



# 2024

## Environmental, Social, and Governance (ESG) Report

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**Tian Lun Gas Holdings Limited**  
(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 01600



**Tian Lun Gas Holdings Limited**

**2024**

**Environmental, Social, and Governance (ESG) Report**

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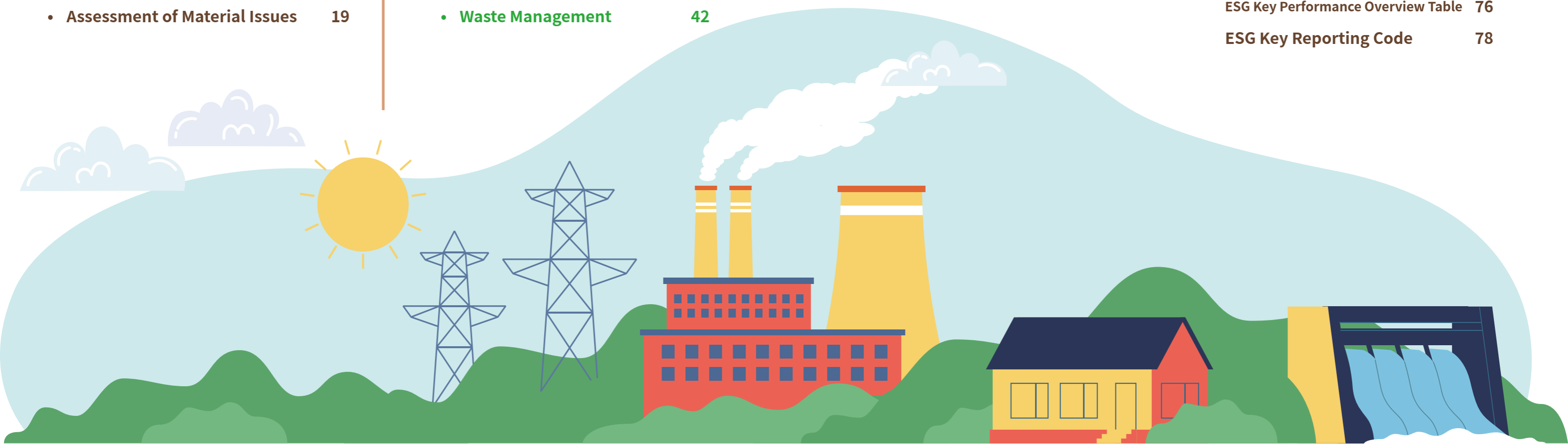
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## Report Description

### Regarding this Report

Tian Lun Gas Holdings Limited ("the Company", stock code: 1600) hereby releases the 2024 Environmental, Social and Governance Report ("this Report" or "ESG Report") of the Company together with its affiliated member enterprises (collectively referred to as "the Group" or "Tianlun Gas" hereinafter). This Report aims to disclose the Group's practices and performance on different ESG issues in the past year in an open and transparent manner, enabling people from all walks of life to understand the Group's practices and performance in sustainable development.

#### 01 Report Scope

This Report covers the Group's main businesses, including investing in, operating and managing gas pipeline connection business, gas transportation and sales business, construction and operation of gas filling stations, and production and sales of liquefied natural gas ("LNG") in China. The time scope covered by this Report is from January 1, 2024 to December 31, 2024 ("the reporting period"), and some contents extend beyond the above time scope. Compared with the Tianlun Gas 2023 ESG Report, there are no major adjustments to the report scope of this Report.

#### 02 Compilation Basis

This Report is prepared in accordance with Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Hong Kong Stock Exchange"), "Guidance on Environmental, Social and Governance Reporting" ("the HKEX ESG Guidance").

#### 03 Data Explanation

The financial data in the Report are all from the 2024 Annual Report, and other data are sourced from the Company's internal management system and statistics. Some data involve historical data. The currency amounts involved in this Report are denominated in Renminbi, unless otherwise specified.

#### 04 Release Format

This Report is released in electronic form and can be queried or downloaded from the Company's website ([www.tianlungas.com](http://www.tianlungas.com)) and the "HKEX News" website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>).

## Chairman's Message

The year 2024 is a crucial year for thoroughly implementing the guiding principles of the 20th National Congress of the Communist Party of China and accelerating high - quality development. It is also an important stage for China to steadily advance towards the "dual carbon" goals. The global energy landscape is undergoing profound changes, and green and low - carbon development has become an irresistible trend. Tianlun Gas has always been committed to the development strategy of "Taking root in Henan and expanding across the country" and aims to become an outstanding green and low - carbon energy supply and service provider in China. In 2024, we actively adapted to the trend of green and low - carbon transformation, continuously optimized our industrial layout, deepened technological innovation, accelerated the upgrade from single - gas supply to comprehensive clean energy services, and made every effort to promote high - quality development.



Mr. Xian Zhenyuan, Chairman

**Adhering to the path of green and low - carbon development and fulfilling our "dual carbon" commitments is our response to the call of the times for ecological civilization construction.** We continuously strengthened environmental management, deeply promoted the green operation model, increased investment in clean energy, optimized the energy structure, actively planned emerging low - carbon energy projects such as gas - power coordination and biomass gas, and continuously increased the application proportion of renewable energy. We adhered to energy conservation and emission reduction, optimized resource utilization, strictly controlled greenhouse gas emissions, and contributed Tianlun's strength to promoting the green and low - carbon transformation of the industry.

**Consolidating the foundation of compliance governance and strengthening the barrier for safe development is the fundamental guarantee for the stable and long - term development of the enterprise.** We have always adhered to a high - standard corporate governance system, optimized the risk management and control mechanism, and fully implemented the requirements of compliance management and anti - monopoly risk prevention and control. Work safety is the lifeline of enterprise development. We continuously strengthened the construction of the safety management system, strictly implemented the safety responsibility system, ensured safe operation with higher standards and stricter requirements, and consolidated the foundation for high - quality development.

**Activating the innovation - driven engine and reshaping the industrial value ecosystem is the core driving force for leading the energy revolution.** We continuously increased investment in digitalization and intelligence, and improved operational efficiency and customer service levels through technologies such as big data and artificial intelligence. We deepened industrial chain collaboration, explored innovative business models, promoted the in - depth integration of energy supply and smart city construction, and drove the long - term and stable growth of the enterprise through innovation.

**Fostering a sense of responsibility and fulfilling social value commitments are solid actions to give back to the people's livelihood through development.** We have always integrated social responsibility into the enterprise development strategy, adhered to the principle of "putting people first", paid attention to employee growth, improved the employee training system, and enhanced employee welfare. We actively participated in public welfare undertakings, supported rural revitalization and community development, and gave back to society with practical actions to promote the harmonious coexistence of the enterprise and society.

Looking ahead, Tianlun Gas will seize the opportunities in the "dual carbon" era, balance development and security, deepen the green and low - carbon layout, promote the optimization and upgrading of the energy structure, and continuously improve the comprehensive energy service capacity. We will continue to innovate and move forward steadily, contribute to the sustainable progress of the economy and society through high - quality development, and offer more wisdom and strength to the construction of a beautiful China.

## Board of Directors' ESG Statement

Tianlun Gas has always deeply integrated the ESG concept into corporate governance and strategic decision-making. With the Board of Directors as the highest decision-making body, the Company has established professional committees such as the Audit Committee, Nomination Committee, Remuneration Committee, etc., as well as a dedicated ESG Committee, to ensure that each committee efficiently performs its supervision and management responsibilities within the defined scope of authority. As the core management platform, the ESG Committee coordinates and oversees various tasks related to the environment, social responsibility, governance, and risk management, promotes the full implementation of the ESG strategy, ensures the authenticity and transparency of information disclosure, and strictly supervises internal control and compliance requirements.

To further strengthen the governance system and ensure compliant operations, Tianlun Gas has introduced third-party professional institutions, including Hong Kong listed company secretaries, domestic and overseas lawyers, and auditors, and has fully communicated with relevant regulatory authorities in advance on major matters. The Board of Directors assumes legal responsibility for the authenticity, accuracy, and completeness of the ESG report, ensuring that there are no false records, misleading statements, or major omissions in the report content, thus providing a solid guarantee for the stable operation and sustainable development of the Company.

Looking ahead to 2024, the Company will continue to deepen the integration of the ESG concept with strategic development, actively respond to the national "dual carbon" goals and the rural revitalization strategy, focus on the layout of clean energy business, and promote key projects such as gas-power coordination. Tianlun Gas is committed to building a clean and low-carbon energy system, and by continuously improving the internal governance and risk early warning mechanisms, it ensures the deep integration of all ESG tasks with the overall corporate strategy, facilitating the Company's achievement of high-quality and green transformation and development.

## About Tianlun Gas

Founded in 2002, Tianlun Gas is one of the early enterprises engaged in urban gas business in China. Its main businesses include: urban gas operation, rural gas operation, long-distance pipeline and industrial direct supply business, gas filling stations, and LNG plant business. On November 10, 2010, the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited, with the stock code 01600.HK. As of December 31, 2024, the Company has 70 urban gas projects nationwide, providing gas services to more than 5.8 million urban and rural households and 52,000 industrial and commercial enterprises, covering a population of approximately 20 million people. The total length of the in-operation medium and high-pressure gas transmission pipelines laid is 9,507 kilometers. It owns 51 operational gas filling stations, 1 LNG plant, and 6 long-distance pipelines.

In the future, guided by national policies such as the national "dual carbon" initiative and rural revitalization, Tianlun Gas will join hands with partners from multiple industries and fields to make arrangements across the country, achieving full coverage of Tianlun's services. The goal is to become a first-class green and low-carbon energy supply and service provider in China.

urban gas projects nationwide

**70**

urban and rural households

**5.8** million

population

**20** million

industrial and commercial enterprises

**52,000**

gas filling stations

**51**

LNG plant

**1**

The total length of the in-operation medium and high-pressure gas transmission pipelines laid

**9,507** kilometers

## Annual Honors



- **On June 28, 2024**  
Tianlun Gas was awarded the **Golden Goose Award of Gelonghui - ESG Sustainable Development Excellent Enterprise.**
- **In December 2024**  
Tianlun Gas won the **Best ESG Company Award in the 9th Zhitong Finance Listed Company Selection Activity.**
- **In December 2024**  
Tianlun Gas won the **Best Energy and Resources Company Award in the 9th Zhitong Finance Listed Company Selection Activity.**
- **In December 2024**  
Mr. Xian Zhenyuan of Tianlun Gas won the **Best CEO Award in the 9th Zhitong Finance Listed Company Selection Activity.**



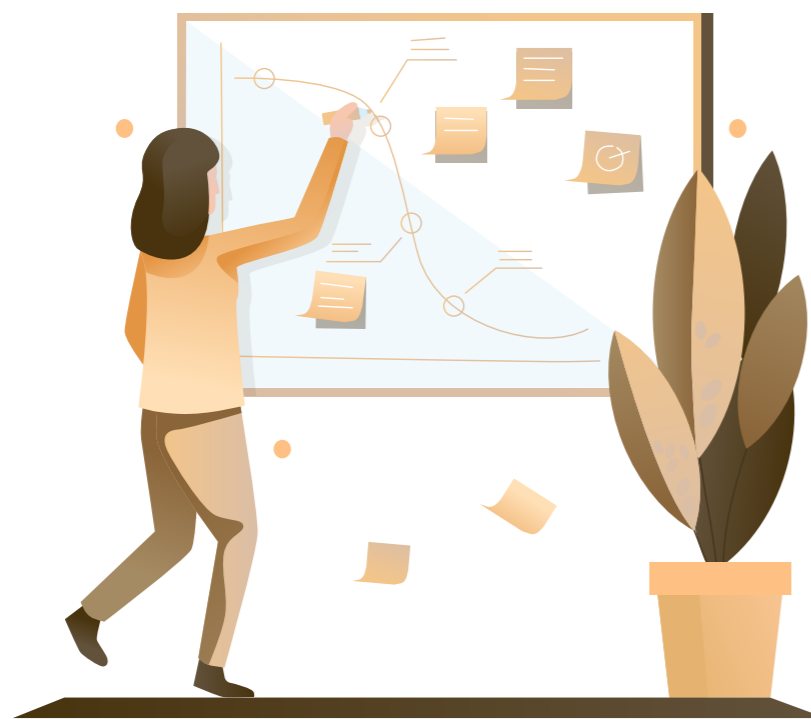
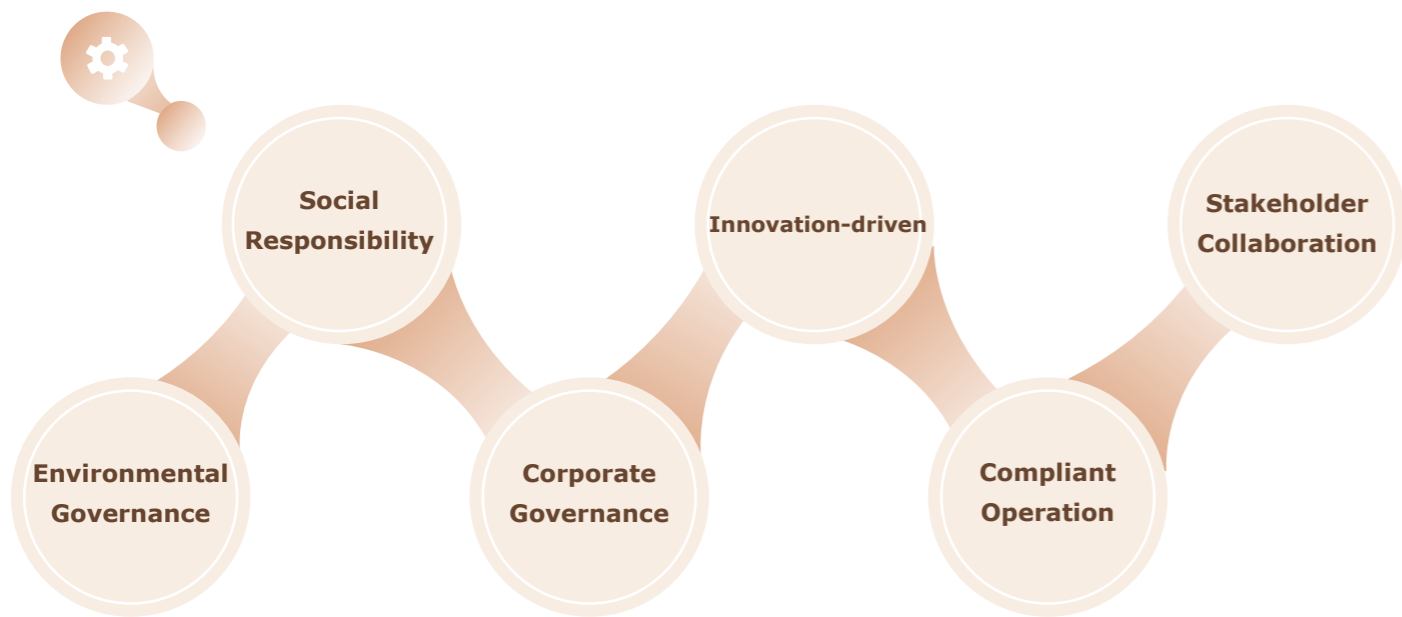
# 01

