

Board Independence

China Gas, in strict conformity with the principles and rules in Appendix C1 *Corporate Governance Code* to the *Listing Rules* by the Stock Exchange of Hong Kong Ltd. (HKEX), is always in action for better architectures and governance performance. Pursuant to Rule 3.10 of the *Listing Rules* by HKEX, the Group's target share of independent Directors on the Board is always in line with the requirement for at least three independent non-executive directors in the *Listing Rules*, with a third of the Board as independent non-executive directors.

Compliance and Business Ethics

In full compliance with the *Anti-Unfair Competition Law of the People's Republic of China*, the *Supervision Law of the People's Republic of China*, the *Anti-monopoly Law of the People's Republic of China*, the *Prevention of Bribery Ordinance* in Hong Kong and other laws and regulations for regions where it operates, China Gas has set out suites of rules on business ethnics and codes of conduct, including the *Anti-Bribery and Anti-Corruption Policy*, the *China Gas Anti-Monopoly Compliance Management System*, the *Regulations on Anti-corruption of China Gas*, the *Code of Conduct for Compliance of China Gas*, the *Internal Supervision and Reporting Management System*, the *Integrity and Diligence Manual*, the *Bribery Management Implementation Measures of China Gas*, etc., featuring specified principles on anti-corruption and anti-bribery, anti-discrimination, confidentiality, conflicts of interest, anti-monopoly and anti-competition, anti-money laundering and anti-insider trading, whistleblowing, etc. FY2023/24 recorded no case of conflicts of interest or money laundering or insider trading at China Gas.

The Group does not engage in political donation and prohibits employees from supporting, donating for or sponsoring any organization or activity illegal or against international conventions (such as terrorist activities, religious discrimination, gender discrimination, etc.). The past four financial years including FY2023/24 witnessed no engagement of the Group or its employees in any political donation for political campaigns or political or lobbying organizations, or other referendum campaigns, with no investment in political donations by the Group or its employees. In FY2023/24, China Gas made two contributions to tax-exempt groups, with amounts of RMB1,000,000 and RMB70,000 respectively, totaling RMB1,070,000. In FY2022/23 and FY2022/21, the Group donated RMB3,000,000 and RMB2,000,000 to tax-exempt groups respectively.

Climate-Related Management Incentives for the Directors and the Senior Management

At China Gas, ESG key performance indicators (KPIs) including carbon neutrality, energy saving and emissions reduction as well as climate-related ones are well linked to the remuneration of the Directors and the senior management including CEO, to better manage and drive the fulfilment of objectives regarding risks of climate change. In the Group's measures on ESG performance assessment and incentives tailored for each operational department, carbon emission management, climate risk governance and more KPIs are incorporated into the annual assessments on value creation for heads and ESG specialists of operational departments. That is how we put all hands and minds together from the management and the staff to unlock

yet more possibilities for our sustainable future.

Digital Development

China Gas's information security and cybersecurity governance structure, where the Board of Directors serves as the highest decision-making body, is responsible for formulating and monitoring its cybersecurity and information security strategies. To enhance the leadership and management of the Group's information and data governance, we have established the Data Governance Committee, to which Mr. ZHU Weiwei, Executive Director and COO, and Ms. LIU Chang, Executive Director and Vice President, are appointed to lead the committee and supervise the Group's cybersecurity strategies.

The Group prides itself with digital instruments of innovation for its operations, pivoting this conventional industry to a greener future as a digital pioneer in the transition. The Group continues to promote the installation and adoption of smart meters. As of March 31, 2024, the Group (exclusive of non-controlled associates) has installed over 5 million smart gas meters, covering 31.8% of its residential users and 32.2% of its commercial and industrial (C&I) users with smart IoT meters, with a total installation percentage of IoT smart meters of 31.8%.

Material Issues

China Gas places great importance on managing key issues that are significant to the company. The Group analyzes the issues that have a major impact on the long-term business development of the Group, assessing their positive and negative effects on the Company's operations and external stakeholders. Meanwhile, a series of management measures are implemented to continuously optimize the business model and management system, toward a more robust and sustainable development path.

I. Relevance and importance of the material issues to the Group's business

Issue 1: safe and stable supply of gas

Safe and stable supply of gas is identified as a material issue at China Gas. It is key to its operational efficiency, economic benefits as well as operational risks, as it directly impacts the safety of users' life and property.

