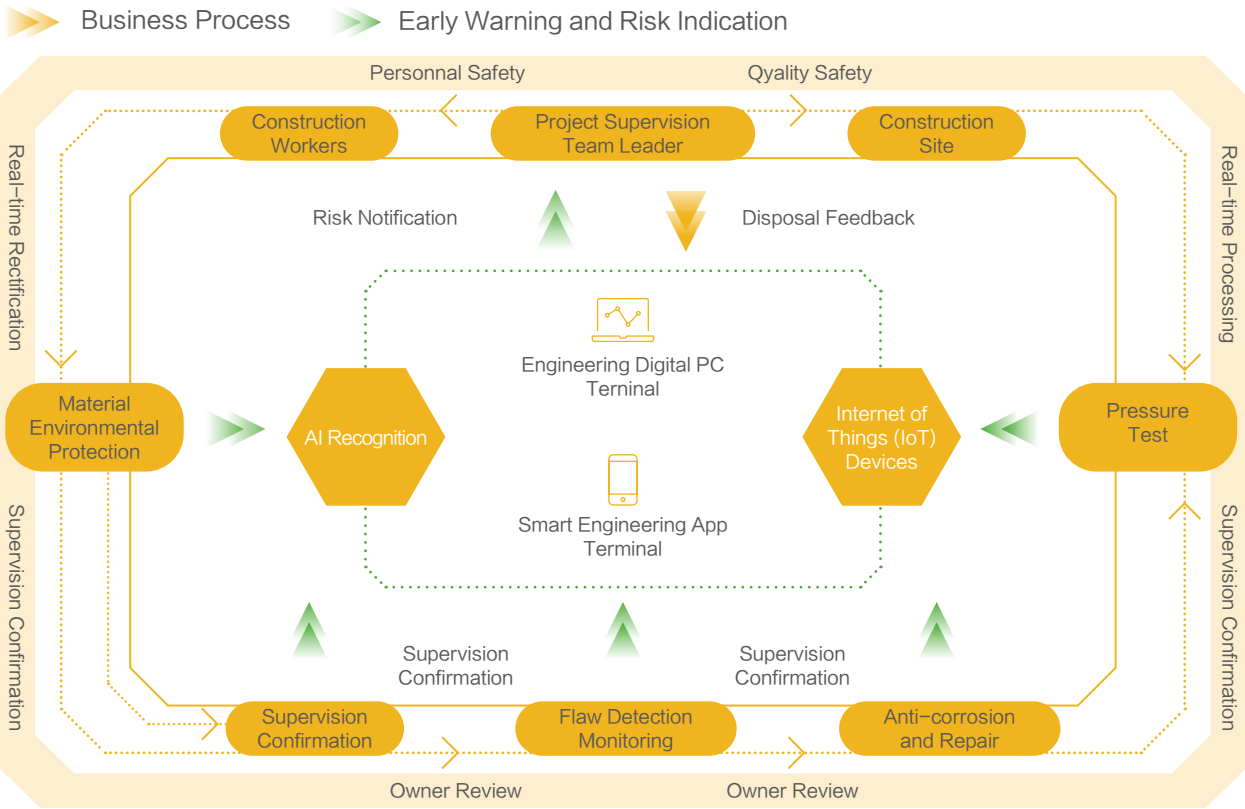
One-Map for Emergency Command of the Intelligent Operation Emergency Center of Zhoushan Terminal

Engineering Construction Scenario

In 2024, the Zhoushan Terminal upgraded its "Smart Construction Site" system and established an engineering digital intelligence platform, enabling full-process digital management across engineering phases such as design, procurement, scheduling, quality control, and acceptance. This platform integrates data from stakeholders, including developers, general contractors, construction teams, and supervision agencies. It also provides AI-powered recognition, intelligent analytics, and other digital solutions, achieving four core functions: data sharing, intelligent risk visualization, closed-loop management, and quality enhancement. These advancements drive the transformation of engineering management toward digitalization, precision, and intelligence, effectively ensuring project quality and construction safety.



PC Terminal of Engineering Digital-Intelligent Platform



Engineering Digital-Intelligent Empowerment System



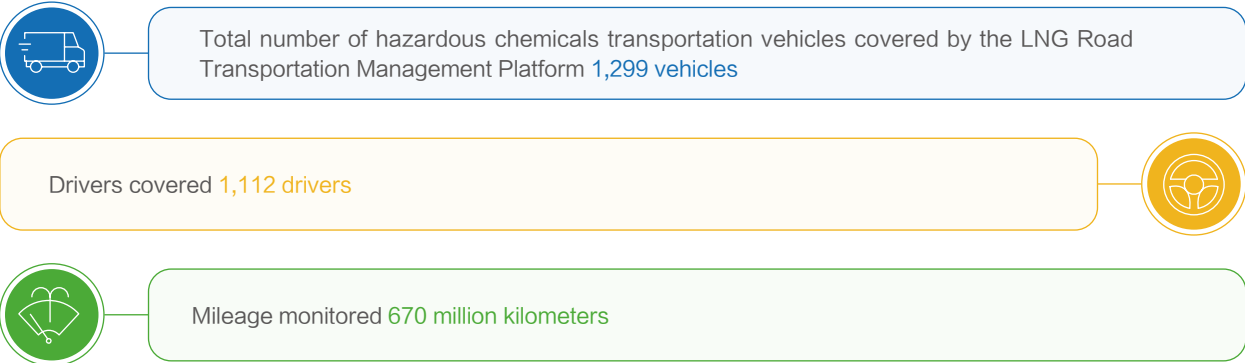
Large-screen Terminal of Engineering Digital-Intelligent Platform



Mobile Terminal of Engineering Digital-Intelligent Platform

Logistics and Transportation Scenario

ENN-NG's LNG Road Transportation Management Platform ensures safe and compliant LNG road transportation while improving end-to-end efficiency by holistically managing four critical elements: drivers, vehicles, routes, and waybills. In 2024, the platform introduced vehicle archival data management and document expiration alert functionalities and enhanced dynamic monitoring through Internet of Things (IoT) devices such as Global Positioning System (GPS), On-Board Diagnostics (OBD), Advanced Driver Assistance Systems (ADAS), and Driver Monitoring Systems (DMS). These upgrades enable real-time vehicle tracking, anomaly detection, and automated alerts, significantly strengthening transportation safety management capabilities. Additionally, the platform leverages OBD-connected telematics to dynamically monitor driver behavior, vehicle performance, and operational efficiency. This data-driven approach empowers hazardous chemicals transportation companies to reduce operational costs while enhancing safety measures.



Highlights of Performance of ENN-NG's LNG Road Transportation Management Platform

Case ENN-NG On-Board Diagnostic (OBD) networking project

Through the jointly established "Joint R&D Base for Intelligent Connected Application of Commercial Vehicles" with Beijing Zhike, ENN-NG deepened the OBD networking project. In 2024, we upgraded the driving behavior monitoring system, adding new functions such as correlating driving behavior with mileage and identifying key driving behaviors, providing more comprehensive information for driving behavior analysis. At the same time, we completed the research, testing and deployment of hardware devices such as active safety equipment and telematics boxes (TBoxes), further improving the accuracy of real-time monitoring and data transmission. In addition, we use the OBD application to conduct monthly statistical analysis of the implementation of the *Management Measures for Unsafe Behaviors of Drivers and Escorts*, promptly correct violations, and enhance the pertinence and effectiveness of safety management.

Case ENN-NG collaborates with Amap to promote the digital and intelligent project of navigation for hazardous chemical transportation

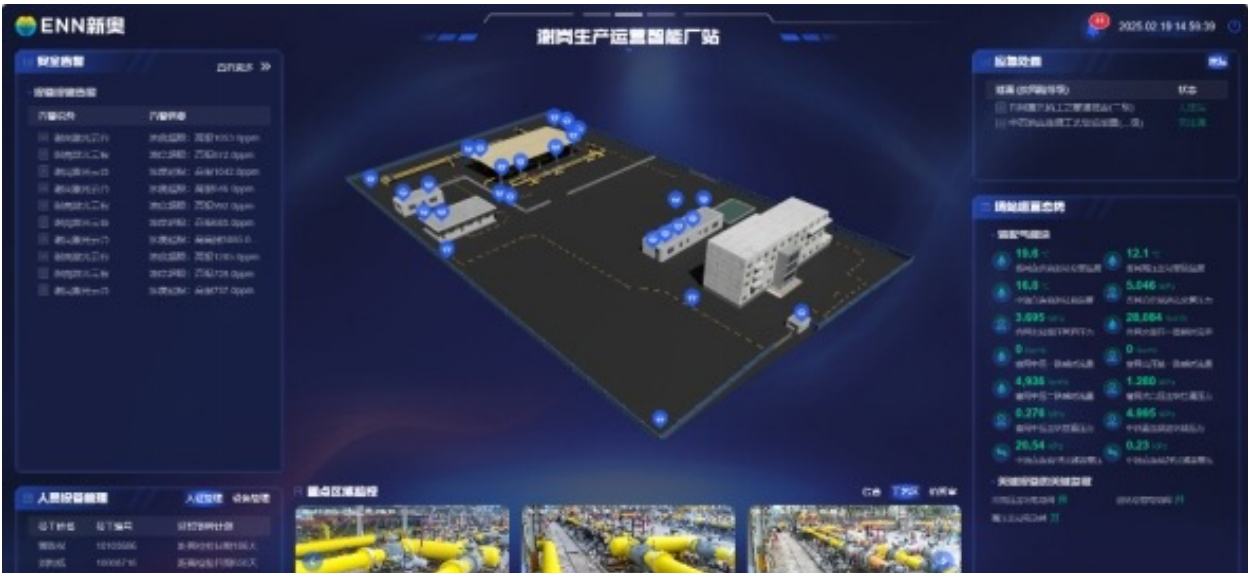
ENN and Amap continue to promote the digital and intelligent project of navigation for hazardous chemical transportation. In 2024, we improved the road network data, achieving full coverage of the main operation business routes, and shared the navigation function with third-party carriers. As of the end of the reporting period, this project has been put into use on the business side, with the cumulative usage time throughout the year reaching 10,996 hours, further enhancing the safety and management efficiency of hazardous chemical transportation.



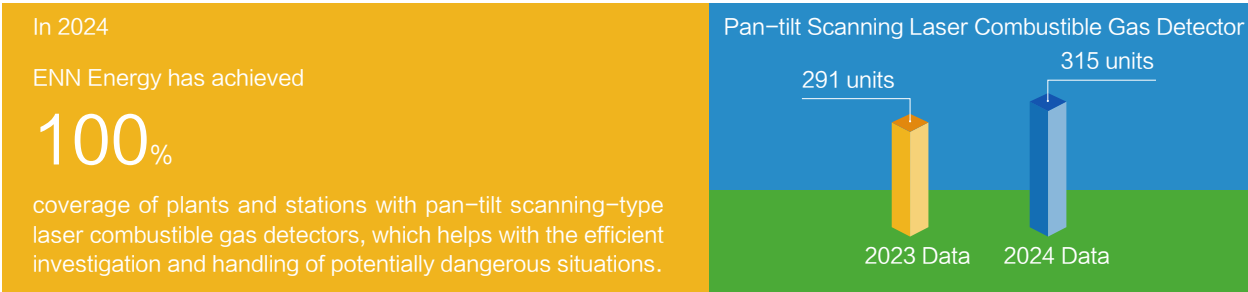
Natural Gas Distribution Scenario

To better ensure the safety management of liquefied natural gas (LNG) during the processes of transportation, storage and conversion, ENN Energy continues to improve the "Unmanned Plant and Station Safety Guardian" system. In coordination with digital and intelligent products such as laser pan-tilt cameras, infrared thermal imaging pan-tilt cameras and electronic fences, it achieves round-the-clock, 360-degree surveillance without blind spots, enabling the timely detection of minor leaks and the implementation of closed-loop handling.

In 2024, ENN Energy participated in the revision of the national standards for the safety technology of urban gas facilities and in the compilation of the enterprise standard Technical Construction and Operation Standard for Intelligent Plants and Stations, providing clear specifications for the construction of urban gas facilities and intelligent plants and stations. At the same time, ENN Energy established a metering model for plants and stations, implemented monitoring of the gas quality and flow of the gas sources, ensuring stable and accurate metering at the plant and station ends. It also actively built intelligent plant and station products and launched the Intelligent Plant and Station 2.0. By leveraging advanced intelligent technologies, it has enhanced the safety management level of plants and stations.



Intelligent Plant and Station



Integrated Energy Scenario

To address the complex risks and potential hazards in the diversified energy supply scenarios of the integrated energy business, ENN Energy leverages digital and intelligent technologies such as the Internet of Things (IoT), AI recognition, environmental detection, and remote risk indication. It comprehensively conducts risk identification work from three core dimensions: key facilities, environmental safety, and personnel operation, thus strengthening the security line for the safe operation of the integrated energy business.

In 2024, with regard to integrated energy scenarios, the Company developed templates of emergency drill plans for more than 10 types of common accidents in integrated energy projects, such as electrical fires, electric shocks, and falls from heights. It continuously carried out special safety training, urged various integrated energy enterprises to enhance the pertinence and scientific nature of their emergency drill plans, and ensured the high-quality completion of the annual emergency drill tasks.

Safety Education and Training

ENN-NG conducts various safety education and training programs for all employees and contractors in accordance with internal regulations such as the *Administrative Measures for Safety Education and Training*. The Company and its business units organize diversified safety training initiatives aligned with regulatory requirements and operational risk management needs, including monthly mandatory safety awareness sessions for all staff, specialized "Safety Guardian" skill enhancement programs for critical positions, safety management capacity-building workshops, and technical seminars focusing on cutting-edge industry practices. Through these systematic and multi-dimensional training activities, the Company continuously strengthens employees' safety consciousness and professional competencies, thereby solidifying the foundation of its safety management system.



ENN-NG 2024 Safety Education and Training Quantitative Data

* The data of ENN Energy is not included

Case Xinneng Energy Contractor Safety Training

In 2024, Xinneng Energy optimized contractor training materials by categorizing courses by job type and implementing targeted assessments, improving training efficiency and relevance. A total of 2,731 contractor workers and visitors received safety education, while 77 employees completed safety guardian training.



Xinneng Energy safety Guardian Training Session

Case ENN-NG Logistics and Transportation Personnel Safety Training

In 2024, following the safety education and training plan, the Company conducted safety education and training for all drivers, escorts, and management personnel. Defensive driving training, vehicle maintenance, and typical accident warning education were organized for front-line drivers and escorts. For second-line management personnel, training such as the "Safety Guardian" special training camp, the "Carrier Safety Assessor" workshop, and road transportation regulations study were carried out. As of the end of the reporting period, a total of 10,238 persons had participated in the training.

Case Zhoushan Terminal Safety Awareness Day Event

In December 2024, Zhoushan Terminal organized a Safety Awareness Day Event for employees and contractors both offline and online. Based on the work safety guidelines and combined with actual work scenarios and cases, the keynote speaker of the meeting elaborated on important aspects such as safe operation regulations, the use of protective equipment, and key points of risk prevention and control. Through this event, the awareness of safe operation among employees and contractors was enhanced, and their equipment operation behaviors became more standardized and proficient.



Safety Awareness Day Event Scene

Emergency Response

ENN-NG strictly implements emergency management laws and regulations, establishing a comprehensive emergency response and coordination system. The Company has developed detailed emergency plans for various scenarios, continuously strengthening emergency team capabilities, optimizing equipment allocation, and stockpiling resources to ensure rapid and efficient responses to incidents.

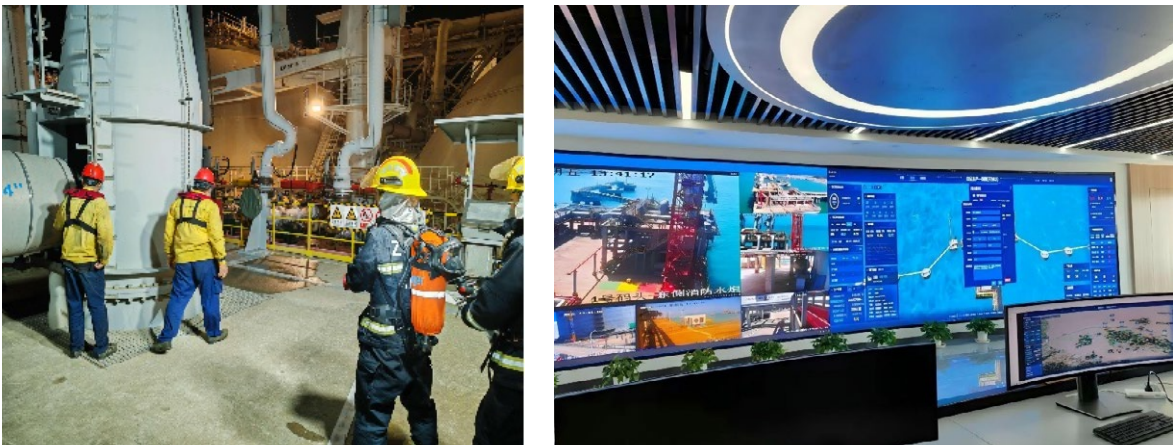
Based on the characteristics of business risks, we regularly organize diverse emergency drills to enhance the ability and skills of personnel at all levels to proficiently handle emergencies, strengthen the coordination and rapid response among Intelligent Capability Groups, and improve the practicality and effectiveness of the emergency response mechanism.



* The data of ENN Energy is not included

Case Zhoushan Terminal Wharf Unloading Arm Gas Leakage Drill

In August 2024, Zhoushan Terminal organized a wharf unloading arm natural gas leakage emergency drill involving multiple teams and roles. The exercise covered alarm handling, problem verification, perimeter control, firefighting, pressure relief, and repair operations, significantly improving the terminal's emergency response capabilities and fostering valuable team coordination experience.



Zhoushan Terminal Unloading Arm Leakage Emergency Drill

Case Xinneng Energy Annual Hazardous Goods Emergency Drills

In 2024, Xinneng Energy carried out a total of 194 emergency drills for various hazardous chemicals. The number of participants reached 1,329 person-times. These drills covered comprehensive drills, special drills for major hazard sources, emergency response drills for equipment, on-site disposal plan drills, surprise drills, etc., effectively improving the Company's employees' ability to respond to emergencies.



Xinneng Energy Emergency Drill

Occupational Health and Safety

ENN-NG adheres to the principle of "people orientation and safety first," committed to building a safe working environment, reducing occupational disease risks, and fulfilling its responsibilities for employee and contractor health and safety.

Occupational Health and Safety of Employees

ENN-NG strictly complies with national and local laws and regulations concerning occupational health and safety, actively fulfills its corporate responsibilities for occupational health, establishes a sound occupational disease prevention and management system, and improves internal regulations such as the *Measures for Administration of Occupational Health*.