## ESG Management

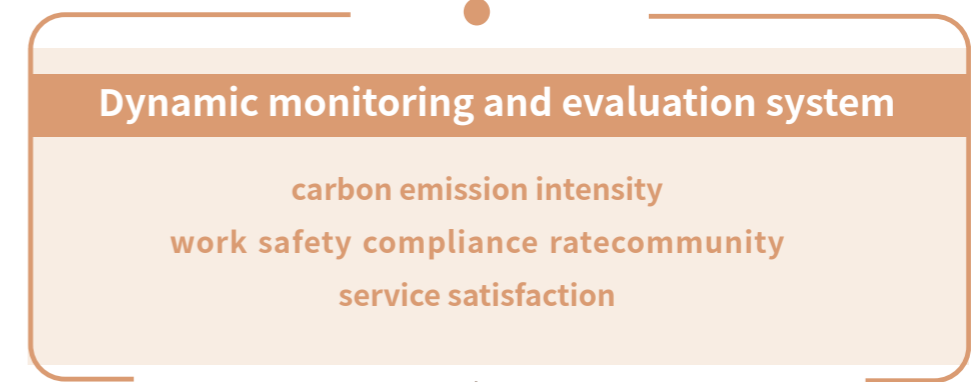


# 1. ESG Strategic Framework

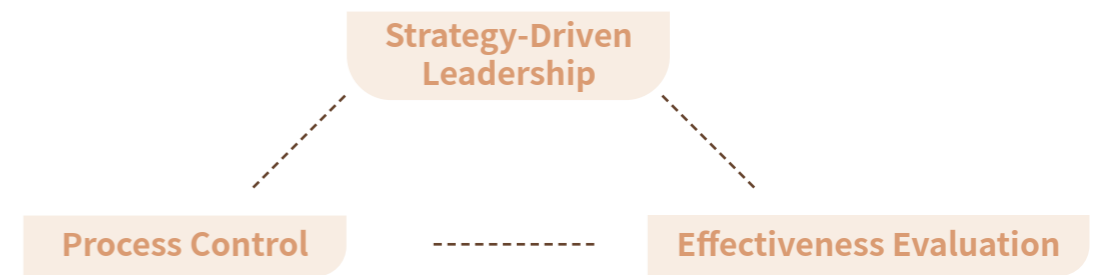
Tianlun Gas actively responds to the United Nations' Sustainable Development Goals initiative. Adhering to the corporate mission of "Low-carbon Development, Serving People's Livelihood", the company has established a systematic ESG strategic management system. Based on in-depth thinking about the path of corporate sustainable development, the company has fully integrated the concept of environmental, social and governance into its operation system. Centering around strategic pillars (covering core areas such as environmental governance, social responsibility, corporate governance, innovation-driven, compliant operation, and stakeholder collaboration, etc.), it has formulated a medium and long-term development plan, clarifying the ESG strategic vision, core objectives, and the supporting key performance indicator system.



At the strategic implementation level, the company has established a hierarchical and progressive execution framework:



## Continuous Optimization of Management Efficiency

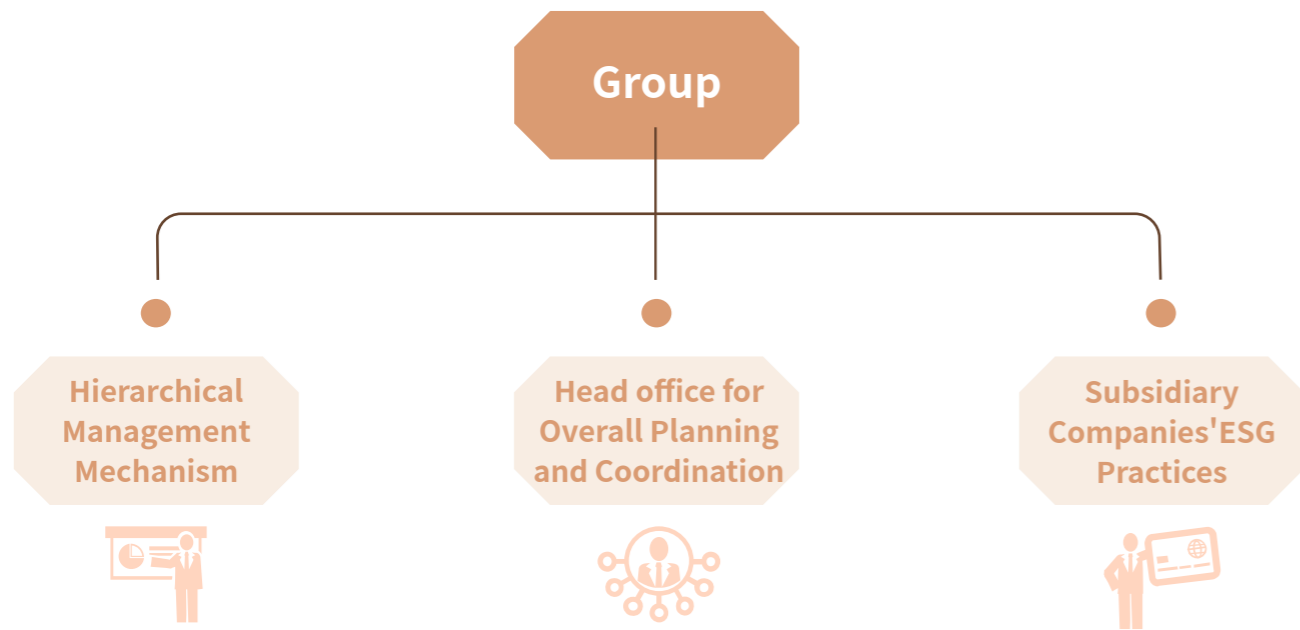


This strategic system not only deeply aligns with the goals of clean energy promotion and sustainable city construction in the United Nations initiative, but also realizes the whole-life cycle management and control through an innovative digital management platform, ensuring the organic unity of environmental benefits, social value, and corporate development. The company releases a special ESG report every year, actively accepts the supervision of stakeholders, and has formed a closed-loop management mechanism of "strategic guidance - process control - effectiveness evaluation".



## 2. ESG Governance Structure

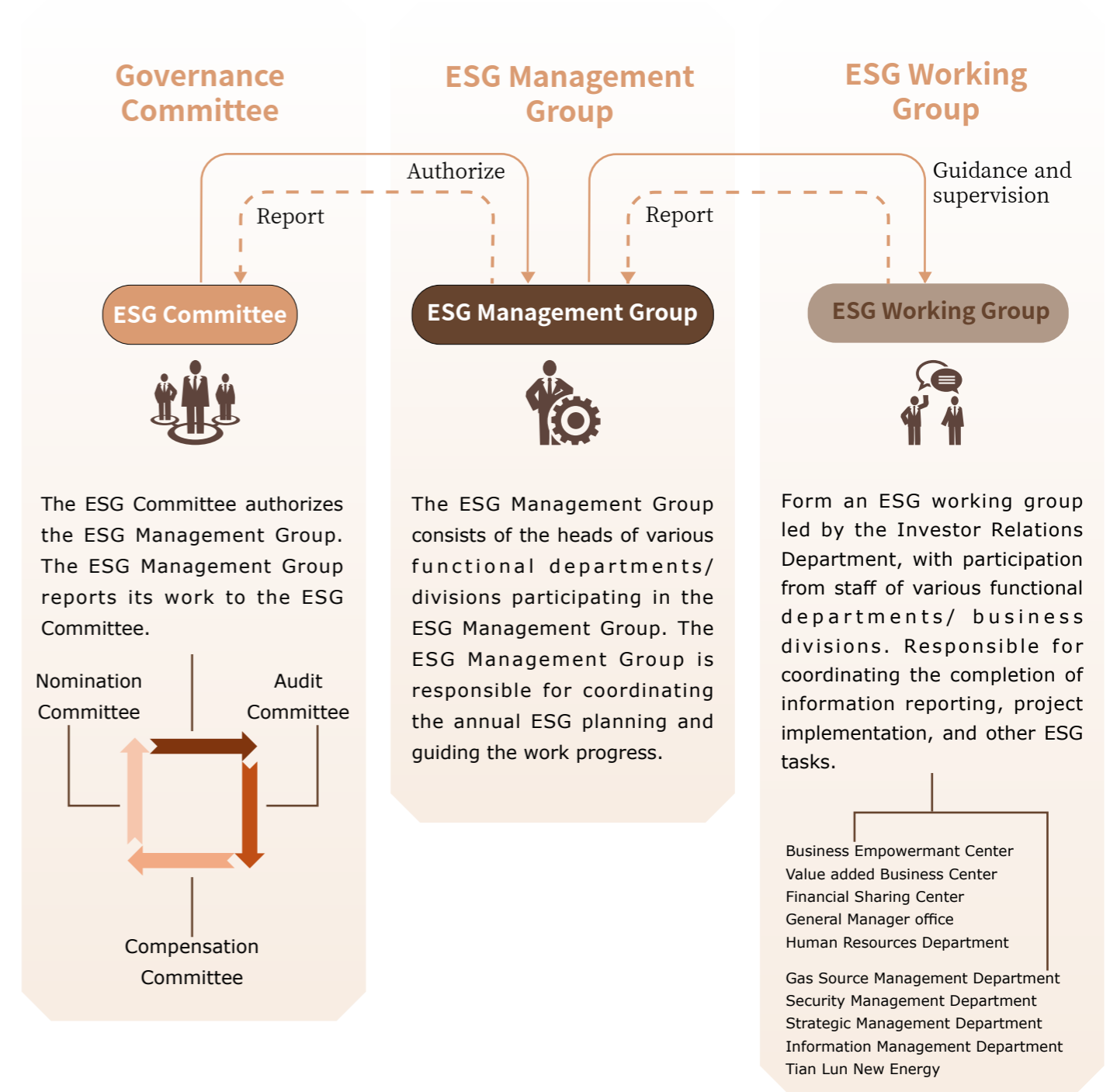
To systematically promote sustainable development practices, Tianlun Gas has deeply integrated ESG governance into the entire process of corporate strategy and operation, and established a three-level linkage three-dimensional governance system of "decision-making - management - execution". With the group as the core hub, through a hierarchical management mechanism with clear rights and responsibilities, this structure coordinates the ESG practices of the headquarters and its subordinate enterprises, and continuously improves the information disclosure, risk control, and stakeholder communication mechanisms.



The governance level of Tianlun Gas's ESG management structure refers to the ESG Committee. The company's Board of Directors, as the highest decision-making body for Tianlun Gas's ESG matters, has established an ESG Committee to be responsible for leading ESG-related matters; the management level refers to the ESG management team composed of the heads of various functional departments/business divisions, which is mainly responsible for guiding and promoting the development of ESG-related work and regularly reporting to the ESG Committee; the execution level refers to the ESG work team led by the Investor Relations Department, with the staff of various functional departments/business divisions as team members. It is responsible for communicating and coordinating with various business divisions and functional departments to promote ESG work, and cooperating with relevant staff to complete information collation and project implementation, etc.



## Tianlun Gas ESG Management System



### 3. Response to ESG Report Principles

#### Materiality Principle

In accordance with the HKEX ESG Guidance, Tianlun Gas identifies ESG issues that are in line with its own industry characteristics and business features, and ensures that the information disclosed in the report comprehensively covers the key points of concern of Tianlun Gas and its stakeholders through materiality determination. In 2024, the Group comprehensively evaluated and sorted out the disclosure requirements of regulatory authorities and the evaluation criteria of the capital market, and compared with the changing trends of issues in the same industry, and determined 33 material issues. By conducting questionnaires among nine major stakeholders such as the government, employees, customers, shareholders and investors, we collected the results of the importance of ESG issues evaluated by stakeholders, and combined with the importance of each issue to the sustainable development of Tianlun Gas. Finally, the matrix of material ESG issues of Tianlun Gas in 2024 was formed.

#### Quantification Principle

Tianlun Gas has established ESG indicator collection tools covering the headquarters and all subsidiaries, regularly statistics the quantitative key disclosure indicators including all the "Environmental" categories and some of the "Social" categories in the ESG Report Guidance, and summarizes them within the year. Finally, the information is disclosed in this report. For detailed ESG quantitative data, please refer to each chapter of this report.

#### Consistency Principle



There are no major adjustments to the disclosure scope of this report compared with previous years' ESG reports, and consistent disclosure statistical methods are used. For comparative ESG data over the years, please refer to each chapter of this report.






#### Balance Principle

This report has been reviewed and confirmed by the Group's Board of Directors. It is committed that the content of the report is objective and open, and the disclosed content can be consulted through Tianlun Gas's official information disclosure channels or publicly available social media.

