

Appendix: The Top Three Material Issues Identified by ENN Energy in 2024

Material Issue	Business Case (Why It Is Important to ENN Energy's Business)	Impact Type on ENN Energy's Business	ENN Energy's Response Strategies under This Issue	ENN Energy's Goals and Indicators for This Issue	Goal Progress
Safe and Stable Gas Supply	ENN Energy's major customers include large industrial customers, small and medium - sized industrial and commercial customers, and household customers. Stable natural gas supply is the largest - proportion service provided by ENN Energy to these three major customer groups. In 2024, the turnover proportion of ENN Energy's natural gas retail business reached 55.3%, and the stability and safety of gas supply are the basis for the continuous operation of the business. Only by ensuring continuous and uninterrupted gas supply services can the Company meet customer needs, maintain business stability and growth momentum. Stable operation helps the Company better predict and manage costs, thus achieving more effective cost control and resource allocation. In addition, safe and stable gas supply can reduce customer complaints and	Operating Revenue, Operating Costs	<p><b>Regulatory Promotion:</b> The state attaches great importance to the safety issues of the gas industry. The Work Safety Committee of the State Council organises joint investigation teams to carry out regular inspections and special inspections for fundamental improvement in the gas industry, prompting the group to build a long - term mechanism for work safety and creating a favorable regulatory environment for safe and stable gas supply.</p> <p><b>Strengthening Internal Management:</b> Define 25 standard actions and regulatory requirements for third - party cross - construction line inspection and guardianship, etc., promote the management of potential hazards of hoses, cookers without</p>	The rectification rate of first - level gas leakage hazards remains 100%.	In 2024:The rectification rate of first - level gas leakage hazards was 100%.

	<p>compensation caused by gas supply interruptions or quality problems, thereby reducing operating costs. At the same time, it also helps to avoid potential legal risks and financial losses caused by gas supply accidents.</p>		<p>flameout protection devices, and direct - exhaust water heaters, and reduce safety hazards. At the same time, increase the construction of gas safety intelligent capabilities, achieve rapid dynamic perception, accurate identification, and risk indication of risks, and form a closed - loop intelligent tracking of risk items to ensure the safety and stability of gas supply.</p> <p><b>Resource Guarantee Measures:</b> At the resource end, relying on international long - term agreement resources and resources from the three major oil companies, realise the linkage of domestic and foreign resources and reduce resource costs. Strengthen cooperation with provincial gas companies and local resource suppliers to reduce the cost of transferred resources; add multiple download points, obtain the 3A shipper quota of the National Pipeline Network, and promote the interconnection of pipelines to enhance resource</p>		
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			guarantee and adjustment capabilities, ensuring safe and stable gas supply from the resource level.		
Customer Health and Safety	<p><b>Reducing Legal Risks:</b> Minimise legal disputes. Paying attention to customer health and safety can significantly reduce legal disputes caused by product or service problems. For example, ensuring the quality and safe use of natural gas can avoid consumer lawsuits caused by gas leakage or quality problems.</p> <p><b>Compliance Enhancement:</b> Strictly abide by safety standards and regulations to reduce violations and avoid penalties from regulatory authorities.</p> <p><b>Reducing Operational Risks:</b> Prevent accident losses. By ensuring customer health and safety, the Company can reduce the probability of accidents. For example, regular inspection and maintenance of natural gas pipelines can reduce the occurrence of leakage accidents, thus avoiding economic losses caused thereby. Ensure business continuity. Safety accidents often lead to business interruptions, affecting the Company's operations and revenues.</p>	Risk Management	<p><b>Hazard Management:</b> Comprehensively promote the management of potential hazards of hoses, cookers without flameout protection devices, and direct - exhaust water heaters, reducing safety risks caused by gas equipment problems and ensuring the health and safety of customers during gas use.</p> <p><b>Intelligent Safety Construction:</b> Deploy intelligent IoT devices in key scenarios such as indoors to achieve rapid dynamic perception, accurate identification, and risk indication of risks. It can timely detect and handle gas risks that may threaten customer health and safety, such as gas leakage, ensure that customers can obtain risk details and disposal progress in a timely manner, and implement safety measures to effectively guarantee customer health and safety.</p>	By 2030, the customer serious injury rate remains at 0.	In 2024, the customer serious injury rate was 0