To ensure the effective functioning of the management system for safe production and occupational health and safety, the Company introduces a third-party safety audit, and one tracking audit is conducted annually and one comprehensive audit is conducted every three years for the occupational health and safety policies and performance.

In 2024, **no penalties** were incurred for violating occupational health and safety laws.

	Detection and control of occupational hazard <ul style="list-style-type: none">Conduct hazard monitoring to identify risks and implement control measures.Establish investigation procedures for occupational diseases and work-related injuries to ensure comprehensive and timely analysis of relevant incidents, clarify their causes, and implement effective corrective measures to prevent the recurrence of similar events.
	Occupational health examination <ul style="list-style-type: none">Regularly carry out employees' health examinations and communication work. Provide comprehensive pre-job physical examinations for newly recruited employees. If the physical examination results show that an employee has relevant diseases, he/she will be avoided from being assigned to positions that pose occupational health hazards.For employees engaged in positions with occupational health hazards, arrange at least one specialized occupational health hazard physical examination every year.In 2024, the employee physical examination rate reached 100%.
	Occupational Health Records and Compensation <ul style="list-style-type: none">Establish, sort out and maintain employees' individual occupational health monitoring files to ensure the integrity and timeliness of employees' individual files.Provide an occupational health and safety compensation retrospective period of up to ten years to ensure that employees can be fully protected when facing occupational health problems.
	Occupational Disease Prevention and Protection <ul style="list-style-type: none">Noise Control: Require employees who work in a noisy environment for an extended period to wear protective devices such as earplugs and take regular rest breaks according to the schedule. Install noise reduction equipment like cellular bricks at the engineering site to reduce the noise level.Prevention of High Temperature: Try to avoid working in high-temperature environments as much as possible, and provide employees with places to escape the heat and supplies for cooling during hot weather.Disease Prevention: Set up emergency supplies and medicine cabinets in the production area to provide employees with emergency medicines and protective equipment.

Key Measures for Occupational Disease Prevention and Control at ENN-NG

Case Intelligent Business Group for Logistics Transportation and Distribution's Health Management System

The company guides various business scenarios to conduct occupational health and safety management in combination with the actual business situation. Among them, the Intelligent Business Group for Logistics Transportation and Distribution has established a Health Management Committee to build an employee health management system, which covers five health management dimensions, namely health detection, perception, cognition, care, and mutual assistance.

Case Fitness Status Monitoring Equipment of Drivers in Full-Scale Pilot

In 2024, a series of achievements obtained from the research project Research and Development of Technologies and Equipment for Diagnosis, Screening, Monitoring and Early Warning of Fitness Status of Drivers for Highway Passenger Vehicles, Tourist Passenger Vehicles and Hazardous Chemical Vehicles" jointly carried out by ENN Logistics, the Research Institute of Highway under the Ministry of Transport, Tsinghua University and other scientific research institutions, such as the pre-post integrated machine, the on-duty departure integrated machine and the intelligent watch for on-duty use, have all entered the stage of comprehensive demonstration and application. As of the end of the reporting period, the intelligent monitoring and early warning system for the fitness status of drivers for highway passenger vehicles, tourist passenger vehicles and hazardous chemical vehicles has cumulatively formed 12,273 fitness portraits of drivers and pushed 1,086 early warnings, effectively ensuring the health and safety of in-house drivers.

Driver Post-duty Equipment

Indicator	Unit	Data for 2024
Disabling incident frequency rate per million man-hour related to safe production	Incidents/million man-hours	0.23
The number of enterprises within ENN-NG and its subsidiaries passing ISO 45001 occupational health and safety management system verification	Companies	94
The proportion of enterprises within ENN-NG and its subsidiaries passing ISO 45001 occupational health and safety management system verification	%	69.63
Investment in occupational health and safety	RMB 100 million	13.24
Full-time safety management staff	Persons	5,662
Employee physical examination coverage rate	%	100
Number of occupational disease cases	Cases	0

ENN-NG 2024 Occupational Health and Safety Quantitative Data

Occupational Health and Safety of Contractors

The Company attaches equal importance to the safety of contractors and project construction personnel. In accordance with regulations such as the *Administrative Rules on HSE of Suppliers* and the *Contractor Safety Agreement*, it clearly defines contractors' safety compliance responsibilities and reward-punishment mechanisms to safeguard contractors' health and safety.

Qualification Verification

- At the entry stage, require contractors to submit certification materials for their occupational health and safety systems and relevant national-required certificates to assess their safety management standards.

Risk Assessment

- Regularly evaluate contractors' safety performance and risks, implementing dynamic management.

Smart Product Application

- Promote the use of "Craftsman Guild" smart products in contractor management, covering functions like registration of labor subcontracting personnel, online exams, and daily check-ins to monitor contractors' safety performance and strengthen worker management.
- Through intelligent Internet of Things (IoT) modules for tower cranes, achieve linkage with contractors' safety management, intelligently control tower crane collision risks, and reduce the likelihood of injuries to contractor personnel.

Morning Shift Training

- Before daily operations, organize morning shift training for contractors, conduct safety briefings for workers, and clarify key work points, major risk points, and corresponding safety measures for the day.

ENN-NG's Daily Safety Management Measures for Contractors

In 2024, ENN-NG conducted comprehensive safety training for contractor personnel, with a total of 41,424 person-times participating. The training covered content such as on-site safety requirements, risk control for hazardous operations, occupational hazards, and special operation specifications, aiming to enhance contractors' awareness of the importance of work safety and their on-the-job safe operation capabilities. Meanwhile, through analyses of accident and non-compliance cases, contractor personnel more intuitively grasped work safety norms and operation key points, improving safety awareness and emergency response abilities.



ENN-NG Safety Training of Contractors

Indicator	Unit	Data for 2024
Fatalities due to safety incidents	Persons	0
Number of contractor work-related injury accidents	Incidents	0
Lost time injury frequency rate (LTIFR) for contractors	Incidents/million man-hours	0
Lost time injury frequency rate (LTIFR) including contractor	Incidents/million man-hours	0.12
Total recordable injury rate (TRIR) for employees and contractors	Incidents/100 employees and contractors	0.02

ENN-NG 2024 Contractor Safety Management Quantitative Data



Green Development: Co-Creating an Intelligent Low-carbon Framework

Adhering to the concept that "lucid waters and lush mountains are invaluable assets", ENN-NG actively implements actions to address climate change, promotes emissions reduction and carbon reduction, and accelerates the transition to clean energy. We implement strict ecological governance to ensure the sustainable use of resources, build a circular economy system, adhere to green operations, and use intelligent technologies to achieve low-carbon management throughout the entire process. We actively participate in ecosystem restoration projects, protect biodiversity, and promote collaborative cooperation between upstream and downstream industries in the industrial chain. We strive to build a green supply chain ecosystem and jointly achieve sustainable value creation. In the future, driven by responsibility and innovation, we will jointly write a new chapter in green and sustainable development.



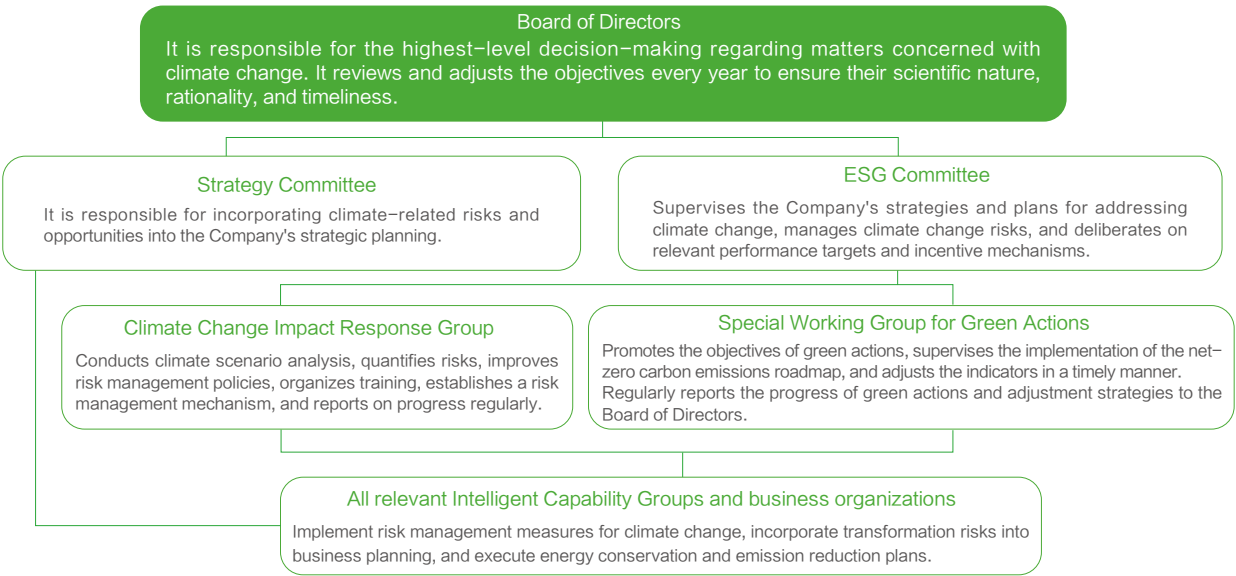


Response to Climate Change

ENN-NG is well aware that climate change has a profound impact on the Company's business strategy and the development of the industry. We conduct climate change scenario analysis with reference to the international standard framework of ISSB IFRS S2¹, systematically implement the identification, assessment, and response to risks and opportunities, as well as financial impact analysis, so as to achieve the organic integration of the climate strategy and the Company's development strategy.

Governance

ENN-NG has established a clearly hierarchical governance² structure. The Board of Directors, as the highest responsible institution, directly supervises matters related to climate change. It regularly convenes meetings themed climate change every year to ensure that the climate change strategy is closely integrated with the Company's development strategy. An ESG Committee has been established under the Board of Directors to coordinate the climate change strategy and planning, supervise the achievement of goals, and collaborate with the Strategy Committee to integrate climate risks and opportunities into the overall strategic planning. In order to implement the relevant work plans, a specialized working group has been set up under ESG Committee. Moreover, climate change indicators directly linked to compensation and a compensation clawback mechanism has been established to ensure the comprehensive implementation of climate governance.



Climate Governance Structure of ENN-NG

Strategy

Climate Strategy

ENN-NG upholds the responsibility of an energy enterprise and incorporates the "concept of sustainable development" into its corporate development strategy. In 2022, it released *Green Actions 2030 – ENN-NG's Path to Carbon Neutrality* and put forward dual-carbon goals: achieving carbon peak by 2030 and carbon neutrality by 2050. At the same time, it formulates short-term, medium-term and long-term carbon emission reduction targets for each business segment, releases a net-zero carbon emissions roadmap, steadily promotes green actions, and actively responds to the national strategic goals of green and low-carbon development.

Achieving carbon peaking in its operation by 2030

Achieving carbon neutrality in its operation by 2050

Overall Climate Objectives of ENN-NG

Climate Scenario Analysis

ENN-NG starts from three key dimensions, namely the likelihood of occurrence, the speed of occurrence, and the financial impact. Based on a short-term time frame (0–3 years), a medium-term time frame (3–10 years), and a long-term time frame (10–30 years), ENN-NG identifies and assesses potential high-risk/opportunity factors, formulates corresponding risk response measures, integrates them into the Company's strategic planning, and ensures that the risk management objectives.

The Company uses the internationally mainstream climate scenario parameters to conduct scenario analysis and financial quantitative assessment on key risks and opportunities, enhancing the effectiveness of the identification and assessment of risks and opportunities, so as to formulate forward-looking risk management strategies.

	Scenario Type	Selected Scenarios	Scenario Source	Estimated Temperature Rise ²	Description	Climate Scenario Parameter Database
Physical Risk	Brown scenario/ high-emission scenario	RCP 8.5	IPCC	4℃	It is assumed in the scenario that existing climate and energy policies are unsuccessful, leading to a substantial increase in global greenhouse gas emissions.	WRI Water Risk Atlas WRI Aqueduct Floods Climate Impact Explorer (CIE)
	Current policy scenario	RCP 4.5	IPCC	3℃	In the scenario, existing climate and energy policies including commitments made in Nationally Determined Contributions (NDCs) are taken into account, but fail to achieve the goal of limiting the temperature rise within 2℃ .	The KNMI Climate Explorer
Transition Risks and Opportunities	Turquoise Scenario/ Accelerated Transition Scenario	Net Zero by 2050 (NZE) / Sustainable Development Scenario (SDS)	IEA	1.5℃ (<2℃ for SDS)	This scenario is an ideal one and it means that the goal of achieving net – zero carbon dioxide emissions around 2050 is successfully realized through strict climate policies and innovation and global warming is limited to within 1.5℃ . When climate parameters under the NZE scenario are not available, the SDS scenario may also be used to indicate that the global temperature rise has been successfully limited to within 2℃ .	IEA-WEO
	Current Policy Scenario	Stated Policies Scenario (STEPS)	IEA	3℃	This scenario reflects the current policy environment which is based on a one-by-one assessment of the specific policies of various departments and the policies already announced by governments around the world. It provides a benchmark for evaluating the potential outcomes (and limitations) of the recent development of energy and climate policies.	
	Turquoise Scenario/ Accelerated Transition Scenario	Net Zero by 2050 / Below 2℃ Scenario	NGFS	1.5℃ / <2℃	The Net Zero by 2050 Scenario is an ambitious and ideal one. Through strict climate policies and innovation, it aims to limit global warming to 1.5℃ and achieve net-zero carbon dioxide emissions around 2050. In the Below 2℃ Scenario, it is assumed that climate policies are implemented immediately and gradually tightened, and net-zero emissions will be achieved in the whole world after 2070.	NGFS
	Current Policy Scenario	Current Policy Scenario	NGFS	3℃	In this scenario, it is assumed that only the currently implemented policies are maintained. By 2080, global emissions will increase, leading to a temperature rise of approximately 3℃ and serious physical risks, including irreversible changes such as sea-level rise.	

Selection of Climate Scenarios by ENN-NG

¹ IFRS S2 Climate-related Disclosures, the Climate-related Disclosure Standards issued by the International Sustainability Standards Board
² For the detailed governance mechanism, please refer to the [Report on Climate-related Financial Disclosures](#)

The Company screens acute and chronic physical risks for all its operation locations, identifies high-risk areas from multiple aspects such as the impact on the value chain, the likelihood of occurrence, the occurrence rate, and the ways of financial impact, and analyzes the quantitative financial impact of key physical risks on ENN-NG, and proposes corresponding countermeasures. For the specific physical risk analysis based on climate scenarios, please refer to [Report on Climate-related Financial Disclosures](#).

Risk Type	Risk	Risk Description			
Acute Risk	Typhoon	The stability of the climate system has been severely impacted, and extreme weather phenomena have become more frequent with the intensification of global warming. The continuous rise in sea surface temperatures has significantly increased the intensity of tropical cyclones. The frequent occurrence of extreme weather events such as typhoons poses a major threat to ENN's operational sites, especially the facilities and business operations in coastal areas. Frequent typhoons may lead to operational disruptions and facility damage, thereby causing issues such as reduced revenue and damage to fixed assets.			
Impact on Value Chain Operation Rate of Occurrence: Short-term	Possibility Very high	Scenario		Level of Financial Impact Total Risk Net Risk	
		Value at stake(VaS)	Scenario	Overall Risk Level of the Company	Risk Level of Zhoushan Receiving Terminal
		Total value at stake	Current Policy Scenario	Low (<10%)	Medium (10% – 50%)
		Total value at stake	Pressure Scenario	Low (<10%)	Medium (10% – 50%)
		Net value at stake	Current Policy Scenario	Low (<10%)	Low (<10%)
		Net value at stake	Pressure Scenario	Low (<10%)	Low (<10%)
Risk Type	Risk	Risk Description			
Acute Risk	Flood	The pipelines of the urban gas project were damaged due to the flood, which in turn led to asset impairment, a decline in operating revenue, and a significant increase in maintenance costs.			
Impact on Value Chain: Operation Rate of Occurrence: Short-term	Possibility: Medium–Very high	Scenario		Level of Financial Impact Total Risk Net Risk	
		Value at stake(VaS)	Scenario	Risk Level	
		Total value at stake	Current Policy Scenario	Low (<10%)	
		Total value at stake	Pressure Scenario	Low (<10%)	
		Net value at stake	Current Policy Scenario	Low (<10%)	
		Net value at stake	Pressure Scenario	Low (<10%)	
Risk Type	Risk	Risk Description			
Chronic Risk	Rise of average temperature	The demand for natural gas decreases due to the rise in temperature, resulting in a reduction in the revenue of the natural gas business.			
Impact on Value Chain: Downstream Rate of Occurrence: Long-term	Possibility: Medium–Very high	Scenario		Level of Financial Impact Total Risk Net Risk	
		Value at stake(VaS)	Scenario	Risk Level	
		Total value at stake	Current Policy Scenario	Low (<10%)	
		Total value at stake	Pressure Scenario	Low (<10%)	
		Net value at stake	Current Policy Scenario	Low (<10%)	
		Net value at stake	Pressure Scenario	Low (<10%)	

Identification and Analysis of Key Climatic Physical Risks

The Company always pays close attention to changes in policies, laws and regulations, markets, technologies, etc. It identifies and analyzes the quantitative financial impacts of key transformation risks on ENN-NG from multiple aspects such as impacts on value chain, possibility of occurrence, rate of occurrence, and ways of financial impact, and proposes corresponding countermeasures. For specific transformation risk analysis based on climate scenarios, please refer to the [Report on Climate-related Financial Disclosures](#).