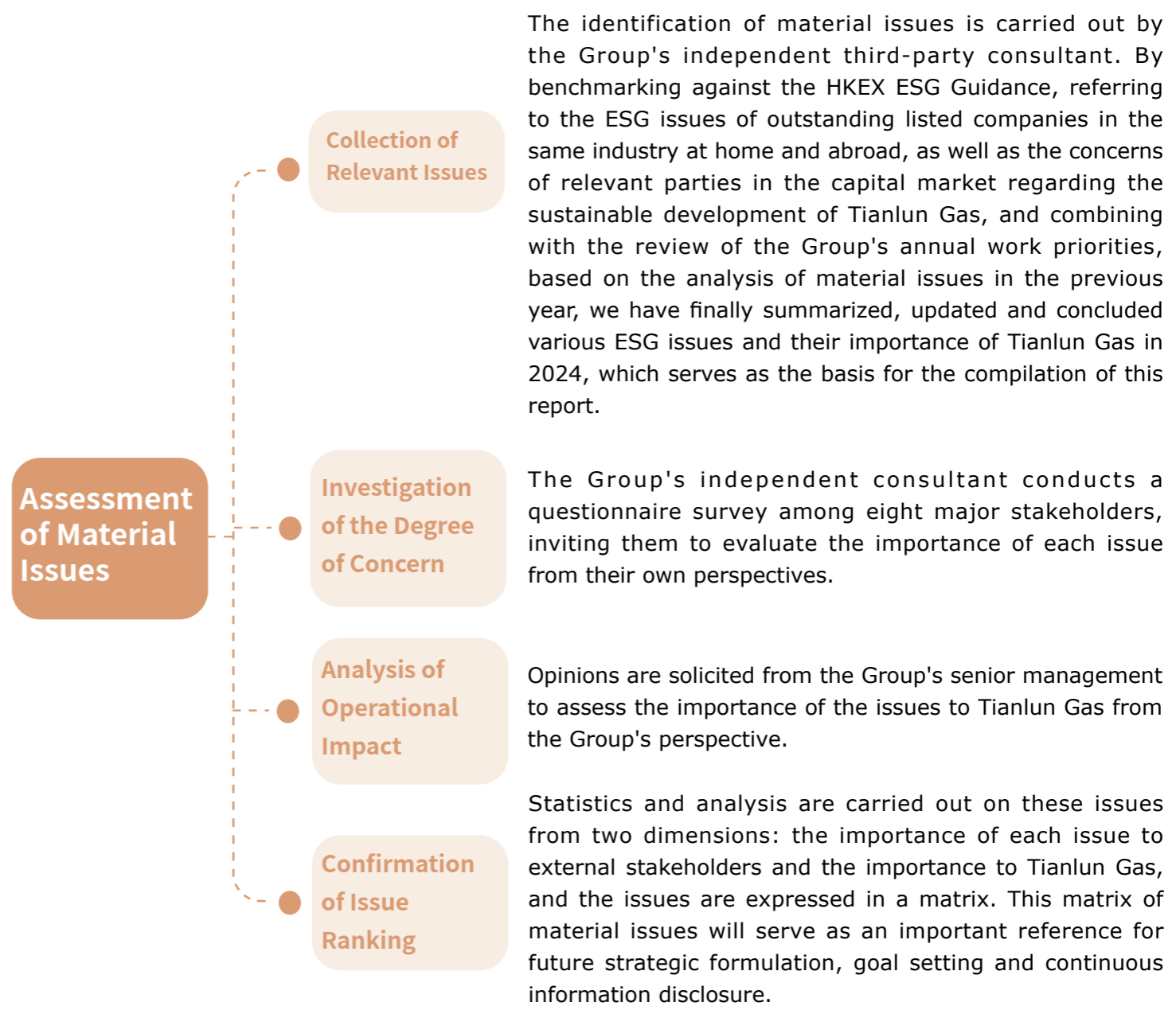
### 4. Stakeholder Communication

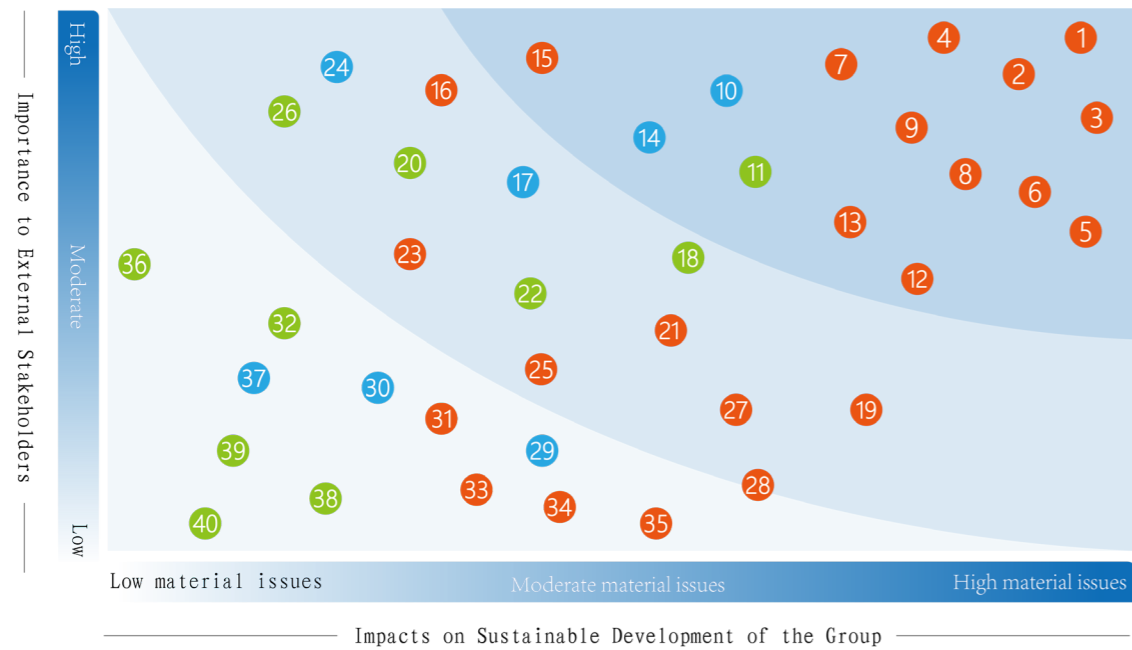
Tianlun Gas has always attached great importance to the opinions of stakeholders from all sectors of society and incorporated important opinions into the Group's sustainable development work. To this end, Tianlun Gas actively uses diversified communication methods to gain a detailed understanding of the expectations of various stakeholders and promptly respond to the demands of all stakeholders.

Stakeholders	Expectations and Requirements	Communication Methods	Responses
<b>Shareholders / Investors</b> 	<ul style="list-style-type: none"> <li>• Improve the governance structure</li> <li>• Integrity and business ethics</li> <li>• Information transparency</li> <li>• Intellectual property protection</li> <li>• Product and technological innovation</li> <li>• Earnings and returns</li> </ul>	<ul style="list-style-type: none"> <li>• Performance briefings</li> <li>• General meetings of shareholders</li> <li>• Roadshows</li> <li>• Interim and annual reports</li> <li>• Project investigations</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose announcements, resolutions of general meetings of shareholders and financial reports as required</li> <li>• Implicitly disclose information</li> <li>• Strive to improve profitability</li> <li>• Actively organize on-site project investigations</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>• Safe and stable gas supply</li> <li>• Product quality and safety</li> <li>• Protection of customer rights and interests</li> <li>• Optimization of customer service</li> <li>• Protection of customer privacy</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Multi-channel complaints and suggestions</li> </ul>	<ul style="list-style-type: none"> <li>• Regularly carry out customer safety inspections</li> <li>• Improve service management level</li> <li>• Implement various requirements for customer privacy protection</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>• Protection of employees' rights and interests</li> <li>• Equal and diverse employment</li> <li>• Training and career development</li> <li>• Occupational health and safety</li> <li>• Work-life balance for employees</li> </ul>	<ul style="list-style-type: none"> <li>• Employee representatives</li> <li>• Internal and external employee training</li> <li>• Employee activities</li> </ul>	<ul style="list-style-type: none"> <li>• Effectively protect employees' legitimate rights and interests</li> <li>• Establish a fair salary and promotion mechanism</li> <li>• Enrich the types and methods of employee training</li> <li>• Pay attention to employees' health</li> <li>• Provide a healthy and safe working environment</li> </ul>

<p><b>Government/ Regulatory Authorities</b></p> 	<ul style="list-style-type: none"> <li>• Serve national strategies</li> <li>• Emergency and risk management</li> <li>• Anti-unfair competition</li> <li>• Safety management</li> </ul>	<ul style="list-style-type: none"> <li>• Inspections by institutions</li> <li>• Report work reports</li> <li>• Daily communication</li> <li>• Information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>• Operate legally and compliantly</li> <li>• Accept government inspections and investigations</li> <li>• Disclose information truthfully and accurately</li> </ul>
<p><b>Value Chain Partners</b></p> 	<ul style="list-style-type: none"> <li>• Responsible supply chain</li> <li>• Industry cooperation and progress</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier negotiation meetings</li> <li>• Daily communication</li> <li>• Strategic cooperation</li> </ul>	<ul style="list-style-type: none"> <li>• Public bidding</li> <li>• Perform contracts as agreed</li> </ul>
<p><b>Environment</b></p> 	<ul style="list-style-type: none"> <li>• Resource use</li> <li>• Management of emissions</li> <li>• Environmental management</li> <li>• Protection of biodiversity</li> <li>• Response to climate change</li> <li>• Promotion of energy conservation and emission reduction</li> <li>• Low-carbon energy supply</li> <li>• Energy efficiency improvement and green technology innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental impact assessment and external communication</li> <li>• Environmental management</li> </ul>	<ul style="list-style-type: none"> <li>• Supply clean energy</li> <li>• Practice resource conservation</li> <li>• Technological innovation</li> </ul>
<p><b>Community</b></p> 	<ul style="list-style-type: none"> <li>• Support rural revitalization</li> <li>• Community communication and contribution</li> <li>• Assist in local economic development</li> <li>• Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>• Charity activities</li> <li>• Volunteer activities</li> </ul>	<ul style="list-style-type: none"> <li>• Devote to public welfare and charity</li> <li>• Build a good relationship with the community</li> </ul>
<p><b>Media</b></p> 	<ul style="list-style-type: none"> <li>• Information transparency</li> <li>• Maintain good media relations</li> </ul>	<ul style="list-style-type: none"> <li>• Press conferences</li> <li>• Media project investigations</li> <li>• Exclusive interviews with management</li> </ul>	<ul style="list-style-type: none"> <li>• Issue press releases to the media</li> <li>• Update business dynamics on the company's website</li> <li>• Respond to media inquiries</li> <li>• Continuously communicate with the media</li> </ul>

## 5. Assessment of Material Issues





● Environmental      ● Social      ● Governance

Order	Topic	Order	Topic	Order	Topic
1	Serving National Strategy	15	Responsible Supply Chain	29	Improving Governance Structure
2	Product Safety and Quality	16	Supply Chain Operations	30	Stakeholder Communication
3	Safety Management	17	Information Transparency	31	Industry Cooperation and Progress
4	Safe and Stable Gas Supply	18	Enhancement of Energy Efficiency	32	Resource Utilization
5	Employee Benefits and Incentives	19	Career Development	33	Rural Vitalization
6	Occupational Health and Safety	20	Low-Carbon Transformation	34	Asset Integrity and Critical Event Management
7	Customer Privacy Protection	21	Intellectual Property Protection	35	Equal and Diverse Employment
8	Customer Rights Protection	22	Environmental Management System	36	Biodiversity Conservation
9	Optimization of Customer Service	23	Product and Technological Innovation	37	Management Innovation and Digital Management
10	Integrity and Business Ethics	24	Management Innovation and Digital Management	38	Energy Affordability
11	Water Resources and Wastewater Management	25	Community Engagement and Contribution	39	Response to Climate Change
12	Work-Life Balance for Employees	26	Low-Carbon Energy Supply	40	Waste Management
13	Confidentiality Responsibility and Security	27	Supporting Local Economic Development		
14	Audit and Risk Management	28	Equal Opportunity and Anti-Discrimination		





02

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Robust Governance

## 1. Corporate Governance

Tianlun Gas strictly complies with national laws, regulations and regulatory requirements, continuously improves the modern corporate governance system, and constructs a governance structure with clear rights and responsibilities and standardized operation. With the Board of Directors as the highest decision-making body, the company has established professional committees such as the Audit Committee, the Nomination Committee, the Remuneration Committee and the ESG Committee, forming a three-level governance system of "decision-making - management - execution". Among them, the audit of financial reports and internal control supervision, the Nomination Committee focuses on the management succession plan, the Remuneration Committee evaluates the performance and remuneration system of senior executives, and the ESG Committee coordinates the formulation and implementation of environmental, social and governance strategies. In 2024, the company held 1 general meeting of shareholders, 6 board meetings, and a total of 7 meetings were held by various professional committees, ensuring the effective operation of the governance mechanism.



### Practice Highlights:

Tianlun Gas has continuously improved the information disclosure system and strictly implemented the relevant regulatory requirements for information disclosure. On May 28, 2024, Tianlun Gas held the Annual General Meeting of Shareholders, and continued to promote the optimization and improvement of the corporate governance system. As of the end of the reporting period:

The total number of general meetings of shareholders held

**1** time

The total number of board meetings held:

**6** times

The total number of Audit Committee meetings held:

**2** times

The total number of Remuneration Committee meetings held:

**2** times

The total number of Nomination Committee meetings held:

**2** times

The total number of ESG Committee meetings held:

**1** time

## 2. Board Diversity

Tianlun Gas regards board diversity as an important support for achieving strategic objectives and sustainable development. In accordance with systems such as the Board Diversity Policy and the Terms of Reference of the Nomination Committee, it constructs a composite decision-making team from multiple dimensions including gender structure, educational background, and professional capabilities: Candidates for executive directors are required to have both in-depth experience in the energy industry and strategic leadership, with a focus on examining their professional technical reserves and actual achievements in corporate management; The selection of non-executive directors places emphasis on introducing resources with cross-disciplinary perspectives, and focuses on evaluating the innovative thinking and practical experience that candidates can bring in dimensions such as strategic decision-making and risk management and control. Through the complementary of diversified professional backgrounds, a collaborative governance pattern of "energy experts + management elites + industry think tanks" is formed, continuously enhancing the decision-making effectiveness of the board of directors.

### As of the end of the reporting period, the Board of Directors of Tianlun Gas

Number of Board Members

**9**

Number of Executive Directors

**4**

Number of Non-Executive Directors

**2**

Number of Independent Non-Executive Directors

**3**

Number of Female Directors

**3**

Proportion of Female Directors

**33%**



### 3. Information Transparency

Tianlun Gas strictly complies with the listing rules of The Stock Exchange of Hong Kong Limited and relevant laws and regulations, attaches great importance to the compliance and effectiveness of information disclosure, and has formulated management systems such as the "Internal Notification of Major Information and Information Disclosure System of Tianlun Gas Group" and the "Tianlun Gas Information Disclosure Guidance Manual". The company timely, transparently and continuously discloses information through various channels such as the HKEX News website, the official website, general meetings of shareholders, telephone calls, and emails to ensure compliance with regulatory requirements.