	<p><b>Reducing Reputational Risks:</b> Enhance brand reputation. A natural gas public utility company that prioritises customer health and safety can win the trust and loyalty of consumers. This enhanced reputation helps the Company establish a good brand image in the market and attract more customers. Avoid negative public opinion. Safety accidents often trigger negative media reports and public doubts. By ensuring customer health and safety, the Company can avoid the impact of such negative public opinion and maintain its social image.</p>				
Resource and Energy Conservation	<p>In order to achieve resource and energy conservation, ENN Energy continuously promotes technological innovation and industrial upgrading. This prompts the Company to develop more energy - efficient and environmentally friendly new products and services, thus meeting the diversified needs of the market. The launch of new products and services will bring new sources of income to the Company and further enhance its value - creating ability. The Company also attaches importance to the infinite potential of the integration of digital</p>	Operating Revenue	<p><b>Resource Optimisation Allocation:</b> The group reduces customers' energy consumption costs through flexible price strategies and diversified resource allocation. While meeting customer needs, it avoids energy waste.</p> <p><b>Integrated Energy Business Model:</b> The integrated energy business promotes the development of businesses represented by the integrated energy micro-grid model, providing customers with multi-category energy and services. At the</p>	<p>1) By 2030, increase the proportion of photovoltaic power generation in the total electricity consumption of ENN Energy's office buildings to 10%. 2) By 2030, reduce the unit</p>	<p>1) Progress in 2024: 7.34%. 2) Progress in 2024: 12.1%. 3) Progress in 2024: 70%.</p>

	intelligence and low - carbon development.		same time, it improves the quality and efficiency of operating projects, and reduces costs and increases efficiency through measures such as replacing with low-cost heat sources, negotiating purchase prices, implementing system energy-saving renovations, and accurate metering, promoting energy conservation and efficient utilisation.	area energy consumption of ENN Energy's office buildings by 20%. 3) By 2030, replace 100% of ENN Energy's office vehicles with new-energy vehicles.	
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Appendix: The Two Most Important Material Issues for ENN Energy's Stakeholders in 2024

Material Issue	Business Value Chain Area of ENN Energy to Which the Issue Belongs	External Stakeholders of ENN Energy Affected by the Issue	Relevance between the Issue and ENN Energy's External Stakeholders	Impact Type	Quantitative Indicators for Measuring the External Impact of ENN Energy's Business Activities	Impact Assessment (What Is the External Impact of the Issue on the Environment and Society?)	Quantitative Impact Indicators
Customer Health and Safety	Product/Service	Consumers/ End-Users	In recent years, accidents related to product quality and safety, such as gas leakage and explosion, have attracted great attention from enterprises in the gas supply industry. Gas quality	Positive	In 2024, the actual indoor safety inspection rate was 98%, and the rectification rate of first-level gas leakage	In terms of residential customer hazard management measures, we investigated and	The actual indoor safety inspection rate was 98%, and the rectification

			<p>and safety are closely related to the life and property safety of customers. If an enterprise pays attention to gas quality and safety and improves product quality and safety management levels, it can minimise the risks of gas leakage and explosion, protect the life and property safety of customers and society, and have a positive impact.</p> <p>ENN Energy is committed to meeting customers' needs for a safe and healthy lifestyle.</p> <p>ENN Energy continuously conducts safety culture publicity work to improve users' awareness of safe gas use</p>		hazards was 100%.	corrected major hazards and indoor risks in accordance with safety management regulations. At the same time, we defined the baseline for safety assessment, regularly investigated long-unoccupied households, with an actual indoor safety inspection rate of 98% and a rectification rate of first-level gas leakage hazards of 100%	rate of first - level gas leakage hazards was 100%
Resource and Energy Conservation	Operation	Environment	For core external stakeholders, the government pays attention to whether the Company's business complies with the "Dual-Carbon" policy and	Positive	Helped society and customers reduce carbon emissions by 57.93 million tons	Helped society and customers reduce carbon emissions by 57.93 million tons	Helped society and customers reduce carbon emissions by 57.93 million

			<p>energy efficiency standards. Customers (industrial, commercial, and residential) rely on the Company's integrated energy solutions to reduce energy costs and meet their green demands. Investors evaluate the long - term value through the Company's ESG performance, and the community and the public monitor its environmental and social responsibilities.</p> <p>ENN Energy continuously enhances its competitiveness on the basis of compliance through technological innovation, policy response, and stakeholder cooperation, achieving a win - win situation for environmental and economic benefits.</p>				tons
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