Risk Type	Risk	Risk Description		
Policy and Regulatory Risks	Carbon price	As the coverage of the carbon market continues to expand and the emission quotas are gradually tightened, the direct compliance costs of ENN-NG will increase significantly. After the power industry is included in the carbon market, the electricity price is likely to rise, indirectly leading to an increase in operating costs. After the steel and building materials industries are included in the carbon market, the cost of the engineering and construction may further increase.		
Impact on Value Chain: Operation, upstream	Possibility: High	Scenario		Level of Financial Impact
		Total Risk	Net Risk	
	Ways of Financial Impact: Cost	Value at stake(VaS)	Scenario	Risk Level
		Total value at stake	Current Policy Scenario	Low (<10%)
		Total value at stake	Pressure Scenario	Low (<10%)
		Net value at stake	Current Policy Scenario	Low (<10%)
Rate of Occurrence: Medium-term		Net value at stake	Pressure Scenario	Low (<10%)
Risk Type	Risk	Risk Description		
Policy and Regulatory Risks	The shipping industry will be included in the EU carbon market.	In order to accelerate the achievement of net-zero emissions and reach the target of a 55% emission reduction by 2030, the European Union has included the shipping industry in the carbon market. As an important customer of ENN's LNG international resources, the new EU regulations will significantly increase the shipping costs of ENN's LNG on the shipping routes within the EU, thereby increasing the operating costs.		
Impact on Value Chain: Operation	Possibility: Medium	Scenario		Level of Financial Impact
		Total Risk	Net Risk	
	Ways of Financial Impact: Cost	Value at stake(VaS)	Scenario	Risk Level
		Total value at stake	Current Policy Scenario	Low (<10%)
		Total value at stake	Pressure Scenario	Low (<10%)
		Net value at stake	Current Policy Scenario	Low (<10%)
Rate of Occurrence: Short-term		Net value at stake	Pressure Scenario	Low (<10%)
Risk Type	Risk	Risk Description		
Policy and Regulatory Risks	The "Dual Carbon" policy	The national "30 · 60" climate targets promote the transformation of the energy structure and increase the proportion of non-fossil energy sources (such as wind, solar, hydropower, nuclear power, and biomass). The decrease in the proportion of fossil energy consumption in the future will have an impact on the revenue and sustainable development of natural gas-related businesses.		
Impact on Value Chain: Downstream	Possibility: High	Scenario		Level of Financial Impact
		Total Risk	Net Risk	
	Ways of Financial Impact: Revenue	Value at stake(VaS)	Scenario	Risk Level
		Total value at stake	Current Policy Scenario	Medium (10%–50%)
		Total value at stake	Pressure Scenario	Medium (10%–50%)
		Net value at stake	Current Policy Scenario	Medium (10%–50%)
Rate of Occurrence: Long-term		Net value at stake	Pressure Scenario	Medium (10%–50%)

Identification and Analysis of Key Climate Transformation Risks

Driven by China's "Dual Carbon" goals and supporting policies, the transformation of the energy structure, changes in market demand, as well as the efforts made and actions taken in advance by ENN-NG to adapt to climate change, also bring new growth opportunities to the Company. These opportunities include improving resource utilization efficiency, laying out low-carbon and renewable energy sources, developing new products and services, entering new markets, and enhancing the resilience of the supply chain, among others.

Type of Opportunity	Opportunity	Description of Opportunity		
Climate Opportunity	Opportunities for Resource Efficiency	Digital transformation improves the efficiency of resource allocation and saves costs, such as the dispatching of tank trucks and intelligent energy management.		
Impact on Value Chain: Operation	Possibility: High	Scenario	Level of Financial Impact	
			Total Risk	Net Risk
	Value at stake(VaS)	Scenario	Risk Level	
	Total value at stake	Current Policy Scenario	Low (<10%)	
	Total value at stake	Pressure Scenario	Low (<10%)	
	Net value at stake	Current Policy Scenario	Low (<10%)	
Rate of Occurrence: Short-term to medium-term	Cost	Net value at stake	Pressure Scenario	Low (<10%)
Type of Opportunity	Opportunity	Description of Opportunity		
Climate Opportunity	Opportunities for Products and Services	The comprehensive energy business provides clean energy services to meet the demand for emission reduction. Increase revenue through solutions for green factories and low-carbon industrial parks.		
Impact on Value Chain: Downstream	Possibility: High	Scenario	Level of Financial Impact	
			Total Risk	Net Risk
	Value at stake(VaS)	Scenario	Risk Level	
	Total value at stake	Current Policy Scenario	Low (<10%)	
	Total value at stake	Pressure Scenario	Medium (10%–50%)	
	Net value at stake	Current Policy Scenario	Low (<10%)	
Rate of Occurrence: Long-term	Revenue	Net value at stake	Pressure Scenario	Medium (10%–50%)

Identification and Analysis of Key Climate Transformation Risk



Risk Management

To address the potential impacts of climate risks on its business, ENN-NG adopts the PDCA (Plan – Do – Check – Act) cycle management approach, establishing a comprehensive closed-loop management system covering the identification, assessment, control, and supervision of climate risks to ensure effective risk management.



Risk Identification and Evaluation

Following the ISSB disclosure framework, ENN-NG conducts a comprehensive evaluation from the two dimensions of likelihood and severity through expert assessments and discussions with business departments. It has screened out 8 key climate risks and opportunities for the Company, including 5 risks and 3 opportunities. In response to these key risks and opportunities, the Company conducts in-depth financial impact analysis, namely the Value-at-stake analysis (VaS), by combining the high-emission scenario and the accelerated climate transition scenario to assess the potential financial impacts.

screened out key climate risks and opportunities for the Company

8

ENN-NG Management Process for Risks Related to Climate Change

TCFD Type		Value Chain Link			Affected Subject			Total
		Upstream	Operation	Downstream	ENN Energy	ENN-NG	ENN-NG & ENN Energy	
Transformation risks	1. Policy and regulatory risks	1	4	1		1	5	6
	2. Technical risk	1	1	2	1		3	4
	3. Market risk	1		2		1	2	3
	4. Reputation risk		2	1			3	3
Physical risks	5. Acute physical risk	4	7	1	3	7	2	12
	6. Chronic physical risk		5	2	3	2	2	7
Climate opportunities	7. Resource efficiency opportunity		3		1	1	1	3
	8. Energy opportunity	2	1		2		1	3
	9. Production/service opportunity		3	4	4	2	1	7
	10. Market opportunity		7		4	1	2	7
	11. Adaptability opportunity	1	2			3		3
Total		10	35	13	18	18	22	58

— Risk — Opportunity

Identification and Analysis of Climate Risks and Opportunities of ENN-NG

Risk Response and Opportunity Actions

ENN-NG formulates response measures for each identified risk and implements a series of such measures to enhance the Company's resilience against risks. At the same time, we actively make arrangements for the identified opportunities, strive to seize the opportunities brought about by climate change, and actively promote the clean transformation of the industrial chain.

Main Response Measures	Types of Risks Addressed															
<div>Intelligent Prediction and Monitoring:</div> <div><ul style="list-style-type: none">● Utilize the intelligent industrial platform of the GreatGas Intelligent Industry Platform to predict the path of typhoons and adjust the dispatching plan promptly to reduce losses.</div> <div><ul style="list-style-type: none">● At the same time, conduct risk assessments on transportation routes, port selection, etc., and make adaptive adjustments to reduce the areas and facilities that may be affected.</div> <div><ul style="list-style-type: none">● Predict the changes in natural gas demand caused by temperature changes, issue timely warnings, and take measures such as adjusting gas supply reserves and dispatching to improve energy use efficiency.</div> <div></div>	<div><ul style="list-style-type: none">● Acute physical risks such as typhoons and floods● Rise in average temperature</div>															
<div>Asset Insurance Purchase:</div> <div><ul style="list-style-type: none">● Purchase insurance for important assets and facilities to reduce the economic losses caused by risks.</div>	<div><ul style="list-style-type: none">● Acute physical risks such as typhoons and floods</div>															
<div>Facility Reinforcement:</div> <div><ul style="list-style-type: none">● Reinforce and protect the pipeline auxiliary facilities in advance, arrange emergency repair personnel on duty. After extreme weather, conduct a foot patrol inspection of the entire pipeline, count the losses, and carry out emergency repairs on the facilities, etc.</div> <div><table><tr><td>Reinforcement of building structures</td><td>Protection of key equipment</td><td>Reinforcement of public facilities</td></tr><tr><td>Reinforcement of trees</td><td>Inspection and reinforcement of dams</td><td>Demolition of objects prone to collapse</td></tr><tr><td>Removal of unstable items at high points</td><td>Cleaning of garbage and obstacles</td><td>Cleaning of temporary construction facilities</td></tr><tr><td>Inspection and maintenance of the drainage system</td><td>Retraction and deployment of hoisting equipment</td><td>Cleaning and reinforcement of the construction area and preparation area</td></tr><tr><td>Reinforcement of temporary houses</td><td colspan="2">And 146 other measures</td></tr></table></div>	Reinforcement of building structures	Protection of key equipment	Reinforcement of public facilities	Reinforcement of trees	Inspection and reinforcement of dams	Demolition of objects prone to collapse	Removal of unstable items at high points	Cleaning of garbage and obstacles	Cleaning of temporary construction facilities	Inspection and maintenance of the drainage system	Retraction and deployment of hoisting equipment	Cleaning and reinforcement of the construction area and preparation area	Reinforcement of temporary houses	And 146 other measures		<div><ul style="list-style-type: none">● Acute physical risks such as typhoons and floods</div>
Reinforcement of building structures	Protection of key equipment	Reinforcement of public facilities														
Reinforcement of trees	Inspection and reinforcement of dams	Demolition of objects prone to collapse														
Removal of unstable items at high points	Cleaning of garbage and obstacles	Cleaning of temporary construction facilities														
Inspection and maintenance of the drainage system	Retraction and deployment of hoisting equipment	Cleaning and reinforcement of the construction area and preparation area														
Reinforcement of temporary houses	And 146 other measures															

Response Measures to Physical Risks

Main Response Measures	Types of Risks Addressed
<p>Enhancing Green Power Consumption: Photovoltaic power generation is consistently promoted for self-owned buildings, and alternative routes such as cold energy power generation are explored to reduce emissions in Scope II.</p>	<ul style="list-style-type: none">● Carbon price● Dual Carbon policy
<p>Improving Comprehensive Energy Efficiency: Develop comprehensive energy business in light of local conditions. By integrating various clean energy sources, improve system energy efficiency, introduce hydrogen energy, and achieve the goal of increasing the proportion of renewable energy to 36% by 2030 to reduce carbon emissions from natural gas.</p>	<ul style="list-style-type: none">● Carbon price● Fossil fuel price
<p>Layout for Carbon Tax Management: Establish carbon trading accounts with counterparties to streamline the channels for purchase of carbon quotas.</p> <ul style="list-style-type: none">● Layout for Carbon Tax Management: Establish carbon trading accounts with counterparties to streamline the channels for purchase of carbon quotas.● Establish settlement accounts in EU to streamline the channels for payment of carbon taxes.● Implement the globally connected market risk monitoring that integrates carbon business into the 24-hour globally connected management system.● Develop EUA¹ management capabilities and establish whole-process carbon management capabilities across international trade, shipping, carbon taxation and delivery, and enable a daily reporting mechanism.● Evaluate the CBAM² impact, assess customer impacts and develop carbon support products.● Establish ETMO³-centered digital capabilities and systems for carbon emission risk control to address industry gaps.	<ul style="list-style-type: none">● Carbon price● The shipping industry will be incorporated into the EU carbon market

Response Measures to Transformation Risks

Main Response Measures	Opportunities Encountered
<p>Digital and Intelligent Application: Connects the demand side and supply side of natural gas through digital and intelligent technologies and provides scenario data. Supports the creation of intelligent products based on the best innovative practices in all scenarios of natural gas within ENN-NG and the industry. Empowers and aggregates all parties in the natural gas industry ecosystem to enhance the overall capabilities and efficiency of the industry. This platform makes use of industrial big data and industry knowledge bases and relies on general intelligent capabilities to build a large model for understanding natural gas capabilities so as to intelligently meet customer needs and drive the efficient operation of the industry. This platform makes use of industrial big data and industry knowledge bases, and relies on general intelligent capabilities to build a large model for understanding natural gas capabilities, so as to intelligently meet customer needs and drive the efficient operation of the industry.</p> <ul style="list-style-type: none">● Links the demand side and supply side of natural gas by using intelligent technologies, provide scenario data, and support the creation of intelligent products based on the best innovative practices in all scenarios of the natural gas industry.	<ul style="list-style-type: none">● Opportunities in Resource Efficiency● Market Opportunities● Opportunities in Products and Services
<p>Expansion of Integrated Energy: Develops an integrated energy business with a strategy tailored to local conditions. Combines local energy resources and customer needs, integrates clean energy sources such as natural gas, industrial waste heat, biomass, solar energy, and geothermal energy, and provides customers with multi-energy complementary solutions.</p> <ul style="list-style-type: none">● Formulates green development plans, increases the proportion of renewable energy use, improves system energy efficiency, and explores carbon-neutral LNG to meet the demand for low-carbon energy consumption.	<ul style="list-style-type: none">● Opportunities in Resource Efficiency● Market Opportunities● Opportunities in Products and Services

Climate Opportunity Action Strategies

¹ The EU carbon emission allowance futures product refers to a futures product formed when companies that need to emit carbon purchase emission allowances from companies that own carbon allowances.

² The Carbon Border Adjustment Mechanism (CBAM) aims to mitigate the risk of carbon leakage by imposing a levy on goods exported from third countries, which is equivalent to the difference in carbon prices between these goods and similar products under the EU Emissions Trading System (ETS).

³ The digital capability and system for carbon emission risk control utilize digital technologies to monitor and manage carbon emission risks, so as to improve the efficiency and effectiveness of an enterprise's carbon management.

Climate Risk Management

ENN-NG incorporates environmental and climate risks into the five major risk categories alongside corporate operational risks, safety risks, media risks, and compliance risks, forming a comprehensive risk management system for the Company. The company formulates and adheres to the *Climate Change Response Policy* and constructs a closed-loop process of "risk identification- risk analysis - risk assessment-risk disposal - monitoring and review" to ensure comprehensive and systematic risk management.

In addition, during the due diligence of project investments, the Company also considers climate factors. It comprehensively considers climate risks from three aspects: mitigating climate change, enhancing adaptability, and making investment decisions, and it incorporates the physical risks of climate change into all stages of project design, construction, and operation. Moreover, the Company pays attention to the potential greenhouse gas emissions, emission reduction potential, and the application potential of renewable energy sources that a project may generate. It takes the capabilities of investment projects in the utilization of renewable energy sources such as photovoltaics, industrial waste heat, biomass, and geothermal energy as key evaluation indicators so as to promote sustainable development and the achievement of climate goals.

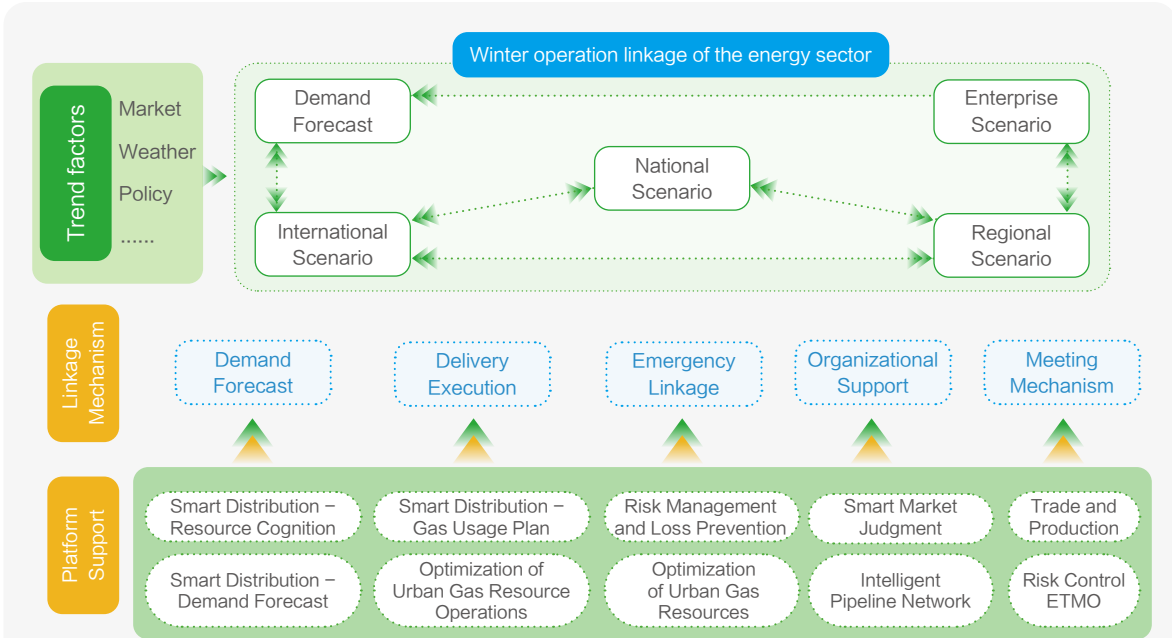
Case Xinneng Energy Implements Carbon Emission Quota Compliance

In 2024, the national carbon market entered its third compliance cycle. Facing the tightened national carbon quota and the new surplus quota carry-over policy, Xinneng Energy accurately calculate and predict the quota, effectively control energy consumption, and reduce carbon emissions. During the second and third compliance cycles, Xinneng Energy has an overall surplus of carbon quotas and actively responds to policies by conducting transactions to increase market activity.



Case Improving the Winter Operation Linkage Mechanism of the Energy Sector to Ensure Supply Security

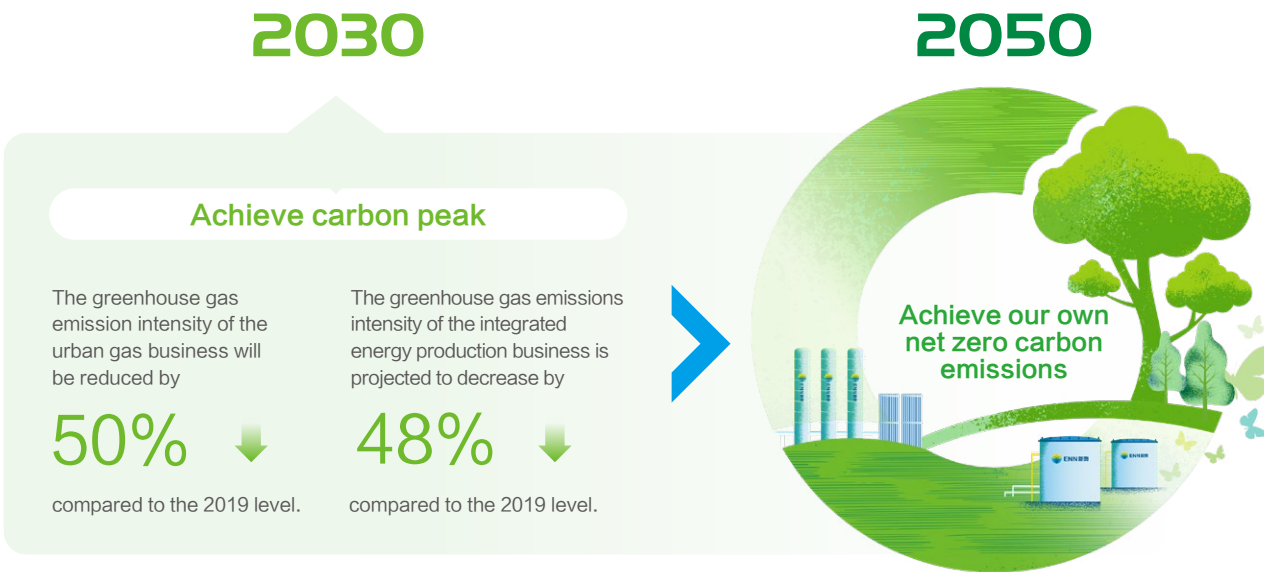
In order to address the pressures and challenges of winter energy supply, the Company continuously improves the normalized winter operation linkage mechanism of the energy sector. The Company focuses on key scenarios such as optimizing resource allocation, serving customers, and ensuring safe operations. It conducts overall coordinated optimization and adjustment through full-scenario linkage and coordination. Each region and each enterprise has established corresponding winter operation organizations to ensure a stable and secure supply.