The company continuously improves the information disclosure system, strictly implements relevant regulatory provisions, enhances transparency, strengthens communication with shareholders and investors, and actively responds to concerns. It regularly releases important documents such as announcements, interim reports, and annual reports, and relies on general meetings of shareholders, strategy meetings, etc. to communicate with stakeholders about business development and planning. In 2024, the company issued a total of 41 announcements and 1 circular for the general meeting of shareholders, and maintained timely and effective communication with investors and analysts through teleconferences and other means. Under the premise of strictly complying with the listing rules, there were no censures or violations by the Stock Exchange of Hong Kong or the Securities Regulatory Commission in 2024.

The company attaches great importance to maintaining a close relationship with shareholders, encourages shareholders to actively participate in the annual general meeting of shareholders and other shareholder meetings, and promotes an open and effective investor communication policy to ensure the timely dissemination of the latest information about the company's business. At the same time, it reviews the shareholder communication policy every year to ensure its effectiveness.

Since the general meeting of shareholders is held in China, the participants mainly include major shareholders, all directors, auditors, and the staff of the share registrar responsible for counting votes. The main topics of the general meeting of shareholders in 2024 covered multiple ordinary resolutions, including: reviewing the audited consolidated accounts, the board of directors' report and the auditors' report for the year 2023, approving the final dividend for 2023, reappointing the auditors and authorizing the board of directors to determine their remuneration, re-electing directors, and granting directors the corresponding authorities to issue and repurchase the company's shares, etc.

Tianlun Gas has continuously improved its information disclosure system, strictly implemented the relevant regulatory requirements for information disclosure, enhanced information transparency, continuously strengthened communication and interaction with shareholders and investors, and actively responded to the issues of concern to investors. As of the end of the reporting period:

<b>The total number of announcements disclosed by Tianlun Gas</b>	<b>41</b> times
<b>The number of circulars for the general meeting of shareholders</b>	<b>1</b> time
<b>The number of visits from investors</b>	<b>30</b> times
<b>The number of times participating in large-scale investment strategy meetings held by domestic and overseas investment banks or securities companies</b>	<b>4</b> times



### 4. Integrity and Business Ethics

#### Systems and Training

Tianlun Gas strictly follows the national laws and regulations on combating corruption and building a clean government, upholds the business principles of honest operation and fair competition, and establishes codes of conduct for all employees by constructing a complete compliance management system. The company has successively issued institutional documents such as the "Regulations on the Management of Cadres of Tianlun Group", the "Three Red Lines and Five Prohibitions of Tianlun Group", and the "Measures for the Management of the Acceptance of Gifts and Cash Gifts of Tianlun Group", making clear provisions on key areas such as regulatory rules, prevention of conflicts of interest, norms for the use of company assets, and the reporting mechanism. In particular, directors and senior executives are required to fully master and strictly implement the relevant provisions. The Board of Directors has established an annual review mechanism to continuously improve the institutional system and ensure that management requirements keep pace with the times.

In its operations in 2024, the company took the construction of business ethics as the foundation for development and built a three-dimensional prevention and control network, firmly putting an end to illegal and disciplinary acts such as corruption, bribery, and fraud. Through the three-dimensional linkage mechanism of "laying the foundation with systems - strengthening the foundation with training - consolidating the foundation with supervision", it systematically promotes compliance management: At the institutional level, it mainly revised the "Regulations on Penalties for Violations of Tianlun Group" and the "Measures for the Management of the Acceptance of Gifts and Cash Gifts", clearly defining the forbidden areas of employees' behavior. For example, it strictly stipulates the upper limit of the value of gifts received from suppliers. In special circumstances, it is necessary to report and hand over the gifts within the specified time. Violators will face penalties ranging from demotion to dismissal. In terms of the training system, a dual-track model of "online + offline" is adopted. A total of 10 special training sessions were carried out throughout the year, covering more than 200 person-times. In particular, compulsory courses on business ethics are implanted at key nodes such as the recruitment of new employees and the promotion of cadres, and the awareness of compliance is strengthened through the analysis of real cases. The audit department regularly reports regulatory updates.

**Practice Highlights:**

**Offline Training Activities**



**Group Audit Conference**



**Group Audit Conference**



**Business Ethics Training of Hebi Company**



**Business Ethics Training of Gulang Company**



**Business Ethics Training of Chenghai Company**



**Business Ethics Training of Luoning Company**

**Compliant Operation**

In the construction of the special compliance management system, the company has built a systematic prevention and control mechanism around the risks of core businesses: Regarding contract performance management, the company has issued the "Measures for the Management of Major Performance Abnormalities or Disputes", clarifying the identification standards for major risks and the hierarchical disposal procedures. Through annual regulatory spot checks and on-site practical training, the contract performance capabilities of member enterprises are strengthened; In the field of intellectual property protection, a full-process management system has been established, forming standardized operation guidelines from the confirmation of rights registration to the response to infringement, and organizing multiple departments to carry out system study and practical drills.

The anti-monopoly risk management focuses on industry characteristics. By sorting out the list of typical monopoly behaviors in the gas industry, supporting rectification plans and codes of conduct, the standardization of risk prevention and control is achieved. A total of 14 special anti-monopoly compliance training sessions were carried out throughout the year, covering 10 management personnel in the core areas. The risk investigation mechanism was embedded in the daily operation process, and the business process transformation was completed simultaneously, effectively improving the efficiency of compliance management.





## 5. Audit and Risk Management

### Audit and Supervision

To ensure the implementation of the system, the company has established a regular supervision mechanism. The audit department conducts dynamic monitoring through financial examinations, business audits, etc. At the same time, it constructs a multi-channel reporting platform, sets up a dedicated hotline, email, and physical mailbox, and strictly implements the whistleblower protection system. Among the 15 valid clues accepted within the year, 13 cases of violations were verified to be true and handled, forming an effective deterrence. Through systematic construction, the company achieved zero occurrence of major moral violations throughout the year, laying a solid foundation for sustainable development. In the future, it will continue to optimize the compliance management mechanism to promote the stable and long-term development of the enterprise.

In terms of deepening the construction of a clean culture, the company has innovatively carried out a two-way empowerment project of "systematic constraints + cultural immersion". In addition to the existing training system, clean governance education is deeply embedded in the business process. Special compliance transformations are carried out for key links such as gas sales metering and transmission difference control. Throughout the year, 12 business systems were upgraded, and the optimization of supporting system functions was completed simultaneously. Especially in the fields of value-added services and material management, transparent control of business processes has been achieved by constructing digital monitoring nodes.

The audit supervision system continues to release governance efficiency. Relying on the "Measures for the Management of Supervision and Reporting", a trinity mechanism of "independent investigation - strict protection - severe accountability" has been established: The work reporting mechanism of the audit department directly to the highest decision-making level of the group ensures the independence of case investigation and handling; A hierarchical confidentiality system for reporting information is implemented, and the maximum penalty is set for information leakage; A rapid response channel for retaliation is established to form a closed-loop protection network. Among the 17 supervision cases handled within the year, 76% originated from valid reports. A total of 55 people were held accountable, covering all management levels. Strong deterrence was formed through punishments such as dismissal and demotion, directly recovering economic losses of more than 420,000 yuan. The audit rectification work was efficiently promoted simultaneously. The completion rate of 313 problems to be rectified throughout the year exceeded 91%, effectively transforming the supervision results into management efficiency.



### Functions of the Board of Supervisors

As an important supervisory body in corporate governance, the Board of Supervisors of Tianlun Gas assumes the core responsibilities of supervising the compliance of the Board of Directors and the management in performing their duties and ensuring the effectiveness of the company's risk management and control. Its functions are specifically reflected in the following aspects: By regularly reviewing financial reports and the internal control system, it ensures the authenticity and transparency of information disclosure; It supervises the implementation of the company's ESG strategies and risk management policies, including environmental compliance, the fulfillment of social responsibilities, and the standardization of the governance structure; At the same time, through participating in the evaluation of major decisions and the risk early warning mechanism, the Board of Supervisors promotes the deep integration of the company's sustainable development goals and business operations. In addition, the Board of Supervisors also collaborates with the Corporate Governance Committee established under the Board of Directors to strengthen the special supervision of ESG issues, such as the progress of green energy projects and the implementation of the anti-fraud mechanism, etc., to ensure that corporate governance and risk prevention and control comply with regulatory requirements and international ESG standards.

03

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Green Development





## 1. Response to Climate Change

Climate change has become a major challenge to global sustainable development. As a responsible energy enterprise, Tianlun Gas is well aware of its own mission, actively responds to the national "dual carbon" strategy, and takes responding to climate change as the core task of environmental management. The company comprehensively identifies and assesses the risks and opportunities brought about by climate change, incorporates them into all aspects of corporate governance, strategic planning, and daily operations, and promotes the achievement of sustainable development goals.

During the reporting period, Tianlun Gas referred to the framework and recommendations of the "International Financial Reporting Sustainability Disclosure Standard No. 2 (IFRSS2) — Climate-related Disclosures" issued by the International Sustainability Standards Board (ISSB), and continuously strengthened climate management from four aspects: governance, strategy, risk management, and indicators and objectives. The Group has established a climate governance structure led by the Board of Directors and promoted by the management, incorporated climate factors into the decision-making process, deeply identified transformation and physical risks, and formulated targeted response measures, fully assisting in the achievement of the goals of carbon peak and carbon neutrality.

### Risk Identification and Response

In responding to the challenges of climate change, Tianlun Gas has comprehensively identified various risks and taken a series of preventive and response measures. Firstly, in terms of policy and legal risks, with the proposal of the national "dual carbon" goals and the launch of the national carbon emissions trading market, if the company is included in the carbon trading system in the future, it may face additional costs due to insufficient carbon allowances, which will increase the investment in operation and low - carbon transformation. At the same time, it will face the risk of compliance costs caused by quota allocation and carbon price fluctuations. To address this, the company actively conducts external cooperation, expands the comprehensive energy business, actively layouts zero - carbon services such as gas - power coordination, promotes the transformation of the traditional energy structure, continuously monitors relevant policies, maintains close communication with regulatory authorities, and timely adjusts greenhouse gas control strategies according to policy guidelines and market dynamics to reduce potential risks.

In terms of technological risks, to achieve the "dual carbon" goals, Tianlun Gas continuously increases investment in the research and development of energy - saving and emission - reduction and low - carbon energy technologies, and deploys more environmentally friendly and energy - efficient equipment and facilities. If the technological investment fails to achieve the expected results, it will not only increase the R & D costs but also delay the low - carbon transformation process. Based on this,

the company accelerates the layout of cutting - edge technologies such as renewable energy, green processes, energy storage, and carbon dioxide capture, storage, and utilization. At the same time, it widely conducts industry - university - research cooperation to build a closed - loop ecological system for the R & D, production, promotion, and use of low - carbon technologies, achieving industrial collaborative development.

In terms of market risks, as the country promotes the reform of the energy structure, the demand of downstream industrial, commercial, and residential customers for low - carbon energy products is constantly increasing, which may reduce their dependence on traditional natural gas, thus affecting the Group's operating income. To respond to this trend, on the basis of consolidating its high - quality urban gas business, Tianlun Gas continuously expands and innovates low - carbon energy business, accelerates the construction of zero - carbon and negative - carbon energy projects such as gas - power coordination to fully meet the needs of different customer groups in the process of low - carbon transformation.

At the same time, Tianlun Gas attaches great importance to reputation risks. In the context where the issue of climate change has received extensive attention, stakeholders have high expectations for the company's measures to address climate change. If the company fails to respond in a timely manner, it may damage its corporate image. To maintain a good reputation, the company actively communicates with investors and all parties, and details the measures taken in low - carbon operation and greenhouse gas emission reduction through annual reports and ESG reports.

In the face of acute risks, climate events such as typhoons, extreme rainfall, and floods may damage gas supply pipelines and stations, affecting the stability of gas supply and leading to issues such as contract breach, compensation, and legal liability. Tianlun Gas continuously improves its emergency management plans to ensure that it can quickly repair and resume gas supply when equipment is damaged. In addition, the company requires each member enterprise to formulate plans for gas suspension, restriction, and peak - shaving for supply guarantee according to its own situation, and establishes an emergency early - warning mechanism for gas supply. It coordinates upstream resources in advance, supplements pipeline gas sources through interconnection and other measures, and fully considers extreme snow and wind loads in engineering design, using construction techniques such as counterweights and expansion bolts to ensure the stable operation of photovoltaic equipment.

Regarding chronic risks, long - term climate change may lead to sea - level rise and a gradual increase in temperature, which will have an adverse impact on coastal operations, equipment, and facilities, as well as production and operations, and increase the risk of abnormal power supply, fires, and other accidents. In response, Tianlun Gas regularly monitors sea - level changes and reasonably plans market development and strategic layout. At the same time, it requires each member enterprise to strengthen inspections under high - temperature conditions, improve supporting facilities to ensure production safety, and actively organize emergency drills for fire accidents to improve the overall emergency response ability.

## Climate Change Governance

Tianlun Gas continuously improves its climate change governance mechanism, integrates climate factors into the Group's development strategy and daily operation management, and is committed to creating long-term and stable environmental value. The Group has established a climate governance structure of "led by the Board of Directors, promoted by the management, and coordinated by departments", and incorporated climate risk management into the overall ESG management system. Under the supervision of the ESG Committee, a working group coordinates and promotes various measures, effectively enhancing the enterprise's adaptability to climate change and ensuring that it can fully mitigate adverse impacts in the face of various challenges.

At the same time, Tianlun Gas continuously monitors the carbon dioxide emissions situation and regularly discloses the greenhouse gas data of the past three years. In addition, the company also attaches great importance to methane management, strictly monitors methane, the second largest greenhouse gas contributing to global warming, actively implements emission control measures, reduces the possible methane leakage and dispersion in various links, and constructs a full-process closed-loop control system. The company will take practical actions to encourage the Group and its member enterprises to set higher environmental goals, strive to minimize the impact of climate change, and contribute to the achievement of the national "dual carbon" goals.