Delivering on the *Regulation on Control and Management of Gas Loss* on the back of the cutting-edge technology of the smart transaction platform, the Group now boasts all-encompassing and accurate monitoring of the gas-loss data. This pushed up the intelligence of the Group's management, ensured the accuracy and promptness of the data and powered the timely identification and elimination of gas loss. By reducing gas leaks, the Group can effectively lower operational costs associated with loss, minimize economic loss, and prevent safety hazards caused by leaks, thus protecting the ecological environment.

Troubleshooting mechanisms in place and evolving, our gas networks are growing yet safer. Together with our patrolling system, our internal policies like the *Guidance for Patrolling of Gas Pipelines and Ancillary Facilities* made our patrolling much more efficient and accurate. Such a mechanism, upon emergencies, can enable prompt positioning of the spot and initiation of the repair, and thus shorten the repair and cut loss. Our risk management in third-party construction, in partnership with other parties in our featured initiatives, drove down risks of damage to gas networks substantially, keeping the public and gas supply stable and safe.

An enhanced emergency repair mechanism means well-backed safety of gas facilities. Our emergency repair has been going better and faster thanks to our thorough emergency plan, more training and certification, etc. Our three-level management system of emergency repair comes with specified duties and responsibilities of each level, anchoring our emergency responses prompt and orderly. The future of China Gas, a company safety-centered and user-oriented as always, will be about gas supply safer, more reliable and more stable for users, with its ever-evolving management systems and technology.

Issue 2: corporate governance and operational compliance

For businesses in such a complex and ever-changing context, compliant operations stand crucial for their robust growth. China Gas, as a major energy supplier and China's leading clean-energy supplier, offers city gas, LPG, operations of gas stations, etc. Compliant operations, significant in its business management, is pivotal for the overall enhancement of its cost control, revenue, as well as risk management of operational compliance, enabling the Group to reshape its own long-term growth stories and energy markets' stability, public safety, environmental protection and beyond.

Operational compliance helps cut costs for businesses. Operating in line with China's laws and regulations, standards of the industry and its own policies, the Group could be free from direct economic loss including penalties and compensation due to violations of laws or regulations. To stay compliant, businesses shall keep all processes in conformity with existing procedures for their project initiation, signing of agreements, procurement, accounting, etc., which leads to fewer resources and less time wasted from unstandardized procedures or misoperations, hence the indirect cost reduction. A strong track record of compliance also builds up trust between the business and its suppliers, customers as well as investors.

Operational compliance underpins stable and sustained revenues of businesses. For energy suppliers, especially utilities, their compliant operations can send them to their qualification by authorities, authorization for operations and access to markets, as the cornerstones of their lawful and compliant operations. Bringing basic operating revenue and cementing their project expansion and footprint growth, operational compliance also means better corporate images and brand value, more top-notch customers, larger market shares and stronger revenue.

China Gas, as a player in the energy sector, where compliance covers workplace safety, environmental protection, protection of customers' rights and interests, prides itself with a well-performing system for compliance management. The system, featuring detailed compliance policies, procedures along with mechanisms for training and supervision, ensures the Group's compliance with regulations in its gas transmission, customer services, emergency responses, hence mitigation of illegal operation-induced risks including safety incidents, environment pollution and customer complaints.

Issue 3: occupational health and safety

As something critical for the Group, occupational health and safety weighs much in its operational efficiency, financial results and risk control. With constant management of occupational health and safety for continued growth of its performance in this regard, the Group is always up to the increasingly strict standards in China's laws and regulations on workplace safety, where compliance risks for operational safety are going down and employees free from occupational hazards, which also keeps its customers and

their property safe. In this way, the Group enjoys results in health and safety better shared with the public, solid brand effect and boasted brand value.

How the potential risks of occupational health and safety impacts our operations is crystal-clear to us. Incidents and complaints from occupational impairment affect businesses' productivity and thus their operational efficiency. Besides, incidents of occupational health and safety, if any, would grow risks of violation of laws and regulations as well as compensation in incidents for businesses, costing them more in their financial positions, reputation, etc.

To manage well the important issue of occupational health and safety, China Gas has established a robust safety management system, improved safety management policies, enhanced external ISO safety management system certification, and promoted internal HSE management systems. Together with our safety philosophies of "prevention first for development in safety" as well as "led by leaders and handled by all", there are our objectives in safety management of "no violation, no injury and no incident". Along with safety responsibilities defined in such principles, our safety campaigns tailored for our management, employees, contractors and users help prevent and mitigate material safety risks and keep the Group in safe operations. With a work plan for each year's priorities in workplace safety already there, where quantitative objectives on occupational health and safety are updated, we operate with a long-term indicator of "ensuring that the rate of work-related injuries per million working hours for both employees and contractors in five years is within 0.75", in action for a better HSE management system and more awareness of compliance with regulations of the staff. That is how we drive up the Group's capabilities in risk prevention and control, systematic management as well as emergency responses.