Indicators and Targets

ENN-NG deepens the carbon inventory work within the group, refines the management and control of corporate greenhouse gas emissions and energy consumption, consolidates its achievements in energy conservation and emission reduction, and gradually achieves the goal of net-zero carbon emission reduction. Currently, the Company has disclosed key Scope III emission categories closely related to its business, including emissions from natural gas production, transportation and use processes, as well as emissions from employee travel and commuting. The Company will continue to strengthen the carbon inventory work in the value chain and aims to incorporate more Scope III emission sources into the management system.

ENN-NG's Carbon Neutrality Commitment

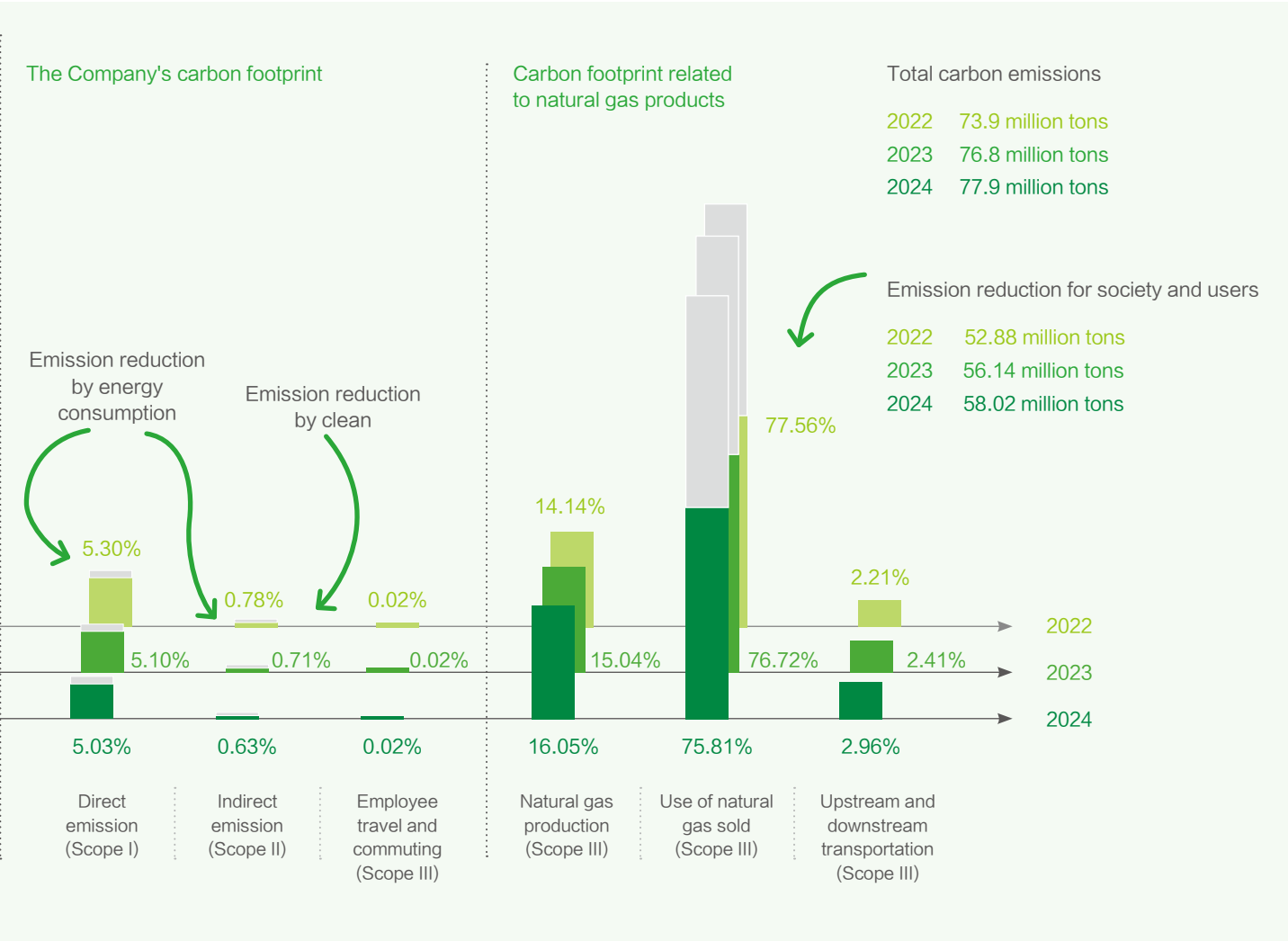


Name of Indicator	Unit	Data for 2024	Data for 2023	Data for 2022
GHG emissions (Scope I)	10,000 tons of CO ₂ equivalent	386.28	392.09	391.83
GHG emissions (Scope II)	10,000 tons of CO ₂ equivalent	48.13	54.23	57.33
Total GHG emissions (Scope I&II)	10,000 tons of CO ₂ equivalent	434.41	446.32	449.15
Total GHG emission intensity (Scope I&II)	10,000 tons of CO ₂ equivalent / RMB one billion	3.20	3.10	2.91
	10,000 tons of CO ₂ equivalent / billion cubic meters gas sold	11.08	11.54	12.37
GHG emissions (Scope III)	10,000 tons of CO ₂ equivalent	7,350.74	7,235.35	6,905.80

ENN-NG GHG Emissions

Scope III Inventory

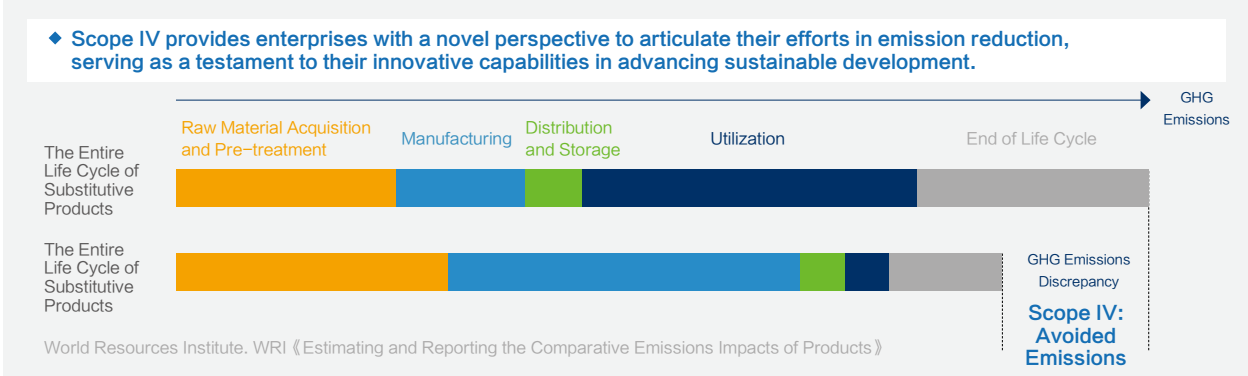
ENN-NG is committed to implementing refined management and control over the energy use and carbon emissions of its subsidiaries. It makes every effort to promote the Scope III carbon inventory work, accurately grasp the greenhouse gas emissions of the enterprise, and lay a solid foundation for the enterprise's energy conservation and emission reduction. Since 2022, the Company has followed the principle of materiality, statistically disclosed its Scope 3 carbon footprint related to natural gas, and formulated targeted energy conservation and carbon reduction plans. It continues to make efforts to reduce greenhouse gas emissions to help the enterprise achieve green and sustainable development.



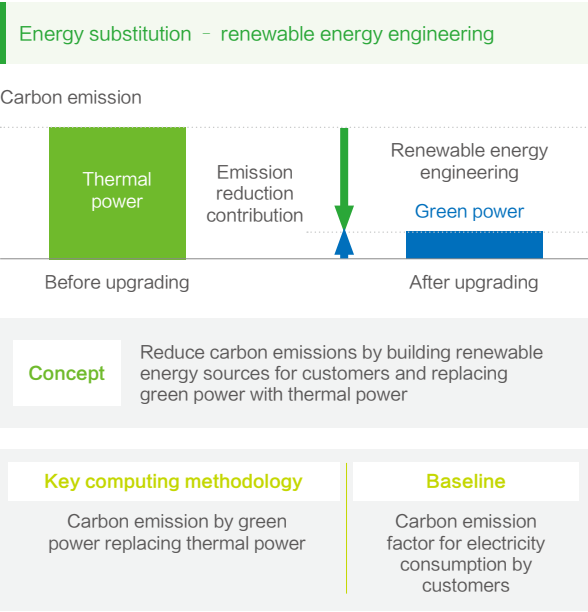
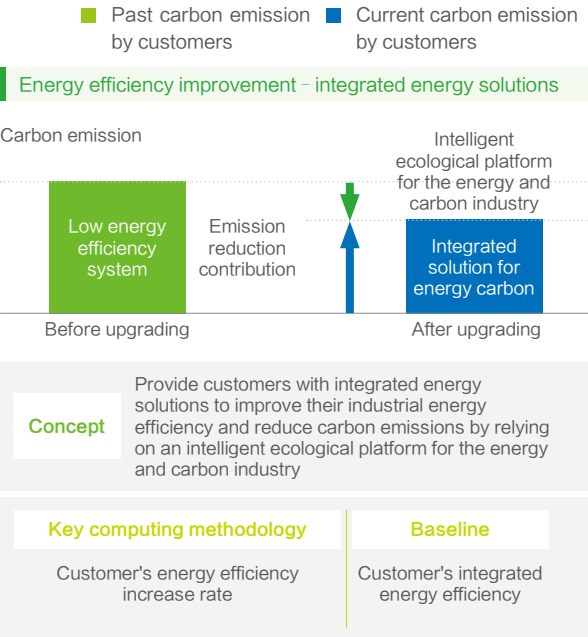
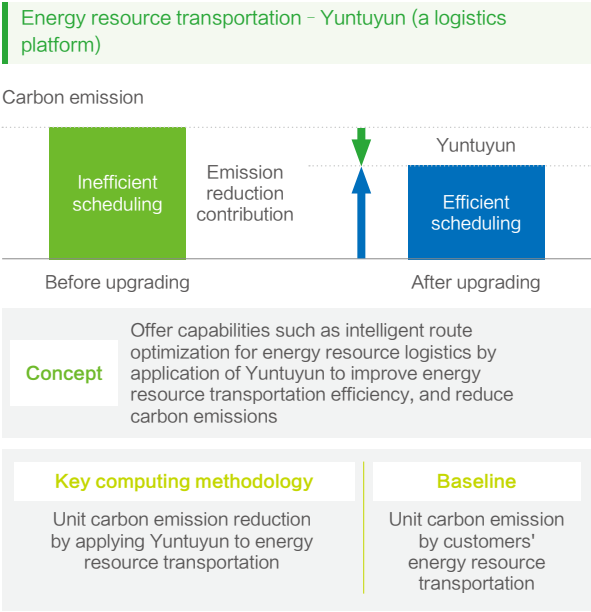
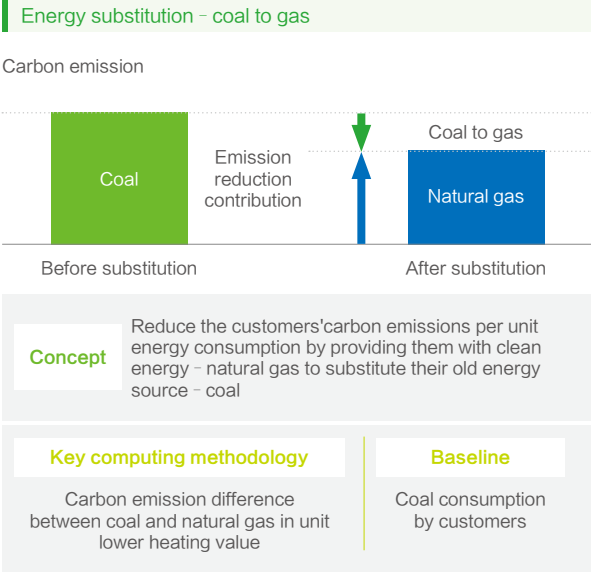
Conceptual Model for Emission Reduction for Society and Users

Scope IV¹, also known as "Avoided Emissions", refers to the greenhouse gas emissions avoided outside the product's own life cycle or value chain due to the use of more efficient goods and services. The creation of the Scope 4 concept encourages enterprises to "do more good" rather than just "do less harm". ENN-NG adheres to the "WISE" concept of intelligent and innovative clean energy, actively promotes ecological and clean transformation, and helps society and users reduce emissions.

¹ World Resources Institute. Estimating and Reporting Avoided Emissions. Washington, D.C.: World Resources Institute, 2019. World Business Council for Sustainable Development. Guidance on Avoided Emissions.



Conceptual Model for Emission Reduction for Society and Users





Environmental Protection

ENN-NG strictly implements environmental protection work, continuously improves its environmental management capabilities, strives to reduce the impact on the ecology, and fulfills its responsibilities for green development.

Environmental Management

ENN-NG attaches great importance to environmental management and has established a comprehensive and systematic management process covering environmental management systems, management policies, certifications and internal audits, due diligence, as well as trainings.

Environmental Management System

ENN-NG implements its primary responsibilities for environmental protection, appoints the Board of Directors as the highest responsible institution, and has a Safe Production Management Committee under it, which is mainly responsible for formulating environmental protection strategic plans. The QHSE Intelligent Capability Group is responsible for the specific implementation of management responsibilities. Based on APC (Assess-Plan-Change)¹, we continuously improve the process and effectively enhance the efficiency of environmental management.

The Company establishes a hierarchical handling mechanism according to the severity of environmental impact incidents and formulates a clear emergency response process to enhance its ability to deal with unexpected events.

During the reporting period, there were no lawsuits or major penalties resulting from environmental violations for the Company.

The Board of Directors	<ul style="list-style-type: none">Be responsible for matters related to the Company's environmental management
Safe Production Management Committee	<ul style="list-style-type: none">Implements and enforces national laws and regulations on environmental protectionOrganizes the formulation of ENN-NG's environmental protection development strategies, rules and regulations, as well as work plans.
QHSE Intelligent Capability Group	<ul style="list-style-type: none">Be responsible for the supervision and assessment of the environmental protection work of their respective business units.Examines and approves the construction plans and implementation schemes of key environmental protection and treatment projects.Coordinates major issues regarding environmental protection within the Company and its every Self-Driven Organization.Regularly reports the progress and adjusts the strategies to the Safe Production Management Committee.
Other relevant Intelligent Capability Groups and subsidiaries	<ul style="list-style-type: none">Formulate the environmental protection management system, standards, environmental protection plans and annual work plans of this organization.Refine environmental management measures and prevention and control responsibilities, and carry out environmental statistics, training and publicity work within the organization.Formulate the emergency response plans for environmental pollution and ecological damage and on-site disposal plans of this organization, and organize relevant trainings and drills.

ENN-NG's Environmental Management Structure

¹ Assess-Plan-Change: a management method used for continuously improving processes and product quality.

Environmental Management Policies

ENN-NG complies with various national environmental protection laws and regulations, and has formulated public policies such as the *Health, Safety and Environment (HSE) Policy* and internal systems such as the Pollution Prevention and Control Management System to standardize environmental management work. The relevant environmental management policies and systems are applied throughout the entire operation process of the Company, including production, waste management, distribution, logistics, product delivery, and after-sales services, so as to implement effective management of the Company, contractors, and key business partners.

Key Measures of Environmental Management

- Regularly conduct publicity and training on the *Health, Safety and Environment (HSE) Policy* to deepen the understanding of environmental protection systems among all stakeholders.
- Carry out HSE due diligence on the proposed merger and acquisition targets in accordance with the requirements of the system to ensure the acquisition of high-quality assets.
- Establish specific goals for reducing environmental impacts, regularly monitor the implementation situation, and optimize and improve environmental performance.

Environmental Management Certification and Internal Audit

ENN-NG actively conducts internal and external environmental audits of its subsidiaries, promptly handles anomalies, and ensures the effectiveness of the environmental management system.

External Environmental Audit

A total of **94** member enterprises of the Company have obtained the external certification of the ISO 14001 Environmental Management System, accounting for 70%. We will strive to increase the proportion of management system certification in the future.

Internal Environmental Audit

In 2024, Xinneng Energy carried out internal environmental audits, revised the emergency response plan for sudden environmental incidents, successfully obtained the review opinions and completed record-filing.

The Zhoushan Terminal conducted a comprehensive environmental risk assessment and emergency resource investigation, completely revised the *Emergency Response Plan for Sudden Environmental Incidents*, and ensured the ability to respond to sudden environmental incidents.

Environmental Due Diligence

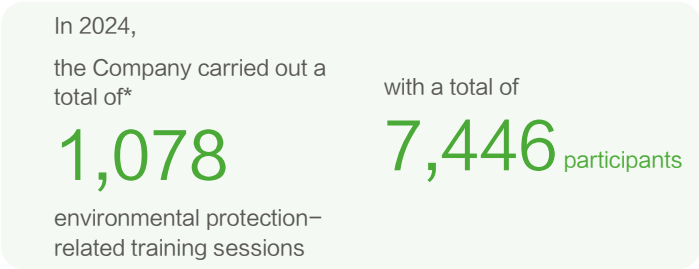
ENN-NG continuously takes environmental due diligence as an important factor in the merger and acquisition process, and strictly implements the investigation in accordance with the established systems and standards. In this way, it can accurately grasp the environmental protection risks of the target company in all aspects, ensure environmental compliance during the merger and acquisition process, and keep the risks under control.

Scope of ENN-NG's environmental due diligence:

- Identify existing or current key environmental protection issues and environmental protection responsibilities.
- Evaluate the compliance with relevant laws, regulations, standards and specifications.
- Formulate corresponding recommended measures for key environmental protection findings.
- Provide suggestions on the environmental protection regulatory framework involved in the acquisition.

Environmental Management Training

ENN-NG continuously deepens the training on employees' environmental management and environmental protection awareness, and conducts differentiated environmental management training courses for various positions and business fields, which can fully stimulate employees' ability to fulfill their responsibilities in environmental protection work. In 2024, the Company carried out a total of 1,078 environmental protection-related training sessions, with a total of 7,446 participants.



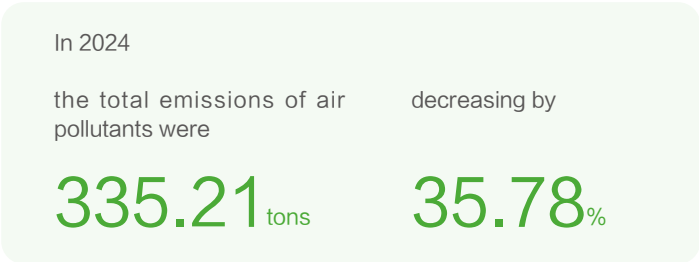
* The data of ENN Energy is not included


Management of Emissions

ENN-NG interprets its corporate responsibility through active emission reduction, and commits to continuously reducing the emissions of various pollutants on the basis of meeting national emission standards.