## Greenhouse Gas Emissions and Densities from 2022 to 2024

Indicator Name	Unit	2024	2023	2022
<b>Scope 1: Direct Greenhouse Gas Emissions</b>	Tons of Carbon Dioxide Equivalent	2,485.22	2,698.68	2,956.74
<b>Scope 2: Indirect Greenhouse Gas</b>	Tons of Carbon Dioxide Equivalent	29,856.88	31,981.81	35,931.91
<b>Total Greenhouse Gas Emissions</b>	Tons of Carbon Dioxide Equivalent	32,342.10	34,680.49	38,888.65
<b>Scope 1: Emission Intensity</b>	Tons of Carbon Dioxide Equivalent per Million Yuan of Revenue	0.32	0.35	0.39
<b>Scope 2 : Emission Intensity</b>	Tons of Carbon Dioxide Equivalent per Million Yuan of Revenue	3.84	4.14	4.76
<b>Total Greenhouse Gas Emission Intensity</b>	Tons of Carbon Dioxide Equivalent per Million Yuan of Revenue	4.16	4.49	5.16



## 2. Low - Carbon Transformation

Tianlun Gas actively responds to the national strategy of promoting the construction of clean energy such as rural photovoltaic power, and deeply layouts the distributed photovoltaic business. Relying on its extensive gas user resources, the company digs deep into the market value, not only improving the efficiency of user development but also assisting the government in promoting the construction of energy infrastructure in rural areas. Through this initiative, while responding to the "dual carbon" policy and the rural revitalization strategy, Tianlun Gas is gradually becoming an important force in promoting the reform of the rural energy structure.

On the basis of the existing gas operation services, the company leases users' rooftops and invests in the construction of distributed photovoltaic power generation systems, combining the household photovoltaic revenue model with the gas business. According to users' needs, Tianlun Gas integrates rooftop rental fees with services such as gas fees, connection fees, household gas equipment, smart home appliances, and modification and maintenance, providing users with diversified services and maximizing revenue at the same time.

For industrial and commercial enterprises, the company adopts the model of "gas + photovoltaic + intelligent energy use". It installs rooftop photovoltaic power generation equipment for industrial and commercial users for free and, through the energy performance contracting approach, offers a preferential power supply plan with a price lower than that of the national power grid to reduce the enterprises' electricity costs. In addition, the company gives full play to the synergy of gas services and further provides intelligent comprehensive energy solutions to help enterprises optimize their energy structures and improve energy - use efficiency.



## 3. Environmental Management System

Tianlun Gas strictly complies with the requirements of laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Air Pollution Prevention and Control Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, and the Law of the People's Republic of China on the Prevention and Control of Environmental Noise Pollution, and constructs a comprehensive and multi - dimensional environmental compliance management system. By formulating the "Environmental Sanitation Management Measures" internally, it refines the waste management standards and improves the detailed rules for full - process environmental control to ensure that the responsibility for pollution prevention and control is implemented at the post and individual levels.

### Practice Highlights 01

## Environmental Protection Measures in Bidding of Tianlun Gas

Before bidding, the company actively communicates with the relevant departments of the ecological reserve, comprehensively understands the current ecological situation of the region, and goes through various formalities during the exploration and evaluation stage. It conducts a detailed environmental protection risk assessment, laying a solid foundation for the subsequent work.

During the site development stage, the company strictly controls the dust and noise during the construction process, striving to minimize the environmental impact of the construction.

After entering the production stage, Tianlun Gas not only handles wastewater and waste in accordance with the regulations and standards, but also formulates clear energy consumption indicators to ensure a balance between efficient resource utilization and environmental protection.

During the project closure stage, the company comprehensively promotes the disassembly of equipment and the restoration of the site. During the period of shutdown and restoration, through daily inspections and maintenance, it ensures the smooth implementation of the environmental restoration work, fully demonstrating a high level of attention to environmental protection.

**Tianlun Gas has formulated corresponding environmental protection measures at each stage of the project from bidding to closure to ensure that the entire process complies with environmental protection requirements.**

### Practice Highlights 02

**Tianlun Gas has obtained environmental management certification through the certification of an independent third-party institution, and established an ISO14001 environmental management system and an energy management system. It continuously optimizes and improves the environmental management processes, and keeps enhancing its management level and performance.**





## 4. Resource Utilization

### Promotion of Energy Conservation and Emission Reduction

Tianlun Gas has always attached great importance to the efficient management and utilization of energy, and strictly complies with laws and regulations such as the Energy Conservation Law of the People's Republic of China, the Renewable Energy Law of the People's Republic of China, the Water Law of the People's Republic of China, and the Electric Power Law of the People's Republic of China. The company has established an energy conservation management system covering both production operation and administrative office levels, and formulated and implemented the "Measures for Energy Conservation Management of Tianlun Gas Office" to standardize resource utilization, clarify specific measures for electricity conservation, fuel conservation, gas conservation, etc. By introducing mature technologies and equipment and equipping with energy metering devices such as electricity meters, gas meters, and gas flowmeters, it ensures that the goals of energy conservation and emission reduction are effectively implemented.

In terms of production operation, Tianlun Gas has established an energy conservation management framework led by the general manager's office, business departments, and operation personnel through optimizing equipment selection, controlling energy consumption, and implementing regular assessments, promoting the efficient utilization of energy in the production process. In the field of administrative office, relying on the selection of high-efficiency and energy-saving equipment, setting clear energy conservation goals and assessment mechanisms, the company has formed a management system jointly promoted by the general manager's office and business departments.

### Enhancement of Energy Efficiency

#### Main Energy Consumption Table from 2022 to 2024

Indicator Name	Unit	2024	2023	2022
Gasoline	Tons	153.15	160.16	155.34
Diesel	Tons	9.91	9.82	8.89
Natural Gas	Ten Thousand Cubic Meters	32.74	37.63	46.14
Total Direct Energy Consumption	Megawatt-hours	10,648.33	10,808.21	11,710.42
Electricity	Megawatt-hours	36,914.79	39,599.27	43,923.23
Purchased External Heat	Gigajoules	76,449.00	81,587.50	94,659.17
Total Indirect Energy Consumption	Megawatt-hours	58,150.62	62,262.46	70,202.90
Total Energy Consumption	Megawatt-hours	68,798.95	73,070.67	81,913.31
Energy Consumption Intensity	Megawatt-hours per Million Yuan	8.84	9.46	10.86

#### Main Energy Consumption Table from 2022 to 2024

Indicator Name	Unit	2024	2023
Total Municipal Water Supply Consumption	Tons	82,317.07	91,438.22

Tianlun Gas attaches great importance to the water management in production operation and administrative office processes. By establishing quantitative indicators and implementing dynamic monitoring, it continuously promotes the improvement of water resource utilization efficiency. Supported by the systematic water conservation management system, the two core indicators of the average water fee per person in administrative office and the water fee per unit in production operation of this enterprise have steadily decreased year by year.

According to the statistical data as of the end of the reporting period, the total municipal water supply of Tianlun Gas is 82,317.07 tons (excluding drinking water), a 9.98% decrease compared with 91,438.22 tons in 2023. In the production operation process, through the reuse of reclaimed water and water conservation measures, the annual water savings reach 8 tons, fully demonstrating its substantial achievements in circular water use and refined management.

## 5. Waste Management

### Wastewater Management

In the process of natural gas production and operation, enterprises may face various wastewater risks, including diverse types such as process wastewater (e.g., equipment cleaning water, residual water of chemical reagents), sewage generated by auxiliary facilities (e.g., cooling water, wastewater from pump houses), and domestic sewage. These wastewaters often contain trace amounts of organic matter, suspended solids, chemical components, and even sand particles. They may not only cause pollution to the environment but also have an impact on equipment and pipe networks. Therefore, based on a comprehensive identification of potential wastewater risks, Tianlun Gas has formulated strict management measures to scientifically monitor and control the entire process of the generation, collection, treatment, and discharge of various types of wastewater to ensure environmental safety and the rational utilization of resources.



Tianlun Gas has always strictly complied with the regulations on sewage discharge management. Among the Group's internal companies, only Changling Company is involved in the discharge of production wastewater, and its wastewater is uniformly treated by the Changling County Sewage Treatment Plant. The plant adopts the integrated process of hydrolysis and AICS to treat the wastewater in stages: Firstly, the sewage intercepts large-particle debris through the coarse grid. After preliminary separation, it flows into the collecting well, and then is lifted by a pump and enters the grit chamber and the drum separator to further remove fine particles. The residues intercepted by the drum separator and the debris intercepted by the grid will be transported to the garbage disposal site. Subsequently, the sewage uses the sand-water separation device in the grit chamber to remove sand, and the intercepted sand is then transported for disposal.

In the subsequent process, the effluent from the grit chamber flows into the hydrolysis tank, where suspended solids and part of the organic matter are removed at this stage. The effluent from the hydrolysis tank flows by gravity into the AICS reaction tank for aerobic treatment. After being lifted, it passes through the fiber filter and ultraviolet disinfection. The up-to-standard water quality is finally discharged through the No. 7 Flood Discharge Trench in the west of the sewage treatment plant (about 5.24 kilometers) and flows into Shisanpao, which is about 100 kilometers away. At the same time, the sludge generated in the hydrolysis tank and the AICS tank is concentrated in the sludge collecting tank. After being concentrated and dewatered to form sludge cakes, it is transported for landfilling.



In addition, other companies of the Group mainly discharge domestic sewage. The wastewater generated in the production process, in the office area, and in the daily life of employees is uniformly monitored and managed by the Group: Domestic and office sewage is sent to the sewage treatment plant through municipal pipelines for centralized treatment; while the production wastewater needs to be transported to the sewage treatment plant and can only be discharged after going through processes such as flocculation and sedimentation to meet the discharge standards. The clean water generated during the project intensity test will be discharged into the nearby sewer to avoid damage to the farmland.

**As of the end of the reporting period, the total amount of wastewater discharged by Tianlun Gas is:**

**43,356.21** tons

**Trend Chart of Wastewater Discharge (Unit: Tons)**



## Waste Gas Management

The gas boilers and gas appliances used by Tianlun Gas all comply with national standards. Therefore, during the operation process, they will not directly generate waste gases including nitrogen oxides, sulfur dioxide, particulate matter, and volatile organic compounds. At the same time, the company actively promotes clean transportation tools such as electric vehicles and natural gas vehicles to further reduce the waste gas emissions in the transportation process, promote green and low-carbon development, and contribute to environmental protection.

As of the end of the reporting period, the particulate matter emission of the company is 0.03 tons, and there are no other waste gas emission data.

- As of the end of the reporting period, the particulate matter emission of the company is:

**0.03** tons

## Hazardous Waste Management

Regarding the hazardous wastes generated during the production process, such as the impurities in natural gas (including oil-water mixtures) after filtration in the plant and station and activated carbon, Tianlun Gas implements professional treatment, and regularly entrusts a qualified third-party unit to be responsible for the collection and disposal. This ensures that the wastes are safely and effectively managed, preventing potential risks to the environment and public health.

### Hazardous Wastes (Tons)

Generation Amount of Waste Machine Oil	2.98
Number of Spent Odorant Drums	9.98
Treatment Amount of Other Hazardous Wastes	0.45
<b>Total Amount of Hazardous Wastes</b>	<b>13.41</b>

## Non-hazardous Waste Management

For non-hazardous wastes such as domestic waste, office waste, and kitchen waste, Tianlun Gas uniformly entrusts the sanitation department to be responsible for the collection and treatment. It ensures that all waste is classified and managed in a standardized manner in accordance with environmental protection requirements, thereby improving the overall waste management level and ensuring environmental hygiene.

### Non-hazardous Wastes (Tons)

Generation Amount of Office and Domestic Waste	186.60
Generation Amount of Kitchen Waste	243.41
Total Amount of Scrapped Waste Pipeline (PE Waste Pipe)	0.00
Total Amount of Scrapped Waste Pipeline (Waste Metal Pipe)	0.00
Generation Amount of Other Wastes (Waste Gas Meter)	0.00
<b>Total Amount of Non-hazardous Wastes</b>	<b>433.01</b>



## Dust Management

Tianlun Gas conducts unified management of construction materials, and takes a variety of measures to control the operations that are prone to generate dust during the construction process. The company comprehensively applies methods such as automatic spraying, professional dust removal devices, and water truck spraying at the construction site to suppress dust regularly. At the same time, it takes measures such as fully covering the exposed soil and other materials prone to generating dust with protective nets and crushed stones, and collaborates with professional departments to monitor the situation of suspended particulate matter in real time to ensure that the construction environment meets the safety and environmental protection requirements.

In specific operations, the company first conducts safety and technical disclosure before the construction starts, and clarifies the work requirements and measures for safety and environmental protection according to the actual situation of the project. When excavating earthwork, it immediately takes measures such as spraying water mist and covering with dust-proof nets, and promptly backfills and compacts the excavated soil. In addition, the construction site is always kept clean and hygienic, and the staff sprinkles water to prevent dust at any time, effectively reducing the impact of dust on the surrounding environment.

## Noise Management

Tianlun Gas strictly complies with the requirements of the "Noise Limit Values for Construction Sites", scientifically and reasonably arranges the construction procedures, uses high-efficiency and low-noise construction equipment, and continuously improves the operation level to effectively reduce the impact on sensitive areas. For areas prone to noise pollution such as plants and stations, the company has taken comprehensive measures such as installing sound-absorbing materials, setting up soundproof workshops, and providing protective equipment for operators, fundamentally reducing the noise interference generated during the construction and equipment operation processes. At the same time, it strictly controls the working hours during the construction period, and communicates and negotiates with the surrounding residents in advance to avoid disturbing the residents during noon or night construction, ensuring that the entire construction process always complies with environmental protection requirements. As of the end of the reporting period, there has been no situation of excessive noise in the gas engineering construction.



The noise detection data in 2024 shows that the overall detection value is 462.30 decibels (Note: The decibel values are measured and disclosed in accordance with the standard requirements). Among them, the detection value of Shangqiu Company is 235.80 decibels, which is further divided internally into 69.3 decibels for the gas dispenser at the gas filling station, 77.5 decibels for the natural gas compressor, and 89.0 decibels for the air compressor; the detection value of Hebi Company is 85 decibels, that of Changling Company is 81.50 decibels, and that of Yanshan Company is 60.00 decibels. These data fully reflect the effective implementation of noise control measures by each unit during construction and equipment operation.