II. Relevance and importance of material issues to external stakeholders

Issue 1: customers' health and safety

Quality products and services do make a difference for customer in customers' health and safety as well as user satisfaction. The aging of city gas facilities brings out hidden hazards for gas pipelines in old neighborhoods, causing safety issue in residents' gas use. For better living of residents as well as safe and stable gas supply, fueled by our renovations of aging gas facilities, our city gas segment now offers upgraded services of gas supply. Supercharged by our state-of-the-art technology, standardized service procedures, full-fledged management systems, on offer are safe environments of gas use for our users on the back of our regular safety checks and hidden-hazard rectifications for households as well. A China Gas brand, Yipin Smart Living, committed to "life simpler, better and happier" as its brand value, boasts five household scenarios of safety, intelligence, delicacy, convenience and eco-friendliness, tailored for customer needs diverse and unique. With complete suites of gas safety products and kitchen appliances of safety for customers, the brand empowers household living of safety with its all-encompassing offerings. FY2023/24 witnessed the initiation of independent product R&D, manufacturing and sales at Yipin Smart Living. From raw materials to production inspection and then to finished products for storage, all steps are under stringent control, which explains its products well-received by the market.

Issue 2: occupational health and safety

Present in numerous regions, the Group is fully aware of how occupational health and safety matters to contractors and suppliers. Hence on top of our own management of occupational health and safety growing and intensifying, there are also our moves for better safety of our contractors, suppliers and users, to keep

material safety risks prevented and removed and operations safe. For operational compliance, obedience to regulations on occupational health and safety is part of legal liabilities for contractors and suppliers. Violation of such regulations would trigger legal proceedings and large fines, which might spoil the revenue and reputation of the business. Effective measures for occupational health and safety are instrumental for cutting workplace incidents and occupational diseases, keeping the projects running in efficiency, free from suspension or postponing due to workplace injuries or diseases for contractors and suppliers. Based on the abovementioned, the Group puts itself in full conformity with national laws and regulations such as the *Law on Workplace Safety of the People's Republic of China*, the *Fire Protection Law of the People's Republic of China*, and the *Law of the People's Republic of China on the Prevention and Control of Occupational Diseases*. Consistent with national and international standards including ISO 45001, ISO 9001 and standardization of workplace safety, its *Policy on Occupational Health and Safety* released to all of its employees, contractors, suppliers, service providers and users with specified standards for safety management is a cornerstone of the health and safety of the staff and contractors.

Emerging Risks

I. Relevance of the policy risks to our business

Against the backdrop of its already-proposed goals of “carbon peak and neutrality”, China pledges to peak its carbon emissions by 2030 and become carbon neutral by 2060, meaning carbon dioxide emissions generated during production and daily activities offset from by 2060 by means of energy conservation and emission reduction, afforestation, and purchasing carbon quotas, hence zero emission of carbon dioxide. The proposal of this goal reflects China's determination and actions to address global climate change and put itself in green development.

Toward such objectives, the Chinese government has created a “1+N” policy system, mapping out comprehensive and clear arrangements for economic and social development under the “carbon peak and neutrality” target, guiding the country's economy to go green in a steadily-growing pace. These measures are to promote energy restructuring, cut dependence on fossil fuels, drive the use of non-fossil fuels, and remove "unavoidable" carbon dioxide emissions through eco-friendly actions as well as carbon capture, utilization and storage, etc., to help the country go carbon neutral. Under this goal, the energy industry must pivot towards a lower-carbon future, with an ever-declining share of fossil fuels in the energy system in the long run. For natural gas, a fossil energy source, its greenhouse gas emissions, though lower compared to coal, is still significant. At the same time, the scale and commercial feasibility of renewable zero emission energy sources such as photovoltaics and wind power are going up with China's favorable policies, putting pressure on natural gas, which is relatively competitive. At present, the Group's natural gas segment still makes up the largest proportion of its revenue, so the energy transformation will lead to the risk of the adaptation of its business model.