Management of Exhaust Gas

The Company strictly complies with relevant laws and regulations, and continuously monitors the emissions of exhaust gases such as nitrogen oxides (NO_x), sulfur dioxide (SO₂), and smoke and dust particles to ensure that the concentrations of the emissions meet national standards. We are committed to taking actions such as process upgrading and equipment renewal to reduce the emissions of air pollutants.



 Case

Xinneng Energy Applies VOCs Treatment Process to Assist Emission Reduction

During the reporting period, Xinneng Energy operated the VOCs treatment project for the methanol loading platform in Phase I. The process of "water absorption + demisting + activated carbon adsorption" was adopted to adsorb and recover the methanol organic matter in the exhaust gas. Saturated steam was used to desorb the adsorbent, and cooling water was used to condense and recover the methanol.

the annual reduction of Volatile Organic Compounds (methanol) reached

67.1
tons

Unit (ton)	2024	2023	2022
Total emissions of air pollutants	335.21	522.00	406.96
Total emissions of sulfur dioxide (SO ₂)	135.17	122.96	92.27
Total emissions of nitrogen oxides (NO _x)	182.60	376.14	282.33
Total emissions of smoke and dust	17.44	22.90	32.36

Statistics of Air Pollutant Emissions from 2022 to 2024

Wastewater Management

Adhering to the principles of "separation of clean water and sewage, separation of rainwater and sewage, and multiple uses of water", the Company actively implements measures such as wastewater emission reduction and recycling and reuse, and spares no effort to promote the target of "no wastewater discharge".

- Xinneng Energy has cooperated with local units to sign a long-term "No Discharge Custodial Operation Service Project for the Water System", ensuring the proper disposal of wastewater.
- The Zhoushan Terminal not only ensures that no pollutants are directly generated during production operations, but also continuously implements the "separation of rainwater and sewage". After the domestic sewage and production wastewater are treated in the sewage tank, they are used as greening water, and only clean water is discharged.



The Zhoushan Terminal and Xinneng Energy have achieved

net zero discharge of
wastewater

Waste Management

The Company adheres to the principles of "reduction, recycling, and hazard-free disposal" and manages waste in accordance with the requirements. We implement waste classification for general waste and promote comprehensive utilization through technological innovation. We conduct regular internal waste audits to ensure that waste is gradually reduced under a series of measures. We strictly implement the joint single system for hazardous waste in accordance with laws and regulations, and entrust a qualified third party to transfer and dispose of it regularly to ensure 100% compliance and safety. In addition, we regularly conduct management training for employees on reducing waste generation and proper disposal in compliance with regulations.

- At the beginning of the year, Xinneng Energy formulated a management plan and set the target of 100% disposal of hazardous waste. It signed an agreement on the comprehensive utilization of hazardous waste with local units. During the reporting period, it achieved the comprehensive utilization of 14,170 tons of fine slag, 242,923 tons of coarse slag, and 17,442 tons of boiler slag.
- The Zhoushan Terminal not only signed a transfer contract with a qualified unit to ensure the safe disposal of hazardous waste, but also took actions to reduce the generation of such waste. In 2024, the Company disposed of a total of 14.88 tons of hazardous waste, including waste lubricating oil, waste dilute hydrochloric acid, waste oil-water mixtures, and waste paint buckets. The amount of hazardous waste generated in 2024 decreased by 6.7% compared with that in 2023.




Noise Management

The Company attaches great importance to the generation of noise during the production process. It requires its subsidiaries to regularly detect and promptly control the noise at the factory boundary to ensure compliance with national standards and reduce the impact on the surrounding environment.

On the basis of meeting the process requirements, low-noise equipment is preferentially selected.

Sound-absorbing cotton, mufflers, etc. are installed on the main noise sources.



An independent base is set up for equipment with large vibrations to avoid vibration noise.

Sound-insulating and sound-absorbing materials are used to make doors, windows, walls, etc. to block the propagation of noise.

Main Measures for Noise Management



Resource Utilization

To achieve stable and sustainable development, ENN-NG is well aware of the importance of efficiently utilizing energy, developing clean energy, and protecting water resources. We continuously optimize production processes and technologies, invest in and lay out renewable energy projects, and make efficient use of water resources, thereby empowering the sustainable development of the enterprise.

Energy Management

The Company strictly complies with all energy management regulations. In combination with its own business characteristics, it formulates systems for energy conservation and consumption reduction, and steadily promotes the refined management of energy. Through technological transformation and equipment upgrading, we explore solutions to reduce the energy consumption per unit.

Business Type	2023 Targets	2024 Performance
Infrastructure Operation	Zhoushan Terminal to consume no less than 280,000 kWh of renewable electricity in 2024	Green energy facilities such as photovoltaic carports, photovoltaic fire stations, and photovoltaic street lamps were built for Zhoushan Terminal, with a power generation of over 400,000 kWh.
Low-carbon trade and transportation	In 2024, the unit energy consumption of self-owned transportation vehicles decreased by 10%.	In 2024, the unit energy consumption of self-owned transportation vehicles decreased by 26.97%.
Green office	The proportion of electricity consumption from photovoltaic power generation in self-owned office buildings reached 7%.	The proportion of electricity consumption from photovoltaic power generation in self-owned office buildings reached 7.39%.

ENN-NG Consumption Targets and Performance in 2024



We are committed to promoting the low-carbon transformation by optimizing methane emission control measures and enhancing the energy efficiency of natural gas.

- Deploy methane laser pan-tilt detection at the gate stations and storage and distribution stations to improve the detection accuracy and coverage.
- Integrate methane management into daily operations and implement emission control measures by deploying laser pan-tilts, upgrading old pipeline networks, and strengthening indoor safety inspections.
- Collaborate with equipment manufacturers to develop intelligent pipeline stake equipment, enabling the monitoring of pipeline leaks and the intelligent identification of third-party construction. This equipment has been successfully applied in some enterprises, effectively reducing the risk of pipeline leaks.

By taking the action of recovering Boil Off Gas (BOG¹) in the LNG scenario, the annual recovery volume reached

45.76 million cubic meters
during the reporting period.

We actively carried out the certification work for the enterprise energy management system. As of 2024, Xinneng Energy Co., Ltd., a subsidiary of the Company, actively engaged in energy management and passed the Energy Management System Certification.



Energy Management System
Certification of Xinneng Energy

Case Energy Management Training

Xinneng Energy carried out the ISO 50001:2018 Energy Management System training, providing a systematic explanation to relevant management personnel and technical staff. The training focused on the standard framework of the energy management system, key terms, management responsibilities, energy planning, implementation and operation, etc. By combining with the analysis of practical cases, it helped trainees to have an in-depth understanding of the standard requirements. At the same time, detailed guidance was provided for key links such as energy review, target setting, operation control, and internal audit, which improved the practical operation ability of trainees. This training has laid a solid foundation for the organization to establish and continuously improve the energy management system, and has helped to achieve the continuous improvement of energy performance.



¹ BOG (Boil Off Gas) is the LNG Boil Off Gas that is inevitably generated during the production, storage, transportation, and utilization of LNG.

Clean Energy

The Company is committed to exploring new energy application solutions in the field of renewable energy. Closely aligning with policy requirements and operational conditions, we conduct in-depth R&D and applications in the fields of photovoltaic power generation and cool energy power generation, striving to achieve the commissioning and expansion of energy projects.

2024

The total power generation from renewable energy sources of ENN-NG

1,231.70 ten thousand kWh

- Zhoushan Terminal have successively established a green power system, achieving a breakthrough in green power and cool energy power generation from scratch. The cumulative annual power generation reaches 1 million kWh.
- Establish a zero-carbon efficiency management platform to achieve precise management of green power.
- Preliminarily establish the methodology for utilizing cool energy, pay attention to the release of new China Certified Emission Reduction (CCER) methodologies, and play a leading role in both technology and value.



Construction of Zhoushan Terminal in 2024



Case Zhoushan Terminal Exerts its Capability in Green Power Application

In 2024, the Zhoushan Terminal achieved remarkable results in improving the utilization efficiency of green power. The annual power generation and consumption of green power exceeded 400,000 kWh, surpassing the target of 320,000 kWh set at the beginning of the year. In addition, 30 photovoltaic streetlights were successfully installed in the explosion-proof area of the receiving terminal. The low-carbon energy efficiency management platform has also been initially developed and entered the trial operation stage. As of November 30, the energy consumption per ton of products at the receiving terminal dropped to 25.31 kWh, a decrease of 21.5% compared to 2023.

Case Technological Exploration Achieves Energy Conservation and Consumption Reduction

ENN-NG has introduced technological ecological partners and manufactured skid-mounted differential pressure power generation equipment, and built the technical solutions for differential pressure power generation and the EPC project capabilities. In 2024, we jointly explored differential pressure power generation scenarios with ENN Energy and jointly promoted the application of differential pressure power generation technology and equipment. The project is equipped with a differential pressure power generation unit using a screw expander with a single installed capacity of 350 kilowatts. The power generation per hour is 330 kWh, and the annual power generation is approximately 1,864,800 kWh. All the electricity generated by the project is integrated into the internal grid of the station for self-use, and the project achieves the recovery and reuse of pressure energy.

Water Resources Management

ENN-NG strictly adheres to water resources management regulations, establishes a water resources management system, and designates the ESG Committee of the Board of Directors as the highest responsible institution for water resources management. We regularly assess the risk levels of water resources at each major operation site, covering various aspects such as the quantity of physical risks (such as baseline water pressure, the impact of meteorological disasters, etc.), the quality of physical risks (such as water quality), regulatory risks, and reputational risks. During the reporting period, the Company did not have any violations in water resources utilization.

During the reporting period, the amount of recycled water resources reached*

62,114 tons

* The data of ENN Energy is not included

Mitigation measures taken by ENN-NG for companies located in areas with high water resource risks:

- Utilize rainwater recycling and reclaimed water equipment to collect and treat rainwater and production water, so as to supplement the water demand.
- Regularly inspect water supply and water usage equipment to reduce water resource waste caused by water leakage and other factors.
- Expand the surrounding green area. By means of the transpiration of vegetation, regulate regional precipitation and enhance the resilience of water resources at the operation sites.

Xinneng Energy formulated the water resource usage indicators for 2024

The water consumption per ton of methanol in Phase I is **7.29** tons and that in Phase II is **5.12** tons

Through measures such as water recycling and wastewater utilization, and the commissioning of water-saving and anti-fog towers, the actual water consumption per ton of methanol in Phase

I reached **6.38** tons and that in Phase II was **5.16** tons

achieving an overall reduction in water consumption **24%**



The planned water consumption of Zhoushan Terminal in 2024 was

170,128 tons

By implementing measures such as monitoring water usage in different regions, strictly investigating abnormal water consumption situations, and repairing water leaks

the actual water consumption was

86,433 tons

with a water saving rate of **49%**



In 2024, ENN Qinshui added sprinkler facilities and expanded the greening irrigation area by 150 square meters, further increasing the utilization rate of recycled wastewater.

The area of wastewater used for greening sprinkling

60%





Green Operations

With a solid foundation, the branches will thrive. ENN-NG adheres to creating a green office environment and integrates the green development concept into the daily lives of every employee. Based on the existing *Guiding Opinions on Implementing Low-carbon and Green Office Work Practices*, we put forward the overall requirement of "implementing the low-carbon office system for partners, comprehensively carrying out low-carbon office work, and contributing to the ENN-NG's ESG", and promote all organizations to comprehensively carry out low-carbon office work according to local conditions. In 2024, the Company formulated the *Administrative Measures for Office Vehicles*, requiring each unit to select new energy vehicle models according to the actual situation, further reducing the carbon footprint during office commuting.

Management Dimension	Management Content	Work Progress in 2024
Energy-saving management of office building	<ul style="list-style-type: none">● Increase the efforts in constructing distributed photovoltaic power generation facilities in areas such as rooftops and parking sheds.● Continuously reduce the energy consumption per unit of office area.● Utilize devices such as smart sockets and time-controlled switches to promote the intelligent management of energy use.● Continuously carry out the optimization of the energy system to improve energy utilization efficiency.● Continuously promote the replacement of energy-saving LED lighting fixtures.	<ul style="list-style-type: none">● The photovoltaic power generation on the rooftop of Building B in the Science and Technology Park was implemented and applied, with a total photovoltaic power generation of 205,241 kWh. Photovoltaic power generation accounts for 34.6% of the total office electricity consumption.● In 2024, the energy consumption per unit area of the headquarters of the Company was 56.61 kWh, a decrease of 11.9% compared with 2023.● The Zhoushan Terminal applied an intelligent electricity consumption system to assist in the intelligent electricity use in the office area.● ENN Qinshui transformed 6 solar street lamps, eliminated the use of all sodium lamps, and saved 3,820 kWh of electricity annually.
Promote low-carbon travel	<ul style="list-style-type: none">● Give priority to new energy and clean energy vehicle models when purchasing non-production vehicles.● Put shared bicycles in the park to advocate employees to adopt green travel methods.● Encourage employees to choose environmentally friendly travel means such as public transportation, carpooling, cycling or walking during commuting.● Advocate employees to walk more and reduce the frequency of using elevators during non-peak hours.	<ul style="list-style-type: none">● ENN-NG explicitly requires all organizations to actively explore the procurement of new energy vehicles and gradually replace fuel vehicles.● Install new charging piles at parking spaces and sockets in the parking sheds in the park to encourage employees to commute by new energy vehicles.● Xinneng Energy actively promotes the application of new energy vehicles and uses new energy vehicles for short trips within 200 kilometers.
Build a green operation mode	<ul style="list-style-type: none">● Give priority to purchasing materials with low-carbon, environmentally friendly and energy-saving labels.● Advocate the use of recycled paper, biodegradable garbage bags, and recyclable office supplies.● Fully implement electronic office modes such as paperless office work and online meetings, and simplify the material provision for internal meetings.	<ul style="list-style-type: none">● Continuously apply the E-Carbon Pass and use the CT trading system to encourage employees to reduce emissions.● Carry out the selection and publicity of benchmarks, select the pioneers in creating value through low-carbon office work and the pioneers in low-carbon office creativity, and promote the learning and communication of low-carbon experience.● Advocate paperless office work and use electronic systems to reduce paper consumption.
Advocate a healthy and low-carbon lifestyle	<ul style="list-style-type: none">● Advocate reducing the use of disposable items such as paper cups, paper towels, and batteries, and cultivate green, circular, and low-carbon behavior habits.● Advocate following the principles of necessity and frugality during meals and practicing the "clear your plate" campaign.● Advocate for garbage classification to promote waste reduction and resource utilization.	<ul style="list-style-type: none">● Promote the "Clear Your Plate" campaign and strive to reduce food waste.

ENN-NG's Green and Low-carbon Office Management Measures



Various Organizations Utilize the "E-Carbon Pass" Data Platform to Promote Emission Reduction in Different Scenarios

"E-Carbon Pass" focuses on four major scenarios: diet, office space, business travel, and office supplies. By combining manual filling and reporting with automatically associated product data, it constructs a display board for the Company's overall carbon emissions and individual carbon accounts. It accurately calculates the carbon footprint of employees and distributes CT to them (with internal carbon pricing). Since its implementation, the CT trading has effectively motivated employees to take the initiative in reducing carbon emissions.



Data Tracking of CT Trading on "E-Carbon Pass"



The Company Continuously Carries out the Activity of "My Efforts to Support Low-Carbon Practices"

In January 2024, we established a platform in the official communication group to encourage everyone to take photos and check in with their low-carbon commuting methods. Prizes were awarded to the top three participants with the most likes to encourage low-carbon commuting methods.

#Show off your low-carbon power
#Show off your 'low-carbon power'
#Healthy Cycling





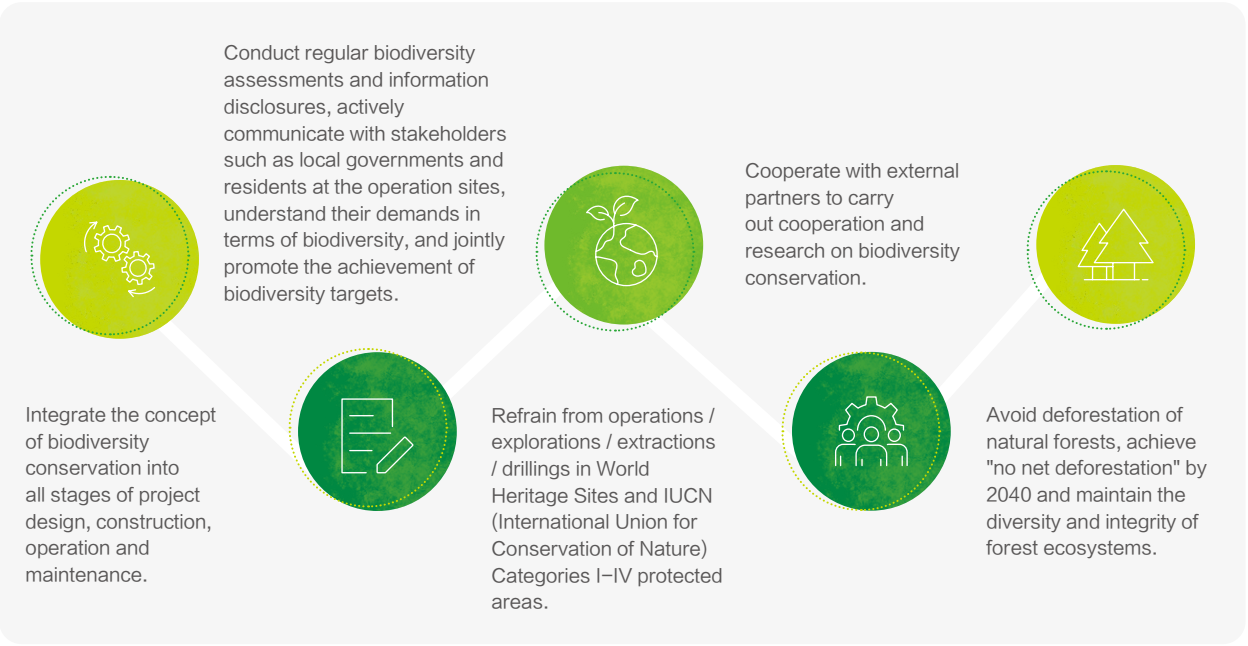
Biodiversity Conservation

Biodiversity is the cornerstone of the health of the Earth's ecosystem and an important prerequisite for the well-being of human society and economic development. As a leading enterprise in the public utility sector, ENN-NG deeply understands its own dependence on natural resources and the potential impacts of its operational activities. The Company is committed to taking ecological protection into account during the process of business development to achieve a win-win situation between economic benefits and nature conservation. The Company has formulated two goals and five commitments regarding biodiversity, clarifying the core directions of biodiversity management.