04

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Value Creation

## 1. Management Innovation

In terms of management innovation, Tianlun Gas optimizes its management structure and implements a flat management model to enhance the flexibility of the organization and the speed of market response. By reducing management levels, the company can make decisions more quickly and respond to market changes efficiently, thus improving the overall operation efficiency and the enthusiasm of employees.

The core of this management model lies in empowering front-line businesses, making resource allocation and decision-making closer to actual operations and customer needs. Through strengthening internal communication and collaboration, the company can accurately capture market dynamics and adjust development strategies in a timely manner. At the same time, it gives grass-roots teams greater autonomy and resource support to ensure the quality of gas services and operation efficiency, further enhances the social guarantee of safe gas use, and lays a solid foundation for the long-term and stable development of the enterprise.

In the future, Tianlun Gas will continue to introduce advanced management technologies, expand digital application scenarios, deepen the intelligent management model, assist in the construction of a digital society and intelligent urban and rural areas, make public services more efficient and convenient, and improve the precision of social governance.

## 2. Digital Management

Relying on technological innovation, Tianlun Gas promotes the upgrading of services and management. It adopts the "Internet of Things + Internet" model, deeply integrates online and offline information flows, and uses big data analysis to optimize the capabilities of metering, safety monitoring, system interaction, and intelligent perception, thus greatly improving the service level and management efficiency.

The company widely applies intelligent operation systems such as the GIS system, SCADA system, dispatching center, and hidden danger management system to conduct full-link digital control over engineering surveying and mapping, safety monitoring, construction management, and other aspects. Through the intelligent linkage control of on-site equipment, it ensures the timeliness and consistency of data collection, thereby reducing operating costs and improving management efficiency. In addition, the company uses the online simulation system of the gas pipeline network to accurately analyze key parameters such as pipeline network pressure, pressure drop, and flow rate, and combines with digital twin technology to provide scientific decision-making support for the optimization and renovation of the pipeline system, further ensuring the safe operation of the pipeline and improving the overall dispatching and management level.

With the help of these intelligent technologies, Tianlun Gas has not only improved the operation efficiency and service quality of the enterprise, but also provided customers and society with safer, more efficient, and intelligent gas services, fully demonstrating the positive role of the enterprise in promoting industry progress and social development.

## 3. Optimization of Customer Service

Tianlun Gas has always believed that responsible products and services are the key to achieving long-term value. Adhering to the principle of "customers first", the company continuously upgrades the digital and intelligent experience to improve the efficiency and convenience of services. By linking the cloud service management system with the WeChat official account, users can achieve "one-click handling" of gas renovation, gas connection, repair requests, meter replacement, safety inspections, and other businesses on the platform, which greatly improves the user experience and satisfaction. At the same time, with the help of accurate data processing and intelligent management, the company can timely push billing information to avoid inconvenience caused to users due to failure to pay on time, further enhancing customer trust and stickiness.

In addition, Tianlun Gas has achieved data docking with local government affairs networks, promoting the digital transformation of gas services, and enabling seamless connection between gas businesses and local government affairs services. In places such as Hebi, Xinye, Xichuan, and Shenqiu, the company has implemented the intelligent government affairs linkage model. For example, in the housing transfer business, users only need to complete the transaction procedures at the local housing management department, and the system can automatically complete the transfer of the gas account without the need for additional running around, truly achieving convenient services.



# 05

## Responsible Operations

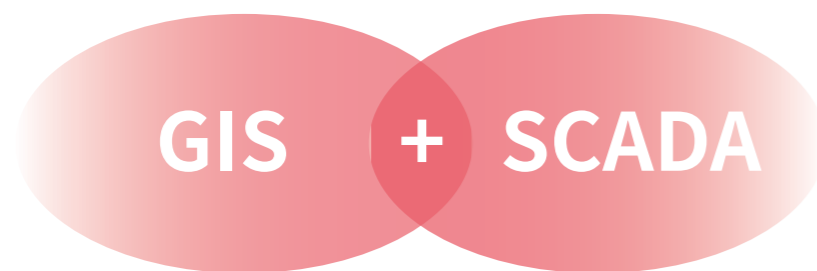




## 1. Product Safety and Quality

Tianlun Gas strictly adheres to the Law of the People's Republic of China on Emergency Response and relevant local regulations, fulfilling its social responsibility to ensure safe and stable gas supply. In compliance with national laws, regulations, and industry standards, the company has established a comprehensive safety production management system. It has implemented a series of internal policies, including but not limited to: Safety Production Management System, Safety Objectives and Assessment Measures, Safety Education and Training Measures, Hazard Management Measures, Hazardous Operations Management Measures, Safety Signage Measures, Emergency Management Measures, Station and Pipeline Operation Management Measures, Occupational Health and Environmental Protection Measures, Equipment Operation Management Measures, Accident Management Measures, Work Guidelines for Safety Management Personnel, and Safety Reward and Penalty Measures. These policies are supplemented by control systems, monitoring equipment, and security video standards, ensuring detailed management across all phases including gas planning, procurement, construction, and coordination—thereby comprehensively safeguarding the security and stability of gas supply.

To ensure product quality, the company has established an efficient hazard identification mechanism and conducts regular inspections and leak detection across key areas such as projects, stations, pipelines, customer sites, and warehouses. Station patrols are conducted hourly, construction sites and ancillary facilities are inspected daily, customer safety checks are carried out annually or biennially depending on local gas regulations, and fire and safety checks are performed at warehouses and offices on daily and monthly bases respectively. All identified risks are recorded in a centralized safety log, with clear responsibilities, deadlines, corrective measures, and review requirements to ensure thorough resolution. Leveraging the GIS+SCADA system, Tianlun Gas achieves real-time pipeline monitoring, gas dispatching, and cloud-based control, further enhancing operational safety through preventive maintenance and system upgrades.



## 2. Customer Rights Protection

Upholding a customer-first development philosophy, Tianlun Gas emphasizes service assurance by continuously strengthening product quality and information security management. The company strictly complies with national standards and regulations, including the Gas Service Guidelines, Urban Gas Management Regulations, Urban Gas Design Code, Indoor Project Construction and Quality Acceptance Standards, Installation and Acceptance Regulations for Household Gas Appliances, and Technical Safety Requirements for Gas Appliances. Supplementary policies such as the Modified Service Fee Management Regulation and the Insurance Business Management Regulation are also in place to safeguard customer rights and promote safe gas usage.

To enhance customer experience, a robust complaint resolution mechanism has been established. In 2024, Tianlun Gas handled complaints through various channels, including telephone and online platforms. Complaints are categorized and dispatched within 24 hours, with general complaints resolved by the customer service team within three days, and safety-related complaints prioritized by the emergency response team. Quarterly training on service skills and emergency handling ensures frontline staff are professionally equipped. Follow-up calls are made within three days after a case is closed, and if customer satisfaction falls below 90%, further investigation and process optimization are triggered. Most complaints relate to unstable gas pressure, localized supply disruptions, failure to provide scheduled maintenance, delayed customer service responses, and gas leakage risks. Root causes typically include inefficient internal processes, insufficient service capacity, and delayed facility maintenance. In 2024, approximately 200 complaints were handled, achieving a customer satisfaction rate of 90%, indicating effective customer rights protection.



## 3. Safety Management

Tianlun Gas strictly complies with national safety regulations and places strong emphasis on employee health and safety. A comprehensive system has been established, including policies such as the Production Safety Incident Management Regulation, Safety Objectives and Evaluation Measures, Safety Education and Training Measures, Hazard Management Measures, Hazardous Operations Regulation, Safety Signage Measures, Emergency Response Management Measures, and the Occupational Health and Environmental Protection Measures. These form the basis of an internal framework for classifying, reporting, investigating, and handling safety incidents, complete with mechanisms for assigning responsibility and administering penalties based on severity—ranging from administrative and economic sanctions to performance-based and disciplinary actions.

The company has also developed a thorough emergency response management system. Each subsidiary has comprehensive and specialized contingency plans aligned with local government frameworks. These plans are subject to expert review and official filing. Regular training and drills are conducted to strengthen employee emergency response capabilities. At operational sites, surveillance systems are installed; all pipelines and equipment are equipped with shut-off and safety valves, combustible gas leak detectors, alarms, and emergency equipment including respirators, flame-retardant suits, thermal protection gear, and explosion-proof radios. On the network side, pressure, flow, and leak monitoring systems are deployed, alongside advanced leak detection and emergency repair equipment. For end-users, Tianlun Gas promotes the use of metal hoses, auto shut-off valves, and gas detectors to comprehensively improve usage safety. Safety awareness is further enhanced through user risk inspection campaigns and annual initiatives such as "Safety Production Month," helping to solidify a culture of risk prevention and safe operations across the company.



#### 4. Customer Privacy Protection

In line with the Civil Code, Criminal Law, Cybersecurity Law, and Personal Information Protection Law, Tianlun Gas actively strengthens the management of customer data. The company has enacted internal policies such as the Group Disciplinary Measures and Document Management Measures V2.0, and developed a defense-in-depth strategy integrating both technical and managerial safeguards, referencing ISO 27001 and CSA guidelines for cloud security. Tianlun Gas is certified under China's Tier-III Classified Protection of Information Systems and regularly conducts internal audits, aiming to complete a full group-wide information security audit within three years to enhance governance capabilities.



Employees are required to sign confidentiality agreements, and designated personnel are responsible for managing customer information. Unauthorized access, duplication, or sharing is strictly prohibited. Violations are subject to a tiered disciplinary system ranging from public reprimands to demotion or dismissal, ensuring strong deterrence. In 2024, the company conducted public awareness campaigns and participated in China's National Cybersecurity Week to promote knowledge on privacy settings and anti-fraud awareness, reaching over one million individuals. As a result, customer privacy compliance reached 92%, and complaints related to personal data misuse dropped by 28% year-on-year—further strengthening public trust in Tianlun Gas's products and services.





06

People Oriented

## 1. Equal and Diverse Employment

Tianlun Gas strictly complies with the Labor Law of the People's Republic of China, Labor Contract Law, and associated implementation regulations. In parallel, the company has developed standardized policies such as the Labor Contract Management Measures and Guidelines for Irregular Working Hours System Declaration. Through transparent policies and standardized execution, Tianlun Gas has established a fair employment framework that fully safeguards employee rights. As of 2024, the company achieved a 100% labor contract signing rate.

At the strategic level, the Group adheres to the principles of openness, fairness, and merit-based competition in its talent acquisition process. It has formally issued the Recruitment Management Measures of Tianlun Gas Group, which institutionalize the "Three Principles" of fairness, impartiality, and transparency, while leveraging diverse recruitment channels to attract top talent. The company also introduced the Talent Referral Management Measures, incentivizing internal employees to refer qualified external and internal candidates, with dedicated rewards for successful recommendations. Additionally, the Background Check Management Measures were implemented to establish a five-tier review mechanism, ensuring rigor and compliance throughout the selection process.

To reinforce organizational integrity, Tianlun Gas has instituted a relative employment restriction system. Employees and their relatives (including but not limited to blood and marital relations) are strictly prohibited from forming direct reporting lines, business relationships, financial transactions, or supervisory dependencies. For high-risk positions, particularly in departments such as finance, procurement, cost control, and warehousing, the company enforces strict prohibitions against any relative working within the same legal entity (either at headquarters or its subsidiaries), effectively mitigating conflict-of-interest risks at the source.

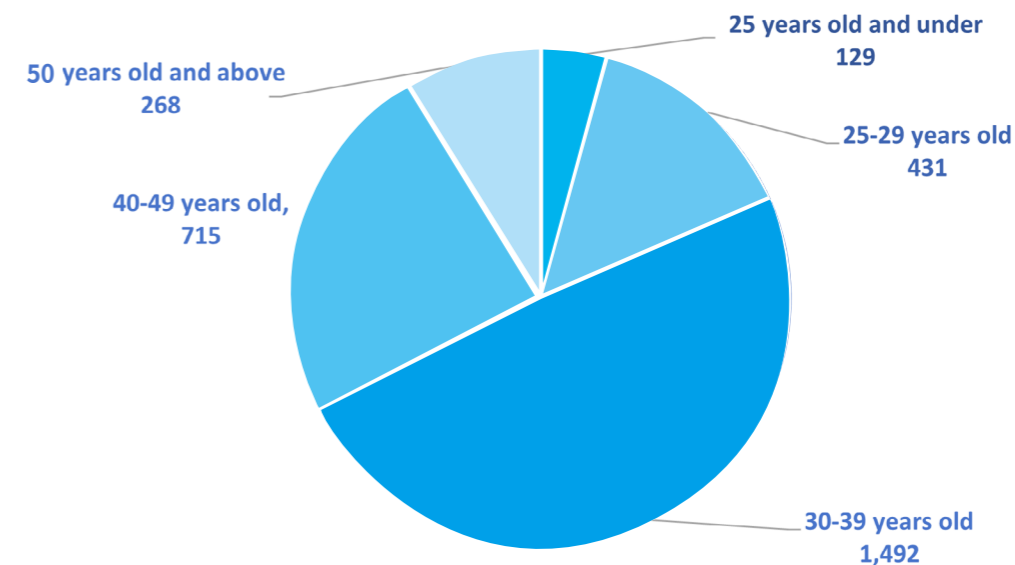
As of the end of the reporting period, Tianlun Gas had onboarded new employees

318

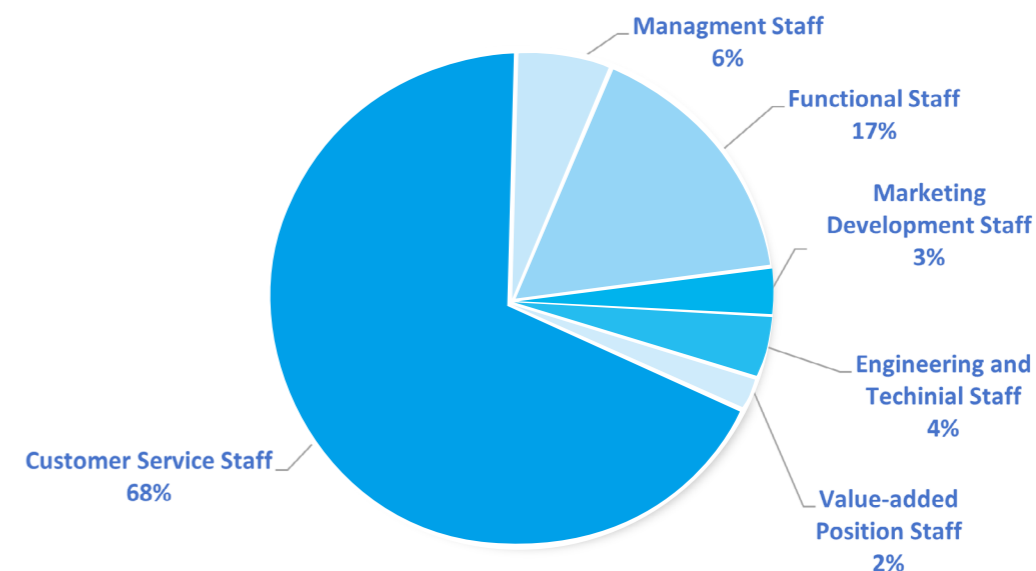
Total Workforce

3,035

### Employers Age Distribution



### Staff Positions Distribution



Tianlun Gas is committed to building a comprehensive employee rights protection framework, with a core focus on ensuring compliance in employment practices and implementing social responsibility mechanisms. The Group strictly adheres to laws and regulations such as the Law of the People's Republic of China on the Protection of Minors, the Provisions on the Prohibition of Using Child Labor, the Special Provisions on Labor Protection for Female Employees, and the Law on the Protection of Women's Rights and Interests. In addition, standardized internal policies such as the Employee Background Check Management System and the Attendance and Leave Management Measures have been developed and implemented to fully regulate employment practices.