In the short term, climate risks and disasters such as extreme temperatures, floods, strong winds or cyclones, droughts, and heat waves can affect energy production (especially in the case of water shortages in dams) and energy demand (natural gas demand reduced during warm winters, etc.). These risks bring direct impact on the performance of the Group. In the long run, climate change may have a greater impact on the activities of the Group, such as changes in regional or seasonal energy demand, changes in network

production, obligations to reduce CO₂ equivalent emissions, regulations more stringent, conflicts in the use of water resources, rising ocean and river water levels and temperatures, conflicts in the protection of natural carbon sinks and biomass use, etc.

II. Relevance of ESG risks to the business

The Group's business is subject to numerous laws and regulations related to respecting and protecting the environment, health and safety, or energy transition. ESG-related risks are closely related to its market share, operational efficiency, and economic benefits. The adverse changes in operations caused by ESG risks may include loss of market share, equipment failures, natural disasters, environmental hazards, and industrial accidents (such as natural gas leaks and explosions), or decreases in demand for natural gas due to competition with alternative fuels. The Stock Exchange of Hong Kong also officially raised ESG disclosure requirements in 2024, which prompted the Group to further improve its process management. If with sound management absent, it may create long-term pricing risks for the Group in capital markets.

Environmental and Safety Management

China Gas has carried out dual-system certification both internally and externally, evaluating and improving the management of environmental and health safety across the Group. As of the end of March 2024, 88 project companies under its operational control have obtained external certifications of ISO 9001, ISO 14001, and ISO 45001, whose revenue accounted for 62.49% of the Group's total. In addition, project companies that account for 26.67% of the Group's total revenue have passed the internal audit of China Gas HSE, now with the certification of China Gas HSE management system. China Gas will further its moves for better environmental and safety management to ensure public safety, meet requirements of regulations, and drive sustainable development.

Carbon Neutrality and Climate-related Financial Opportunities

Against the backdrop of the targets and carbon-reduction pathways of the Roadmap to Carbon Neutrality for China's natural gas, we are stepping up our carbon reduction efforts, moving steadily to promote green operations, and cutting our operational carbon emissions degree by degree. Such initiatives include the promotion of EVs, transformation of motorcycles into e-bikes, upgrading gas refueling stations, growing charging piles, lowering methane emissions in storage and transportation by BOG recycling, research on biomass energy and research on new workmanship and technology as well as products of gas-powered tobacco drying rooms. Furthermore, as China's first enterprise to join the Oil and Gas Methane Partnership (OGMP) of the United Nations Environment Program, we are also a member of the China Oil and Gas Methane Alliance and United Nations Global Compact (UNGC). Such moves are expected to bring us RMB1,004,366,000 of positive financial implications each year, with an expected time frame of eight years for such opportunities to translate into results. Meanwhile, for now, costs for harnessing such opportunities are estimated at RMB64,500,000 per year.

Biodiversity

China Gas has always placed great importance on biodiversity conservation, as we are much aware that biodiversity is the foundation of a healthy ecosystem, crucial for ecological balance and human well-being. Biodiversity conservation helps to maintain the sustainable use of natural resources and ensure the ecological services needed for future development.

China Gas has taken multiple measures in biodiversity conservation. For each environmental assessment, it conducts specialized analysis and evaluation based on the local geology, lakes, rivers, forest vegetation, and habitat conditions, in reference with the "*Public Participation in Environmental Impact Assessment*" and the "*Post-2020 Global Biodiversity Framework*" to assess the reliability of the environmental assessment and thus ensure that the assessment meets relevant standards. We collect opinions and suggestions from the local public on project construction through websites, newspapers, and posting notices during the project period. Based on our compliance with local government requirements and relevant laws and regulations, we deliver well-grounded environmental assessments, with special attention to biodiversity assessments and our special risk assessments and management in this regard.

In addition, we incorporate relevant biological and vegetation risks in the special assessment through on-site surveys, integrating multi-disciplinary company-wide risk management processes, and putting dependency-related biodiversity risks in risk assessments. In addition, we also take the adjacent areas of upstream and downstream activities into account, resulting in our ecological assessments and protection of such places. For example, in the protection of ancient and famous trees, our strict conformity with the construction rules, prohibition of civil construction activities near ancient trees, and regular watering and dust suppression cut our impact on ancient trees. In addition, the Group has established a joint prevention and a control mechanism for air pollution covering provinces, together with our cross-regional coordinated prevention and control for key water bodies and drinking water sources, improving our risk prevention and monitoring system for groundwater pollution.