Two Goals



Five Commitments



Guided by the target of "living in harmony with nature by 2050" clearly put forward in the *Kunming-Montreal Global Biodiversity Framework* in 2022, ENN-NG has fully responded to the global biodiversity conservation initiative and actively incorporated nature-related issues into its corporate strategy. The Company has adopted the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) to carry out biodiversity identification work, improve the identification, assessment and management of biodiversity risks, actively address the challenges and opportunities faced by the enterprise in ecosystem protection, and build a more resilient business model.

Biodiversity Governance

ENN-NG regards biodiversity management as an important part of environmental management. By continuously improving the governance structure and management model, the Company promotes the comprehensive implementation of the responsibilities for biodiversity protection. The Company has issued the *Biodiversity Conservation Policy*, clearly designating the ESG Committee of the Board of Directors as the highest responsible institution for biodiversity protection. The Company reviews and discloses relevant performance of biodiversity protection every year, and carries out biodiversity governance work from three aspects: the sustainable management of the use of natural resources and raw materials, the restoration of disturbed land and habitats, and the respect for indigenous peoples and the reduction of community impacts. The Company has released the [Biodiversity Conservation Report](#), which elaborates in detail on the current situation of biodiversity around the operation sites, the implementation of protection measures in all scenarios of the Company, as well as multiple previous cases of biodiversity protection.

Biodiversity Strategy

ENN-NG regards biodiversity conservation as a crucial component of the Company's sustainable development strategy. It is committed to reducing the negative impacts of its business activities on the natural environment through optimizing resource utilization, strengthening ecological restoration, and promoting cooperation. Based on the characteristics of production and operation as well as the needs of business development, the Company has formulated an overall biodiversity management strategy.



ENN-NG is acutely aware of the interdependence between corporate operations and biodiversity, and comprehensively promotes the identification and management of biodiversity risks across all business scenarios. The Company takes into comprehensive consideration its operation mode and business characteristics. Through ecological impact assessments, the Company identifies key risks such as land occupation, water resource consumption, and habitat fragmentation, and incorporates ecological protection requirements into project designs. In response to the identified risks, the Company adopts targeted countermeasures and explores the synergistic benefits between the ecology and climate through Nature-based Solutions (NbS).

Case

A Multidimensional Protection System Boosts the Sustainable Development of Biodiversity

Zhanjiang, as the core ecological area of mangroves in China, undertakes the key function of biodiversity protection. ENN Energy, a subsidiary of ENN-NG, has incorporated biodiversity management into the entire operation life cycle. It regularly conducts biodiversity risk assessments and responses for the projects in Zhanjiang and the surrounding areas of its operations, minimizing the potential risks to the local mangroves and the surrounding ecological environment. In 2024, ENN Energy held special discussions with local scientific research institutions and biodiversity experts, exploring cooperation mechanisms on how to better promote the cultivation and restoration of mangroves, scientific research, protection and utilization, as well as the development of characteristic cultures. This has added new impetus to the local mangrove and ecological protection.

Case

Afforestation for Sand Prevention in Inner Mongolia

In April 2024, Xinneng Energy Co., Ltd., a subsidiary of ENN-NG, organized the youth volunteer service team, the vanguard team of Party members, and the backbone forces of the Company in three batches. A total of 136 people went to the Kubuqi Desert to carry out activities such as planting desert shrubs, trees, and installing sand barriers. During the activities, 1.4 mu of shrubs were planted, more than 66 desert tree species were planted, and 1.7 kilometers of sand barriers were installed. These practical actions help build a green barrier in northern Xinjiang and contribute to social responsibility for improving the desert ecology in the western region.



Risk Management of Biodiversity

ENN-NG strictly requires its member enterprises to implement environmental impact assessments, biodiversity due diligence and other work in accordance with national policy requirements, so as to fully identify the potential biodiversity risks existing in each project. On this basis, the Company requires member enterprises to formulate and implement corresponding comprehensive management plans to ensure that ecological risks are effectively controlled. At the same time, the Company hires a third-party professional institution every year to analyze potential ecological risks and impacts based on the Company's business, and compile a biodiversity risk analysis form.

The Company has gradually piloted the inclusion of biodiversity risks into the Company's overall risk assessment and management system. Zhoushan Terminal is located in a port area with a rich marine ecosystem, which is of great ecological significance. The Company has taken the Phase III project of Zhoushan LNG Terminal as a pilot and adopted the LEAP (Locate, Evaluate, Appraise and Prepare) method to conduct a marine ecological impact assessment. For detailed information, please refer to the [ENN-NG 2023 ESG Report](#) P75-84.

Locate

The Zhoushan LNG Terminal is an important energy infrastructure of ENN-NG, playing a significant role in the Company's business model and the supply of clean energy in the Zhejiang region. At the same time, the project is adjacent to the national marine ecological red line area in Zhoushan, involving sensitive ecological areas and fishery protection zones. It serves as an important intersection point between regional ecological protection and economic development.

Based on the above-mentioned commercial and ecological significance, we take the Zhoushan LNG Terminal as a pilot project for evaluation.



Evaluate

We have identified that the project relies on maritime transportation for natural gas storage and transportation and on aquatic ecological services. Meanwhile, there are potential impacts such as construction activities (dredging and landfilling), warm water discharge, residual chlorine, and water intake.

The evaluation shows that the impacts of temperature difference and residual chlorine are relatively low, and there is a moderate risk associated with the water intake system. Therefore, we take corresponding response measures, including controlling the water temperature difference, controlling the concentration of residual chlorine, and reducing the impact of construction.

Assess

Based on the identified dependence and shock drivers, we have identified the main risks of the project as the policy risk and the reputation-damaging risk, which are as follows:


Policy risk: With the introduction of stricter environmental regulations or reporting and disclosure requirements by the state, the Company may be required to change the engineering construction plan, supplement the reporting and disclosure, expand the scope of ecosystem restoration, etc. according to the requirements, resulting in an increase in the Company's operating costs.

Reputation-damaging risk: As society's awareness of marine life protection gradually increases, the damage to the marine ecological environment caused by the Company's project construction may lead to the damage of the Company's reputation.

Prepare and Respond

During the implementation of the project, we strictly carried out environmental impact assessment and ecological evaluation work, and continuously carried out ecological compensation to achieve the "Net Positive Impact (NPI)" of biodiversity.

In 2024, the Zhoushan LNG project invested RMB 1.93 million in stocking funds and carried out stocking of fry and fingerlings in 6 batches, completing the stocking of 84.2245 million units of enhanced fry and fingerlings. Among them, there were 3.24 million large yellow croakers, 116,700 *Sebastiscus marmoratus*, 65.8026 million jellyfish, 8.29 million *Portunus trituberculatus*, 6.75 million eggs of *Sepiella japonica*, and 25,200 tagged large yellow croakers. The project invited a team from Zhejiang Ocean University to carry out tracking monitoring and effect evaluation, and conducted detailed investigations and analyses on key indicators such as the species composition of the catches, the composition of taxonomic groups, the analysis of dominant species in the catches, and species diversity. According to the evaluation of the professional team, the economic benefits, ecological benefits and social benefits generated by this year's stocking work are all at a relatively high level, and the effect of stock enhancement is relatively good.



Biodiversity Indicators and Targets

ENN-NG takes "No Net Loss (NNL)" and "Net Positive Impact (NPI)" as the core targets of biodiversity management, and integrates them into its daily operations and ecological protection work. In order to scientifically quantify and manage the effectiveness of biodiversity protection, the Company has set key management indicators, including ecological restoration, protection of animals and plants, marine environmental compensation, as well as soil and riverway governance. By monitoring the frequency and coverage area of ecological restoration, evaluating the quantity and effectiveness of the protection of animals and plants, and counting the implementation of marine ecological compensation measures, the Company comprehensively tracks the impact of its operational activities on the ecosystem. At the same time, ENN-NG continuously strengthens the evaluation of the achievements of the ecological protection measures taken by its member enterprises, ensuring that all operational activities strictly comply with relevant regulatory requirements and conform to the best practices of ecological protection.



Green Development of the Industry Chain

ENN-NG focuses on the green development of the industry chain by promoting technological upgrades, strengthening intellectual property management, and actively participating in industry exchanges to further drive sustainability across the industry chain.

During the reporting period, the Company's R&D expenditure reached RMB

1,158.88 million

R&D and Innovation

ENN-NG coordinates efforts across the upstream and downstream sectors of the industry chain to promote the innovation and application of green and low-carbon technologies. It provides a variety of integrated energy solutions, including hydrogen, energy storage, photovoltaics, biomass, and smart energy solutions, offering customized green energy solutions to its customers.

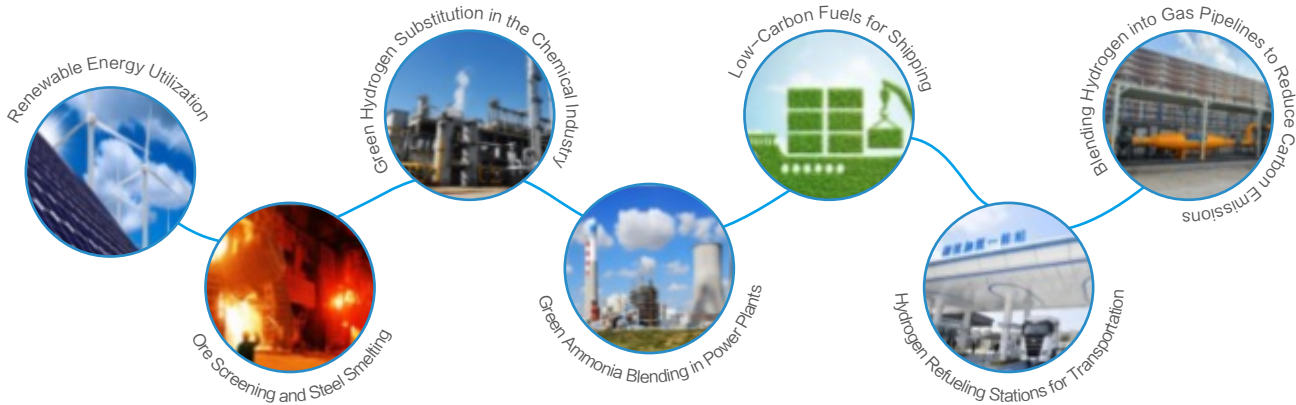
Hydrogen Energy

ENN-NG expands its hydrogen energy technology portfolio, continuously advancing the research and development of key technologies and engineering practices. It develops technical capabilities to manage the entire industry chain, covering diversified hydrogen production, storage and transportation, and application.

Regarding hydrogen production, the Company possesses diversified hydrogen production technologies and engineering capabilities, including natural gas reforming, water electrolysis, methanol reforming, and hydrogen extraction from coke oven gas. It customizes hydrogen production solutions based on local resource availability. The company has independently developed a Solid Oxide Electrolyzer Cell (SOEC) integrated hydrogen production system. Currently, the simulation and design of the 30 kW system has been completed, and the system integration and construction are in progress.

In the field of hydrogen storage and transportation, the Company has responded to customer demand for green hydrogen production from renewable power by developing a series of skid-mounted systems for hydrogen blending into natural gas pipelines. These systems have been successfully deployed in a natural gas-green hydrogen blending project in Inner Mongolia, making it the first project in China to achieve industrial-scale blending of green hydrogen into natural gas for industrial energy supply.

In the field of hydrogen energy utilization, the Company has initiated the construction of a pilot plant for producing natural gas from hydrogen and CO₂, exploring additional technical pathways for green hydrogen utilization.



Hydrogen Energy Application Scenarios

Case Advanced SOEC Hydrogen Production Technology R&D

The Company focuses on the research and development of SOEC electrolysis technology, advancing high-efficiency green hydrogen production from renewable energy sources. Compared to alkaline electrolysis and proton exchange membrane (PEM) electrolysis, SOEC technology offers higher efficiency, lower power consumption, and the ability to integrate with factory waste heat, thereby reducing overall system energy consumption. Additionally, this technology can electrolyze CO₂ to generate syngas, enabling the direct synthesis of green hydrocarbon-based chemicals. SOEC electrolysis technology boasts multiple advantages, including high efficiency, low cost, CO₂ co-electrolysis capability, reversibility, and adaptability to diverse applications. Leveraging its experience in SOFC development, the Company is actively advancing SOEC hydrogen production system R&D and aims to complete the integration, commissioning, and demonstration operation of a 30kW SOEC electrolysis prototype system by 2025.



Energy Storage

ENN-NG is accelerating the deployment and investment in energy storage projects, optimizing the "clean energy + energy storage" model to enhance the integration of renewable energy and provide strong support for the low-carbon transition of the energy sector. In 2024, the Company deployed an energy storage operation cloud platform and launched a pilot project for the load-photovoltaic-energy storage platform, effectively addressing the challenges posed by the dispersed nature of distributed energy storage projects, which complicates operation and maintenance. This initiative lays the groundwork for intelligent expansion.

Annual approved evaluated investment capacity	Installed capacity under construction	Cumulative interconnected installed capacity
210 MWh	36 MWh	136 MWh

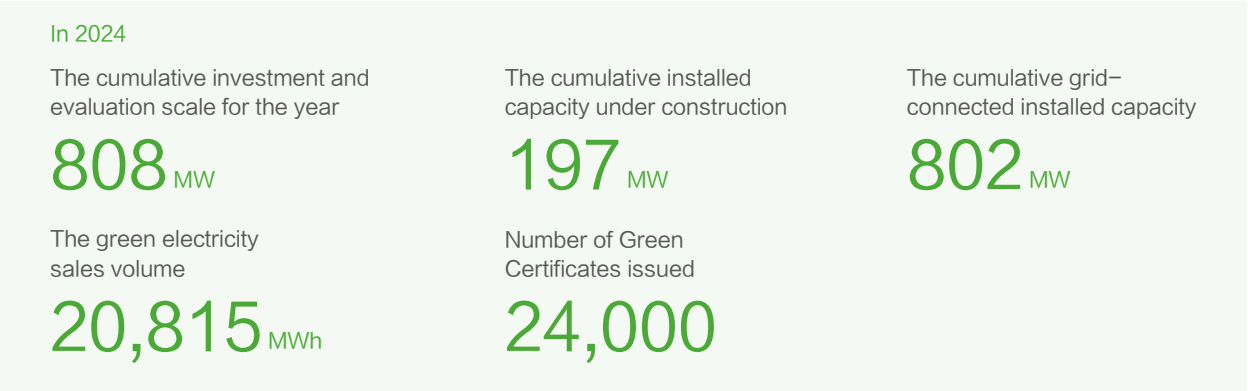
Case National Incremental Distribution Network Energy Storage Project Enhances Energy Efficiency and Economic Benefits

To enhance the project's revenue and energy efficiency of a modern industrial park, ENN Energy proposed a comprehensive solution. By adding energy storage facilities and leveraging the load-photovoltaic-energy storage platform to improve the customers' intelligent management, the Company effectively optimized energy dispatch and utilization, achieving the coordination of photovoltaic and energy storage. Currently, the energy storage facilities of the first and second phases of the project are fully operational, with a total installed capacity of 10.4 MW, significantly improving energy efficiency. By applying the intelligent management platform, ENN Energy has successfully implemented the peak shaving and valley filling of electricity demand, saving RMB 540,000 annually in electricity costs, effectively improving the project's economic benefits.




Photovoltaic Technology

ENN Energy advances its photovoltaic business, driving green energy trading and low-carbon development. In power generation, the Company expands photovoltaic project development and operations. On the sales side, it participates in green electricity trading and green certificate issuance, promoting broader renewable energy adoption.



Case Distributed PV Power Generation Project Helps Customers Reduce Carbon Emissions

ENN Energy tailors distributed photovoltaic (PV) projects to customer needs, leveraging digital intelligence technologies. With a total installed capacity of 6,018.98 kW, this project saved 1,631 tonnes of coal and reduced CO₂ emissions by 5,792 tonnes. Recognised for its energy conservation and emissions reduction, it earned the Four-Star Distributed PV Benchmark Power Station designation in Guangdong Province in 2024.




Biomass

ENN-NG makes full use of the biomass resources at the project site. Through the organic utilization of agricultural and forestry waste, it helps enterprises obtain a stable power supply while solving the waste problem.



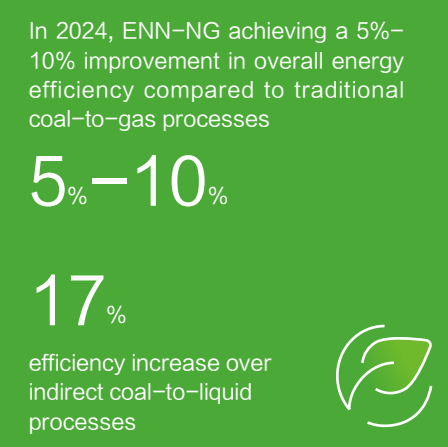
Case National Incremental Distribution Network Energy Storage Project Improves Energy Efficiency and Economic Benefits

ENN Energy harnesses abundant agricultural and forestry biomass in an industrial park, converting it into steam via biomass boiler combustion to supply low-carbon thermal energy. Residual ash and slag are repurposed as fertiliser raw materials, fostering resource recycling. This project saves 28,700 tonnes of standard coal annually, reducing sulphide emissions by 180 tonnes, nitride emissions by 389 tonnes, and dust emissions by 942 tonnes, enhancing energy conservation and optimising the park's energy structure.



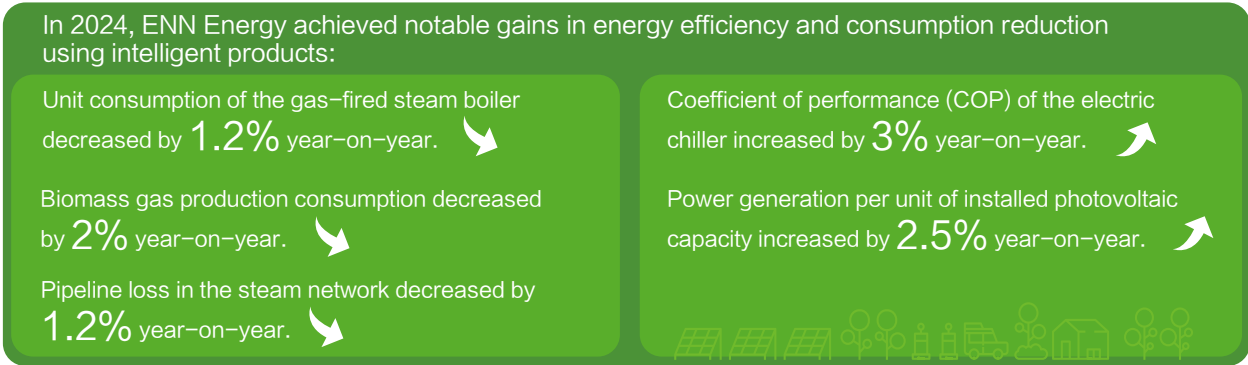
Clean Utilization of Coal-based Energy

In 2024, the industrial demonstration project of the coal hydrogenation pyrolysis technology, independently developed by ENN-NG, successfully completed its commissioning test. The project utilizes the world's first pulverized coal hydrogenation conversion technology, achieving a 5%–10% improvement in overall energy efficiency compared to traditional coal-to-gas processes, and a 17% efficiency increase over indirect coal-to-liquid processes. The successful commissioning marks that the pulverized coal hydrogenation gasification technology is now ready for large-scale deployment, offering a significant solution for the clean, efficient, and comprehensive utilization of low-rank coal resources in China. Additionally, based on its proprietary technology and catalysts, the Company has completed a process package for the methanation of 1.0 billion standard cubic meters of syngas per year, which has passed external expert reviews. To date, the Company has developed a complete coal-to-gas process solution based on its own technology.