The Group explicitly prohibits the hiring of individuals under 16 years of age and has established a dual-verification system for onboarding reviews and employment record-keeping to eliminate child labor risks at the source. Based on the Special Provisions on Labor Protection for Female Employees, twelve targeted measures have been introduced, including health monitoring during pregnancy, maternity, and breastfeeding periods, as well as job adaptation adjustments. The Group strictly prohibits any discriminatory practices based on gender, ethnicity, religion, disability, or rural household registration, ensuring equal employment opportunities.

To reinforce accountability, Tianlun Gas has implemented a disciplinary mechanism outlined in the Violation and Penalty Management Regulations, defining a three-tier system of corrective interviews, demotions, and termination of employment. This establishes a closed-loop management framework from early warning to disciplinary action, enhancing the Group's compliance culture.

**As of the end of the reporting period, female employees (%)**      **Ethnic minority employees (%)**

**40.5%**      **5.5%**

**New female hires (out of 318 new employees)**

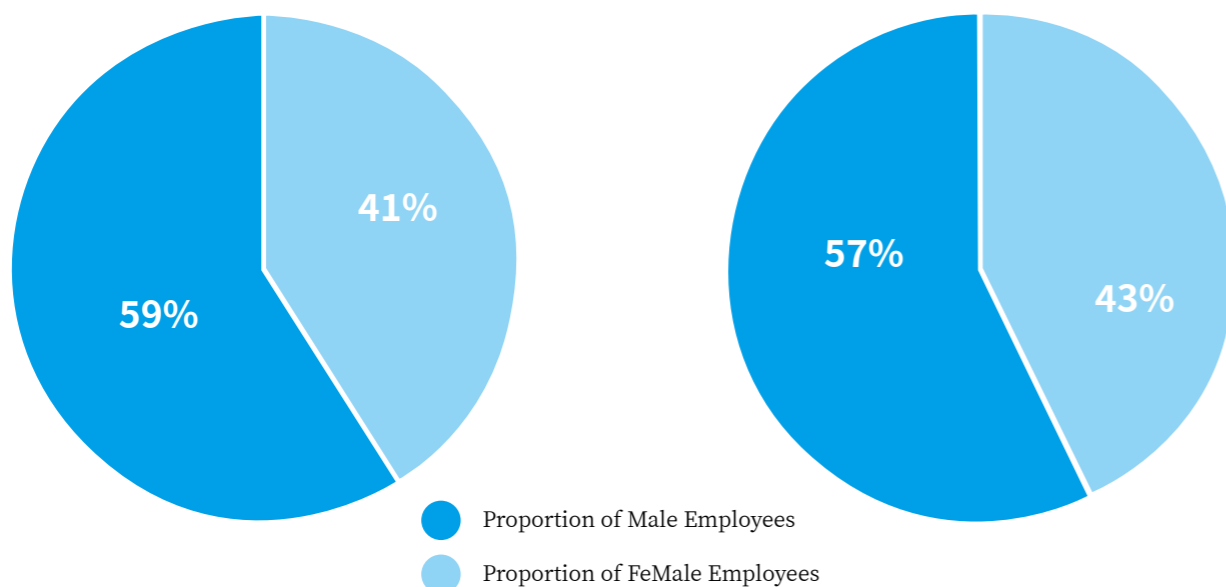
**42.9%**

**Employees with disabilities**

**2.6%**

**All Employees Gender Distribution**

**New Employees Gender Distribution**



## 2. Career Development

Tianlun Gas integrates employee career development into its strategic management framework, establishing a full-cycle talent development ecosystem. Guided by the Talent Recommendation Management Measures, the Group has established an integrated "selection-training-utilization-retention" mechanism encompassing talent incubation, performance incentives, and promotion pathways. Through a dynamic talent review system and regular competency assessments, complemented by job rotation and phased role exits, the Group continuously optimizes its workforce structure. A key initiative is the Young Leadership Development Program, which supports dual career paths in management and technical expertise, including fast-track promotion opportunities for high-potential talent.

On the capability development front, the Group adopts a "three-dimensional empowerment" training model. A tiered curriculum has been developed with internal expert resources, led by senior managers and certified in-house trainers. In parallel, a digital learning platform offers industry-leading content and skills-based modules, combining cloud-based courses with practical workshops to systematically improve professional and managerial capabilities.

**As of the end of the reporting period, Total training sessions**

**2,540**

**Total participants 217,182**

**Offline Participants 44,636**

**Online Participants 172,546**

**Total Learning Hours 7.5**

The Group has partnered with industry leader Times Bright Scholar to develop a customized online platform "Zhi Fou," delivering live-streamed and on-demand courses. By the end of the reporting period, the platform offered, 3,691 courses in total, including 3,365 external general courses, and 326 internal professional courses.

### Online Training

2024 Online Training	172,000
Courses Offered	3,691
Total Hours	16,000

### Offline Training

2024 Offline Training	2,528
Participants	44,636
Total Hours	59,000

Tianlun Gas places new employee development at the core of its talent strategy by building a full-cycle career support system. A digital onboarding system, integrating standardized curricula and personalized learning paths, facilitates role transition and team integration. By the end of the reporting period, the onboarding program had achieved 100% coverage, with **70** themed programs developed and **25** centralized training events held, covering corporate culture, job skills, and safety protocols. A tiered qualification certification system was implemented, incorporating written exams, scenario-based simulations, and project-based assessments. In 2024, **5** certification tests were held, with **100** participants completing assessments to systematically enhance new employees' professional and cross-functional competencies.



## 3. Occupational Health and Safety

Tianlun Gas has established a comprehensive occupational health and safety risk prevention system, structured around a three-level defense mechanism: source identification, systematic control, and multidimensional safeguards. In line with industry-specific risks, the Group has launched targeted governance initiatives across three key operational environments.

### Hazard-Specific Control Measures

#### Noise

Acoustic insulation and individual hearing protection for compressor stations.

#### Low Temperatures

Standardized anti-freezing equipment and exposure time limits for LNG regasification stations.

#### High Temperatures

Tiered emergency protocols and intelligent monitoring systems at CNG fueling stations.

In 2024, the Group and its member companies conducted 65 safety training sessions, with a total of 60,336 training hours completed throughout the year, averaging 19.88 hours of safety training per person. Meanwhile, the Group organized full health screenings for all employees, covering 3,035 individuals, achieving 100% participation. This reflects the company's strong commitment to employee wellbeing and supports the stable operation of the business.

During the reporting period, only one workplace injury incident occurred, resulting in five lost workdays—a 98.1% reduction compared to the three-year average, underscoring the effectiveness of the Group's safety measures.

### Systematic Risk Management

Adherence to the “Three Simultaneities” principle, integrating occupational hazard prevention with project design, construction, and operations.

Implementation of a smart protective equipment system and a grid-based emergency response framework.

Maintenance of dynamic occupational health records and periodic environmental hazard assessments.

Deployment of visualized safety management, including smart alerts and behavior monitoring in high-risk areas.

The Group employs a dual-track protection mechanism aligned with national regulations on work-related injury insurance, supplemented with employer liability and additional medical insurance coverage for all employees. Through a coordinated approach combining engineering controls, policy optimization, and benefits provision, Tianlun Gas effectively safeguards employee health while enhancing operational resilience and contributing to a sustainable and secure working environment.

### 4. Employee Benefits and Incentives

Tianlun Gas continues to refine its compensation system in line with the Compensation Management Measures, Internal Competition Guidelines, and Performance Appraisal Management Measures, establishing a fair and transparent pay structure. The Group also implements equity incentives, internal competition programs, and merit-based recognition schemes to promote motivation and innovation across all employee levels, aligning individual performance with the Group’s long-term strategy. On the benefits side, employees receive statutory leave entitlements (including paid annual leave, marriage leave, and maternity checkup leave), as well as holiday bonuses, wedding and bereavement allowances, housing and communication subsidies. Night shift workers receive special stipends, and expatriate managers are entitled to ten round-trip home leave reimbursements annually—enhancing employee satisfaction and sense of belonging.



### Five-Pronged Incentive System

#### Performance-Linked Compensation

A differentiated year-end bonus system based on job value, ranging from 1.5 to 3.5 times base salary, linking total rewards to performance outcomes.

#### ESG Responsibility Integration

ESG performance metrics are embedded into key roles, translating environmental, social, and governance targets into performance contracts aligned with sustainable development goals.

#### Value-Oriented Reform Mechanism

A reform pathway comprising strategic deconstruction, industry benchmarking, and dynamic optimization; incentive models are adapted based on frontline diagnostics and value creation.

#### Benchmarking and Role Modeling

A closed-loop framework for recognizing and promoting outstanding teams and individuals, including salary increases, promotion priority, and inclusion in the leadership talent pool.

#### Talent Pipeline Development

A three-tier reserve cadre structure (subsidiary GMs, deputy GMs, and department managers) and a “penetrative selection model” for university graduates, encompassing six evaluation stages including qualifications screening, written tests, and multi-dimensional interviews.



Tianlun Gas views employee wellbeing as a cornerstone of sustainable corporate development. The Group enforces the Welfare Management Measures to regulate working hours and leave policies, while fostering multi-channel communication through labor unions and themed activities. In 2023, creative events such as Women’s Day activities, Mid-Autumn celebrations, and quarterly birthday gatherings were held to strengthen team cohesion and create a warm, inclusive workplace. These included baking workshops, sports games, real-person CS competitions, themed tea parties, floral gifting, and office decor initiatives, all contributing to a healthy work-life balance and positive corporate culture.

### Practice Highlights 01

#### Diverse Celebrations for International Women’s Day



### Practice Highlights 02

#### Thematic Mid-Autumn Festival Celebration



### Practice Highlights 03

#### Quarterly Group Birthday Celebrations

##### Q1 Birthday Celebration



##### Q3 Birthday Celebration

##### Q4 Birthday Celebration



07

Collaboration to Success



## 1. Supply Chain Operations

Tianlun Gas integrates supply chain management into its corporate sustainability strategy, fostering an ecosystem-based partnership model centered on “co-creating value and sharing responsibility.” Guided by a dual-driver approach of green procurement and responsible sourcing, the company has established a comprehensive supplier lifecycle management system. This system is built on a three-tier control model—entry screening, process monitoring, and dynamic optimization—to ensure the alignment of supply chain social responsibility with commercial value creation.

A dual-dimensional evaluation mechanism is implemented at the supplier admission stage. From a qualification perspective, bidders are required to hold certifications such as ISO 9001, ISO 14001, and ISO 45001, and must pass a compliance review via the national enterprise credit information system. From a responsibility standpoint, suppliers are required to commit to labor laws, environmental regulations, and international human rights conventions, including upholding freedom of association, prohibiting discrimination and forced labor, and eliminating child labor. Procurement approaches are differentiated by material category: centralized procurement suppliers are selected through public tenders or competitive negotiations, while non-centralized procurement adopts a targeted inquiry mechanism to ensure procedural compliance and competitive fairness.

For existing suppliers, an annual responsibility audit system is in place, focusing on three key areas:

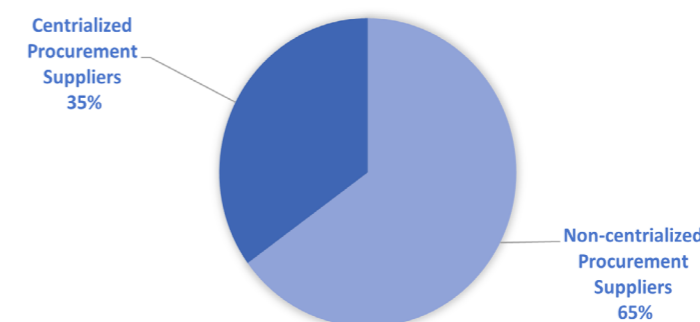
1. Labor Rights Protection: Reviewing compliance in wage payment, working hours, and employee benefits.
2. Supply Chain Transparency: Requiring disclosure of subcontractors and regular publication of CSR reports.
3. Community Engagement: Encouraging contributions to local communities through public donations, skill training, and other forms of support.

If audits uncover serious violations such as labor discrimination or environmental infractions, immediate supplier disqualification and contract termination procedures are initiated.

The company has also formulated the Supply Chain Social Responsibility Initiative Guidelines, outlining nine core areas of responsible practice—from legal compliance and anti-corruption to environmental protection and occupational safety. Particular emphasis is placed on environmental responsibility, requiring suppliers to implement end-to-end waste management systems and continuously reduce ecological footprints through technological upgrades. This integration of commercial cooperation and social value creation strengthens supply chain synergy while serving as a practical model for industry-wide sustainable development.

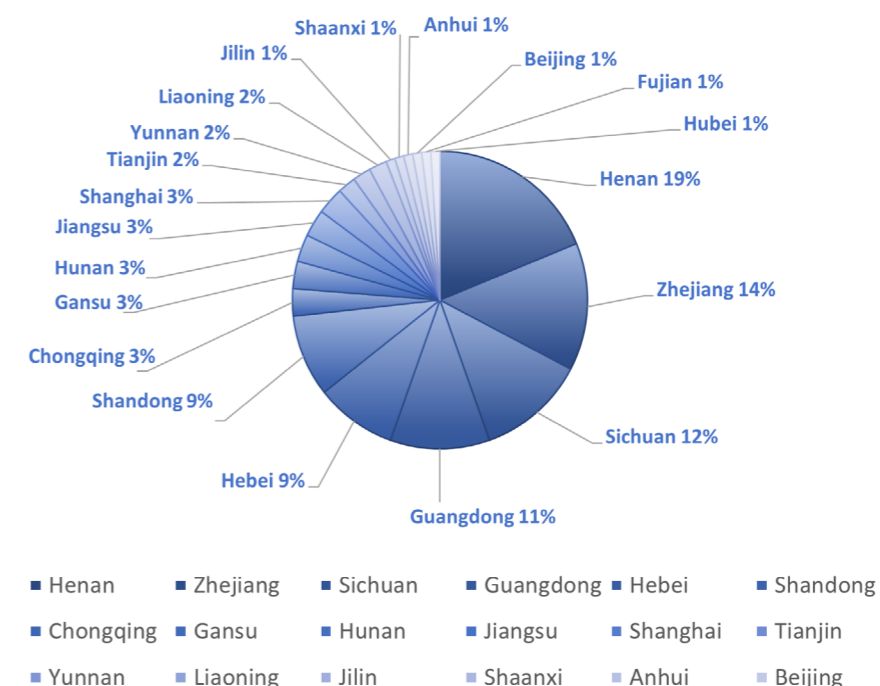
Tianlun Gas operates a standardized centralized procurement system and optimizes its supplier structure based on qualification and regional layout. As of the end of the reporting period, 224 domestic suppliers were engaged, forming a coordinated structure of 146 centralized and 78 non-centralized procurement partners. All centralized procurement suppliers were certified under ISO 9001 (quality), ISO 14001 (environment), and ISO 45001 (occupational health and safety), with 100% certification coverage.

Supplier Types



Material sourcing focuses on five core product categories in the gas industry: PE gas pipes, steel valves, galvanized steel pipes, commercial and industrial flow meters, and copper fittings. The geographic distribution follows a strategy of “industrial clustering + strategic coverage,” with supplier networks concentrated in six key provinces—Henan (42), Zhejiang (32), Sichuan (26), Guangdong (25), Shandong (21), and Hebei (21), and extending across 20 additional provincial-level regions, forming a nationwide grid-based supply assurance network.

Supplier Region



Aligned with China's "dual carbon" goals, environmental impact is incorporated into supplier entry criteria. All bidding suppliers must be ISO 14001 certified, ensuring that their production processes emphasize resource efficiency, pollution reduction, and progress toward "zero emissions." Furthermore, all qualified gas appliance materials must meet at least Level 1 or Level 2 energy efficiency standards to promote energy conservation.

Tianlun Gas strictly complies with the Civil Code of the People's Republic of China and the Tendering and Bidding Law, recognizing the vital importance of a stable and sustainable supply chain to operational continuity. Suppliers are required to fulfill social responsibility commitments and are vetted through the national credit information platform to ensure no legal violations in the past three years. During the bidding process, all participants must sign an anti-corruption pledge and accept supervision by audit and inspection departments, guaranteeing fairness, transparency, and integrity. Evaluation criteria prioritize product quality and safety, supply continuity, delivery timeliness, and raw material compliance to build a resilient, risk-resistant supply chain.

### Supplier Management and Oversight

<b>ERP System</b>	An enterprise-wide digital platform ensures real-time order tracking and execution transparency.
<b>Supplier Evaluation</b>	Biannual comprehensive performance reviews by business units help optimize the supplier pool.
<b>Product Sampling</b>	Annual quality spot checks on centralized procurement categories ensure material consistency.
<b>Surprise Inspections</b>	Periodic on-site audits of raw material sourcing, production processes, and warehouse management to ensure end-to-end compliance.
<b>Blacklist System</b>	In accordance with the Material Quality Management Measures, severely non-compliant suppliers are blacklisted for two years and barred from cooperation.

The company has also established the Goods Acceptance Measures, Quality Management Measures, and Supplier Assessment System to strictly control product quality and safety. After-sales service and return/exchange clauses are clearly stipulated in supplier contracts to minimize consumer losses and protect customer rights.



## 2. Social Responsibility

While pursuing business development, Tianlun Gas remains committed to addressing societal needs and upholding its role as a responsible corporate citizen. The company actively participates in philanthropic initiatives and has been widely recognized for its ESG performance. Recent accolades include the "ESG Excellence Enterprise Award," the "Central Plains ESG Leading Enterprise Award," and recognition by the All-China Environment Federation as an exemplary ESG case study, highlighting its leadership in environmental and social governance.

Since its founding, Tianlun Group has adhered to its core values of "Creating Business Together, Sharing Tianlun Together," consistently delivering social value and promoting public welfare. The company has repeatedly ranked on the Forbes Philanthropy List and has made sustained contributions in energy access, low-carbon initiatives, rural revitalization, education, and urban services. Cumulatively, the Group has donated over RMB 160 million in cash and goods, reflecting its sense of mission in advancing common prosperity as a private enterprise.

### Rural Vitalization

In response to the national strategy for rural vitalization, Tianlun Gas actively contributes to improving living conditions, supporting vulnerable communities, and promoting social harmony. Through its "Rural Gasification" initiative, the company has expanded access to clean, convenient natural gas in rural areas, simultaneously meeting the energy needs of local industries. Under the "Gas-Electricity Synergy" model, idle rooftop spaces are leased for the installation of distributed photovoltaic systems. These rooftop rental payments are integrated with utility and appliance services, reducing household energy costs and enabling residents to benefit from both stable rental income and green energy.

### Education and Youth Support

The Group places strong emphasis on supporting the growth of children and adolescents, launching long-term philanthropic efforts in education. Its "Hope Project" scholarships have helped students from over 40 underprivileged counties in Henan Province pursue higher education. The "Ten Thousand Miles, Ten Thousand Books" charity relay encouraged public participation in literacy initiatives. Since 2021, the "Voices of Youth" education support program has continuously donated books and reading materials to rural schools, fostering good reading habits and a healthy learning environment for children in underserved communities.

## Appendix

### ◆ ESG Key Performance Overview Table

Indicator Name	Unit	2024	2023	2022
<b>Basic Information</b>				
Total Assets	Million Chinese Yuan	15,910	15,691	15,959
Operating Revenue	Million Chinese Yuan	7,781	7,725	7,543
Annual Profit	Million Chinese Yuan	325	506	469
Earnings per Share - Basic	Yuan Chinese	0.31	0.49	0.45
Cumulative Number of Pipeline	Number of Households	5,837,793	5,599,925	5,294,315
Natural Gas Sales Volume	Number of Households	223,501	208,528	191,177
Volume of Gas Transported on Behalf of Others via Long-distance Pipelines	Number of Households	70,870	71,640	75,931
<b>Environmental Performance</b>				
Total Amount of Wastewater	Tons	43,356.21	49,891.20	54,470.31
Wastewater Intensity	Tons per Million Yuan of Revenue	5.57	6.46	7.22
Total Amount of Greenhouse Gases	Tons of Carbon Dioxide Equivalent	32,342.10	34,680.49	38,888.65
Greenhouse Gas Emission Intensity	Tons of Carbon Dioxide Equivalent per Million Yuan of Revenue	4.16	4.49	5.16
Total Amount of Hazardous Waste	Tons	13.41	8.90	5,294,315
Hazardous Waste Emission Intensity	Tons per Million Yuan of Revenue	0.00172	0.00115	8.42
Total Amount of Non-hazardous Waste Emissions	Tons	433.01	11,056.15	0.00112

Indicator Name	Unit	2024	2023	2022
Non-hazardous Waste Emission Intensity	Tons per Million Yuan of Revenue	0.06	1.43	0.07
Total Energy Consumption	Megawatt-hours	68,798.95	73,070.67	81,913.31
Total Water Consumption	Tons	8.84	9.46	10.86
Total Water Consumption	Tons	82,317.07	91,438.22	113,717.81
Water Consumption Intensity	Tons per Million Yuan of Revenue	10.58	11.84	15.08
<b>Social Performance</b>				
Total Number of Employees	Persons	3,035	3,046	3,355
Total Number of Male Employees	Persons	1,806	1,825	2,072
Total Number of Female Employees	Persons	1,229	34,680.49	1,283
Proportion of Male Employees	%	59.50	59.90	61.76
Proportion of Female Employees	%	40.50	40.10	38.24
Number of Deaths in the Line of Duty	Persons	0	0	0
Number of Working Days	Days	5	0	782
Employee Training Coverage Rate	%	100	100	100
Average Training Hours per Person	Hours per Person	24.71	24.59	48.53
Total Number of Suppliers	Number of Companies	224	246	191



## ◆ HKEX ESG Reporting Code

Primary Subject, Aspect, General Disclosures and Key Performance Indicators	Description	Module	Page Number
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
A1.1	The types of emissions and respective emissions data.	Green Development Waste Management	P42-P47
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tons) and, if applicable, intensity (e.g., per unit of production, per facility).	Green Development Response to Climate Change	P34-P37
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development Waste Management	P42-P47
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Green Development Waste Management	P42-P47
A1.5	Description of emission target(s) set and steps taken to achieve them.	Green Development Waste Management	P42-P47
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Green Development Waste Management	P42-P47

Primary Subject, Aspect, General Disclosures and Key Performance Indicators	Description	Module	Page Number
<b>Aspect A2: Use of Resources</b>			
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in ' 000s) and intensity (e.g. per unit of production volume, per facility).	Green Development Resource Utilization	P40-P42
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Development Resource Utilization	P40-P42
A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them	Green Development Resource Utilization	P40-P42
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development Resource Utilization Waste Management	P40-P47
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	/	The use of packaging materials is not involved due to the nature of the company's business.
<b>Aspect A3: The Environment and Natural Resources</b>			
A3.1	General Disclosure Policies on minimising the issuer's significant impacts on the environment and natural resources.	Green Development Low - Carbon Transformation Environmental Management System	P38-P39

Primary Subject, Aspect, General Disclosures and Key Performance Indicators	Description	Module	Page Number
<b>Aspect A4: Climate Change</b>			
A4.1	Description of significant climate-related matters that have affected and may affect the issuer and response actions.	Green Development Response to Climate Change Environmental Management System	P34-P39
<b>B. Social</b>			
<b>Aspect B1: Employment</b>			
B1.1	Total workforce by gender, employment type (for example, full- or parttime), age group and geographical region.	People Oriented Equal and Diverse Employment	P60-P62
B1.2	Employee turnover rate by gender, age group and geographical region.	People Oriented Equal and Diverse Employment	P60-P62
<b>Aspect B2: Health and Safety</b>			
B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People Oriented Occupational Health and Safety	P65-P66
B2.2	Lost days due to work injury.	People Oriented Occupational Health and Safety	P65-P66
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	People Oriented Occupational Health and Safety	P65-P66
<b>Aspect B3: Development and Training</b>			
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People Oriented Equal and Diverse Employment Career Development	P60-P64

Primary Subject, Aspect, General Disclosures and Key Performance Indicators	Description	Module	Page Number
B3.2	The average training hours completed per employee by gender and employee category.	People Oriented Career Development	P63-P64
<b>Aspect B4: Labour Standards</b>			
B4.1	Description of measures to review employment practices to avoid child and forced labour.	People Oriented Equal and Diverse Employment	P60-P62
B4.2	Description of steps taken to eliminate such practices when discovered.	People Governance Integrity and Business Ethics People Oriented Career Development Robust Governance	P27-P29 P63-P64
<b>Aspect B5: Supply Chain Management</b>			
B5.1	Number of suppliers by geographical region.	Collaboration to Success Supply Chain Operations	P74
B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Collaboration to Success Supply Chain Operations	P72-P74
B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Collaboration to Success Supply Chain Operations	P72-P74
B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Collaboration to Success Supply Chain Operations	P72-P74
<b>Aspect B6: Product Responsibility</b>			
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	/	This disclosure is not applicable due to the nature of the company's business.

Primary Subject, Aspect, General Disclosures and Key Performance Indicators	Description	Module	Page Number	
Operating Practices	<b>Aspect B6: Product Responsibility</b>			
	B6.2	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Value Creation Optimization of Customer Service Responsible Operations Customer Rights Protection	P51,P55
	B6.3	Description of practices relating to observing and protecting intellectual property rights.	Responsible Operations Customer Rights Protection	P55
	B6.4	Description of quality assurance process and recall procedures.	Responsible Operations Product Safety and Quality Safety Management	P54-P56
	B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Responsible Operations Customer Privacy Protection	P56-P57
	<b>Aspect B7: Anticorruption</b>			
	B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Robust Governance Audit and Risk Management	P30-P31
	B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Robust Governance Integrity and Business Ethics Audit and Risk Management	P27-P31
	B7.3	Description of anti-corruption training provided to directors and staff.	Robust Governance Integrity and Business Ethics People Oriented Career Development	P27-P29

Primary Subject, Aspect, General Disclosures and Key Performance Indicators	Description	Module	Page Number	
Community	<b>Aspect B8: Community Investment</b>			
	B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Collaboration to Success Social Responsibility	P75
	B8.2	Resources contributed (e.g. money or time) to the focus area.	Collaboration to Success Social Responsibility	P75



## **Tian Lun Gas Holdings Limited**

### **HEAD OFFICE IN THE PRC**

Henan Province, the PRC | Zhengzhou City | Zheng Dong Xin District | No.6 Huang He East Road | Tian Lun Group Building | 4th Floor

### **PRINCIPAL PLACE BUSINESS IN HONG KONG**

Hong Kong | Central | 99 Queen's Road Central | Unit-4601-02, 46/F, The Center