At present, our operational sites cover 5,865,500 square meters of temporary land and 77,700 square meters of permanent land in total. In adherence to the principle of green construction, using innovative energy-saving management technology and environmentally-friendly new materials and processes, we work to cut our impacts of construction on the environment. We have invited third-party assessors to conduct environmental/social impact assessments (EIA/SIA) and publicly disclose the results. Based on the evaluation results, we communicate and interview evaluators, implement, follow up and report relevant suggestions. If there are projects with significant biodiversity impacts, special management plans will be implemented to minimize the impact, and plans will be made to protect threatened animals and restore biological systems and habitats as well. There was no project with a significant biodiversity impact during the Reporting Period. These efforts reflect China Gas's commitment to environmental protection. The results of the environmental/social impact assessment can be accessed through public channels of the government.

Relevant evaluation results include:

High-pressure Pipeline Network Renovation Project of Huanggang Zhongran (East West Line)<https://www.eiacloud.com/gs/detail/1?id=30301dD1Ln>

Gender Diversity in the Workplace

China Gas is also committed to providing diversified development opportunities and voicing channels for female employees in the workplace, and expanding channels for women to participate in management and decision-making. In terms of employee promotion and development, we continue to boost the training and selection efforts for female leaders, bringing a certain proportion of female leaders to important departments and key positions as major leaders.

Table: females' employment

Indicator	Unit	FY2023/24
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	%	17
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	%	25
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	%	17
Share of women in STEM-related positions (as % of total STEM positions)	%	5
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers	%	14

Employee Development Programs

The Group enjoys superb strategic vision and systematic blueprints in talent cultivation and development. In order to keep employees up with the era and industry development trends, the Group has established a talent development academy and built a comprehensive training system. This training system covers multiple areas such as performance certification, leadership development, and business empowerment enhancement, in a bid to meet the needs of employees at various stages of career development and generate profound business value for the Group including quantitative impact of business benefits.

I. The “Frontline Employee Performance Ability Certification” Project

In order to further identify the performance abilities of employees in a well-grounded way, the Group

launched the "Frontline Employee Performance Ability Certification" project in 2022, to reasonably identify the performance abilities of employees and grow such abilities through certification. As of the end of FY2023/24, the Group has finalized the systematic certification standards for 16 types of positions in four service groups, and completed 19,082 certifications, achieving full coverage. Among them, 15,875 new certifications were added in this fiscal year, with an annual increase of 83%, achieving full coverage of employees in the above-mentioned positions. That not only enhanced the professional competence of employees, but also carved out strong competitiveness in staff for the Group in market competition, which can explain its growing competitiveness.

II. The “Young Managers 2023” Program

The Group has also launched the program of "Young Managers 2023", as a move to build a management team for companies and send talents to internal management positions. Through the training in this program, 97 have been promoted, with 67 of them appointed or seconded to management positions, accounting for about 70% of the program’s total. The implementation of this plan helped pooled high-quality leaders for the Group and thus enhancing its management.

III. The “Talent Plan”: training camp on market-based pricing

In response to the Group's market-based pricing, the "Talent Plan" is implemented as an empowerment training project for market-oriented pricing. This plan was crafted to help the Group achieve market-based pricing targets and enhance the overall capabilities of the business team. The project has produced a total of 112 operational implementation plans with 10 major strategic manuals published, providing valuable experience and instruments for frontline business teams, further driving the Group's commercial value growth.

Employee Support Programs

As an active player in cementing employees’ rights, the Group offers benefits such as prenatal examination leave, maternity leave, breastfeeding leave, paid parental leave for the primary caregivers and non-primary caregivers, and paid family care leave, along with maternity benefits for better work-family balance of employees.

Table: Paid-leave duration for employees who need to participate in family care

Paid parental leave for the primary caregiver	six weeks
Paid parental leave for the non-primary caregiver	six weeks

Long-Term Incentives for Employees

Adopted on 27 November, 2020, the Group adopted the Share Award Scheme which became effective on 23 August, 2023. According to the scheme, the Board of Directors has full discretion to select Directors, senior management, and consultants from any member company of the Group, as well as any member of the Group, including employees below the senior management level to participate in the scheme and determine the shares to be rewarded at any time. The scheme is valid and effective for 10 years from the

date of adoption. As of 31 March, 2024, the remaining validity period of the Share Award Scheme was approximately 6.5 years.

Shares available for grant under the scheme mandate of the Share Award Scheme at the beginning and the end of the financial year ended 31 March 2024 are 271,971,788 and 271,971,788 shares respectively, representing approximately 5.00% and 5.00% of all of its issued shares as of the date of this Report's release.

Type of Performance Appraisal

The Group is committed to building a well-grounded and comprehensive system for employee performance management, for the common growth and development of the companies and employees. To this end, the Group conducts regular performance appraisal and evaluations of the management, managers and general employees every year to ensure the abilities of employees at all levels align with the requirements of their positions.

In terms of team-performance evaluation, the Group implements differentiated mechanisms for team-based performance appraisal based on the actual business of each organization. Firstly, by signing the target responsibility agreements and the breakdown of process objectives, the Group scientifically and reasonably sets out assessment targets for different assessment periods, for monthly, quarterly, semi-annual, annual assessments, etc. for each unit. Furthermore, the Group implements differentiated significance design for process assessments, adhering to the principles of "policies tailored for each region" and "policies tailored for each company", closely monitoring the fulfillment of key performance indicators. Finally, in terms of result realization, competitive ranking is adopted to activate organizational vitality, ensure transparency in the process, and reward excellence while penalizing underperformance.

In terms of individual performance assessment, the Group has implemented the individual multidimensional performance appraisal (e.g. 360-degree feedback). The Group conducts a 360-degree multi-directional assessment and democratic assessment every six months, allowing all employees to provide and receive feedback on their work performance from colleagues, superiors, and subordinates, presenting them with a closer look to where they are at their tasks. In addition, in order to further enhance leadership of the management team, the Group conducts special leadership assessments of the management team annually to keep capabilities of its management in line with its development needs.

In terms of agile conversations and performance communication, the Group attaches great importance to regular communication with employees, with its informal performance feedback exchanges with employees every year, encouraging them to participate in setting personal performance objectives and reaching consensus with the management. At the same time, the Group will continuously monitor employees' work progress, provide necessary guidance and support, help employees adjust their work strategies in a timely manner. On top of that, the Group will conduct monthly performance discussions every quarter to achieve comprehensive closed-loop management of performance assessment.

Labor Rights Due Diligence

Always a human-centered company, we value and protect fundamental rights and interests of our employees. In employment agreements of the Group, the Group provides employees with clear job duties, remuneration, time-off and vacation time, labor protection, etc. to ensure that employees' rights are fully safeguarded. At the same time, there are also *Standards for Supervision and Assessment on Rewards and Punishments of Employment Management at China Gas*, with rightful employment in full compliance with the *Labor Law* and the *Labor Contract Law*, to keep employees' lawful rights and interests well protected.

The Group's hiring criteria feature a minimum age for employment over the China-set one, along with a ban on child labor, which ensure the protection of minors' rightful rights and interests. To combat forced labor, we are working to strengthen our risk identification for labor rights, both in our own operations and across the value chain, as well as other activities related to our business, including exploitation, discrimination and labor conditions. Relevant policies are formulated accordingly to help prevent and resist any form of exploitation, ensuring equal and fair workplaces for employees. For migrant workers at China Gas, the Group provides housing for talents to meet their accommodation needs and enable better living.

The Group is firmly committed to eradicating gender and ethnic discrimination in its employment processes, ensuring that all employees work in an environment of equality and fairness. At the same time, the Group strictly reviews employees' educational qualifications and other job requirements based on job requirements to ensure that employees are qualified to perform their duties. With employment always lawful, it protects the legitimate rights of its employees, prioritizes internal communication and negotiation, and respects all employees as well as labor rights.

Occupational Health and Safety of Contractors

The Group prizes safety management of contractors, committed to providing workplaces of safety for all partners. Our contractor management goes with a carefully-designed safety-assessment system for better safety awareness and emergency response capabilities of our contractors. By adhering to our principle of "three management and three neglection" in workplace safety, we keep our contractors in strict compliance with safety regulations during the construction, keeping safety hazards removed timely and smoothing out the project. Such moves are there to ensure better safety management across operations and projects all running safely and efficiently.

Table: Work-related fatalities for contractors

Indicator	Unit	FY2021/22	FY2022/23	FY2023/24
Work-related fatalities for contractors	Case	0	0	0

Protection of Customer Privacy Information

At China Gas, client privacy stands as a top priority, with a comprehensive privacy management system in place to ensure the safety and compliance of personal information. For its use of data, clients' data does not serve other purposes on top of the original ones unless given clients' explicit authorization. At the Group,

no client data was used for secondary purposes in FY2023/24, with a percentage of users with customer data used for secondary purposes of 0%, meaning customer privacy rights well protected. Going forward, with an ever-evolving mechanism of customer privacy protection, the Group will further escalate its management of customer information to keep customers' lawful rights and interests under sound protection for mutual trust-based partnerships with them in the long run.