Intelligent Low-Carbon Services

Guided by its Customer-Innovation Integration philosophy, ENN Energy supports customers in energy conservation and carbon reduction through products like IE consumption tracking and intelligent forecasting tools. Leveraging its role as a corporate intelligence agent, the Company connects supply and demand channels, delivering satisfactory digital and low-carbon services. In 2024, the upgraded Smart Operation Centre, spanning 13 regions and 253 member companies, improved energy efficiency and advanced the green transition of energy.



Case The Intelligent Control and Energy-saving Project for Dyeing Vats Is Rated as One of the Top Ten Green Cases in 2024

Facing the challenges of energy conservation and carbon reduction in the printing and dyeing industry, ENN Energy discovered issues such as high energy consumption, low efficiency, and serious pollution among its customers during the preliminary investigation. In response to this, ENN Energy initiated with energy conservation, emission reduction, and digital and intelligent upgrading, and customized an integrated comprehensive solution for the online and offline intelligent control of dyeing vat operations for its customers. Through the direct combustion transformation of natural gas, the installation of integrated printing and dyeing intelligent control machines, and the application of AI technology, the energy utilization efficiency has been significantly improved. After the transformation, this project saves customers RMB 2.8 million in costs every year and reduces the carbon dioxide emissions by 240,000 tons.

In this project, ENN Energy has fully utilized the unique advantage of "Energy + AI" integration, setting a benchmark for the green development of the printing and dyeing industry, and has been shortlisted for the "Top Ten Green Development Cases in 2024" of the Beijing News Zero Carbon Research Institute.



Intellectual Property Management

ENN-NG places great emphasis on intellectual property management, enhancing the market competitiveness of its technologies through continuous innovation and intellectual property protection. In response to the *Administrative Measures for the Determination of High and New Technology Enterprises* and the *Guidelines for the Administrative Work of the Determination of High and New Technology Enterprises* issued by the state, the Company developed the *Administrative Measures for Operation and Maintenance of High and New Technology Enterprises of ENN Natural Gas Co., Ltd.*, to refine the management of the application and operation and maintenance processes of such enterprises, promoting the development of the Company's high-tech capabilities. By the end of the reporting period, three of the Company's subsidiaries successfully passed the re-assessment as national high and new technology enterprises.

During the reporting period, ENN-NG conducted 3 intellectual property training sessions, with an average duration of 2 hours per session and more than 120 participants, covering employees from different departments and job levels. The training content included fundamental knowledge of intellectual property, intellectual property protection and risk prevention in Russia, as well as the basics of patent invalidation and patent litigation. These sessions helped employees enhance their ability to identify and address intellectual property issues and promoted the protection and utilization of the Company's innovation achievements.

Industry Exchanges and Contributions

ENN-NG actively engages in industry exchanges and cooperation. By promoting the formulation of green and low-carbon technology standards, sharing advanced R&D achievements, and fostering cross-border collaborative innovation, it aids in the overall transformation and upgrading of the industry, contributing knowledge and strength to building a green energy ecosystem and driving sustainable industry development.

Industry Exchanges

ENN-NG actively participates in industry exchanges and cooperation, promoting the sharing and adoption of green and low-carbon standards and best practices, and supporting the transformation, upgrading and sustainable development of the energy industry.

Case ENN-NG Successfully Held a Natural Gas Development Ecology Seminar

On September 25, 2024, ENN-NG successfully held a natural gas development ecology seminar themed "Integration and Symbiosis, Intelligent Creation of the Future" in Langfang, Hebei. The event attracted nearly 260 representatives from industry partners, energy enterprises, think tanks, international consulting experts, and senior executives of ENN-NG. The seminar focused on topics such as the low-carbon transformation of the energy industry under the "dual carbon" goals, the development trends of China's natural gas industry, and the future of new energy. Participants shared professional insights and practical experiences, discussing new models for natural gas development and directions for ecological cooperation. In his keynote speech, Zhang Yuying, President of ENN-NG, mentioned that in response to changes in the international environment and adjustments to the energy structure, the Company has consistently adhered to transformation and development. The Company uses intelligent solutions to address challenges faced by customers and the industry, promotes innovation in natural gas and comprehensive energy businesses, and provides customers with flexible low-carbon products and services. He also emphasized the importance of promoting low-carbon transformation through efficient energy management that balances both supply and demand.



Case ENN-NG Attended the 5th China Liquefied Natural Gas Development Forum

On March 22, 2024, the 5th China Liquefied Natural Gas Development Forum was held in Hangzhou, Zhejiang, and jointly hosted by ENN-NG. The forum attracted nearly 300 participants and discussed topics such as LNG trade, digitalization, and the localization of key equipment. The Vice President of ENN-NG introduced the cold energy dual-loop power generation system of the Zhoushan LNG Receiving Terminal, which addressed a domestic technical gap and advanced the construction of low-carbon and intelligent infrastructure. Xindi Energy Engineering, a fully owned subsidiary of ENN-NG, presented low-carbon intelligent construction services, attracting the attention of industry customers. The participants also visited the Zhoushan LNG Receiving Terminal and exchanged experiences in low-carbon and digital and intelligent operations.



Standards Development

ENN-NG leverages its professional technical expertise in its business areas and actively participates in the development of national, local, industry, and group standards to foster overall innovation and technological advancement in the industry.

GreatGas contributed to the development of the *Technical Requirements for Decentralized Identifiers in Blockchain Services* and the *Technical Requirements for Digital Twin Development Platforms in Blockchain Services*. Both standards were released in July 2024.

The Zhoushan Terminal participated in the development of the national standard *Design and Testing of Liquefied Natural Gas Unloading Arms for Conventional Onshore Receiving Terminals in the Petroleum and Natural Gas Industry*, which was released on September 29, 2024. It also contributed to the development of the group standards *Technical Specifications for Inspection and Maintenance of Liquefied Natural Gas Sampling Systems* and *Technical Regulations for Port Liquefied Natural Gas Tank Container Yards*, both of which were released in June and October 2024, respectively.

Xindi Engineering contributed to the development of the group standard *Technical Regulations for Urban Civil Hydrogen Transmission and Distribution Engineering*, and also participated in the development of group standards such as the technical specification for producing LNG and co-producing synthetic ammonia from coke oven gas and the accounting method for carbon emissions of industrial by-product hydrogen.

Participation in Standards Development

Industry-Academia-Research Collaboration

ENN-NG is committed to the deep integration of industry, academia, and research, collaborating extensively with leading domestic and international universities and research institutions. Through joint R&D and technological co-creation, it rapidly transforms cutting-edge technologies into practical applications, driving continuous innovation for the green and low-carbon transformation of enterprises and industrial upgrades. The company also builds an innovative ecosystem based on win-win cooperation and shared benefits.

Case ENN-NG Takes the Lead in Undertaking a National Key R&D Program

ENN-NG continues to drive the green development of the industry chain and innovate low-carbon technologies. The national key R&D project "Research on Key Technologies for Combined Heat and Power Generation Using Solid Oxide Fuel Cells", led by ENN-NG, successfully passed acceptance in June 2024. Building on this strong R&D foundation, the SOFC project team took on the "Research on Key Technologies for Integrated Gasification Fuel Cell (IGFC) Power Generation" project and conducted in-depth research on the application of SOFC with various gas source components, with the goal of exploring and developing hydrogen-electricity integrated industrial green microgrid technology. These efforts highlight ENN-NG's innovative capabilities in cutting-edge energy technologies and provide strong support for the comprehensive green and low-carbon transformation of the industry chain.

Report on Progress of Following the UN Global Compact Principles

The UN Global Compact is a strategic policy initiative for cooperation between public sectors and businesses, designed to aid companies in aligning their operation and strategies with the ten widely accepted principles in the areas of human rights, labor, environment and anti-corruption. Demonstrating its strong commitment to actively implementing sustainable development strategies, ENN-NG became a signatory of the UN Global Compact in 2023, committing to uphold the ten principles of the UN Global Compact. This report illustrates ENN-NG's progress in various aspects during the fiscal year 2024.

Global Compact	Ten Principles	Efforts Made by the Company	Page
Human rights	<ul style="list-style-type: none">• Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.• Principle 2: Businesses should make sure that they are not complicit in human rights buses.	<ul style="list-style-type: none">• We specify in policies concrete measures to prevent sexual harassment, protecting employees, particularly female employees, from unfair treatment and retaliation.• We improve the due diligence process for labor complaints and follow internal management systems to investigate, obtain evidence for, track, and address violations of laws and regulations and report them to government agencies, ensuring effective supervision of the rights and interests of employees.	P53-56
	<ul style="list-style-type: none">• Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.• Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.• Principle 5: Businesses should uphold the effective abolition of child labour.• Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.	<ul style="list-style-type: none">• We respect the rights of employees to join or not join trade unions, seek representation and participate in the staff representative assembly, and sign a collective bargaining agreement with the employees.• We persist in legal employment practices with a strict prohibition against human trafficking and employment of child labor, and put an end to any form of compulsory or forced labor.• We uphold equal employment and prevent any discrimination based on gender, geographical location, ethnicity, religion, age, pregnancy, marital status, disability and political stance in the processes of employee hiring, promotion and termination.	
Environ-ment	<ul style="list-style-type: none">• Principle 7 : Businesses should support a precautionary approach to environmental challenges.• Principle 8 : Businesses should undertake initiatives to promote greater environmental responsibility.• Principle 9 : Businesses should encourage the development and diffusion of environmentally friendly technologies.	<ul style="list-style-type: none">• We actively engage in environmental due diligence to gain a comprehensive and accurate understanding of the environmental risks and status of target companies in M&A.• Prior to the commencement of all projects, environmental.• impact assessments are required, and construction should be conducted in accordance with the requirements outlined in the environmental impact assessment reports.• We propel the protection of marine and terrestrial environments, and undertake environmental and biodiversity restoration and compensation based on the environmental impact assessment reports.• We actively promote the implementation and application of projects involving natural gas blending with hydrogen, energy storage, photovoltaics and biomass energy.	P92-117
	<ul style="list-style-type: none">• Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none">• We commit to firmly prohibiting corruption and commercial bribery in formal systems and delineate the Company's requirements regarding anti-corruption.• We sign the <i>Code of Conduct for Employees</i> with all employees and the <i>Integrity Agreement</i> with external customers.• We disseminate requirements for integrity and self-discipline to all employees through various channels and conduct regular anti-corruption training.• We maintain ongoing supervision and regular audit for any violations involving corruption and bribery within our business operations.	

Report Indicator Index

Section	SEHK ESG Guidelines	SSE Sustainability Guidelines
Excellent Governance: Achieving Long-Term Value Creation		
Corporate Governance	/	/
Dual Materiality	/	Stakeholder Communication
Risk Management	/	Due Diligence
Business Ethics and Anti-Corruption	B7、B7.1、B7.2、B7.3	Anti-Commercial Bribery, Anti-Corruption, and Anti-Unfair Competition
Asset Integrity Management	/	/
Information Security & Privacy Protection	B6.5	Data Security and Customer Privacy Protection
Self-driven Altruism: Creating a Diverse and Harmonious Ecosystem		
Talent Development	B1、B1.1、B1.2、B3、B3.1、B3.2、B4、B4.1、B4.2	Employees
Supply Chain Management	B5、B5.1、B5.2、B5.3、B5.4	Supply Chain Security, Equal Treatment of SMEs, and Due Diligence
Customer Service	B6、B6.2、B6.4	Product and Service Safety and Quality
Social Development	B8、B8.1、B8.2	Rural Revitalization, and Social Contribution
Safe Energy Supply: Laying the Foundation for Social Development		
Safety Capability Building	B2、B2.3、B6	Suppliers, Customers and Employees
Occupational Health and Safety	B2.1、B2.2、B2.3	Employees
Green Development: Co-Creating an Intelligent Low-Carbon Framework		
Response to Climate Change	Part D: Climate-related Disclosures	Response to Climate Change
Environmental Protection	A1、A1.1、A1.3、A1.4、A1.5、A1.6、A3、A3.1	Pollution Prevention and Ecosystem Protection
Resource Utilization	A2、A2.1、A2.2、A2.3、A2.4、A2.5	Resource Utilization and Circular Economy
Green Operations	/	/
Biodiversity Conservation	A3.1	Ecosystem and Biodiversity Conservation
Green Development of Industrial Chain	B6.3	Energy Utilization and Innovation Drive

ESG Performance Indicators

Name of Indicator	Unit	2024	2023	2022
Total Quantity of Sewage Discharged	10,000 tons	241.53	158.07	159.13
Total Nitrogen Oxide (NO _x) Emissions	Ton	182.60	376.14	282.33
Total Sulfur Dioxide (SO ₂) Emissions	Ton	135.17	122.96	92.27
Total Soot Emissions	Ton	17.44	22.90	32.36
Total Quantity of Hazardous Wastes Discharged	Ton	11,274.70	4,789.95	5,247.90
Discharge Density of Hazardous Wastes	Ton/billion RMB of revenue	82.96	33.30	34.04
Total Quantity of Non-Hazardous Wastes Discharged	Ton	635,660.70	676,241.68	1,851,743.31
Discharge Density of Non-Hazardous Wastes	Ton/billion RMB of revenue	4,677.07	4,701.28	12,011.14
Consumption of Coal Fired	10,000 tons	82.82	87.49	89.89
Total Natural Gas Consumption	10,000 cubic meters	1,568.19	2,115.38	1,842.14
Total Gasoline Consumption	10,000 L	494.50	387.45	783.56
Total Diesel Oil Consumption	10,000 L	213.18	208.49	591.72
Total Consumption of Purchased Power	10,000 kWh	84,878.01	79,616.21	88,756.10
Total Consumption of Integrated Energy*	10,000 tons standard coals	238.62	220.62	242.87
Consumption Density of Integrated Energy	10,000 tons standard coals/ billion RMB of revenue	1.76	1.53	1.58
Total Electricity Generated by Renewable Energy Sources	10,000 kWh	1,231.70	1,838.13	530.98
Reclaimed Water Usage	Ton	7,573,884.00	7,547,439.00	/
Total Water Consumption	10,000 tons	1,488.03	1,282.46	1,308.18
Water Consumption Density	10,000 tons/billion RMB of revenue	10.95	8.92	8.49
Scope I: Direct GHG Emissions	10,000 tons of CO ₂ equivalent	386.28	392.09	391.83
Scope I: Intensity of Direct GHG Emissions (By Revenue)	10,000 tons of CO ₂ equivalent/ billion RMB of revenue	2.84	2.73	2.54
Scope I: Intensity of Direct GHG Emissions (By Gas Sales)	10,000 tons of CO ₂ equivalent/ billion cubic meters of natural gas sales	9.85	10.14	10.79
Scope II: Indirect GHG Emissions	10,000 tons of CO ₂ equivalent	48.13	54.23	57.33
Scope II: Intensity of Indirect GHG Emissions (By Revenue)	10,000 tons of CO ₂ equivalent/ billion RMB of revenue	0.35	0.38	0.37
Scope II: Intensity of Indirect GHG Emissions (By Gas Sales)	10,000 tons of CO ₂ equivalent/ billion cubic meters of natural gas sales	1.23	1.40	1.58
Scope I and II: Total GHG Emissions	10,000 tons of CO ₂ equivalent	434.41	446.32	449.15

* The coals in integrated energy consumption include feed coal and coal fired (the feed coal is used to produce methanol).

Name of Indicator	Unit	2024	2023	2022
Scope I and II: Total Intensity of GHG Emission (By Revenue)	10,000 tons of CO ₂ equivalent/ billion RMB of revenue	3.20	3.10	2.91
Scope I and II: Total Intensity of GHG Emission (By Gas Sales)	10,000 tons of CO ₂ equivalent/ billion cubic meters of natural gas sales	11.08	11.54	12.37
Natural Gas Production (Scope III)	10,000 tons of CO ₂ equivalent	1,232.65	1,155.15	1,006.05
Upstream and Downstream Transportation (Scope III)	10,000 tons of CO ₂ equivalent	227.63	184.92	163.27
Use of Sold Natural Gas (Scope III)	10,000 tons of CO ₂ equivalent	5,889.30	5,893.75	5,735
Employee Travel and Commuting (Scope III)	10,000 tons of CO ₂ equivalent	1.16	1.53	1.48
Total GHG Emissions	10,000 tons of CO ₂ equivalent	7,785.15	7,681.66	7,354.95
Number of full-time employees	Persons	39,365	38,462	38,967
Number of male employees	Persons	29,334	28,466	28,873
Number of female employees	Persons	10,031	9,996	10,094
Number of employees under 30 years old	Persons	8,843	8,771	9,115
Number of employees aged 30–50	Persons	26,930	26,140	25,928
Number of employees over 50 years old	Persons	3,592	3,551	3,924
Number of senior management staff	Persons	1,120	1,139	1,137
Number of junior and middle management staff	Persons	3,626	3,406	3,498
Number of staff at ordinary level	Persons	34,619	33,917	34,332
Number of employees engaged in Mainland China	Persons	39,342	38,442	34,332
Number of employees engaged in Hong Kong, Macao and Taiwan	Persons	12	12	16
Number of employees engaged in overseas	Persons	11	8	/
Percentage of female employees in management	%	24.84	25.08	24.20
Percentage of female employees in senior management	%	17.05	15.63	15.92
Percentage of female employees in junior and middle management	%	27.25	28.24	26.87
Percentage of female employees in business department	%	19.90	10.49	/
Percentage of female employees in STEM department	%	18.28	18.26	/
Number of disabled employees	Persons	86	67	/
Number of minority employees	Persons	1,373	1,276	1,386
Number of new hires joined in 2024	Persons	4,690	5,129	4,546
Number of newcomers from experienced hire	Persons	4,074	4,249	3,974

Name of Indicator	Unit	2024	2023	2022
Number of newcomers from school	Persons	616	880	572
Per capita employment cost*	RMB	245.10	1,137	2,227.46
Number of newcomers under 30 years old	Persons	2,441	2,926	/
Number of newcomers aged 30–50 years old	Persons	2,177	2,106	/
Number of newcomers over 50 years old	Persons	72	97	/
Number of new male employees	Persons	3,570	3,864	/
Number of new female employees	Persons	1,120	1,265	/
Number of new employees engaged in Mainland China	Persons	4,685	5,122	/
Number of new employees engaged in Hong Kong, Macao and Taiwan	Persons	3	4	/
Number of new employees engaged in overseas	Persons	2	3	/
Annual gross income of all employees	RMB	5,224,627,942.08	4,866,936,503.48	/
Average annual gross income of all employees	RMB	132,722.67	126,538.83	/
Average annual base salary of male employees at senior management level	RMB	323,759.16	336,045.94	847,380.00*
Average annual base salary of female employees at senior management level	RMB	312,942.45	341,405.74	639,975.00*
Average annual gross income of male employees at senior management level	RMB	668,786.71	655,666.29	1,644,804.00*
Average annual gross income of female employees at senior management level	RMB	619,853.67	667,126.92	1,276,218.00*
Average annual base salary of male employees at management level other than senior management	RMB	141,501.17	158,158.23	194,397.00
Average annual base salary of female employees at management level other than senior management	RMB	126,547.41	146,806.42	162,922.00
Average annual gross income of male employees at management level other than senior management	RMB	225,952.27	234,760.91	322,325.00
Average annual gross income of female employees at management level other than senior management	RMB	208,082.01	220,699.10	268,181.00
Average annual base salary of ordinary male employees	RMB	87,879.73	84,242.09	88,607.00*
Average annual base salary of ordinary female employees	RMB	75,974.66	70,570.49	78,875.00*
Average annual gross income of ordinary male employees	RMB	108,719.71	101,913.97	/
Average annual gross income of ordinary female employees	RMB	99,628.82	87,952.43	/
Employee turnover rate	%	11.11	10.62	12.16
Employee voluntary turnover rate*	%	7.81	9.31	/
Turnover rate of male employees	%	11.35	11.17	12.61
Turnover rate of female employees	%	10.41	9.07	10.90
Turnover rate of employees at senior management level	%	5.54	4.48	/
Turnover rate of employees at middle management level	%	5.27	13.56	/

* The data of ENN Energy is not included.

Name of Indicator	Unit	2024	2023	2022
Turnover rate of employees at ordinary level	%	11.90	10.53	/
Turnover rate of employees under 30 years old	%	18.27	18.45	18.84
Turnover rate of employees aged 30–50 years old	%	8.66	8.21	9.41
Turnover rate of employees over 50 years old	%	11.83	9.10	14.86
Turnover rate of employees engaged in Mainland China	%	11.11	10.62	/
Turnover rate of employees engaged in Hong Kong, Macao and Taiwan regions	%	25.00	25.00	/
Turnover rate of employees overseas	%	9.09	0.00	/
Total sessions of training	Session	465,790	450,698	74,379
Total number of employees trained	Persons	39,365	38,462	38,551
Total training duration	Hours	1,451,353.90	1,350,271	910,380
Average expenses on training per employee	RMB	901.52	1,028.61	/
Average training hours of male employees	Hours	38.43	36.61	24.60
Average training hours of female employees	Hours	32.30	30.84	20.79
Average training hours of employees at senior management level	Hours	30.99	30.28	31.55
Average training hours of employees at junior and middle management level	Hours	29.79	28.06	26.89
Average training hours of general employees	Hours	37.80	35.98	23.01
Number of male employees trained	Persons	29,334	28,466	28,582
Number of female employees trained	Persons	10,031	9,996	9,969
Number of senior management employees trained	Persons	1,120	1,139	1,137
Number of junior and middle management employees trained	Persons	3,626	3,406	3,498
Number of employees trained at ordinary level	Persons	34,619	33,917	33,916
Average training hours of professional competency training	Hours	32.47	35.47	27.33
Average amount on professional competency training *	RMB	933.94	1,515.00	1,500.00
Average training hours of leadership training	Hours	27.20	35.47	29.99
Average amount on leadership training *	RMB	2,255.35	2,300.00	2,200.00
Percentage of certified personnel by positions	%	7.05	3.45	3.48
Certified personnel by positions	Persons	2,777	1,328	1,355
Potential hazard investigations	Session	67,279	38,979	/
Rectification rate of potential hazard investigations	%	97.81	100	/
Total number of persons receiving safety training	Person–time	480,597	488,941	554,333
Number of persons at general manager level receiving safety training	Person–time	9,500	8,895	17,630

* The data of ENN Energy is not included.

Name of Indicator	Unit	2024	2023	2022
Number of safety management personnel receiving safety training	Person-time	19,937	21,735	6,781
Number of general employees receiving safety training	Person-time	451,160	458,311	529,922
Combined employee/contractor safety training coverage	%	100	100	100
Number of safety training sessions for employees and contractors *	Session	6,563	6,236	5,437
Total number of contractors receiving safety training *	Person-time	41,424	67,067	/
The number of enterprises within ENN-NG and its subsidiaries passing ISO 45001 occupational health and safety management system verification	Companies	94	83	/
Lost time injury frequency rate (LTIFR) for employees	/	0.23	0.33	0.34
Lost time injury frequency rate (LTIFR) for contractors	/	0	0.08*	0.15*
Lost time injury frequency rate (LTIFR) including contractor	/	0.12	0.06	0.09
Total recordable injury rate (TRIR) for employees and contractors	/	0.02	/	/
Fatalities due to safety incidents	Persons	0	0	0
Cases of employees injured at work	Case	19	27	29
Cases of Contractors injured at work	Case	0	3	3
Working time lost due to employee injuries at work	Hours	3,748	11,444	21,063
Number of safety emergency drills	Times	9,828	11,429	5,218
Employee physical examination coverage rate	%	100	100	100
Full-time safety management staff	Persons	5,662	1,152	1,041
R&D investment	RMB 10,000	115,888	135,362	170,947
New patent applications	Pieces	453	258	178
Cumulative patents	Pieces	3,280	2,022	1,743
Effective patents for invention	Pieces	432	232	/
Number of authorized invention patents during the reporting period	Pieces	36	/	/
Effective copyrights	Pieces	873	559	419
Type A suppliers (critical)	Suppliers	152	179	129
Type B suppliers (important)	Suppliers	1,783	949	872
Type C suppliers (general)	Suppliers	5,065	3,972	2,950
Review coverage rate of tier 1 key suppliers for the past three years	%	100	100	100

* The data of ENN Energy is not included.

ENN-NG ESG System

Section	Applicable Laws and Regulations	Internal Policies and Systems
Excellent Governance: Achieving Long-Term Value Creation		
Corporate Governance	Company Law of the People's Republic of China Securities Law of the People's Republic of China	Rules of Procedure for the Board of Directors Rules of Procedure for the Strategy Committee of the Board of Directors Rules of Procedure for the Nomination Committee of the Board of Directors Rules of Procedure for the Audit Committee of the Board of Directors Rules of Procedure for the Remuneration and Appraisal Committee of the Board of Directors Rules of Procedure for the ESG Committee of the Board of Directors Policy on the Diversity of Board Members Independent Director System Detailed Rules for Shared Responsibility and Authority in Internal Reporting of Major Compliance Matters Information Disclosure Coordinated Management System Regulations on the Management of Red and Yellow Safety Lines Measures for the Management of Employees' Violations of Regulations and Disciplines
Double Materiality	Guidelines No. 14 of Shanghai Stock Exchange for Self-Regulation of Listed Companies—Sustainability Report (Trial)	
Risk Management	Company Law of the People's Republic of China Securities Law of the People's Republic of China	
Business Ethics and Anti-Corruption	Company Law of the People's Republic of China Anti-Unfair Competition Law of the People's Republic of China Anti-monopoly Law of the People's Republic of China	Policy on Anti-Fraud, Anti-Corruption and Anti-Bribery Code on Good Faith and Compliance Measures for the Management of Employees' Violations of Regulations and Disciplines Code of Conduct for Employees Integrity Agreement Measures for the Management of Employees' Violations of Regulations and Disciplines
Asset Integrity Management	Company Law of the People's Republic of China	Administrative Measures for Fixed Assets Code on Good Faith and Compliance
Information Security & Privacy Protection	Company Law of the People's Republic of China Cybersecurity Law of the People's Republic of China Data Security Law of the People's Republic of China Personal Information Protection Law of the People's Republic of China Law of the People's Republic of China on Combating Telecom and Online Fraud	Management Specifications for Data Classification and Grading Regulations on Digital Intelligence Security Management Management Measures for Digital Intelligence Security and Confidentiality Work Management Measures for Office Network Security Customer Privacy Policy

Section	Applicable Laws and Regulations	Internal Policies and Systems
Self-driven Altruism: Creating a Diverse and Harmonious Ecosystem		
Talent Development	Labor Law of the People's Republic of China	Personnel Appointment Rules Policy on Talent Development and Employment Regulations on Archives Management of ENN Natural Gas Co., Ltd. Implementation Rules for the Archives of the Party, Trade Union and Communist Youth League of ENN Natural Gas Co., Ltd. (Trial)
	Labor Contract Law of the People's Republic of China	
	Provisions on the Prohibition of Using Child Labor	
	Ten Principles of the UN Global Compact	
	Law of the People's Republic of China on the Protection of Rights and Interests of Women	
	Special Rules on the Labor Protection of Female Employees	
	Women's Empowerment Principles	
Supply Chain Management	Bidding Law of the People's Republic of China Regulation on the Implementation of the Bidding Law of the People's Republic of China	Supplier Admission and Administrative Measures Administrative Regulations on Materials Procurement Administrative Measures for Bidding Supplier Rating Standards Methods for Supplier Performance Appraisal Annual Quality Inspection Rules Supplier Violation Management Rules Complaint Management Rules Code on Good Faith and Compliance Health, Safety, and Environment (HSE) Policy for Suppliers Commitment of Integrity and Self-discipline
Customer Service	Anti-Unfair Competition Law of the People's Republic of China	Service System Manual
	Advertising Law of the People's Republic of China	Administrative Measures for Customer Complaints
Social Development	Law of the People's Republic of China on Donations for Public Welfare	Policy on Public Welfare and Charitable Activities
	Charity Law of the People's Republic of China	Community Engagement Mechanism Stakeholder Policy
Safe Energy Supply: Laying the Foundation for Social Development		
Safety Capability Building	Law of the People's Republic of China on Work Safety	Administrative Measures for System of Responsibility in Safe Production Regulations on the Management of Safety Rewards and Punishments Regulations on the Management of Red and Yellow Safety Lines Administrative Measures for Site Safety Administrative Measures for Safety Facilities Administrative Rules on Safety Risk Analysis and Commitment Announcement Risk Management Measures Special Contingency Plan for Typhoon Administrative Measures for Safety Education and Training

Section	Applicable Laws and Regulations	Internal Policies and Systems
Occupational Health and Safety	Law of the People's Republic of China on the Prevention and Control of Occupational Diseases	Measures for Administration of Occupational Health Administrative Rules on HSE of Suppliers Contractor Safety Agreement Abnormal Weather Control Operation Checklist
Green Development: Co-Creating an Intelligent Low-Carbon Framework		
Response to Climate Change	Working Guidance for Carbon Dioxide Peaking and Carbon Neutrality in Full and Faithful Implementation of the New Development Philosophy Notice of the State Council on Issuing the Action Plan for Carbon Dioxide Peaking before 2030	Climate Change Response Policy Administrative Measures for Carbon Emissions
Environmental Protection	Environmental Protection Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution Water Pollution Prevention and Control Law of the People's Republic of China Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes Water Law of the People's Republic of China	Administrative Measures for Environmental Protection Health, Safety and Environment (HSE) Policy Pollution Prevention and Control Management System
Resource Utilization	Energy Conservation Law of the People's Republic of China Water Law of the People's Republic of China	Health, Safety and Environment (HSE) Policy
Green Operations	Environmental Protection Law of the People's Republic of China	Guiding Opinions on Implementing Low-carbon and Green Office Work Practices Administrative Measures for Office Vehicles
Biodiversity Conservation	Kunming-Montreal Global Biodiversity Framework	Biodiversity Conservation Policy
Green Development of Industrial Chain	Administrative Measures for the Determination of High and New Technology Enterprises Guidelines for the Administrative Work of the Determination of High and New Technology Enterprises	Measures for Intellectual Property Management Administrative Measures for Operation and Maintenance of High and New Technology Enterprises

Independent Audit Declaration



Independent Assurance Statement

To: Stakeholders of ENN Natural Gas Co., Ltd.

China Quality Certification Centre Co., Ltd. (CQC), commissioned by ENN Natural Gas Co., Ltd. (hereinafter referred to as ENN), conducted independent verification on the key data selected from the 2024 Environmental, Social and Governance Report of ENN Natural Gas Co., Ltd. (hereinafter referred to as the ESG Report) prepared in accordance with Shanghai Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 14 – Sustainable Development Report (Trial), Hong Kong Stock Exchange’s Listing Rules Code – Appendix C2 Environmental, Social, and Governance Reporting Code, and with reference to the 2021 GRI Sustainability Reporting Standard (“GRI Standard”). ENN was responsible for collecting, summarizing, analyzing, and disclosing the information and data mentioned in the ESG Report and was responsible for the completeness and authenticity of the information and data. CQC implemented data verification within the scope specified in the agreement with ENN.

Scope of Assurance

The selected data and information disclosed in the ESG report of ENN from January 1 to December 31, 2024:

- Total greenhouse gas emissions
- Scope 1 direct greenhouse gas emissions
- Scope 2 direct greenhouse gas emissions
- Total natural gas consumption
- Total gasoline consumption
- Total diesel consumption
- Total coal consumption
- Total electricity consumption
- Work injury accident rate per million hour
- Number of enterprises certified by ISO45001
- Number of enterprises certified with ISO14001
- Total number of safety training sessions
- Number of employees by gender
- Proportion of female employees in senior management
- Employee satisfaction

Basis for Assurance

AA1000 V3, Type 2, Moderate Assurance

Assurance Methods

The methods used in this assurance include but are not limited to:

- a) Report review;
- b) Interviews;
- c) Verification of documents, records, certificates, bills, and other materials;
- d) Field verification;
- e) Trusted information source verification;
- f) Verification against disclosure basis;
- g) Recalculation/estimation;
- h) Confirmation of statistical, calculation/estimation processes;

Assurance Conclusions

The specific conclusions of ENN in conformance to the four principles of AA1000 are as follows:
Inclusivity: ENN has identified both of its internal and external stakeholders, including investors/banks/financial institutions, government and regulatory agencies, business partners, customers, suppliers/contractors, partners (industry associations, efficient, research institutions, etc.), community representatives (NGOs, local residents, public welfare projects), media, etc. In the process of report preparation, the expectations and needs of stakeholders have been considered.

Materiality: Based on the principle of impact materiality and financial materiality, ENN has identified and prioritized their ESG issues, integrating the management of various issues into the company’s daily operations. The overall content of the ESG Report meets the requirements of the materiality principle.

Responsiveness: ENN has established a governance structure, management system and processes, as well as a communication mechanism with stakeholders, capable of taking action to respond to the demands of various stakeholders.

Impact: Through quantitative or qualitative methods, or a combination of both, ENN has disclosed the main impacts on stakeholders in terms of environment, society, and governance.

Specific performance information: Based on the verification process and results of the selected data, we have not found any deficiencies in the reliability and quality of the selected data and related information.

Recommendations

Based on the assurance findings, it is recommended that:

- ENN continuously improve ESG management, regularly review and evaluate the effectiveness of ESG data collection, management, and verification processes, to ensure the company’s improvement of performance in sustainable development.

Limitations

- This assurance was conducted using sampling methods based on quantitative and qualitative risk analysis and the sampling scope was limited to the data and information selected in the ESG Report, not fully tracing or independently recalculating all raw data of ENN.
- This assurance only covered interviews and document review with ENN, and did not directly interview external stakeholders (such as suppliers, customers, etc.), nor did it contain independent verification of the information provided by external stakeholders of ENN.
- The data and information audited/verified by a third party in the ESG Report were not subject to repeated verification during this assurance process.
- Some of the data and information in the ESG report cannot be compared and verified through independent sources. This assurance only evaluated their reasonableness.
- Activities outside the scope of information disclosure were not included in this assurance.
- The statement regarding the position, viewpoints, beliefs, goals, future development directions, and commitments of ENN were not included in this assurance.

Statement on Independence and Verification Capability

Affiliated with China Certification & Inspection Group (CCIC), CQC is a third-party professional certification body approved by the Chinese government and recognized by multiple foreign governments and international authoritative organizations. CQC can provide various management systems certification, product safety and performance certification, energy conservation and environmental certification, green and low-carbon technical services, management improvement, personnel training, and other related certifications and technical services, as well as independent verification services for social responsibility reports, sustainable development reports, and ESG reports.

The assurance team is composed of AA1000 PCSAPs. As an independent certification body, CQC ensured that there were no conflicts of interest with ENN and its stakeholders during the assurance process of the ESG Report. All information in the ESG Report was provided by ENN. CQC and the personnel conducting this assurance of the ESG Report were not involved in the data collection, calculation, and compilation of the ESG Report.



President of CQC: 谢肇煦
April 3, 2025
Beijing, China

Note: In case of any inconsistency or discrepancy, the Chinese version of this assurance statement shall prevail, while the English translation is used for reference only.

Feedback on ENN–NG's ESG Report

Dear readers,

Thank you for taking the time to read the Company's 2024 Environmental, Social and Governance (ESG) Report. Your feedback on the report is highly valued. To enhance and improve the Company's environmental, social, and governance efforts, please provide your comments and suggestions on this report and share them with us to allow for our ongoing improvement of the report.

1. Overall assessment of this report:

- ☐ Good ☐ Fairly good ☐ Average ☐ Poor

2. The clarity, accuracy, and completeness of information and data disclosed in the report:

- ☐ Good ☐ Fairly good ☐ Average ☐ Poor

3. The report's comprehensiveness regarding environmental responsibility:

- ☐ Good ☐ Fairly good ☐ Average ☐ Poor

4. The report's comprehensiveness regarding social responsibility:

- ☐ Good ☐ Fairly good ☐ Average ☐ Poor

5. The report's comprehensiveness regarding governance responsibility:

- ☐ Good ☐ Fairly good ☐ Average ☐ Poor

6. Design and layout of the report:

- ☐ Good ☐ Fairly good ☐ Average ☐ Poor

7. What do you think is the most needed improvement in this report?

- ☐ Environment ☐ Society ☐ Governance ☐ Safety ☐ Staff ☐ Supply Chains

8. The information that you wish to know but has not been disclosed in this report includes:

9. Your opinions and suggestions on the Company's ESG work and report preparation:



