KunLun Energy Company Limited
(incorporated in Bermuda with limited liability 於百慕達註冊之有限公司)
昆侖能源有限公司

2025

Environmental, Social and Governance Report



CONTENTS



About This Report 01
Message from the Chairman 03
Board Statement 05
About Us 07
ESG Strategy 11
ESG Management 17

Appendix 161
ESG Performance 161
Disclosure Index 169
Independent Limited Assurance Report 186
Reader Feedback 189
ESG Report Editorial Board Members 190

Governance

Deepening Lean Governance to Safeguard Long-term Success

Strengthening Corporate Governance 29
Lawful and Compliant Corporate Governance 38
Upholding Business Ethics 44
Strictly Safeguarding Information Security 48

Environmental

Dedicated to Green Development, Cultivating a Strong Ecological Foundation

Addressing Climate Change 53
Efficient Resource Utilization 74
Implementing Green Operations 84
Building a Strong Ecological Barrier 98

Social

Blue Flame Guardians Protecting People's Livelihoods, Together Composing a Glorious Chapter

Ensuring Energy Security and Stability 105
Safeguarding Health and Safety 113
Strengthening the Foundations of Quality 125
Improving Customer Experience 130
Driving Technological Innovation 138
Collaborating with Value Chain Partners 143
Adhere to the People-oriented Principle 149
Practising Public Welfare Responsibilities 156

About This Report

Report Objectives

The *Kunlun Energy Company Limited 2025 Environmental, Social and Governance Report* (hereinafter referred to as "this Report" or "the Report") is the tenth Environmental, Social and Governance (hereinafter referred to as "ESG") report published by Kunlun Energy Company Limited (hereinafter referred to as "Kunlun Energy", "the Company", or "we"). This Report aims to disclose Kunlun Energy's performance in environmental, social, and corporate governance aspects for the year 2025 in an open and transparent manner, truthfully reflecting the Company's sustainability strategies and practices, and identifying and responding to material issues of concern to stakeholders.

Reporting Period

This is an annual report covering the period from 1 January 2025 to 31 December 2025 (hereinafter referred to as "the Year"). To enhance the comparability, foresight, and continuity of the Report, certain contents may trace back to previous years or include forward-looking statements.

Reporting Boundary

The scope of this Report was determined by the Company's management after considering resource allocation and the operational status of different business segments, encompassing subsidiaries over which the Company exercises actual operational control. For a detailed list of covered subsidiaries, please refer to the "Principal Subsidiaries" section within the Consolidated Financial Statements of the Company's 2025 Annual Report.

Reporting Cycle

This is an annual report with a publication cycle of one year.

Definitions

- Parent Company: The parent company of the Company is China National Petroleum Corporation (hereinafter referred to as "CNPC" or "the Parent Company").
- Provincial-level Companies: Refers to the Company's second-tier units.
- Project Companies: Refers to the Company's third-tier units.

Reporting Basis

This Report has been prepared in accordance with the *Environmental, Social and Governance Reporting Guide* set out in Appendix C2 to the *Main Board Listing Rules of The Stock Exchange of Hong Kong Limited* (HKEX), as well as the following reporting standards and frameworks:

- GRI Sustainability Reporting Standards (GRI Standards) issued by the Global Sustainability Standards Board (GSSB)
- *IFRS Sustainability Disclosure Standard No. 2 – Climate-related Disclosures* (IFRS S2) issued by the International Sustainability Standards Board (ISSB).
- *Sustainability Accounting Standard* for Gas Utilities & Distributors issued by the Sustainability Accounting Standards Board (SASB).
- United Nations Sustainable Development Goals (UN SDGs).
- *ESG Indicator System for ESG Reports of Listed Companies Controlled by Central Enterprises* issued by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC).

Reporting Principles

This Report follows the reporting principles of Materiality, Quantitative, Balance, and Consistency as defined in the HKEX *Environmental, Social and Governance Reporting Guide*, and fulfills disclosure obligations under the "Mandatory Disclosure" and "Comply or Explain" provisions.

Materiality	Through the assessment of material issues, the degree of impact of ESG-related matters on various stakeholders is confirmed, with key responses and disclosures provided for issues of high importance.
Quantitative	Key Performance Indicators (KPIs) are presented in a measurable manner, with the basis for calculations and the statistical scope of quantitative values disclosed.
Balance	The contents of this Report reflect objective facts, disclosing both positive and negative indicators to present the Company's ESG performance in an unbiased manner.
Consistency	Unless otherwise stated, this Report adopts disclosure and statistical methodologies consistent with previous years to ensure that ESG data remains continuous and comparable with historical and future data. Any changes to the statistical scope will be annotated within the Report.

Information Statement

All information disclosed in this Report is derived from internal Company documents, consolidated statistical data, and performance of subsidiaries in fulfilling their responsibilities. The preparation was led by the Company's ESG Management Office, with participation from various departments and external experts experienced in fields such as biodiversity and supply chain management. The Report has been reviewed by management, deliberated and approved by the Sustainability Committee and the Board of Directors, which exercise oversight over the contents. Unless otherwise specified, all monetary amounts in this Report are denominated in Renminbi (RMB).

Report Quality Assurance

The Company strives to ensure the integrity, materiality, balance, and comparability of the Report, systematically expounding upon the enterprise's philosophy, systems, actions, and performance in pursuit of economic, environmental and social development. The Company guarantees the objectivity, accuracy, and completeness of the Report's contents, which contain no material misstatements or omissions. Through the publication of this Report, the Company aims to enhance the ESG management level, strengthen stakeholder communication, and promote sustainable development.

Contact and Feedback

The Company sincerely looks forward to hearing valuable opinions and suggestions from stakeholders to enhance our ESG capabilities and continuously improve ESG performance. Should you have any questions regarding this Report or require a printed version, please feel free to contact the Company via email at info@kunlun.com.hk or by telephone at (852) 2522 2282.

Message from the Chairman



A New Chapter of Progress and Renewal. The year 2025 marked the successful conclusion of the "14th Five-Year Plan." Standing at a critical juncture of strategic transformation, Kunlun Energy has remained steadfast in developing a green integrated energy supply system. We have embraced our mission to safeguard national energy security, advanced with determination through comprehensive reforms, and advanced with strong momentum in promoting high-quality development. Consequently, our core businesses have achieved simultaneous growth in both volume and quality, further consolidating the foundations of our sustainable development.

Over the past year, we have remained true to our original aspirations, demonstrating our commitment to national strategies and public well-being. Safeguarding energy supply is a "paramount national priority" that demands constant vigilance. Kunlun Energy has consistently regarded the protection of national energy security as our core mission. Leveraging the synergistic advantages of our entire industrial chain, we scientifically coordinated resource allocation with market supply-and-demand balance. During the peak energy demand periods of winter and summer, our daily sales volumes reached record highs, ensuring stable energy supplies for key regions, critical periods, and core industries. Through the active promotion of "coal-to-gas" projects, we laid natural gas pipelines for thousands of administrative villages, benefiting over 1.6 million rural households. Our terminal user base has surpassed 17 million—a figure that serves as a vivid testament to our corporate mission and reflects the trust and mandate placed in Kunlun Energy by the public.

Over the past year, we have refined our corporate governance capabilities and enhanced our ESG framework, gaining widespread market recognition. We have deeply advanced the construction of our compliance management system, with a total of 30 provincial-level subsidiaries obtaining ISO 37301 compliance management system certification. We strengthened our operational risk prevention and dynamic monitoring systems, focusing efforts on key areas such as internal control and risk management to continuously improve governance efficiency. By establishing the "BRIGHT" ESG strategic framework, we have deeply integrated ESG principles into our strategic core and operational fabric. Our commitment to elevating ESG management resulted in our MSCI ESG rating rising to "A", garnering significant recognition from the capital markets.

Over the past year, we have strictly maintained the bottom line of safe development, building a robust barrier for occupational health and safety. Upholding the philosophy of "Putting People and Life First," we solidly advanced the three-year action plan for tackling root causes of production safety issues. We completed the annual specialised rectification tasks for the defective operation of urban gas pipelines on schedule, upgrading 280 kilometres of aged pipeline networks and achieving the dynamic elimination of major safety hazards. We continued to refine our occupational health and safety management system, comprehensively strengthening employee health protection and full-process safety controls. By strictly enforcing production safety responsibilities and continuously enhancing intrinsic safety levels, we achieved a Lost Time Injury Frequency Rate (LTIFR) of zero per million hours worked and recorded zero work-related fatalities.

Over the past year, we have anchored ourselves to a low-carbon development path, deploying multi-energy integration to build a green ecosystem. Guided by China's "Dual Carbon"goals (carbon peaking and carbon neutrality), we integrated climate-related risk and opportunity management into our regular mechanisms and published our second *Climate Action White Paper*. The physical intensity of our carbon dioxide emissions decreased by 18.8% compared to 2024. We created an innovation stronghold for the integrated development of natural gas and new energy, vigorously promoting clean energy businesses such as gas-fired power and distributed photovoltaics. Throughout the year, we added 3,719 MW of new gas-fired power capacity and brought 50 distributed photovoltaic projects into operation, marking solid progress in our green and low-carbon transition. We strictly implemented ecological and environmental protection requirements, achieving full compliance with the discharge of waste gas, wastewater, and solid waste. Furthermore, we were honored as a "Green Enterprise" by our Parent Company, taking practical action to implement strategies for carbon reduction, pollution control, green expansion, and sustainable growth.

Over the past year, we have activated the momentum of technological innovation, accumulating long-term development potential through digital transformation. Aligning with the trends of digitalization and intelligent transformation in the energy industry, we successfully launched systems such as the centralised ERP and production operations platform. The "Yunmengze" smart platform operated stably, and artificial intelligence technology was deployed across scenarios including safety supervision and customer service. We steadily progressed major engineering projects, including the Fujian LNG project and the Jiangsu LNG storage tank expansion, while the gas supply pipeline for Lanhai New Materials was fully completed. These technological innovations and engineering achievements have injected strong impetus into our strategic transformation.

Though the road is long and arduous, persistent action will lead us to our destination; with unceasing effort, a promising future is within reach. 2026 is the inaugural year of the "15th Five-Year Plan" and a pivotal year for the Company to comprehensively advance high-quality, sustainable development. Standing at this new historical starting point, Kunlun Energy will focus on our primary responsibilities and core businesses, maintaining "safeguarding supply and increasing efficiency" as our main line of work. Driven by "green transformation and market-oriented reform," we strive to achieve development that is safer, greener, more efficient, of higher quality, and more sustainable. We are fully committed to building ourselves into an internationally renowned and domestically first-class integrated green energy supplier, demonstrating greater initiative and writing a new chapter in safeguarding national energy security, serving economic and social development, and driving the high-quality evolution of the industry.



Chairman and Executive Director

Board Statement

Kunlun Energy attaches great importance to ESG matters and has established an efficient, three-tier ESG governance structure[1] characterised by top-down coordination. As the highest authority responsible for ESG matters and the primary decision-making body, the Board of Directors reviews and approves ESG strategies, policies, targets, and key initiatives. In 2025, the Board of Directors actively participated in multiple ESG training sessions and prioritised ESG discussions during four regular Board meetings, providing high-level guidance for the advancement of the Company's ESG initiatives.

The Board has established a Sustainability Committee, which is responsible for formulating ESG strategic plans and specific targets, as well as supervising and guiding the ESG Management Committee in advancing ESG management. We actively explore performance evaluation linkage mechanisms by incorporating key ESG indicators into the KPI systems for senior and middle management, ensuring the effective implementation of our ESG strategic objectives.

To effectively prevent and control various potential risks, we formulated the *Administrative Measures for Environmental, Social and Governance (ESG)* in 2025, integrating ESG-related risks into the Company's comprehensive risk management system. The Sustainability Committee periodically reviews and assesses ESG-related risks and opportunities that have a material impact on the Company, reporting to the Board and providing recommendations for response strategies.

The Company values communication and exchange with stakeholders, utilising multiple channels to fully understand their core concerns, respond to their expectations, and integrate their constructive suggestions into the Company's governance, strategy, and operations. During the reporting period, the Board participated in the materiality assessment of ESG issues. Through interviews and questionnaire surveys, 20 issues potentially impacting the Company were identified and evaluated, subsequently ranked, and addressed with targeted recommendations[2].

Through regular and specialised reports from the Sustainability Committee and professional consultants, the Board continuously monitors the Company's ESG-related affairs. This includes reviewing ESG targets and carefully examining the Company's ESG framework and internal management systems to evaluate their adequacy and effectiveness, ensuring robust support for ESG activities. During the Year, the Board discussed and made decisions on ESG-related matters at four regular meetings:

In March 2025

The Board deliberated and approved the 2024 ESG Report and provided strategic guidance for Kunlun Energy's ESG enhancement initiatives in 2025.

In May 2025

The Board listened to and discussed the interpretation of ESG policies and the progress of ESG work, promoted the formulation of ESG strategic planning and the improvement of management, and provided guidance for the preparation of various reports.

In August 2025

The Board reviewed the Company's semi-annual ESG progress report and put forward phased recommendations for ESG rating enhancement.

In December 2025

The Board reviewed the Company's 2025 ESG work, clarified the path for Kunlun Energy's ESG management improvement as well as finalised and issued the ESG work target for 2026.

This Report provides an objective and detailed disclosure of the progress and achievements of Kunlun Energy's ESG work in 2025. It was deliberated and approved by the Sustainability Committee and the Board of Directors on 19 March 2026 and 24 March 2026, respectively. Moving forward, the Board will continue to oversee and refine the Company's ESG management and practical performance, joining hands with stakeholders to create a sustainable future.

[1] Please refer to the "ESG Management – Governance Structure" section of this Report for further details.
[2] Please refer to the "ESG Management – Materiality Assessment" section of this Report for further details.

About Us

Corporate Profile

Kunlun Energy (Stock Code: 00135.HK) is an international energy company controlled by China National Petroleum Corporation (CNPC) and listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company serves as the primary financing and investment platform for CNPC's natural gas business, as well as the management platform for its integrated natural gas terminal utilisation business. The Company's strategic portfolio encompasses urban gas, Liquefied Natural Gas (LNG), Liquefied Petroleum Gas (LPG), gas-to-power and new energy. With operations spanning 31 provinces, autonomous regions, municipalities directly under the Central Government and the Hong Kong Special Administrative Region (HKSAR), Kunlun Energy stands as one of the largest domestic enterprises in terms of natural gas terminal utilisation and LPG sales volume.



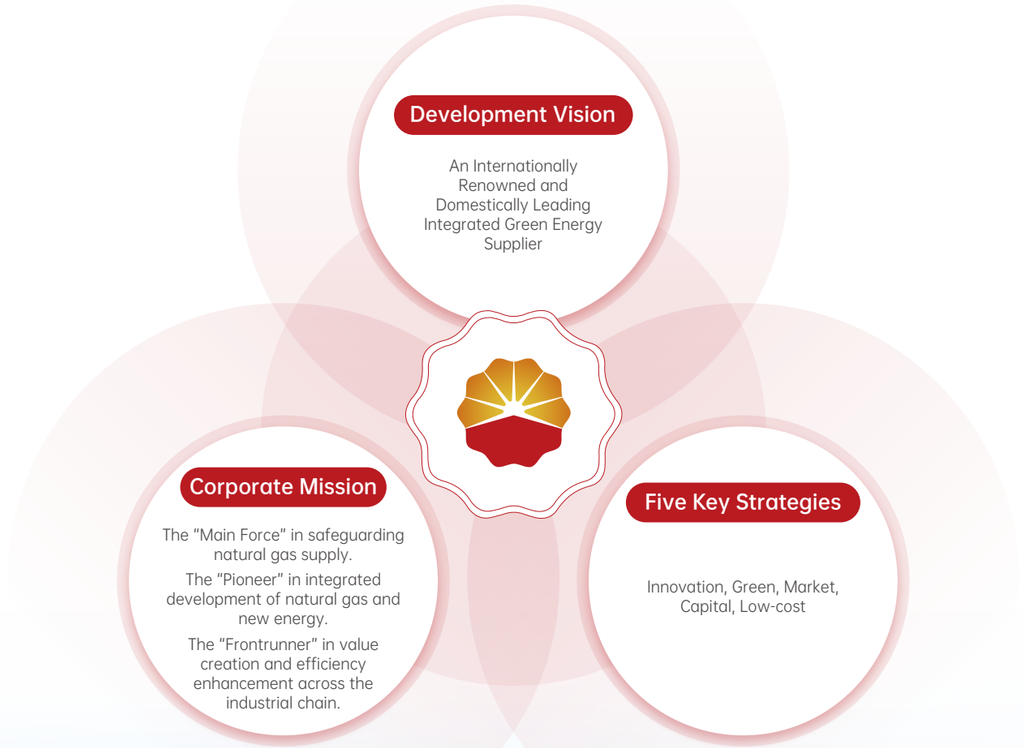
Corporate Performance

Leveraging our robust foundations, Kunlun Energy is committed to developing a safe, reliable, clean, and efficient energy supply system for a diverse range of users. By providing comprehensive, high-quality services, the Company has achieved steady growth in operating performance for several consecutive years.

Indicator	Unit	2023	2024	2025
Revenue	100 million yuan	1,773.5	1,870.5	1,939.8
Total Assets	100 million yuan	1,435.2	1,433.9	1,441.2
Sales Volume of Natural Gas	100 million cubic metres(m^3)	492.8	541.7	592.6
Annual Sales Volume of LPG	10,000 tonnes	576.8	578.4	614.8
Number of Natural Gas Users	10,000 households	1,560.4	1,645.4	1,719.2

Corporate Culture

Kunlun Energy's corporate culture embodies a unique synthesis of industrial legacy and contemporary ethos, demonstrating the traits of openness, innovation, and responsibility.





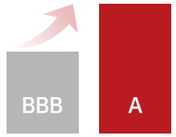
Corporate Recognitions and Achievements

Kunlun Energy is steadfastly committed to the path of sustainable development. By actively collaborating with shareholders, customers, employees, and other stakeholders, we have fostered a powerful collective force for development, steadily advancing towards a new milestone of excellence in ESG management. During the reporting period, the Company achieved remarkable results in ESG practices, attaining record-high scores across several authoritative domestic and international ESG ratings. Leveraging our outstanding capacity for sustainable value creation, we have garnered widespread recognition from the capital markets and were successfully included in 26 constituent indices.

ESG Ratings Performance

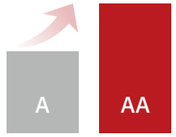
MSCI ESG Ratings

Upgraded from BBB to A



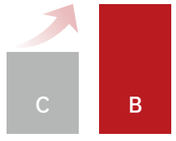
Wind ESG Ratings

Upgraded from A to AA



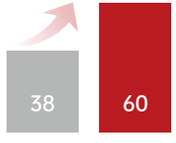
CDP Climate Change Questionnaire

Upgraded from C to B



S&P Global ESG

Improved from 38 to 60



Awards and Honors

Ministry of Ecology and Environment 2025 Compilation of Typical Corporate ESG Case Studies	Hong Kong International ESG Rankings Best ESG Pioneer
Wind 2025 Wind Top 100 ESG Best Practices Among Chinese Listed Companies	All-China Environment Federation 2025 China Corporate ESG 100 Index
2025 For Good Awards 2025 For Good Enterprise	Extel (Internationally Renowned Research and Rating Agency)[3] Best Investor Relations Program Best Investor Relations Team Best Board of Directors Best Overall ESG Best Investor Relations Professional

Memberships and Industry Associations

China Business Council for Sustainable Development (CBCSD)	China Oil and Gas Methane Alliance	China City Gas Association (CCGA) the Standards Working Committee the Safety Working Committee	Hazardous Chemicals Logistics Branch of the China Federation of Logistics & Purchasing (CFLP)
Council Member	Member	Chairman Unit	Council Member

[3] Extel, an internationally authoritative research and rating agency, was formerly known as Institutional Investor.

List of Constituent Indices

Hang Seng Composite Index	Hang Seng SCHK State-owned Enterprise (SOEs) Value Index
Hang Seng China-Affiliated Corporations Index	Hang Seng SCHK Central SOEs Low Volatility Index
Hang Seng Large-cap Index	Hang Seng SCHK SOEs Momentum Index
Hang Seng Composite Industry Index (Utilities)	Hang Seng Stock SCHK SOEs Select Index
Hang Seng SCHK China Central SOEs ESG 40 Inde	Hang Seng China High Dividend Yield Index
Hang Seng SCHK China Central State-owned Enterprises Index	Hang Seng China Central SOEs Index
Hang Seng SCHK China Central State-owned Enterprises ESG Enhanced Index	Hang Seng Stock Connect Hong Kong Index
Hang Seng SCHK China Central State-owned Enterprises ESG Index	Hang Seng Large-Mid Cap Momentum Comprehensive Index
Hang Seng SCHK State-Owned Enterprises Value Index	Hang Seng Large-Mid Cap Value Comprehensive Index
Hang Seng SCHK Central SOEs Low Volatility Inde:	Hang Seng Defensive Industries Index
Hang Seng SCHK SOEs Select Index	Hang Seng SCHK Telecommunications & Utilities Index
Hang Seng SCHK China Central SOEs High Dividen Yield Index	Hang Seng SCHK Telecommunications & Utilities (Investable) Index
Hang Seng China Central SOEs Index	Hang Seng SCHK High Dividend Low Volatility Index

ESG Strategy

This year, closely aligning with industry trends and the core concerns of our stakeholders, we have established the "BRIGHT" ESG Strategic Framework. This framework is anchored by the vision of being an "Positive Environmental Value Contribution, Preferred Partner for Society, Industry Model of Integrity and Compliance, and Benchmark Recognised by the Industry." We have formulated a comprehensive ESG Strategic Plan that integrates ESG principles into the Company's overarching strategy. By focusing on material issues and deepening our operational deployment, we promote the profound integration of ESG strategy with our business operations, striving to practice sustainable development through multi-dimensional synergy.

ESG Vision

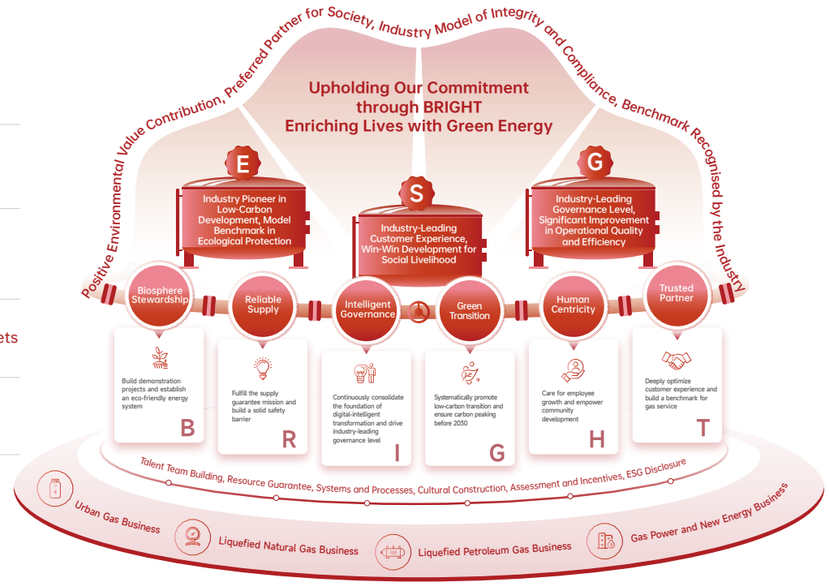
ESG Strategy

Strategic Issues

Outline of Strategic Targets

Enabling Guarantees

Strategic Foundation



The Kunlun Energy "BRIGHT" ESG Strategic Model



ESG Strategic Development Goals

ESG Targets[4] and Progress

We firmly believe that clearly defined ESG targets are essential to driving corporate sustainable development and represent a vital way to respond to the expectations of our stakeholders. Kunlun Energy has established a systematic, science-based, and distinctive management system for ESG indicators and targets. Each year, the Company maintains and updates our ESG targets to ensure they remain both challenging and adaptive. This continuous refinement enhances our environmental, social, and governance disclosure quality and management capabilities.

Short-term Targets

Dimension	Issues	2025 Target	2025 Progress	Target Achieved	2026 Target
Environmental	Compliance Rate of Waste Gas Disposal	100%	100%	√	100%
	Compliance Rate of Wastewater Disposal	100%	100%	√	100%
	Compliance rate of Solid Waste Disposal	100%	100%	√	100%
	Energy Savings[5]	⩾ 1,400 Tonnes of Standard Coal Equivalent (tce)	1,690 tce	√	⩾ 1,500 tce
	Water Savings	5,000 m^3	14,900 m^3	√	5,000 m^3
	Carbon Dioxide Emission Physical Intensity	2% Decrease Compared to 2024	18.8% Decrease Compared to 2024	√	2% Decrease Compared to 2025
	Electrification rate	>60%	66.14%	√	>61%
Social	Safety Training Coverage Rate	100%	100%	√	100%
	Lost Time Injury Rate (LTIR) for Employees and Contractors	⩽ 0.5	0	√	⩽ 0.03
	New Cases of Occupational Diseases	0	0	√	0
	Detection Rate of Occupational Hazard Factors	100%	100%	√	100%
	Occupational Health Check-up Rate	100%	100%	√	100%
	Cases of Child Labour Employment[6]	0	0	√	0
	Cases of Forced Labour	0	0	√	0
	Customer Satisfaction	⩾ 99.0%	99.5%	√	⩾ 99.0%
	Percentage of Admitted Suppliers with ISO 45001 Certification	100%	100%	√	100%
	Execution Rate of Gas Quality Testing Plan	100%	100%	√	100%
	Pass Rate of Gas Quality Sampling	100%	100%	√	100%
Governance	Anti-corruption Training Coverage for Directors	100%	100%	√	100%
	Anti-corruption Training Coverage for Employees and Partners[7]	100%	100%	√	100%

[4] All ESG targets set by Kunlun Energy cover all of the Company's operational sites.
[5] The benchmark for energy savings is the previous year's energy consumption.
[6] According to Article 15 of the *Labour Law of the People's Republic of China* and Article 61 of the *Law of the People's Republic of China on the Protection of Minors*, child labour refers to minors under the age of 16.
[7] Partners include suppliers, contractors, and service providers, and the same applies hereinafter.

Mid-term and Long-term Targets

Dimension	Targets / Commitments	2025 Achievement Status
Environmental	Achieve peak carbon dioxide emissions by 2030 Achieve net zero emissions in the LPG business, urban gas business and branch pipeline business by 2035 Achieve net zero emissions across the entire Company by 2050	• Establishment and refinement of the GHG emission control system: Leveraging the centralised carbon asset management platform, the Company performs statistical analysis on carbon emission data, successfully transitioning from results-based management to source-based control • Steady enhancement of GHG accounting capabilities: we completed the Scope 3 carbon inventory for 2024, and have gradually initiated carbon footprint accounting for key products
	Reduce methane emission intensity by 20% by 2030 (compared to 2020) Reduce methane emission intensity by 40% by 2040 (compared to 2020)	Achieved a 41% reduction in methane emission intensity relative to the 2020 baseline
	Reduce office building energy consumption by 20% by 2030 (compared to 2020)	Electricity consumption in office buildings achieved a year-on-year reduction of 7.2% in 2025
	Phase out all diesel vehicles by 2030	Remaining 287 diesel vehicles[8]
	Increase the proportion of green electricity consumption to 40% by 2035 Increase the proportion of green electricity consumption to 60% by 2040	The proportion of green electricity consumption was 9.56%
	The proportion of non-fossil energy consumption reach 30% by 2035 The share of non-fossil energy consumption exceeds 50% by 2040	The proportion of non-fossil energy consumption was 48.19%
Social	The Lost Time Injury Rate (LTIR) for employees and contractors shall be ≤ 0.02 by 2030	LTIR for employees and contractors 0
	Maintain 100% safety training coverage	Safety training coverage 100%
	Maintain 100% detection rate of occupational disease hazard factors	Detection rate of occupational disease hazard factors 100%

[8] Diesel vehicles currently continue to perform critical support functions, including emergency response, rescue operations, and field work. The Company will persist in the efforts to phase out these vehicles and accelerate the transition to updated alternatives. Furthermore, operations in Northeast China are constrained by harsh weather conditions, including low temperatures and heavy snow. In these extreme working environments, the suitability and reliability of diesel vehicles are significantly superior to those of petrol or new energy alternatives. The Company is actively exploring innovative solutions to address these regional challenges.

Dimension	Targets / Commitments	2025 Achievement Status
Social	Maintain zero new cases of occupational diseases	Number of new occupational disease cases 0
	Reach over 90% problem resolution rate for intelligent customer service by 2030	Intelligent customer service resolution rate 70%
	Maintain customer satisfaction above 99%	Customer satisfaction 99.5%
	Build "Mother-and-Baby Rooms" in 15 provincial-level subsidiaries by 2030	Accumulated 7 "Mother-and-Baby Rooms"
	Build over 15 core laboratories by 2030, achieving 90% in-house testing for main products	3 CNAS-certified laboratories built
	Maintain a 100% pass rate of gas quality sampling inspections, maintain a 100% first-time acceptance rate for project engineering quality, maintain a 100% first-time success rate for project commissioning and operation	Pass rate of gas quality sampling inspections 100%, first-time acceptance rate for project engineering quality 100%, first-time success for project commissioning and operation 100%
	Maintain 100% supplier assessment rate, covering compliance, environment, business ethics, health and safety, quality, and human rights	Supplier assessment rate 100% (covering compliance, environment, business ethics, health and safety, quality, and human rights)
	Ensure 100% of admitted suppliers pass ISO 45001 occupational health and safety management system certification	Percentage of admitted suppliers with ISO 45001 certification 100%
Governance	Achieve 100% certification coverage of ISO 37301 compliance management system for provincial-level subsidiaries and complete overall certification by 2030	The ISO 37301 compliance management system certification coverage of provincial subsidiaries reached 77%
	Maintain annual anti-corruption training for directors, employees, and partners 100%	Anti-corruption training for directors, employees, and partners 100%
	Increase the proportion of female directors to 30% by 2030	Proportion of female directors 14.29%

ESG Management

Kunlun Energy actively practices the philosophy of sustainable development, fully integrating it into strategic planning, business decision-making, and daily operational management. We continuously refine our ESG governance framework and have established a normalised communication mechanism with stakeholders. By consistently enhancing our sustainable development capabilities, we work hand-in-hand with all stakeholders to co-create sustainable value.

Governance Structure

Kunlun Energy has established a clear, well-defined, and highly efficient ESG Governance Architecture with distinct hierarchies and responsibilities. By clarifying the functional boundaries and decision-making processes at each level, the Company has formed a governance mechanism characterised by top-down coordination and horizontal synergy. ESG risks and opportunities are systematically embedded into key stages, including investment decision-making, project construction, and production operations. This ensures the comprehensive integration of ESG principles into the entire lifecycle of business management, supporting the Company's high-quality development and sustainable value creation.

During the reporting period, the Company formally compiled and released the *Management Measures for Environmental, Social, and Governance (ESG)* and the *Management Measures for Environmental, Social, and Governance (ESG) Information Disclosure*. These publications further refine the ESG governance framework, defining management responsibilities, work processes, appraisal requirements, and information disclosure standards. This initiative drives the normalisation, standardisation, and institutionalisation of ESG management, continuously enhancing the Company's governance standards and the quality of the information disclosure.



ESG Governance Structure

Governance Tier	Responsibilities
Board of Directors	Responsible for approving major ESG matters, supervising the implementation of ESG strategies and target progress, authorizing the Sustainability Committee to coordinate ESG work, and regularly listening to reports and recommendations.
Sustainability Committee	Reviewing the Company's ESG policies, governance structure, rules and regulations, ESG strategic plans and targets; regularly reviewing implementation and target progress; identifying and evaluating ESG risks and opportunities facing the Company; reporting work progress to the Board, and proposing corresponding recommendations.
ESG Management Committee	Executing ESG decision-making deployments of the Board and Sustainability Committee, reviewing major ESG management matters, inspecting and supervising the work progress of professional working groups and departments, coordinating and resolving major cross-departmental issues, and reporting to the Sustainability Committee.
ESG Management Office	Formulating the Company's ESG policies, governance structure, rules and regulations, strategic plans and targets; regularly inspecting implementation and target progress; establishing ESG risk and opportunity management mechanisms, and conducting ESG communication and cooperation with stakeholders.
Green and Low-Carbon Task Force	Conducting material issue identification, building and improving the indicator system, formulating targets and optimization measures, promoting issue performance management, and coordinating ESG risk and opportunity management.	Responsible for the management of environment-related material issues.
Social Responsibility Task Force		Responsible for the management of society-related material issues.
Corporate Governance Task Force		Responsible for the management of governance-related material issues.
Headquarter Departments, Business Divisions, and Affiliated Companies	Incorporating ESG work into department and unit responsibilities, participating in relevant work as required, and reporting on progress.

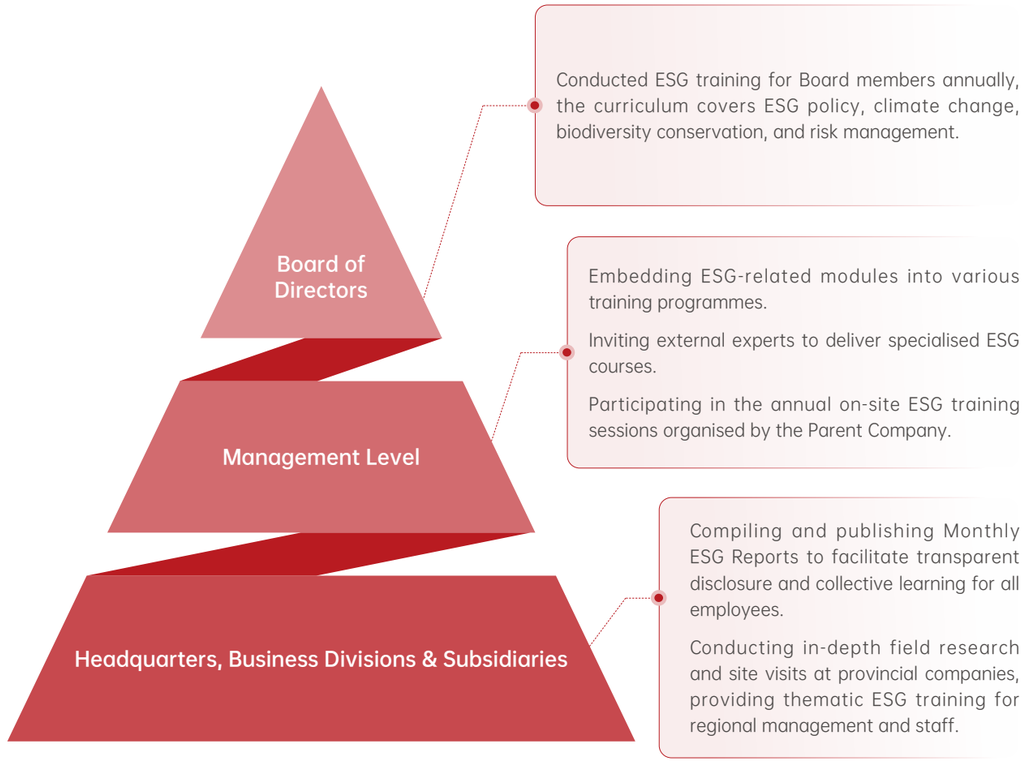
During the year, the Company established a comprehensive ESG indicator system and formulated the *ESG Indicator System (2025 Edition)*. We concurrently completed the allocation of indicator responsibilities, cascading requirements down to all departments and subsidiaries. This provides clear guidelines and a factual basis for the standardised execution of daily ESG management.

To deeply integrate ESG principles into our core operations, the Company has linked the variable remuneration of Executive Directors and senior management to the Company's ESG performance indicators[9].

[9] For further details, please refer to the "Remuneration Policy" section of this Report.

ESG Training

Kunlun Energy has established a comprehensive, tiered, categorised and normalised ESG training system, forming a training mechanism that spans the decision-making, management, and execution levels. This system fully integrates ESG principles and competency requirements into the corporate culture, business processes, and employee conduct. At the decision-making level, the Company conducts specialised ESG empowerment training for the Board of Directors and senior management to strengthen their strategic awareness, risk assessment capabilities, and ESG integration in decision-making. At the management and execution levels, systematic ESG awareness and professional training are provided to drive the effective implementation of ESG management requirements throughout business operations.



ESG Training System

Case

2025 ESG Specialised Training

From 12 to 14 March 2025, the Company hosted the 2025 Annual Specialised ESG Training, attended by management personnel from both Headquarters departments and provincial-level subsidiaries. The programme featured lectures delivered by several senior industry experts, focusing systematically on core topics including ESG policies, regulations, and regulatory requirements; ESG management system development; ESG information disclosure and communication; climate-related financial risk management; and the green, low-carbon transition and green finance opportunities within the energy sector. This session effectively enhanced the professional literacy and practical operational capabilities of the participants, providing robust support for the systematic, standardised, and professional advancement of the Company's ESG framework.



Training Site

Key Performance Indicators

In 2025, conducted

4 ESG training sessions specifically for the Board of Directors, achieving 100% coverage of all Board members.

3 ESG training sessions were held for management personnel at all levels

reaching a total of

114 attendances

Stakeholder Engagement

The Company incorporates stakeholder engagement into our corporate governance system and sustainable development strategy. We have formulated and implemented the *Stakeholder Engagement Policy*[10], establishing a tiered, comprehensive, standardised and efficient management mechanism. By systematically identifying stakeholders, managing their expectations, and maintaining interactive communication, we aim to build a symbiotic and win-win sustainable development ecosystem.

Stakeholders	Expectations & Requirements	Engagement Channels	Our Responses
End Consumers	• Customer health and safety • Stable energy supply • Product and customer service quality • Privacy protection and information security management	• Service centers (real-time) • Online APP (real-time) • Customer service hotline (real-time) • Email (real-time) • Customer satisfaction survey (annual)	• Receive customer feedback and complaints • Enhance the quality of products and services • Organise safety inspections and advocacy • Conduct customer satisfaction surveys • Improve privacy policies and strengthen technical measures
Commercial Customers	• Customer health and safety • Product and customer service quality • Stable clean energy supply • Privacy protection and information security management	• Customer communication symposiums (annual) • Customer service hotline (real-time) • Email (real-time) • Customer satisfaction survey (annual)	• Accept customer feedback and complaints • Enhance the quality of products and services • Strengthen energy reserve and regulation capabilities • Conduct customer satisfaction surveys • Improve privacy policies and strengthen technical measures
Government and Regulatory Authorities	• Business ethics and anti-corruption • Risk control • Green and low-carbon development • ESG management • Energy supply guarantee • Community charity and local development	• Participate in policy formulation (irregular) • Company announcements (irregular) • Meetings (irregular)	• Strengthen business ethics supervision • Implement product quality inspection and safe production • Improve resource utilisation efficiency and clean energy use • Formulate ESG strategies and targets • Strengthen energy reserve and regulation capabilities • Conduct business activities according to local development needs
Suppliers and Contractors	• Transparent procurement • Sustainable supply chain management • Strengthen cooperation and communication	• Supplier training (annual) • Bidding (irregular) • Strategic cooperation (irregular)	• Establish and improve supplier management procedures • Promote transparent procurement • Conduct business communication
Company Management	• Stable performance growth • Compliance and risk management • Respond to national development policies • ESG management	• Internal meetings (monthly) • Telephone/email communication (irregular) • One-on-one interviews (irregular)	• Operate in compliance with laws and regulations • Strengthen risk management • Formulate ESG management system and strategy
Employees	• Legal employment and protection of labour rights • Occupational health and safety • Employee welfare • Employee satisfaction • Talent training and development	• Labour union (annual) • Suggestion box (real-time) • Email (real-time) • Employee satisfaction survey (annual) • Employee training (annual) • Performance evaluation and assessment (annual)	• Establish labour union organizations • Establish employee feedback and complaint channels • Conduct employee satisfaction surveys • Perfect the employee training system • Improve remuneration, performance, and promotion mechanisms
Communities	• Community charity • Gas safety • Rural revitalization	• Volunteer activities (irregular) • Publicity and science popularization (annual) • Rural revitalization assistance (annual)	• Organise community volunteer services • Carry out gas safety publicity and science popularization • In-home safety inspections • Assist in rural revitalization
Shareholders and Investors	• Performance growth • Efficient corporate governance • Information transparency • Shareholder rights and interests	• General meeting of shareholders (annual) • Periodic reports (periodic) • Company announcements (irregular) • Investor question responses (real-time) • Company official website (real-time) • Earnings release conference (annual) • Roadshow presentations (annual) • Capital market meetings (irregular) • Investor relations email (real-time)	• Maintain good business operations • Improve governance structure • Disclose information in compliance with laws and regulations • Safeguard shareholders' legitimate rights and interests

[10] For detailed information regarding Stakeholder Engagement Policy, please refer to the Company's official website.

Stakeholders	Expectations & Requirements	Engagement Channels	Our Responses
Media	• Information transparency • Smooth communication • Maintain good media relations	• Media responses (real-time) • Open day activities (irregular) • Press conferences (irregular) • Media interviews (irregular)	• Disclose information in compliance with laws and regulations • Respond to media inquiries • Maintain continuous communication with the media
NGOs, Industry Associations, or Research Institutions	• Jointly build public welfare • Social value creation • Promote industry development	• Public welfare and charitable activities (irregular) • Project cooperation (irregular) • Industry conferences (irregular)	• Devote to public welfare and charitable causes • Conduct academic exchanges and cooperation • Participate in the formulation of industry standards

We conduct community and stakeholder impact assessments for our operational projects, expanding clear, diverse, and accessible normalised communication channels. Our subsidiaries regularly organise symposiums and site visits with local stakeholders to identify, track, and provide feedback on their demands, achieving closed-loop management and continuously enhancing stakeholder trust and satisfaction.

【Example】

Stakeholder Feedback	Corresponding ESG Issues	Impact	Our Actions
An industrial user: We have an urgent demand for low-carbon energy during production and expect Kunlun Energy to provide normalised integrated energy solutions to help us achieve carbon reduction targets while ensuring the stability and economy of energy supply.	Green Products and Services	External Impacts: ⊕ Enhance customer stickiness and industry leadership ⊖ Insufficient solutions lead to customer churn and market share decline Internal Impacts: ⊕ Optimize product structure and profitability ⊖ Increase investment in R&D and services, putting pressure on short-term profit	Develop integrated energy solutions to provide customised low-carbon energy services for industrial users; guarantee the stable supply of green and low-carbon energy to help users achieve carbon reduction targets. (See "Green Products and Services" for details)

⊕ Indicates a positive impact. ⊖ Indicates a negative impact.

Stakeholder Feedback	Corresponding ESG Issues	Impact	Our Actions
A supplier: As a supplier of Kunlun Energy, we actively participate in various training programs provided and look forward to jointly reducing environmental and social risks across the entire chain to build a sustainable supply chain together.	Supply Chain Management	External Impacts: ⊕ Promote the fulfillment of social responsibility and low-carbon transition in the supply chain ⊖ Increase in supplier ESG risks Internal Impacts: ⊕ Enhance supply chain resilience ⊖ Increase complexity in supplier management	Adopt strict supplier selection and tiered classification management; regularly conduct supplier ESG performance evaluations; construct green procurement coordination mechanisms; and actively guide and support suppliers in developing green technologies, products, and services. (See "Collaborating with Value Chain Partners"for details)

Case

The 8th Corporate Open Day

On 15 October 2025, the Company hosted the eighth edition of the Corporate Open Day, themed "Smart Gas, Warming Thousands of Households." This event served as a bridge for two-way communication with various stakeholders, inviting customers, investors, media representatives, the public, and community delegates. Through a multi-point linkage of online and offline channels, the event featured a diverse range of segments to facilitate immersive interactive exchange. The initiative aimed to demonstrate the Company's achievements in securing energy supply, enhancing people's livelihoods, developing smart gas systems, and safeguarding the warmth of households.



ESG Exhibition Area

Materiality Issues

Kunlun Energy integrates the management of material ESG issues into our corporate governance and risk management systems, utilising it as a core management tool to anchor the Company's ESG strategic direction, respond to stakeholder concerns, and support sustainable development.

Annually, the Company comprehensively identifies potential environmental, social, and governance issues through industry trend analysis, stakeholder engagement, and internal and external expert validation. By applying scientific assessment models, we prioritise these issues to determine the material issues for the current year, which are then addressed with priority in our reporting. In 2025, we reviewed and updated our materiality assessment to identify key ESG issues.

Materiality Issue Management Process

Issue Identification

The Company conducts multi-channel and multi-party collaborative issues collection to establish a preliminary ESG issue pool:

- External dimension: We systematically sort out international and domestic ESG disclosure standards, industry regulatory requirements, emerging trends, best practices of leading peers, and key topics focused on by mainstream ESG rating agencies. Furthermore, the Company engages in-depth with stakeholders—including end-consumers, commercial clients, suppliers, shareholders, investors, and the media—to determine the issues most relevant to Kunlun Energy.
- Internal dimension: Through mechanisms such as questionnaire surveys, the Company fully incorporates the demands and concerns of various stakeholders regarding our ESG management. In 2025, we collected 4,761 valid stakeholder survey responses.

Initial Screening of Issues

By aligning with the Company's strategic positioning, business layout, and industry characteristics, we screened the issue pool to exclude topics with low relevance to our operations and ESG performance. We retained those issues closely related to the Company's core development direction to form a candidate list of material issues.

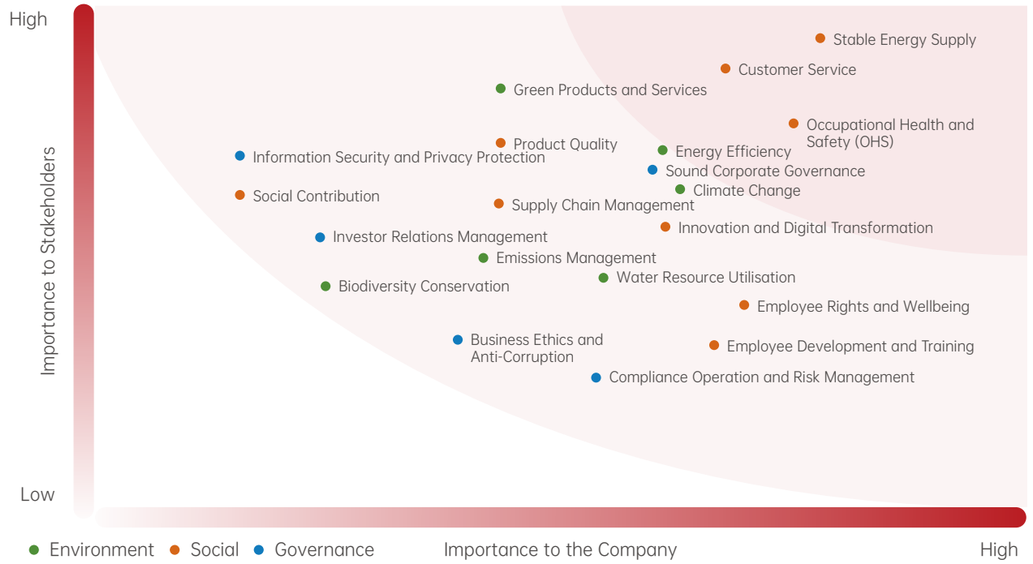
Scientific Issue Assessment

The Company employs a "Dual-Dimensional Quantitative Evaluation Model" to assess the candidate topics:

From the two dimensions of "Significance to the Company" and "Significance to Stakeholders," we invite internal and external stakeholders, as well as industry experts, to provide quantitative scores. This process enables a comprehensive evaluation of the materiality level of each topic.

Prioritization and Validation

Based on the evaluation results, the issues are prioritised and categorised into Highly Material, Moderately Material, and Low Materiality topics. Subsequently, the Sustainability Committee and external ESG experts review and validate the preliminary list of material issues to ensure the accuracy, rationality, and comprehensiveness of the assessment results.



Materiality Issues Matrix

Materiality Issues Matrix

In 2025, Kunlun Energy identified the three most material topics for the Company's development: Stable Energy Supply, Occupational Health and Safety, and Customer Service. Through an in-depth analysis of these issues, we have formulated precise response strategies to effectively drive the comprehensive advancement of our energy supply security, social responsibility commitment, and green, low-carbon transition. Furthermore, the Company comprehensively assessed the positive and negative impacts of our production and operational activities on external stakeholders. Based on this assessment, the top three topics with the potential for significant impact on external stakeholders were determined to be: Stable Energy Supply, Customer Service, and Green Products and Services. Detailed response strategies have been developed for each of these three topics.

Topics	Our Response Strategies
Stable Energy Supply	The Company strengthens situation analysis and forecasting from both the supply and demand sides, formulating specialised supply guarantee plans and enhancing resource procurement. We closely monitor natural gas supply-demand dynamics and temperature fluctuations, coordinating energy corridors—including "West-to-East Gas Transmission, Sichuan-to-East Gas Transmission, Offshore Gas Landing, and North-to-South Gas Transport"—to ensure an overall balance between supply and demand.
Occupational Health and Safety	We vigorously promote the development of Healthy Enterprises, continuously refining our occupational health and safety management systems. By strengthening safety risk control and the prevention of occupational hazards, we safeguard the physical and mental well-being of our employees.
Customer Service	The Company continuously improves the customer service system, leveraging multi-channel online and offline platforms to enhance service response efficiency. We have established regular customer communication mechanisms to understand service demands and suggestions. Simultaneously, we conduct outreach on service policies and popularise gas safety knowledge to guide customers in the standardised use of gas.
Green Products and Services	We are accelerating the deployment of clean energy products, consolidating the leading position of natural gas while expanding pilot applications for emerging green energies to continuously increase the proportion of green products in our portfolio.

Governance

Deepening Lean Governance to Safeguard Long-term Success

Kunlun Energy organically integrates ESG principles with the development vision of becoming an "Internationally Renowned and Domestically Leading Integrated Green Energy Supplier." The Company continues to deepen governance reform by establishing a standardised governance system and a comprehensive risk prevention and control mechanism. By implementing business ethics management to high standards, we comprehensively enhance corporate governance efficiency and solidify the foundations of sustainable development. These efforts are dedicated to creating long-term, sustainable value for stakeholders, including shareholders, customers, employees, and society.

- Strengthening Corporate Governance
- Lawful and Compliant Corporate Governance
- Upholding Business Ethics
- Strictly Safeguarding Information Security

Strengthening Corporate Governance

Sound corporate governance is the foundation of the Company's sustainable and steady operations. Kunlun Energy continuously refines our governance system with clearly defined powers and responsibilities, clarifying the division of duties and coordination mechanisms among governance bodies to drive our governance standards to new heights.

Laws and Regulations Complied With

Company Law of the People's Republic of China

Opinions of the State Council on Further Improving the Quality of Listed Companies

Work Rules for the Board of Directors of Central Enterprises (Trial)

Appendix C1 "Corporate Governance Code" to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Administrative Measures for the Formulation of Articles of Association of State-owned Enterprises

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Internal Policies and Systems of Kunlun Energy

Rules of Procedure for the Board of Directors

Administrative Measures for Board Authorization

List of Authorised Decision-making Matters

Terms of Reference of the Sustainability Committee

Board Diversity Policy

Shareholders' Communication Policy

Administrative Measures for Investor Relations

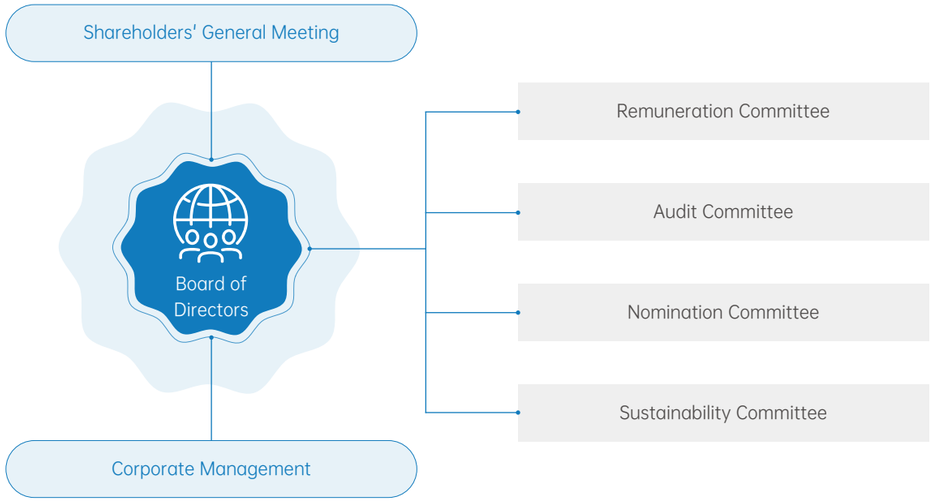
Administrative Measures for Information Disclosure

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Governance Structure

Kunlun Energy has constructed a governance system centred on the Board of Directors. In strict accordance with listing rules and the Articles of Association, the Company has developed a governance team characterised by a well-balanced structure and complementary professional expertise, effectively ensuring the regulated and efficient operation of corporate governance. As the highest decision-making and leadership body, the Board is responsible for approving material matters in the Company's operations and development while exercising comprehensive oversight. Under the Board, four specialised committees have been established: the Remuneration Committee, Audit Committee, Nomination Committee, and Sustainability Committee. Each committee performs its duties and maintains collaborative linkage within its delegated authority, forming a regulated and efficient governance mechanism that fully leverages its roles in professional support, oversight, and check-and-balance.



Board Structure of Kunlun Energy

The Remuneration Committee has established an operational mechanism characterised by professional synergy, independence, and impartiality. Independent Non-Executive Directors fully leverage their independent functions to strictly avoid conflicts of interest while conducting prudent reviews of the rationality and compliance of remuneration schemes. Non-Executive Directors provide professional support for the optimisation of the remuneration system by integrating industry characteristics with the Company's actual operational requirements.

Strictly following regulatory requirements and the Articles of Association, the Audit Committee has established a regulated and efficient operational mechanism. It regularly reviews the Company's financial reports, supervises the effective operation of the internal audit system, accurately identifies potential risks in operations and management, and proposes targeted optimisation recommendations.

Drawing upon the professional expertise and independent perspectives of its members in fields such as legal compliance, capital operations, and public governance, the Nomination Committee ensures regulated and efficient operations. It has established a CEO succession planning mechanism to ensure that successor candidates are highly aligned with the Company's development needs.

For the primary responsibilities and duty performance of the Sustainability Committee, please refer to the "ESG Management – Governance Structure" sections.

Board Effectiveness

Kunlun Energy convenes regular Board meetings to ensure impartiality and transparency in corporate governance, facilitate strategic decision-making, and maintain the compliance and efficiency of the Company's operations.

The Company has formulated a *Director Nomination Policy* and established comprehensive procedures for the election and appointment of Directors, stipulating that the Board shall undergo regular re-election at least once every three years. As of the end of the reporting period, the average tenure of the Company's incumbent Directors was three years.

The Company regularly provides Directors with training and briefings related to professional expertise, skills, and legal and regulatory developments. During the reporting period, the Company organised four Board training sessions, with content covering the latest requirements for ESG-related information disclosure, among other topics.

In 2025, we engaged an independent third-party institution to conduct an evaluation of the effectiveness of the Board of Directors. The performance of the Board's duties and responsibilities was assessed through questionnaires and interviews.

Dimensions	Evaluation Items
Primary Board Responsibilities	• Setting and providing strategic vision • Establishing priorities and expectations • Accountability and assurance
Enabling Drivers	• Board composition • Board engagement with internal and external stakeholders • Governance structure • Board agenda and forward planning • Board reporting • Board interaction • Performance evaluation • Leadership of the Board Chair

Key Performance Indicators

Indicator	Unit	2025
Average Tenure of Board Members	Years	3
Maximum Tenure of Independent Directors	Years	9
Number of Board Meetings Convened	Times	8
Number of Proposals Reviewed and Approved by the Board	Items	45
Number of Board Specialised Committee Meetings Convened	Times	14
Number of Proposals Reviewed and Approved by Board Specialised Committees	Items	37
Board Meeting Attendance Rate	%	89.29
Number of Directors Attending Less than 75% of Meetings	Persons	0
Number of Executive Directors with Working Experience in the Gas Industry	Persons	2
Number of Non-executive Directors with Working Experience in the Gas Industry	Persons	2

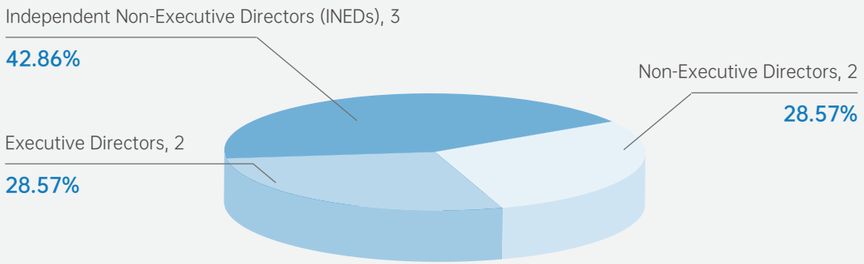


Board Independence

We firmly believe that constructing an independent Board structure is critical to protecting shareholders' interests and supporting the Company's long-term development. The Company strictly complies with the requirements of the HKEX's *Independence Guidelines* and continuously improves the Board independence assessment mechanism. We explicitly require Independent Non-Executive Directors (INEDs) to provide independent opinions on key matters, such as connected transactions, senior management remuneration, and financial reporting, effectively fulfilling their oversight responsibilities. Annually, we evaluate the independence of our INEDs to ensure that all of them maintain their independent status. As of the end of the reporting period, the Board comprised two Non-Executive Directors and three Independent Non-Executive Directors, with INEDs representing more than one-third of the Board.

Key Performance Indicators

Indicator	Unit	2025
Proportion of Independent Non-executive Directors on the Audit Committee	%	100
Proportion of Independent Non-executive Directors on the Remuneration Committee	%	100
Proportion of Independent Non-executive Directors on the Nomination Committee	%	80



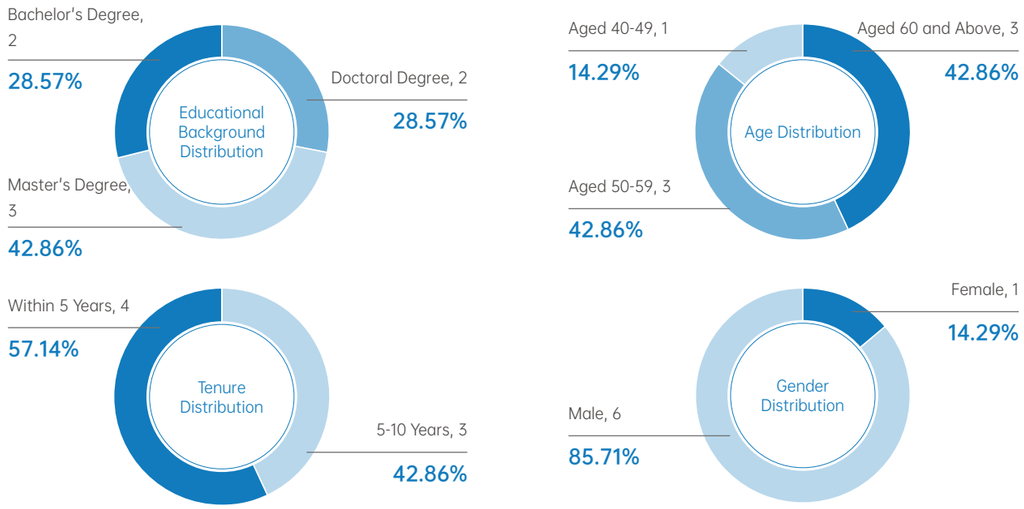
Board Independence

Board Diversity

We adopt a comprehensive approach when nominating and appointing Board members, fully evaluating factors such as gender, age, professional qualifications, industry experience, and educational background. This is designed to enrich perspectives and expertise, ensuring the protection of shareholders' interests and the Company's long-term development. Furthermore, we regularly review and monitor the implementation of Board diversity, meeting diverse business requirements while providing comprehensive and professional guidance for the Company's strategic planning and operational decision-making.

Name	Gender	Duty / Responsibilities	Professional Competencies	
			Industry Experience[11]	Financial Management Experience[12]
Liu Guohai	Male	Chairman & Executive Director	√	-
He Yongli	Male	Executive Director & CEO	√	-
Lyu Jin	Female	Non-Executive Director	√	√
Qi Zhenzhong	Male	Non-Executive Director	√	√
Dinghua (Patrick) Sun	Male	Lead Independent Non-Executive Director	-	√
Tsang Yok Sing (Jasper)	Male	Independent Non-Executive Director	-	-
Kwok Chi Shing	Male	Independent Non-Executive Director	-	√

Board Diversity



[11] Refers to individuals with a background of working in enterprises within the "Energy" sector under the Global Industry Classification Standard (GICS®).

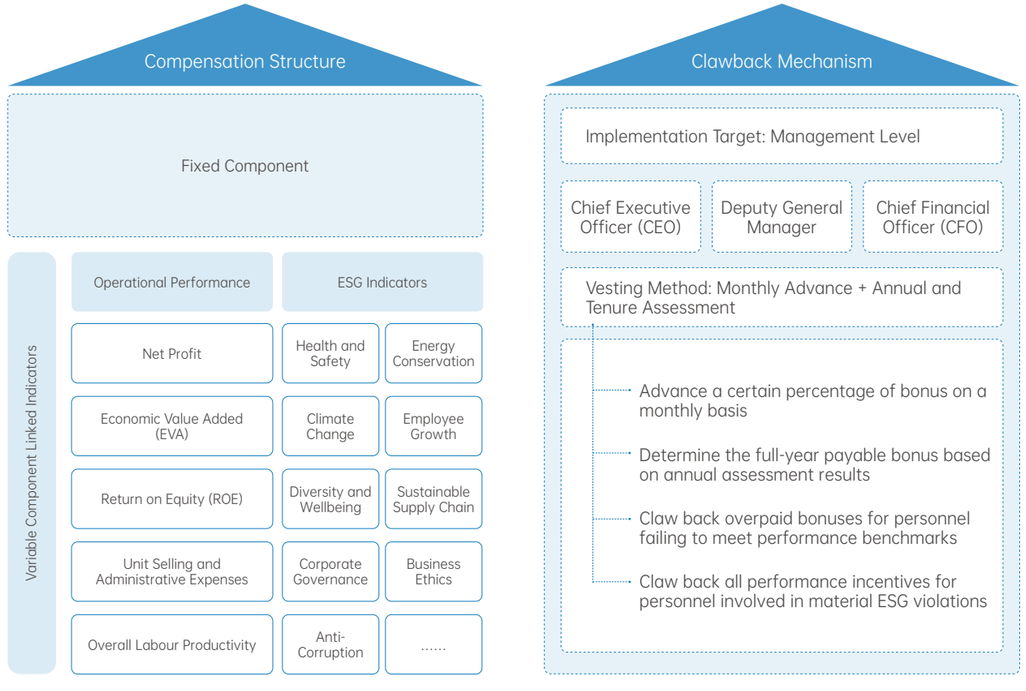
[12] Refers to individuals with professional knowledge in finance, accounting, etc., or with experience in finance or audit-related positions.

Remuneration Policy

In accordance with corporate governance requirements, the Remuneration Committee of Kunlun Energy is responsible for constructing a transparent and standardised remuneration policy framework linked to the Company's long-term operational performance. In determining remuneration standards, the Committee integrates corporate operating results, position value, individual capabilities, and duty performance to establish and improve the performance appraisal and incentive-restraint mechanisms for management.

The Company implements an annual performance appraisal for management, with an indicator system covering financial performance, operational efficiency, and ESG. Financial and operational indicators include net profit, Economic Value Added (EVA), Return on Equity (ROE), unit sales and administrative expenses, and overall labour productivity. Simultaneously, key ESG performance indicators are integrated into the appraisals of Executive Directors and management, encompassing new energy production equivalent, customer satisfaction, health and safety performance, energy and water conservation, environmental emission control, as well as carbon emission intensity and total carbon emissions. Appraisal results are closely linked to performance-based remuneration, encouraging management to integrate ESG goals into business decisions and daily management.

Strictly adhering to the *Administrative Measures for Remuneration of Management Members* and the *Administrative Measures for Performance Appraisal of Management Members*, the Company has established and effectively implemented a remuneration clawback mechanism. This reinforces the linkage and restraint between remuneration, operating results, and duty performance, ensuring that remuneration management remains scientific, standardised, and rigorous. The Company adopts a "Monthly Advance Payment, Annual Settlement" management model for the performance bonuses of management members. A portion of the performance bonus is pre-distributed monthly, while the total amount payable is finalised at the end of the year based on comprehensive appraisal results. In cases where performance fails to meet benchmark levels and excess pre-distribution has occurred, the excess portion is subject to clawback in accordance with regulations. This ensures the unity of incentives and restraints, aligns authority and responsibility with performance, and continuously enhances corporate governance efficiency.



Remuneration Policy of Kunlun Energy

Protection of Investor Rights

Protection of Shareholder Rights

Kunlun Energy consistently prioritises the protection of shareholder rights as a core element of corporate governance. Adhering to the principles of fairness, impartiality, and transparency, the Company treats all shareholders equally, with a particular focus on safeguarding the legitimate rights and interests of minority shareholders. In strict accordance with regulatory requirements and listing rules, the Company has established a robust and standardised information disclosure mechanism. Through periodic reports, announcements, and circulars, the Company ensures the timely, accurate, complete, and clear disclosure of the operating conditions, financial information, and material matters. Simultaneously, the Company actively utilises various online and offline channels to enhance interactive communication with shareholders, especially minority shareholders. The Company convenes an Annual General Meeting (AGM) each year, employing a "One Share, One Vote" system for polling on resolutions to ensure that minority shareholders can fully exercise their voting rights. Furthermore, for significant resolutions such as amendments to the Articles of Association, the Company strictly follows the requirement for approval by special resolution at the General Meeting. These measures comprehensively safeguard shareholder rights, promote the synergistic growth of corporate value and shareholder interests, and support the Company's long-term stable development.

Key Performance Indicators

In 2025, convened 1 General Meeting, reviewing and approving 11 resolutions. Shares represented by attending shareholders accounted for 75.42% of the total voting rights, and the Board of Directors' attendance rate was 85.71%.



Investor Relations Management

Kunlun Energy continuously solidifies the foundation of investor relations (IR) management by establishing a two-way communication mechanism with investors. We engage in timely, extensive, and in-depth communication through multiple channels and at various levels. We are committed to strengthening investor trust by enhancing information transparency and effectively conveying the Company's long-term developmental value.

Case **Reverse Roadshow Event**

From 1 December to 2 December 2025, the Company successfully hosted a reverse roadshow themed "Meeting in Chengdu, Envisioning the Future." The event invited 28 investors and analysts from 26 investment institutions.

Through diverse formats including investor symposiums and site visits, the event systematically demonstrated the Company's high-quality development practices in natural gas sales and LPG business sectors. This initiative effectively enhanced investors' comprehensive understanding of the Company's business layout and deepened their alignment with our future development prospects, receiving high praise and extensive recognition from the investment community.

Key Performance Indicators

In 2025, held 2 earnings press conferences and completed 43 information disclosure projects, hosted 84 investor meetings and engaged in daily investor communications for 205 person-times.

Conducted 2 reverse roadshow events, with 40 person-times participating.

Management of Connected Transactions

Kunlun Energy is strategically positioned across the midstream and downstream natural gas sectors, benefiting from integrated supply chain synergies that provide robust support for the Company's steady business growth. The Company maintains a solid cooperative foundation and long-term, stable trading relationships with industry leaders, ensuring that no conflicts of interest exist.

Regarding connected transactions, Kunlun Energy consistently adheres to the principles of integrity, fairness, and commercial terms. The Company strictly regulates every stage of connected transactions—from agreement signing and approval processes to cap management, information disclosure, and internal control. A specialised working group has been established to systematically review and examine material connected transaction contracts and annual caps. Simultaneously, independent third-party financial advisors are appointed to evaluate the rationality of these caps, followed by the timely release of announcements and circulars to guarantee full-process compliance. Furthermore, Independent Non-Executive Directors (INEDs) fully perform their duties by reviewing the fairness and commercial reasonableness of connected transactions. This ensures that such transactions do not adversely impact the Company's operations or independence. By issuing independent opinions, they effectively safeguard the interests of minority shareholders.

Lawful and Compliant Corporate Governance

Kunlun Energy consistently regards statutory compliance as the lifeline and core competitiveness for the Company's high-quality and sustainable development. By strengthening top-level design, deepening corporate governance, enforcing compliance accountability, and fostering a compliance culture, the Company adopts a systematic approach to promote the deep integration of statutory compliance with internal control and risk management. We effectively enhance our capabilities in risk identification, prevention, and mitigation, as well as compliance management, thereby comprehensively elevating the Company's capacity for governing the enterprise in accordance with the law.

Laws and Regulations Complied With

Law of the People's Republic of China on the State-owned Assets of Enterprises

Audit Law of the People's Republic of China

Compliance Management Guidelines for Overseas Operations of Enterprises

Regulations of the National Audit Office on Internal Audit Work

Basic Norms for Internal Control of Enterprises and Supporting Guidelines

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Internal Policies and Systems of Kunlun Energy

Administrative Measures for Compliance

Administrative Measures for Risk Management

Internal Control Management Manual

Administrative Measures for Internal Control Business Process Management

Administrative Measures for Assessment and Evaluation of Internal Control and Risk Management

Administrative Measures for Risk Assessment of Investment Projects

Implementation Rules for Tax Management

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Compliance Management System

Kunlun Energy has established a compliance management system characterised by clear authorities and responsibilities and effective operation. The Company's Board of Directors performs the core functions of "defining strategy, making decisions, and preventing risks", while Management is responsible for the construction and day-to-day operation of the management system. The Company launched the "Compliance Management Enhancement Year" initiative to continuously promote the implementation of the principle that "those in charge of business are in charge of compliance." We have appointed and defined the role of a Chief Compliance Officer and promoted the assignment of General Counsel (Compliance Officers) within professional business departments and subsidiaries, ensuring that compliance management responsibilities are enforced at every level. We have strengthened compliance reviews for major decisions, significant contracts, and material matters, consistently embedding compliance requirements into the entire process of operations and management while promoting the synchronised implementation of compliance reviews alongside business activities. The Company vigorously promotes the certification of compliance management systems for provincial-level companies to enhance the compliance management capabilities of the subsidiaries.

Key Performance Indicators

In 2025, 27 provincial subsidiaries obtained the ISO 37301 Compliance Management Systems certification.

As of the end of the reporting period, a cumulative total of 30 provincial subsidiaries have achieved the ISO 37301 certification.

During the year, the Company maintained a strong compliance standing in areas such as business ethics, health and safety, employment, and the environment, with no instances of non-compliance recorded.

Topics	Compliance Matters	Violations
Business Ethics	Anti-corruption	None occurred
	Anti-monopoly and anti-unfair competition	None occurred
	Labour standards (Child and forced labour)	None occurred
Health and Safety	Occupational health and safety	None occurred
	Customers and the public	None occurred
Employment	Recruitment measures	None occurred
Customer Management	Customer privacy	None occurred
	Responsible marketing	None occurred
Environment	Environmental pollution incidents	None occurred

The Company has established a comprehensive compliance review system along with mechanisms for compliance risk identification, assessment, and early warning. We systematically review and identify compliance risks within our business and management activities to build a compliance risk database. This involves analysing the likelihood of risk occurrence, the extent of impact, and potential consequences, while providing timely warnings for risks that are typical, prevalent, or capable of resulting in severe consequences. Based on the results of risk identification and assessment, we formulate risk mitigation measures and implement them throughout business processes and specific job positions.

Compliance Culture Construction

Kunlun Energy continuously promotes the development of a compliance culture, having formulated the 2025 Legal Compliance and Law Popularisation Work Plan. Compliance training has been integrated into the annual training plan, with compliance management established as a compulsory component of training for personnel in relevant business operations, key positions, and new recruits. The Company is committed to fostering a compliance culture with distinctive corporate characteristics. Our subsidiaries have also adopted various measures to conduct ongoing compliance training and legal compliance publicity, guiding employees to internalise compliance requirements into conscious behaviour.

Case **Legal and Compliance Key Members Training Program**

On 12 May 2025, the Company organised a five-day 2025 Legal and Compliance Key Personnel Training Programme, attended by a total of 131 employees from key positions. The curriculum focused on corporate rule-of-law development and legal compliance risk prevention and control. External experts in the field of anti-monopoly and professional lawyers were invited to provide interpretations of practical essentials, including the review of concentration of undertakings, the Energy Law, and the Anti-Monopoly Law.

Key Performance Indicators

In 2025, conducted **11** compliance training sessions

with **9,916** participants

a total training duration of **27,178** hours

Internal Control and Risk Management

Internal Control

Kunlun Energy has established and improved an internal control construction and supervision management system, characterised by the comprehensive leadership of the Board of Directors, the primary responsibility of Management, and the collaborative synergy between internal control and business departments. This ensures that internal control requirements are implemented throughout the entire process and across all stages of the internal control system, effectively enhancing the Company's internal governance capabilities and clarifying management responsibilities at all levels. In 2025, the Company revised the *Internal Control Management Manual*, covering 202 internal control processes and risk control contents.

In accordance with the requirements of the *Listing Rules* and the *Corporate Governance Code* of the HKEX, the Company organises an annual internal control review and assessment, with the results reported to the Audit Committee. We disclose corporate governance information, including governance, risk management, and internal control, on a scheduled basis. This meets the HKEX disclosure requirements regarding the effectiveness of corporate risk management and internal control systems.

Risk Management

The Audit Committee is responsible for overseeing the effectiveness of the Company's internal control and risk management systems. Simultaneously, the Company has constructed a risk governance line of defence—where business departments, risk management departments, and internal audit departments perform their respective duties with collaborative linkage. This forms a framework characterised by clear authorities and responsibilities, progressive escalation, and closed-loop integration, collectively building a comprehensive and multi-dimensional risk prevention and control barrier.



First Line of Defense

Business Departments

- Participate in the annual corporate risk assessment.
- Execute specific tasks of risk management.
- Regularly report on risk management and control status.



Second Line of Defense

Risk Management Department

- Regularly organise risk identification, assessment, and response work.
- Build the internal control system, refining and compiling internal control management systems and process documents.
- Organise, coordinate, and promote the construction of the compliance management system.
- Conduct compliance reviews for major matters to promote the robust operation of the compliance risk review mechanism.



Third Line of Defense

Internal Audit Department

- Conduct audit supervision and urge rectification regarding the effectiveness of risk management and control in various departments and business areas.
- Timely investigate and handle illegal incidents involving employees.

The Company has established standardised, systematic, and scientific risk management processes and enforced risk management accountabilities. We conduct annual material risk assessments and formulate management strategies and mitigation plans tailored to risk exposures. Furthermore, the Company dynamically performs business risk analysis and carries out prior specialised risk assessments for key matters such as new businesses, material investments, and significant reforms. By implementing accompanying risk response measures, we continuously enhance our comprehensive risk management capabilities, effectively preventing and mitigating material risks.

Risk Category	Risk Description	Mitigation Measures
Industry Policy Risk	The gas industry is significantly affected by national energy, environmental protection, and other industrial policy regulations. Adjustments in policy direction may bring uncertainty to the Company's business layout, operational development, and strategy implementation.	Closely track the dynamics of national energy industry policies, anticipate the business impact of policy adjustments in advance, ensure that the Company's business strategy is highly aligned with national policy directions, and provide a strong basis for business decision-making.
Gas Safety Risk	The Company's operations involve a large amount of gas pipeline infrastructure. Affected by factors such as third-party construction and aging of the pipeline itself, there are potential risks such as gas leaks and safety accidents, which may affect public safety and the ecological environment.	Implement full coverage of gas pipeline patrols and leak detection, coordinate with the government to control third-party construction and carry out pipeline protection, proactively identify and dynamically manage hidden risks in the pipeline itself, and build a solid defense line for safe operations.
Emerging Risk	Frontier technologies such as artificial intelligence are gradually being implemented in the Company's digital and intelligent operations, health and safety, pipeline management, and other fields. There are problems such as insufficient adaptation between technology and business, and a lack of professional talents, which can easily trigger potential risks such as insufficient operational efficiency and lagging technological iteration.	Intensify research efforts on frontier technologies such as artificial intelligence, promote deep adaptation between technology and business, while strengthening the attraction and reserve of professional talents, accelerate technological iteration and upgrading, facilitate advanced technology applications to improve quality and efficiency, and prevent potential risks related to operations and technology.

Key Performance Indicators

In 2025, 9,088 individuals participated in the Company's annual major risk assessment. After quantitative evaluation of 135 risks across 37 categories, 10 major risks were identified.

The Company focuses on strengthening the monitoring and control of material risks, constructing a robust dynamic risk monitoring and early warning mechanism. We have established a quarterly quantitative risk analysis model and a quarterly risk reporting mechanism to comprehensively analyse trends in both internal and external risks. By identifying key areas for risk monitoring and proposing response recommendations and improvement measures, we promote the deep integration of risk management with business development, providing effective support for operational management and strategic decision-making.

The Company attaches great importance to the development of a risk management culture, integrating risk control concepts into new hire orientation and on-the-job training. We conduct case-based warning education to analyse typical risk events and encourage management to lead by example in practising risk control requirements, fostering a cultural atmosphere where "everyone is a risk management owner."

Case **Internal Control and Risk Management Training Program**

From 10 June to 13 June 2025, the Company hosted the 2025 Internal Control and Risk Management Training Programme. A total of 123 participants, including senior management in charge of internal control and risk management as well as key business personnel from various subsidiaries, attended the training, which totalled 32 training hours.

Focusing on the integration of theory and practice, the programme invited industry experts and university professors to deliver lectures on process management, the integration of risk and internal control, risk management system operations, and natural gas market risk analysis. Simultaneously, the Company's latest policies and key initiatives were communicated. This training further enhanced the professional expertise and duty performance capabilities of the Company's internal control and risk management personnel. It laid a solid foundation for strengthening internal control and risk management operations, promoting the continuous improvement of the integrated internal control, risk, and compliance management system, and elevating corporate governance efficiency.

Upholding Business Ethics

Kunlun Energy consistently upholds the bottom line of business ethics, adhering to the principles of honesty, integrity, fairness, and impartiality in all business activities. The Company has established and improved compliance review mechanisms for anti-monopoly and anti-unfair competition to maintain a fair and orderly market environment. We vigorously promote the construction of a clean culture system, continuously strengthen supervision and control mechanisms throughout all processes, and refine the code of business conduct for employees, guiding all staff to consciously practice the codes of conduct for integrity in professional practice and fair competition.

Laws and Regulations Complied With

Civil Code of the People's Republic of China

Supervision Law of the People's Republic of China

Law of the People's Republic of China Against Unfair Competition

Anti-Monopoly Law of the People's Republic of China

Prevention of Bribery Ordinance (Hong Kong SAR)

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Internal Policies and Systems of Kunlun Energy

Code of Business Conduct[13]

Anti-Corruption and Anti-Bribery Policy[14]

Compliance Management Guidelines for Anti-Monopoly in Urban Gas Business

Guidelines for Responding to Anti-Monopoly Investigations and Law Enforcement Investigations

Implementation Rules on Strengthening and Perfecting the Supervision System to Promote the Synergy of Various Types of Supervision

Work Plan for Strengthening Anti-Monopoly Risk Governance

Work Standards for Responding to Anti-Monopoly Law Enforcement Investigations

Compliance Management Guidelines for Anti-Monopoly in Urban Gas Business

Whistleblowing Policy[15]

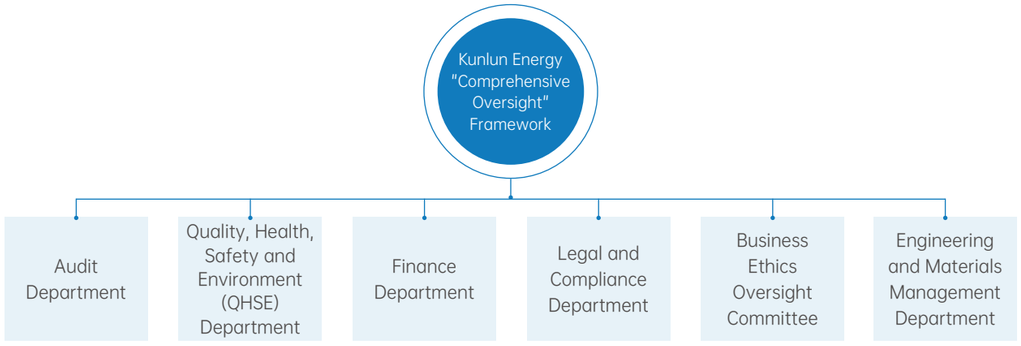
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[13] For detailed information regarding Code of Business Conduct, please refer to the Company's official website.
[14] For detailed information regarding Anti-Corruption and Anti-Bribery Policy, please refer to the Company's official website.
[15] For detailed information regarding Whistleblowing Policy, please refer to the Company's official website.

Integrity System Construction

Business Ethics Supervision

Kunlun Energy has established an anti-corruption working group led by the Chairman of the Board, responsible for the overall deployment of business ethics and anti-corruption initiatives across the Company, deliberating on material issues, and promoting the refinement of the anti-corruption institutional framework. The Company's Business Ethics Supervision Committee and its office are responsible for anti-corruption operations, coordinating disciplinary reviews, day-to-day supervision, and disciplinary education, with a primary focus on planning, guidance, and performance assessment. The Business Ethics Supervision Centre is under the vertical management of the Business Ethics Supervision Committee; it functions as a specialised body for disciplinary reviews, primarily responsible for case investigations and specialised supervision. The Business Ethics Supervision Committees of subsidiaries focus on fulfilling comprehensive supervisory responsibilities, including ethical oversight, day-to-day supervision, and disciplinary education.



"Comprehensive Supervision" Framework of Kunlun Energy

In 2025, the Company focused on two key areas to further deepen the construction of the integrity system.

Key Performance Indicators

In 2025, there were 0 concluded legal cases regarding corruption.

Two Key Areas of Anti-Corruption and Integrity Efforts in 2025

Strengthening Supervision and Accountability in Key Fields

Focusing on key areas such as engineering construction, fund management, and legal entity optimisation, the Company carries out specialised supervisory inspections and integrity risk prevention and control. We have established enterprise-locality collaborative mechanisms and strengthened the verification and notification of problem clues.

Systematically Promoting the Culture of Integrity

Through warning education activities, supervision of the exercise of authority and responsibility, and regularised integrity training, the Company reinforces employees' compliance awareness and self-discipline regarding integrity.

Integrity Culture Construction

During the year, we integrated integrity education into business training sessions, providing compliance and professional ethics courses across 16 specialised training programmes for target groups including middle management, key young personnel, and financial officers, reaching a cumulative total of over 1,000 participants. Through channels such as management meetings and compliance risk meetings, the Company provides timely notifications of non-compliance cases and conducts risk alerts. Simultaneously, in collaboration with local regulatory authorities, the Company produced compliance warning education films, with over 10,000 employees participating in the learning sessions. Furthermore, more than 80 management members were arranged to observe court proceedings, continuously reinforcing the compliance awareness of all staff and fostering a corporate culture of integrity and honesty.

Key Performance Indicators

In 2025, conducted 16 anti-corruption training sessions. The coverage of anti-corruption training reached 100% for Directors, 100% for employees, and 100% for partners.

Business Ethics Audit

The Company has established a regularised internal audit supervision mechanism, conducting comprehensive annual internal audits of all operations. Focusing on core dimensions of business ethics, such as anti-fraud, anti-monopoly, and anti-corruption, the Company strengthens audit supervision to drive the deepening of specialised governance in key areas and the precise prevention of operational risks. In 2025, the Company conducted 48 internal audits, achieving full audit coverage of all provincial-level companies. Furthermore, provincial-level companies carried out 420 internal audits of their respective project companies, with the audit scope essentially covering all operating project companies. This has built an internal audit supervision framework characterised by vertical linkage and total coverage. We implement a closed-loop management system consisting of "audit discovery, rectification supervision, review and closure, and performance linkage," leveraging the effectiveness of supervision to continuously enhance governance capabilities.

Whistleblowing Mechanism

The Company maintains a "zero tolerance" policy towards any conduct that violates business ethics. We continuously improve our whistleblowing mechanisms and strictly investigate and penalise all forms of non-compliance and disciplinary violations. To ensure unhindered internal and external supervision, the Company has established diversified channels[16], including email and suggestion boxes, to widely accept complaints and reports from both internal and external stakeholders. Furthermore, the employee whistleblowing hotline and email addresses are disclosed on the internal website to handle reports regarding misconduct from both employees and business partners.

The Company has formulated a *Whistleblowing Policy* and conducted relevant training. We pledge to implement strict confidentiality management regarding whistleblowers' information and resolutely protect their legal rights. Any form of retaliation or unfair treatment—including dismissal, demotion, suspension, harassment, discrimination, or bias—is strictly prohibited.

Upon receiving reports, the Company follows a standardised investigation and disposal process to ensure efficient verification in accordance with regulations. Timely feedback on the progress and results of investigations is provided to whistleblowers. Any identified illegal acts, such as corruption, will be transferred to relevant regulatory authorities for legal handling.

[16] For detailed information regarding whistleblowing channels, please refer to the Company's official website.

Fair Competition

The Company continuously strengthens and refines the compliance management regarding anti-monopoly and anti-unfair competition. We strictly adhere to laws, regulations, and policy requirements in our city gas supply and gas engineering operations, enforcing compliance accountability and clearly defining prohibited business conduct. We resolutely eliminate violations such as the abuse of dominant market position or the exclusion and restriction of market competition to maintain a fair and orderly market ecosystem. The Company has completed a research project on anti-monopoly risk prevention and control in the city gas sector and promoted the findings, issued a negative list for anti-monopoly risks in city gas operations, established an anti-monopoly compliance commitment mechanism, and strengthened the implementation of compliance responsibilities. We organised communication and training sessions on the anti-monopoly law and anti-unfair competition law and strictly comply with the regulations of the State Administration for Market Regulation (SAMR) concerning the declaration of concentration of undertakings, ensuring that investment and M&A projects are carried out in legal compliance.

The Company treats anti-monopoly management as a key component of the compliance system, embedding it into management workflows. We have built a robust barrier against anti-monopoly risks through multiple measures, including improving systems, refining guidelines, standardising documents, strengthening risk alerts, conducting case-based warnings, and enhancing supervision, inspections, and accountability.

Additionally, the Company has established a dynamic supervision mechanism, conducting regular compliance checks on anti-unfair competition and anti-monopoly issues. We have strengthened the rectification and prevention of identified risks and hazards to continuously standardise and reinforce the anti-monopoly compliance management of our subsidiaries.

Case

"Major Anti-monopoly Law Risks and Compliance Priorities in the Public Utilities Sector" Legal Lecture

On August 21, 2025, the Company held the fourth "Legal Lecture" themed "Major Anti-monopoly Law Risks and Compliance Priorities in the Public Utilities Sector." Utilising a hybrid online and offline teaching mode, 2,853 personnel from relevant departments and business units participated. This lecture specially invited the Competition Law Research Center of the China University of Political Science and Law to provide professional instruction. By analyzing typical cases, the lecture deeply dissected the risks of major monopolistic behaviors in the public utilities sector, especially the gas industry, and systematically explained the core points of compliance management. The aim was to further enhance employees' anti-monopoly compliance awareness and strengthen compliance management capabilities, laying a solid ideological foundation for effectively preventing and mitigating anti-monopoly legal risks.

Key Performance Indicators

In 2025, 9 provincial-level subsidiaries and 71 project companies underwent spot checks for anti-monopoly/anti-unfair competition.

There were 0 incidents of litigation or major administrative penalties resulting from anti-unfair competition behaviors.

Strictly Safeguarding Information Security

Kunlun Energy continuously strengthens the construction of the information security management system, building a full-lifecycle security protection system covering networks, systems, and data. By enhancing technical protection capabilities, establishing routine security monitoring, and optimizing emergency response mechanisms, we have fully consolidated the foundation of information and network security and focused on improving overall information security protection capabilities.

Laws and Regulations Complied With

Cryptography Law of the People's Republic of China

Data Security Law of the People's Republic of China

Cybersecurity Law of the People's Republic of China

Personal Information Protection Law of the People's Republic of China

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Internal Policies and Systems of Kunlun Energy

Administrative Measures for Cybersecurity

Special Emergency Plan for Cybersecurity and Information System Emergencies

Information Security Policy[17]

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Information Security Management

Information Security Management System

The Sustainability Committee under the Board of Kunlun Energy is responsible for overseeing the implementation of information security policies. The Cybersecurity and Informatization Leading Group, led by the Chairman of the Board, serves as the decision-making body for the Company's cybersecurity and informatization work. It undertakes responsibilities such as formulating strategic plans, coordinating major matters, and reviewing and approving assessment results, guiding the cybersecurity and informatization construction of the entire Company. Simultaneously, cybersecurity management is incorporated into performance appraisals to strictly implement the information security responsibility system for all employees.

Key Performance Indicators

In 2025, the Company experienced 0 information security accidents.

[17] For detailed information regarding Information Security Policy, please refer to the Company's official website.

Information Security Protection

The Company continues to deepen information security management, building an information security protection system that covers all processes and scenarios.

Information Security Protection Measures

01	02	03	04
Synchronously plan, synchronously construct, and synchronously operate cryptographic protection measures during the network construction process.	Regularly carry out professional cybersecurity testing and risk assessments, and implement protection measures.	Implement classified and graded management of data; implement protection measures in processes such as data collection, storage, use, backup, transmission, and destruction; and encrypt the storage and transmission of important data.	Establish and improve cybersecurity monitoring, early warning, and information reporting mechanisms; regularly conduct system security inspections; and timely govern cybersecurity issues.

In 2025, the Company adopted multiple measures to ensure the safe, stable, and efficient operation of the information systems.

- Carried out cybersecurity improvement initiatives and deployed firewalls at the network egress points of various provincial companies, with a total of 97 firewalls deployed during the Year.
- Carried out an industrial control network security isolation project. Installed 21 industrial control firewalls and 23 safety gateways in relevant project companies, successfully achieving logical isolation between the industrial control network and the office network.
- Utilised vulnerability scanning equipment to perform weekly scans across the Company, handling a cumulative total of 1,301 vulnerabilities during the Year.
- Conducted classified protection assessment, carried out security management assessment and technical assessment for cybersecurity classified protection of information systems, and deliver corresponding cybersecurity classified protection assessment reports.
- Completed the identification and filing of important data.

Key Performance Indicators

In 2025, the Company invited an external third-party institution to conduct 1 data security audit, identifying 11 issues, all of which have been fully rectified.

Information Security Emergency Management

To effectively respond to core risks in network and information system security, the Company has built a systematic emergency management framework. We implement classified and graded control of emergencies, clarify the organisational structure and responsibilities, and establish processes ranging from information reporting, warning, and response activation to emergency handling and response termination. We have also defined the emergency support teams, materials, and equipment for the Company and our subsidiaries, and organised regular emergency drills to ensure rapid response and efficient handling in the event of an emergency, comprehensively safeguarding the safe and stable operation of networks and information systems.

Case

Phishing Email Emergency Drill

In May 2025, the Company organised a phishing email emergency drill using a collaborative model between the Headquarters and our subordinate Sichuan Company. The drill simulated an emergency scenario where employees received phishing emails and reported them level by level according to the procedure. This exercise effectively strengthened employees' awareness of cybersecurity prevention, consolidated their practical mastery of the Company's cybersecurity emergency response procedures and systems, and further enhanced the Company's emergency response level for cybersecurity incidents.

Information Security Culture Construction

The Company continues to strengthen the construction of information security culture to build a solid line of defense for information security awareness among all employees.

Case

Informatization Management and Technology Training Program

From October 28 to November 1, 2025, the Company organised a specialised training program on informatization management and technology. The content covered core modules such as the industrial application of Large Language Models, data governance, cybersecurity compliance, and offensive and defensive exercise technologies, comprehensively improving the informatization management capabilities and technical application levels of the participants.

Key Performance Indicators

In 2025, conducted **206** information security training sessions

with a total duration of **531** hours

7,834 participants

Environmental

Dedicated to Green Development, Cultivating a Strong Ecological Foundation

Kunlun Energy is committed to the development vision of becoming an "Internationally Renowned and Domestically Leading Integrated Green Energy Supplier." We leverage green and clean energy to support climate action while continuously refining our operational management. By promoting the efficient use of resources and steadily reducing pollutant emissions, we work together to create an ecological development landscape characterized by clear skies and clean air.

- Addressing Climate Change
- Efficient Resource Utilization
- Implementing Green Operations
- Building a Strong Ecological Barrier



Addressing Climate Change

Kunlun Energy upholds a profound sense of responsibility and a mission of industry leadership. We treat climate adaptation and mitigation as dual engines driving our net zero transition, implementing a "dual-control" system that monitors both absolute greenhouse gas (GHG) emissions and GHG emission intensity. In 2025, the Company proactively benchmarked against IFRS S2 and the HKEX's climate disclosure framework to publish the second *Climate Action White Paper*[18], thereby consolidating the foundations of our climate resilience.

Climate Governance

Kunlun Energy has established a sustainability governance framework with the Board of Directors serving as the highest decision-making body. On a quarterly basis, the Board reviews progress on various sustainability issues, including climate management. The Company has established a Sustainability Committee, primarily composed of Board members. The *Terms of Reference of the Sustainability Committee* clearly define the committee's role in supporting the Board to assess climate-related risks and opportunities, formulate climate strategies and "Dual Carbon" targets, and define response strategies and emission reduction pathways. The Sustainability Committee meets at least once a year, with ad hoc meetings convened for significant decision-making matters. Furthermore, the Company has established a climate performance-oriented incentive mechanism, in which financial incentives directly linked to climate change account for 6%.

The Company consistently regards low-carbon development as a fundamental element in practicing green development principles and supporting the achievement of "Dual Carbon" goals. By building professional talent development platforms and conducting regular technical training and skill exchange activities, the Company has successfully cultivated a cohort of multidisciplinary professionals proficient in both natural gas production processes and low-carbon technologies.

Case

National Carbon Accounting Competition

In October 2025, the National Industry Vocational Skills Competition, concurrently held with the 4th China Petroleum Technical Skills Competition, took place in Xi'an. The Company selected nine business backbones to form a representative team, ultimately securing two gold, one silver, and one bronze medal across group and individual categories. This outstanding performance is a vivid reflection of the Company's deep commitment to green and low-carbon development and the strengthening of skilled talent cultivation, demonstrating the industry-leading position in the field of carbon emission accounting.





On-site at the Competition

[18] Given the limited length of the Report, details regarding the climate-related disclosure requirements under the Environmental, Social and Governance (ESG) Guide of the SEHK, including the analysis of the impacts of climate-related risks and opportunities on the Company's business model and value chain, the methodology for setting and reviewing the "Dual Carbon" targets, and specific information on greenhouse gas emission targets, are set out in the 2024–2025 Climate Action White Paper. The analysis of the financial impacts of climate-related risks and opportunities for 2025 will be disclosed in the Climate Action White Paper to be issued by the Company in the second half of 2026.

Climate Risk Management

Management of Climate-related Risks and Opportunities

Kunlun Energy consistently integrates the management of climate-related risks and opportunities into all aspects of corporate operations. The Company explores the integration of climate change risk management into the existing risk management closed-loop system. Following the process of "Risk Identification – Risk Analysis – Risk Assessment – Risk Mitigation – Monitoring and Review", we comprehensively evaluate management strategies, solutions, and oversight plans for 32 categories of climate-related risks and opportunities.

Climate-related Risk and Opportunity Scenario Analysis

Kunlun Energy has established a long-term mechanism for climate-related risk and opportunity scenario analysis, conducting specialised assessments annually. By quantifying the potential financial impacts of climate-related factors, we systematically evaluate the Company's climate resilience. Combined with the iteration of scenario data and the optimization of methodologies, we dynamically update the scenario analysis framework to ensure the timeliness of assessment results and their value as a reference for decision-making.

Physical Risk Scenarios

Based on authoritative climate science findings, Kunlun Energy has constructed a systematic physical risk assessment framework. This framework primarily relies on the Shared Socioeconomic Pathway (SSP) scenarios presented in the IPCC AR6, selecting two representative scenarios as the basis for analysis: the SSP2-4.5 (medium-low emission)[19] and SSP5-8.5 (high emission)[20] scenarios. The scope of analysis covers the Company's major operating segments and all subsidiaries, with assets including office premises, LNG plants, and receiving terminals. The assessment assumes that the Company's principal business and asset scale remain constant, focusing solely on asset value risks under different disaster levels, while currently excluding factors such as operational disruption, compound hazards, and future adaptation measures.

Transition Risk Scenarios

Referencing the core research findings of the *IEA World Energy Outlook 2024* (WEO 2024), Kunlun Energy has constructed a climate scenario analysis framework using the Net Zero Emissions by 2050 (NZE2050) scenario as the high-transition scenario, the Announced Pledges Scenario (APS) as the moderate-transition scenario, and the Stated Policies Scenario (STEPS) as the low-transition scenario. The analysis covers the Company's entire system and the upstream and downstream value chain. It assumes that carbon taxes and carbon market mechanisms operate effectively during the analysis period, the Company's business structure remains stable, and emission reduction actions proceed according to existing plans. This enables a systematic assessment of the policy, market, and technology risks faced by the Company under different transition intensities.

[19] Corresponding to a medium social and economic development pathway with relatively low greenhouse gas emission levels, where changes to the climate system are comparatively moderate.

[20] Corresponding to a high-intensity economic growth pathway with high greenhouse gas emission levels, where the frequency and intensity of extreme climate events increase significantly.

Climate Strategy

Kunlun Energy has incorporated green and low-carbon principles into the overall development strategy and the overarching "15th Five-Year Plan." In response to the Parent Company's three-step green and low-carbon transition pathway of "Clean Substitution, Strategic Succession, and Green Transformation," the Company has upgraded the identification and assessment of climate-related risks and opportunities into a normalised mechanism. We perform multi-scenario financial impact calculations for identified climated-related risks and opportunities and strengthen climate resilience assessments to ensure the robust development of the enterprise in addressing climate change challenges.

We have actively advanced our low-carbon strategy, strengthened green design at the source and energy conservation assessment, enhanced process emission reduction management, continuously reduced carbon emission intensity, and conducted research on the construction of zero-carbon stations. We have prioritised in-house emission reduction, measured the rationality and scientificity of procurement investment costs against carbon prices in the carbon trading market, proactively explored emission reduction potential, deepened the application of emission reduction measures, and reduced procurement demand. Meanwhile, we have implemented a dual-control system for carbon emission volume and carbon emission intensity, incorporated the system into the performance assessment of our affiliated entities, and strengthened emission control management. Going forward, we will continue to evaluate the feasibility and implementation path of introducing an internal carbon pricing mechanism in light of industry practices and our own development plan.

Physical Risks

Physical Risk Inventory

Physical Risks	Time Horizon[21]	Potentially Affected Value Chain Segments	Potential Impact Pathway	Potential Financial Impact	Mitigation Measures
Acute Risks					
Increased Frequency of Extreme Precipitation and Flood Events Induced by Climate Change	• Short Term • Medium Term • Long Term	• Production and Operations • Upstream Transportation and Logistics • Downstream Transportation and Sales	• Increased pressure on drainage systems at stations and receiving terminals may lead to operational disruptions. Furthermore, rainwater or flash flooding may cause erosion, resulting in the exposure or displacement of buried pipelines. • Leakages from systems or pipelines may lead to the contamination of groundwater, exposing the Company to potential environmental penalties and regulatory sanctions. • Impacts on the safety of personnel and production activities necessitate enhanced safety protection measures, leading to increased investment in safety management and equipment. • Disruptions to natural gas supplies for downstream commercial customers and consumers may adversely affect their routine domestic and industrial activities.	• Asset impairment losses • Increase in operating expenditure (OPEX) • Reduction in revenue	• We are fully committed to flood prevention, disaster relief, and ensuring a stable natural gas supply. A specialised emergency contingency plan for flood prevention will be activated, and a leading group will be established to centralise the planning, organisation, and coordination of flood-fighting and disaster-relief efforts, maintaining a 24-hour emergency duty system. • We have conducted comprehensive safety inspections of high, medium, and low-pressure natural gas pipelines, refuelling stations, and pressure-regulating facilities within areas affected by heavy rainfall.
Cyclone / Typhoon / Hurricane	• Short Term • Medium Term • Long Term	• Production and Operations • Upstream Transportation and Logistics • Downstream Transportation and Sales	• Damage to facilities such as loading bays and compressor rooms. • Ships are unable to dock at the terminal as scheduled, affecting the stable supply of LNG from upstream suppliers. • Typhoons often trigger thunderstorms, floods, and other weather events, resulting in voltage instability and production stoppages, thereby increasing operation and maintenance expenditures. • Impacts on the safety of personnel and production activities necessitate enhanced safety protection measures, leading to increased investment in safety management and equipment.	• Asset impairment losses • Increase in operating expenditure (OPEX) • Reduction in revenue	• Dedicated personnel have been assigned to conduct 24-hour shift monitoring of national weather forecasts and extreme weather warnings issued by the China Meteorological Administration (CMA). • Lightning early-warning systems have been installed at coastal operating sites. Specialist personnel are assigned to monitor coastal wind speeds to ensure the safety of vessel berthing and unloading operations. To safeguard equipment integrity and the lives of our employees, all outdoor operations will be suspended during hazardous conditions.

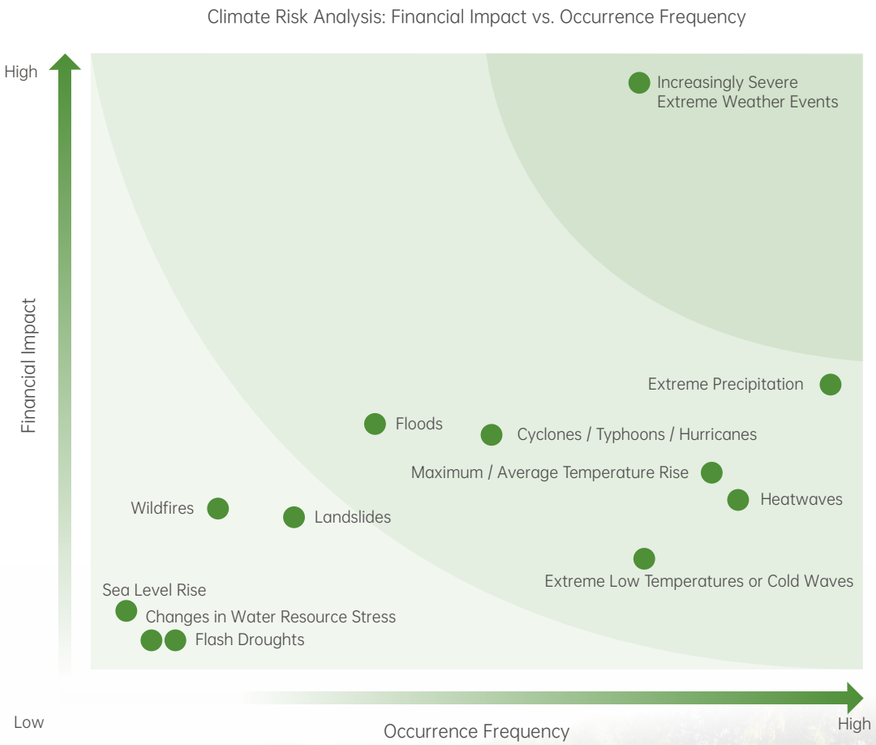
[21] Short-term: 0–1 year, consistent with the Company's annual planning cycle, during which climate action targets are set annually.
Medium-term: 1–6 years, aligned with the timeframe for the Company to reach the "Carbon Peak."
Long-term: 7–26 years, aligned with the timeframe for the Company to achieve net zero emissions.

Physical Risks	Time Horizon[21]	Potentially Affected Value Chain Segments	Potential Impact Pathway	Potential Financial Impact	Mitigation Measures
Acute Risks					
High Temperature	• Short Term • Medium Term • Long Term	• Production and Operations • Downstream Transportation and Sales	• Rising temperatures pose risks to occupational health and safety (OHS), potentially leading to operational disruptions or delays in project construction. • Heightened demand for cooling equipment, such as air conditioning, and heatstroke prevention supplies. • Potential disruptions to power supplies may result in losses to production capacity and operational efficiency.	• Increase in operating expenditure (OPEX) • Reduction in revenue	• In response to extreme high temperatures, the Company prioritises the use of remote monitoring equipment for outdoor inspections, schedules work to avoid peak heat periods wherever possible, and provides high-temperature allowances and heatstroke prevention medication to safeguard the health and safety of employees working outdoors.
Extreme Low Temperature or Cold Wave	• Short Term • Medium Term • Long Term	• Production and Operations • Upstream Supply Chain • Downstream Transportation and Sales	• Rising energy consumption by thermal insulation and heating equipment, coupled with a surge in demand for winter supplies. Furthermore, extreme cold hinders employee commuting and restricts the frequency and safety of outdoor site inspections. • A sharp spike in heating demand leads to a surge in natural gas consumption, significantly increasing the burden on upstream procurement and operational dispatch and balancing. • Pipelines are highly susceptible to damage from permafrost heaving and compression, which elevates the risk of fugitive leakages. • Frequent occurrences of freeze-plugging (hydrate formation) may lead to the interruption of pipeline transmissions, adversely affecting the continuity of downstream supply.	• Asset impairment losses • Increase in operating expenditure (OPEX) • Reduction in revenue	• Installation of frost protection systems for critical equipment, and provision of cold-weather clothing and safety gear for employees.
Chronic Risk					
Rise in Maximum/ Average Temperatures	• Short Term • Medium Term • Long Term	• Production and Operations • Downstream Transportation and Sales	• A reduction in consumer demand for heating leads to a decline in natural gas sales volumes. • Reduced efficiency of cooling systems results in increased refrigeration energy consumption. • Risks to occupational health and safety (OHS) necessitate increased expenditure on heatstroke prevention supplies and higher energy consumption for cooling equipment (e.g., air conditioning). • Potential impairment of inventory quality and the accelerated depreciation of fixed assets.	• Asset impairment losses • Increase in operating expenditure (OPEX) • Reduction in revenue	• Prioritises the use of mechanical equipment for remote monitoring in outdoor inspections, ensuring that manual operations avoid peak temperature periods. Furthermore, provide high-temperature allowances and heatstroke prevention medication to safeguard the health and safety of employees during outdoor assignments. • Maintain proactive monitoring of temperature fluctuations and climate-related risks to enhance supply-demand dispatch and balancing capabilities. • Continue to advance greenhouse gas emission reduction initiatives.
Sea Level Rise	• Medium Term • Long Term	• Production and Operations • Downstream Transportation and Sales	• Fixed assets are susceptible to saline corrosion, with chloride ions penetrating foundations and steel structures. • Saltwater intrusion may cause operational disruptions at coastal facilities, leading to an adverse impact on the stability of downstream natural gas supplies. • Seawater corrosion reduces the safety margins and operational lifespan of facilities and equipment, resulting in a significant increase in operation and maintenance (O&M) costs.	• Asset impairment losses • Increase in operating expenditure (OPEX) • Reduction in revenue	• Conduct regular maintenance to ensure operational efficiency and service life of facilities, deploy wave protection equipment at the wharf apron to prevent seawater backflow, and installbored piles to reinforce buildings.
Changes in Water Stress or Flash Drought	• Medium Term • Long Term	• Production and Operations • Downstream Transportation and Sales	• A reduction in the availability of cooling water leads to a decline in production efficiency, subsequently impacting sales and supply-chain effectiveness. • Increased competitive demand for limited water resources results in a rise in water procurement costs.	• Increase in operating expenditure (OPEX) • Reduction in revenue	• Aiming to achieve energy and water conservation targets through the recycling and reuse of wastewater. By reducing the water demand of our production activities, we effectively mitigate the risks associated with water scarcity.

Materiality Assessment of Physical Risks

This materiality assessment focuses on the types, frequencies, and financial impacts of climate-related disasters encountered over the past five years in the locations where Kunlun Energy's project companies operate. It evaluates whether future risks are likely to intensify, examines the robustness of emergency contingency plans, and constructs a physical risk materiality matrix to provide a holistic assessment of the priorities and urgency of physical risks.

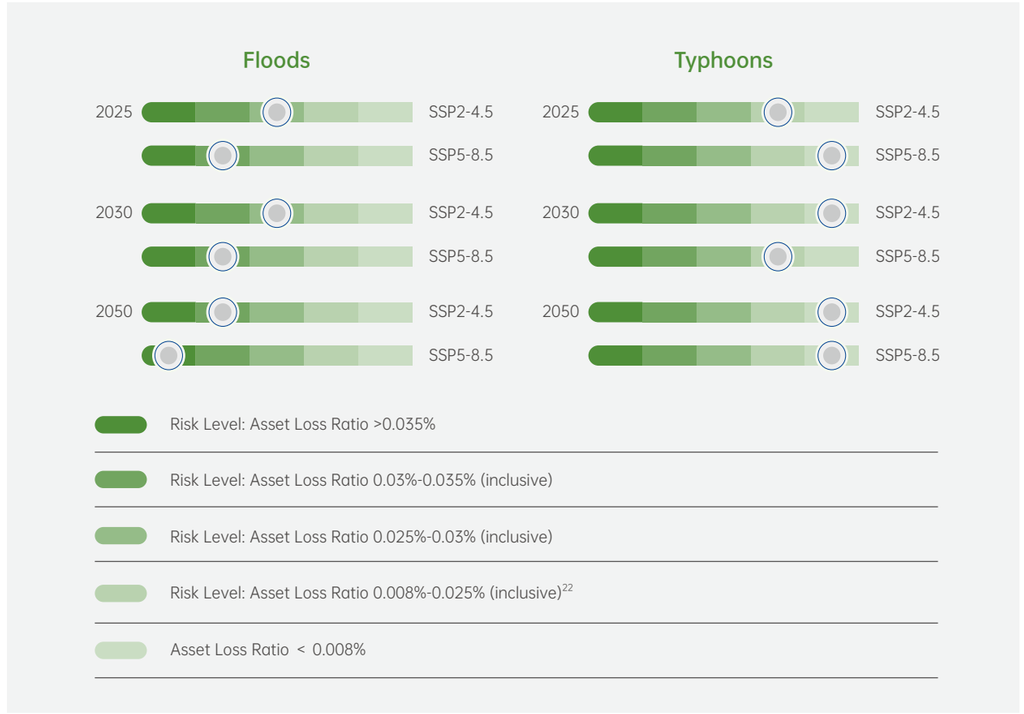
There is a discernible trend of increasing extreme weather events. Among these, extreme precipitation and flooding have a relatively significant financial impact on the Company, while the frequency of heatwaves remains at a high level—a judgment consistent with overall industry assessment conclusions. Additionally, extreme disasters such as cyclones, cold waves, wildfires, and landslides also pose certain levels of impact on Kunlun Energy.



Physical Risk Materiality Assessment Matrix

Financial Impact Assessment of Physical Risks

The methodology for this physical risk scenario analysis is centred on the core calculation logic of "the relative relationship between the degree of asset loss and total asset value." This ratio facilitates cross-regional and cross-asset horizontal comparisons of risk, providing a robust basis for optimising asset distribution and risk classification. Furthermore, it directly informs the estimation of risk mitigation costs, thereby offering a quantitative foundation for risk management decision-making. According to our statistical findings, the combined impact of physical risk hazards on the Company's asset value and profits is less than 1%, indicating that the overall risk remains within a controllable range.



Financial Impact Assessment of Physical Risks (Projected Asset Impact Ratio)

Response Strategies of Physical Risks

Kunlun Energy has established a systematic physical risk prevention and control framework covering the entire value chain. During the planning and construction phases, we enhance infrastructure resilience through scientific site selection and engineering fortifications. We have also implemented a 24/7 monitoring and early-warning mechanism in direct liaison with national meteorological departments. The Company has formulated comprehensive emergency contingency plans and conducts regular drills to ensure rapid disaster response and the security of energy supply. Furthermore, a multi-layered insurance system is utilised to effectively transfer catastrophe risks, comprehensively strengthening the Company's disaster resilience and fulfilling our responsibility to safeguard energy security and social stability.

[22] Data for typhoons is concentrated within a narrow range of 0.006% to 0.01%.

Transition Risks

Transition Risk Inventory

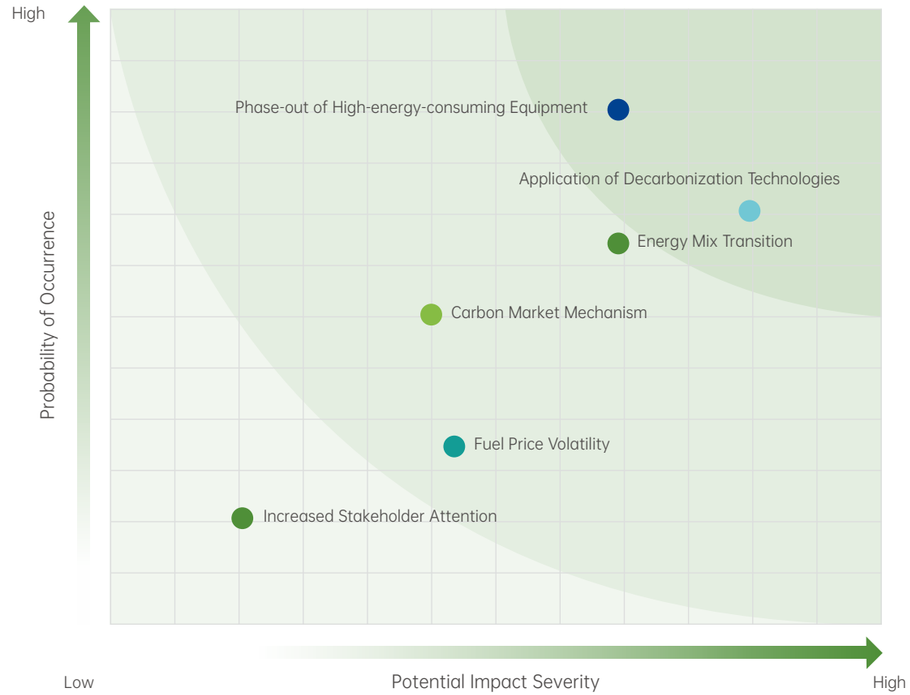
Transition Risks	Time Horizon	Potentially Affected Value Chain Segments	Potential Impact Pathway	Potential Financial Impact	Mitigation Measures
Policy and Regulatory Risk					
Energy Mix Transition	• Medium Term • Long Term	• Upstream Procurement • Production and Operations • Downstream Sales	• As the country undergoes an energy mix transition, the share of clean energy is gradually increasing, while the growth potential of fossil fuels in the national energy structure becomes increasingly constrained. This poses implications for the long-term revenue of natural gas and LPG-related businesses. • During the project planning phase, the environmental impact assessment process requires the Company to incur additional environmental compliance costs in order to meet regulatory standards for ecological protection and low-carbon emissions. • Failure to implement timely energy-saving and emission reduction measures during the project implementation phase may result in government environmental penalties. • Asset impairment and premature retirement of existing assets due to policy changes.	• Asset impairment losses • Increase in operating expenditure • Reduction in revenue	• Building on our strengths in the natural gas business, we continuously explore low-carbon applications within the natural gas industry, providing customers with clean and green energy solutions. Meanwhile, we actively participate in the technological development and construction of new energy sources such as wind, solar, and hydrogen, progressively advancing toward green and low-carbon development.
Carbon Market Mechanism	• Medium Term • Long Term	• Production and Operations	• Should natural gas production, transportation, and sales segments (such as LNG terminals and pipeline transmission companies) be incorporated into carbon emission control schemes in the future, it would directly increase regulatory compliance costs. • Additional human and financial resources will be required to conduct carbon footprinting, manage allowance trading, and appoint dedicated specialists for carbon asset management.	• Increase in operating expenditure	• The Company has established a phased carbon neutrality target: by 2035, priority will be given to achieving net zero emissions in core businesses such as LPG and urban gas business; by 2050, the Company aims to reach net zero emissions across the entire operations, with a focus on reducing exposure to major carbon sources. Concurrently, emission reduction technologies will be adapted into CCER methodologies to generate carbon credit revenue, thereby building multidimensional competitiveness in the carbon market and strengthening risk mitigation capabilities.



Transition Risks	Time Horizon	Potentially Affected Value Chain Segments	Potential Impact Pathway	Potential Financial Impact	Mitigation Measures
Technology Risk					
Application of Decarbonization Technologies	• Medium Term • Long Term	• Upstream Procurement • Production and Operations • Downstream Sales	• The need to advance the R&D and application of methane monitoring and mitigation technologies, alongside strengthening overall methane emissions management, will result in increased technological and operational expenditures. • As renewable energy technologies (such as biomethane, solar, wind, and hydrogen) mature, their associated costs are expected to decline. This may drive a surge in market demand for new energy sources, potentially leading to a reduction in demand for traditional energy sources, including natural gas, LNG, and LPG.	• Increase in capital expenditure • Increase in operating expenditure • Reduction in revenue	• The Company is conducting research and development into key technologies for the integrated development of centralised natural gas power generation with wind, solar, and energy storage. We are advancing the development and application of models such as joint planning for gas-wind-solar-hydrogen-storage systems and stochastic optimization dispatch, while continuously refining the system design scheme for gas-solar-hydrogen-electric microgrids. • The Company continuously tracks advancements in zero-carbon and carbon-negative technologies, including bio-gas, hydrogen energy, CCUS, BECCS, and DAC.
Phase-out of High-energy-consumption Equipment	• Short Term • Medium Term	• Upstream Procurement • Production and Operations	• Technological advancements and increasingly stringent policies and regulations may necessitate the early retirement of certain assets from operations. • The need to invest in new equipment to maintain market competitiveness will place significant pressure on capital expenditure.	• Asset impairment losses • Increase in capital expenditure	• Kunlun Energy focuses on core production processes by making targeted investments in equipment efficiency upgrades and renewal initiatives. These efforts further reduce energy consumption during equipment operation and enhance production efficiency, thereby providing the hardware foundation necessary to support both energy security and the low-carbon transition.
Market Risk					
Fuel Price Volatility	• Short Term • Medium Term • Long Term	• Upstream Procurement • Production and Operations	• An increase in fossil energy prices may lead to higher costs for tanker truck transportation, thereby increasing Kunlun Energy's logistics expenses and the transportation costs of our own vehicle fleet. • An increase in upstream resource prices results in higher cost expenditures.	• Increase in operating expenditure	• We are steadily advancing the transition to new energy vehicles for our non-production fleet, phasing out fuel-powered vehicles on a vehicle-by-vehicle basis. • We are progressively advancing the electrification and substitution of energy use within our operations, aiming to increase the share of electricity in final energy consumption.
Reputational Risk					
Increased Stakeholder Scrutiny	• Medium Term • Long Term	• Downstream Sales	• If the Company fails to align with policy directions and market shifts, reputational risks may lead to financial damage, including loss of market share due to changing consumer preferences and intensified pushback from stakeholders. As demand for goods and services declines, revenue will decrease. • Investors are placing increasing importance on the Company's ability to identify and manage climate-related risks. Failure to take substantive actions to address climated-related risks may adversely affect the Company's access to financing opportunities.	• Reduction in revenue • Reduced access to financing	• Conducting comprehensive assessments of financial impacts and climate resilience, with regular public disclosure of the findings. • Centred on the four key pillars of "Energy Conservation & Carbon Mitigation, Accelerated Energy Transition, Enhanced Technological Innovation, and Green Brand Building," we are accelerating our transformation into a world-class, domestically leading integrated green energy provider.

Materiality Assessment of Transition Risks

In 2025, Kunlun Energy conducted a materiality assessment of six transition risks, carefully evaluating both the likelihood of occurrence and the potential degree of impact for each risk. The assessment results indicate that the deployment of decarbonization technologies and the phase-out of high-energy-consumption equipment pose the most significant potential impacts on the Company. Additionally, factors such as the energy mix transition, changes in carbon market mechanisms, and fuel price volatility have also been identified as key transition risks requiring focused attention.

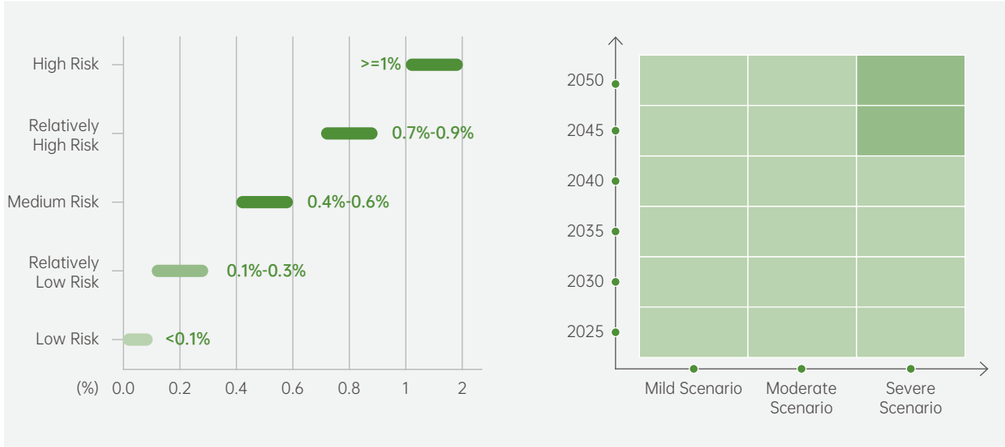


Materiality Assessment Matrix of Transition Risks

Financial Impact Assessment of Transition Risks[23]

The Company has demonstrated strong resilience and adaptability to transition risks, with the overall impact on the profitability remaining well within manageable limits. Specifically, in the short term, the reduction in net profit margin under all scenarios is less than 0.1%. Over the long term, even under the high-stress scenario projected for 2050, the decline in net profit margin remains below 0.2%, while the impact under medium- and low-stress scenarios is negligible.

[23] For detailed information regarding the models, assumptions, and parameters utilised in the transition risk assessment, please refer to the *2024-2025 Climate Action White Paper*.



Financial Impact Assessment of Transition Risks (Projected Net Profit Margin Decline)

Response Strategies of Transition Risks

Kunlun Energy is systematically advancing three key areas of focus in support of our green and low-carbon transition.

Continuously optimizing the energy mix by deepening efforts in the clean and efficient utilisation of natural gas, developing natural gas power generation and integrated energy services, while actively expanding into new energy businesses such as wind power, photovoltaics, hydrogen, and energy storage. This accelerates the establishment of a diversified, complementary green energy system and drives the Company's transformation into an integrated green energy service provider.

Strengthening technology leadership and innovation in key areas, with a focus on cutting-edge fields such as hydrogen energy, energy storage, and carbon capture. Increasing investment in research and development, establishing high-level innovation platforms, and deepening industry-university-research-application collaboration to achieve breakthroughs in low-carbon and zero-carbon technologies and develop proprietary intellectual property.

Exploring the comprehensive utilisation value of resources such as LNG cold energy. By recovering and utilising the cold energy released during the LNG regasification process, the Company enhances energy efficiency and synergistic benefits, cultivating new advantages for green development.

Climate Opportunities

Kunlun Energy has conducted a comprehensive exercise to identify, analyse, and assess climate-related opportunities. Closely aligning with the national "Dual Carbon" strategy and climate policy requirements, the Company has integrated these factors into the business development planning while maintaining regular communication and engagement with various stakeholders. We fully recognise that while climate change presents potential risks, it also creates significant room for business growth and long-term sustainability opportunities.

Climate Opportunity Inventory

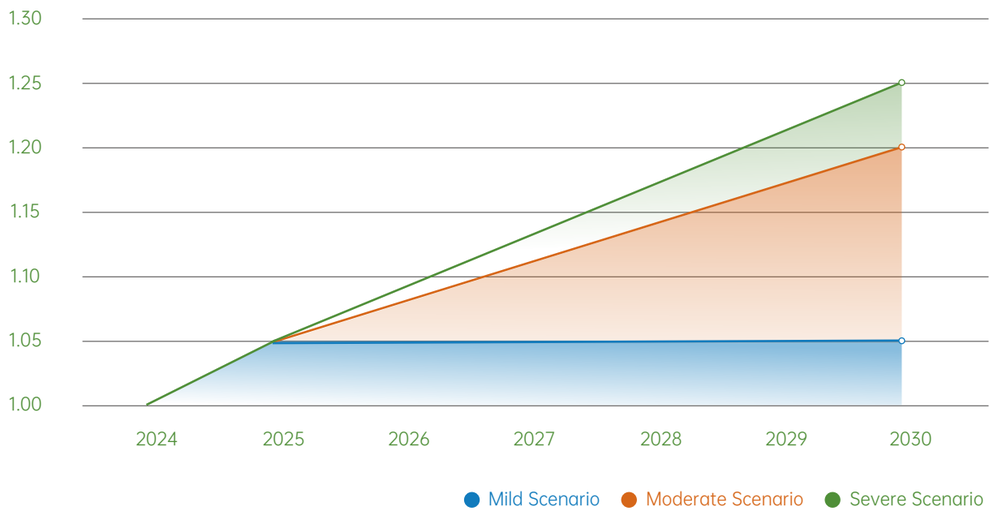
Climate Opportunities	Time Horizon	Potentially Affected Value Chain Segments	Potential Impact Pathway	Potential Financial Impact
Policy				
National Energy Structure	• Short Term • Medium Term	• Production and Operations • Downstream Sales	• Natural gas plays a prominent role in advancing the nation's clean energy transition and ensuring energy security. In the short to medium term, natural gas consumption may show an upward trend driven by policy guidance, which supports the continued growth of the natural gas business.	• Increase in operating revenue
Market				
Public Sector Incentives	• Short Term • Medium Term • Long Term	• Direct Operations	• Kunlun Energy's development of natural gas power generation and new energy projects contributes to advancing the low-carbon transition of society and aligns with the national green finance policy orientation. This enables the Company to obtain financial support through green financing or refinancing.	• Expand access to financing
Resource Efficiency				
Digital and Intelligent Transformation	• Short Term • Medium Term • Long Term	• Production and Operations	• By driving digital transformation to construct smart pipeline networks and intelligent station management systems, we achieve real-time monitoring and energy efficiency analysis across the entire production and operational lifecycle. This enables the precise identification of high-energy-consumption and high-emission nodes for targeted optimisation, while effectively preventing risks such as methane leakage. Consequently, this enhances production management effectiveness while simultaneously reducing energy losses and labour costs.	• Reduction in operating cost
Energy Source				
Use of Low-Carbon Energy	• Medium Term • Long Term	• Production and Operations • Downstream Sales	• Against the strategic backdrop of the national transition towards non-fossil energy, Kunlun Energy is actively positioning ourselves in renewable energy businesses, including distributed solar photovoltaics (PV), wind power, and integrated energy services. We maintain continuous tracking of frontier zero-carbon and negative-carbon technologies, such as biogas, hydrogen, CCUS, BECCS, and DAC. By developing a diversified portfolio of clean energy businesses, the Company is well-positioned to capture policy-driven opportunities, driving sustainable growth and enhancing profitability. These initiatives concurrently support the reduction of our GHG emissions and lower expenditures on purchased electricity and carbon compliance costs.	• Increase in operating revenue • Reduction in operating cost
Resilience				
Participation in Renewable Energy Projects and Adoption of Energy Efficiency Measures	• Short Term • Medium Term • Long Term	• Production and Operations • Downstream Sales	• Increasing the proportion of non-fossil energy is an established, long-term national energy strategy. We have proactively positioned ourselves in distributed solar photovoltaics, wind power, and integrated energy services. Our resilient development pathway is deeply aligned with the national transition trajectory, positioning the Company to achieve leapfrog growth bolstered by supportive policy tailwinds.	• Increase in operating revenue
Reputation				
Industry and Public Attention	• Medium Term • Long Term	• Downstream Sales	• While ensuring a secure and stable supply of natural gas, we strive to become a leader in low-carbon industry development. By cultivating a distinctive green brand image, we aim to enhance corporate reputation, thereby attracting greater interest and favour from both customers and the investment community.	• Increase in operating revenue • Expand access to financing

Financial Impact Assessment of Climate Opportunities

As a clean and low-carbon fossil fuel, natural gas plays a vital role as a strategic pillar and a transitional bridge in the national transformation towards a "low-carbon and zero-carbon" energy structure. Particularly during the "carbon peaking" phase before 2030, natural gas consumption in China is expected to continue growing. To scientifically assess the impact of future changes in natural gas demand on Kunlun Energy's business, we conducted a multi-scenario analysis of the Company's natural gas operations, taking into account regional energy demand growth and price trends under different climate scenarios. At the same time, the Company is actively expanding into green and clean energy, with the scale of the integrated energy and new energy businesses increasing year by year.

Trends in End-Use Natural Gas Consumption

The analysis indicates that end-use natural gas demand is projected to grow across all scenarios over the short to medium term. This upward trend is expected not only to offset transition risks but also to serve as a new driver of revenue growth.



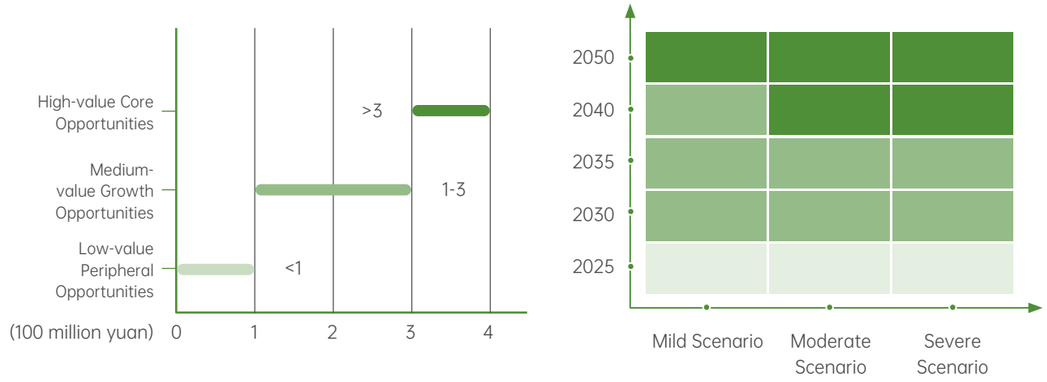
Changes in End-Use Natural Gas Consumption (2024=1)[24]

[24] The changes in end-use natural gas consumption are calculated using 2024 as the baseline year.

Potential Opportunities in New Energy Business

In the medium-to-long term, the Company's development of renewable energy projects, such as distributed solar photovoltaics, will not only satisfy our internal demand for self-generated clean electricity and increase the proportion of green energy but also drive our strategic transformation from a traditional natural gas distributor to an integrated green energy provider. The feed-in of surplus electricity to the grid creates a stable revenue stream, representing a significant economic opportunity within our green transition. As installed capacity continues to expand, revenue from related businesses is demonstrating a rapid upward trend. This growth potential is particularly pronounced under moderate and high-impact scenarios, where a multi-fold leap in performance is anticipated.

New Energy Business Revenue (Green Power)



Financial Impact Assessment of Climate Opportunities (Projected Revenue from New Energy Business) (Unit: 100 million yuan)

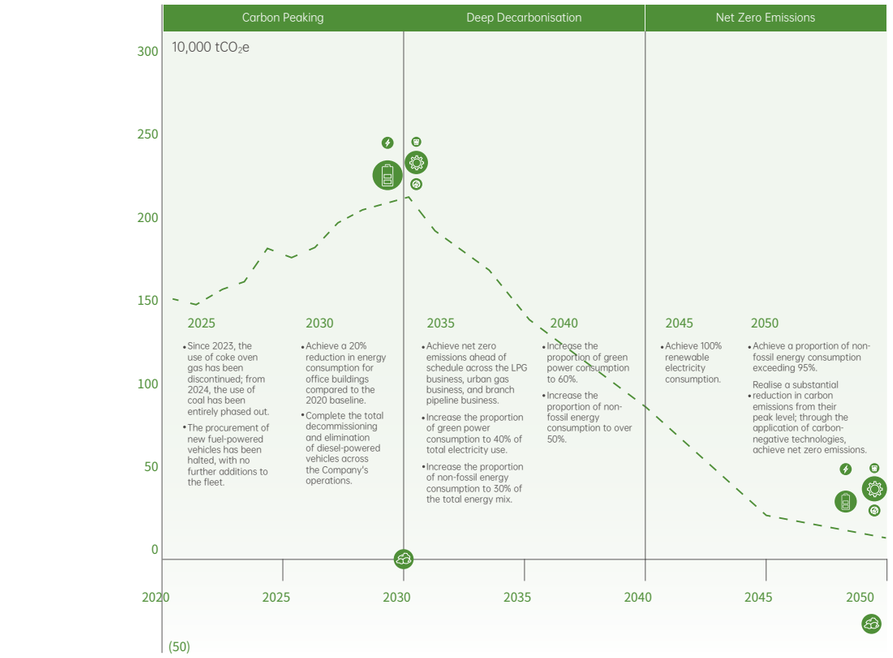
Key Performance Indicators

Based on the assessment, assets or business activities susceptible to climate-related transition risks account for less than 1% of total assets. Similarly, assets or business activities vulnerable to climate-related physical risks also represent less than 1% of total assets.

Metrics and Targets

"Dual Carbon" Goals

Kunlun Energy has set an overall target of achieving carbon peaking by 2030 and net zero emissions by 2050. As an ambitious stretch target, we aim to advance our carbon peaking bg 2027 and realise net zero emissions across our LPG business, urban gas business and branch pipeline business by 2035.



Note: Emission calculations are primarily based on the *Guidelines for Greenhouse Gas Emission Accounting and Reporting for China Petroleum and Natural Gas Production Enterprises (Trial)* and other relevant standards.

Kunlun Energy Net Zero Roadmap

Greenhouse Gas Emissions

Kunlun Energy has established carbon dioxide emissions and methane emissions as the core indicators for the "Dual Carbon" goals. These indicators are progressively broken down and tracked on an annual basis to ensure the effective and substantive implementation of the Company's greenhouse gas emission reduction measures.

Key Performance Indicators

In 2025, total carbon dioxide emissions amounted to 1.2884 million tonnes, carbon dioxide emission intensity 0.22 tonnes per 10,000 m^3.

Key Achievements

In 2025, we conducted the carbon footprint inventory for key products, completing the accounting and certification of the carbon footprints for our core offerings, including LNG and LPG.

Key Performance Indicators

Indicator[25]	Unit	2023	2024	2025
Direct GHG Emissions (Scope 1)[26]	tCO_2e	373,839	489,665	520,885[27]
Direct GHG Emission Physical Intensity (Scope 1)[28]	tCO_2e / 10,000 m^3	0.076	0.090	0.088
Direct GHG Emission Economic Intensity (Scope 1)[29]	tCO_2e / 10,000 yuan	0.021	0.026	0.027
Indirect GHG Emissions (Scope 2)[30]	tCO_2e	1,094,381	1,104,390	977,550
Indirect GHG Emission Physical Intensity (Scope 2)	tCO_2e / 10,000 m^3	0.222	0.204	0.165
Indirect GHG Emission Economic Intensity (Scope 2)	tCO_2e / 10,000 yuan	0.062	0.059	0.050
Total GHG Emissions (Scope 1 + Scope 2)	tCO_2e	1,618,370	1,594,055	1,498,435
GHG Emission Physical Intensity (Scope 1 + Scope 2)	tCO_2e / 10,000 m^3	0.328	0.294	0.253
GHG Emission Economic Intensity (Scope 1 + Scope 2)	tCO_2e / 10,000 yuan	0.093	0.085	0.077

[25] The measurement method used for emission and energy consumption data is the operational control approach.

[26] Direct GHG Emissions (Scope 1) include emissions resulting from the Company's consumption of gasoline, diesel, natural gas, LPG, and process emissions. The accounting and reporting of Scope 1 emissions refer to the following standards: Guidelines for Greenhouse Gas Emissions Accounting (Q/SY KLNY 0079—2023), Requirements of the Greenhouse Gas Emissions Accounting and Reporting—Part 16: Petroleum and Natural Gas Extraction Enterprises (GB/T 32151.16-2023), Requirements of the Greenhouse Gas Emissions Accounting and Reporting Methods and Reporting Guidelines for Petroleum and Natural Gas Production Enterprises in China (Trial) (2014.12.3).

[27] The increase in Scope 1 GHG emissions in 2025 was primarily attributable to the growth in LNG processing volume.

[28] Physical GHG Intensity = GHG Emissions (tCO_2e) / Total Natural Gas Sales Volume (10,000 m^3)

[29] Economic GHG Intensity = GHG Emissions (tCO_2e) / Operating Revenue (10,000 yuan)

[30] Indirect GHG Emissions (Scope 2) include emissions from purchased electricity and purchased heat. The accounting and reporting of Scope 2 emissions refer to the same standards as Scope 1 (listed above).

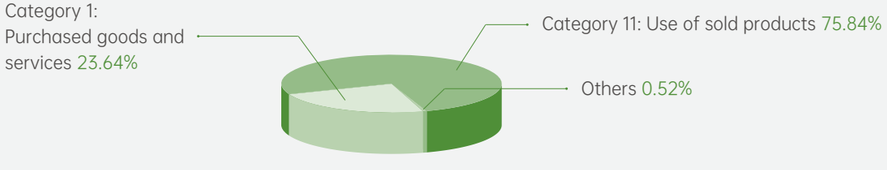
In 2025, we engaged an independent third party to conduct a verification process for our 2024 greenhouse gas emissions in accordance with ISO 14064-3:2019. The verification systematically covered Scope 1, Scope 2, and all material Scope 3 categories, with the verification statement formally issued by an accredited body.



Verification Statement of GHG Emissions

Key Performance Indicators

Scope 3 Categories	Unit	2023	2024
Category 1: Purchased Goods and Services	tCO_2e	22,792,451.13	41,500,524.65
Category 2: Capital Goods	tCO_2e	184,380.80	96,541.57
Category 3: Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	tCO_2e	176,235.27	301,034.25
Category 4: Upstream Transportation and Distribution	tCO_2e	82,793.03	52,227.62
Category 5: Waste Generated in Operations	tCO_2e	5,083.85	3,062.60
Category 6: Business Travel	tCO_2e	2,725.40	2,209.63
Category 7: Employee Commuting	tCO_2e	10,926.66	13,749.17
Category 9: Downstream Transportation and Distribution	tCO_2e	602,602.17	439,220.76
Category 11: Use of Sold Products	tCO_2e	118,264,841.30	133,123,651.30
Total	tCO_2e	142,122,039.61	175,532,221.55



Share of Total Scope 3 Emissions

Efficient Resource Utilisation

Adhering to our core philosophy of "Upholding Green and Low-carbon Growth, Achieving High-quality Development, and Building a Beautiful Ecosystem," Kunlun Energy promotes meticulous resource management. We are actively constructing a comprehensive low-carbon energy management system across our entire value chain, fully integrating energy conservation and consumption reduction into every facet of our operations. By continuously enhancing resource utilisation efficiency, we aim to inject powerful momentum into the green transformation of the gas industry.

Laws and Regulations Complied With

Cleaner Production Promotion Law of the People's Republic of China

Water Law of the People's Republic of China

Energy Law of the People's Republic of China

Energy Conservation Law of the People's Republic of China

Methane Emission Control Action Plan

Action Plan for Achieving Carbon Peaking by 2030

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Internal Policies and Systems of Kunlun Energy

Energy and Water Conservation Management Measures

Energy and Water Conservation Statistics Management Measures

Metrology Management Measures

Water Withdrawal and Use Management Measures (Trial)

Energy and Water Conservation Excellence Award Management Measures

Energy Conservation and Carbon Reduction Action Plan (2024–2025)

Methane Emission Control Action Plan

Carbon Emission Assessment Management Measures

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Energy Management

Kunlun Energy adheres to the principle of placing equal emphasis on development and conservation, with priority given to conservation. The Company actively advances energy management and control in line with a lifecycle approach to energy efficiency. By strengthening foundational energy management, reinforcing source control, enhancing operational energy management, and tapping into internal potential, the Company continuously improves energy efficiency levels and effectively controls total energy consumption.

Energy Management System

As the core decision-making body for sustainable development, the Board of Directors provides top-level strategic direction for energy conservation and carbon reduction, delegating the Sustainability Committee to assess the progress of these initiatives. The Quality, Health, Safety, and Environmental Protection Committee (hereinafter referred to as the "QHSE Committee") serves as the leading decision-making body for energy management, overseeing the integrated advancement of relevant efforts. The Production and Operation Department, acting as the dedicated management department, is responsible for framework development and daily operational control. Together, these entities form a "Decision–Coordination–Execution" three-tier collaborative architecture, providing robust support for high-efficiency energy utilisation and green transformation.

Key Performance Indicators

Indicator		Unit	2023	2024	2025
Total Energy Consumption[31]		MWh	2,889,323.85	3,170,178.44	3,085,983.62
Total Energy Consumption Intensity[32]		MWh / 10,000 yuan	0.163	0.169	0.159
Direct Energy Consumption	Gasoline	Tonnes	4,223.48	4,077.26	3,747.74
	Diesel	Tonnes	875.34	881.35	710.56
	Natural Gas	10,000 m^3	11,378.03	11,879.47	10,552.28
	LPG	Tonnes	81.77	23.18	39.58
Total Direct Energy Consumption		MWh	1,186,925.58	1,345,161.05	1,195,793.02
Direct Energy Consumption Intensity[33]		MWh / 10,000 yuan	0.067	0.072	0.062
Indirect Energy Consumption	Purchased Electricity	MWh	1,689,893.58	1,814,125.50	1,878,394.93[34]
	Purchased Steam	MWh	12,504.68	10,864.89	11,795.67
Total Indirect Energy Consumption		MWh	1,702,398.26	1,825,017.39	1,890,190.60
Indirect Energy Consumption Intensity[35]		MWh / 10,000 yuan	0.096	0.098	0.097

[31] Total energy consumption (measured in MWh) is calculated based on the relevant conversion factors provided in the General Rules for Calculation of the Comprehensive Energy Consumption (GB/T 2589-2020), published by the State Administration for Market Regulation (SAMR) and the Standardization Administration of the People's Republic of China.

[32] Total Energy Consumption Intensity = Total Energy Consumption (MWh) / Operating Revenue (10,000 yuan)

[33] Direct Energy Consumption Intensity = Total Direct Energy Consumption (MWh) / Operating Revenue (10,000 yuan)

[34] In 2025, purchased electricity increased year-on-year. This was primarily attributable to the ramp-up in production at LNG plants, which drove a corresponding rise in electricity demand for production processes.

[35] Indirect Energy Consumption Intensity = Total Indirect Energy Consumption (MWh) / Operating Revenue (10,000 yuan)

Energy Audit

We strengthened the energy audit work of our subsidiaries, conducting energy audits on units with inadequate energy and water conservation management systems, failure to implement energy and water saving measures, and low energy and water resource utilisation efficiency. Written handling opinions were proposed for issues identified during the audits, with deadlines set for rectification.

Digital and Intelligent Empowerment

We have established an Energy Management Information Platform to enhance the digitalisation of our energy governance. By leveraging automation and information technology, we implement real-time energy metering and online monitoring across the gas transmission, distribution, sales, and consumption processes. Through the application of benchmarking analysis and system optimisation, we conduct dynamic monitoring and effective management of energy utilisation. This approach ensures the optimisation of energy use and the maximisation of economic benefits.

Energy-efficient Design

In accordance with the Parent Company's management measures for energy conservation review of fixed-asset investment projects, we strictly implement internal review systems for energy-saving initiatives. We actively advance energy conservation and carbon emission assessments for construction projects, strengthening full-process management across energy efficiency accounting, hierarchical approval, and energy-saving acceptance. By enhancing scientific and green design, we ensure that compliance management responsibilities for energy conservation reviews are fully implemented.

Key Achievements

- Regularly monitor the construction progress of the Fujian LNG Receiving Terminal project, ensuring that energy conservation review opinions are integrated throughout the project construction process.
- Guide Inner Mongolia Company in confirming and implementing energy conservation review opinions prior to the commencement of the technical transformation project for direct liquefaction of pipeline natural gas at the Wuhai Xilaifeng LNG Plant.

Energy Conservation Training

The Company actively conducts energy and water conservation training and awareness campaigns for all employees, embedding conservation principles into everyday practices. These efforts guide employees to internalize energy and water conservation as a conscious behavior, continuously fostering and deepening a conservation-oriented corporate culture and building a company-wide consensus on energy saving and carbon reduction.

Case

Training Programme for Energy and Water Conservation Management

To thoroughly implement national laws and regulations on energy conservation and carbon reduction and to uphold the principle of "Prioritising Conservation," the Company organised a 5-day specialised training programme for energy and water conservation management personnel in October 2025. A total of 52 employees from relevant positions participated, with a focus on enhancing the professional competence and operational efficiency of our energy management teams. Training content included interpretation of the Company's 15th Five-Year Plan for energy conservation and carbon reduction, dissemination of energy conservation laws and regulations, application of energy monitoring technologies, standardization of energy and water conservation statistical reporting, and practical guidance on energy conservation reviews for fixed asset investment projects.

Promoting Energy Conservation and Carbon Reduction

Kunlun Energy thoroughly implements the Parent Company's three-step strategic deployment of "clean substitution, strategic replacement, and green transformation." By strengthening source control for energy conservation and carbon reduction, the Company is fully committed to building a low-carbon energy supply system through measures such as optimizing technological processes, enhancing recovery and utilisation, advancing energy-saving technology transformations, and accelerating the substitution of clean energy.

Key Performance Indicators

In 2025, the Company achieved energy savings of

13,758.01

MWh

representing a total economic value of

6.786

million yuan

A total of

150 million yuan in investment has been approved and deployed for equipment efficiency upgrades and replacements.

Enhancing Recovery and Utilisation

We actively embrace the principles of the circular economy by systematically advancing technical research and the application of waste heat, pressure, and gas recovery technologies. We have established a comprehensive "Recovery–Treatment–Reuse" energy recycling system. By adopting category-specific strategies and precision-targeted measures, we leverage technological innovation and lean management upgrades to continuously improve energy recovery rates and optimise our overall energy consumption structure.

Case

Innovative Model for Stranded Gas Recovery and Comprehensive Utilisation in Xinjiang

Kunlun Energy's Xinjiang subsidiary has proactively advanced stranded natural gas recovery and utilisation projects. Through professional recovery and processing, the subsidiary converts stranded oilfield gas into clean energy products such as CNG and LNG. By addressing the issue at its source, this initiative significantly reduces waste gas emissions caused by the flaring and venting of stranded gas. The project currently achieves an annual recovery of approximately 340 million cubic metres of stranded gas, resulting in an annual emission reduction of 779,661 tCO_2e.

Advancing Energy-Saving Technological Transformation

Focusing on every stage of our production and operations, we implement energy-saving technical retrofitting through integrated planning and category-specific advancement. We concentrate our technical research and system optimisations on high-energy-consuming equipment and critical process systems. By actively promoting the application of advanced and applicable energy-saving technologies, equipment, and management models, we drive continuous improvements in energy utilisation efficiency.

Case

Pilot Light Energy-Saving Technical Retrofit at Guang'an LNG Plant

In 2025, Kunlun Energy's Guang'an LNG Plant completed the retrofit of three high-energy-consumption flare pilot lights. The new pilot lights utilise ejection technology featuring an adjustable air ejector at the base. Based on the Venturi principle, air is drawn into the fuel gas pipeline and mixed with fuel gas before combustion at the top of the pilot light. This design offers both robust resistance to wind and rain and significant energy-saving benefits.Following the retrofit, each pilot light saves 8 m^3/h of fuel gas. Collectively, this results in an annual saving of 210,000 m^3 of natural gas, equivalent to approximately 279 tonnes of standard coal, and reduces CO_2 emissions by approximately 416 tonnes.

Clean Energy Utilisation

Kunlun Energy actively embraces the opportunities presented by the energy transition. We are systematically deploying new energy projects and continuously promoting the clean energy substitution of our own operational energy use. By steadily increasing the proportion of clean energy in our total energy consumption, we are taking proactive steps to implement the national energy structure transition strategy. Furthermore, we are refining our "Natural Gas + Gas-fired Power" coordinated development model, positioning gas-fired power as a critical supportive power source and establishing a new engine to drive the growth of natural gas consumption.

Key Performance Indicators

In 2025, the Company completed **50** distributed photovoltaic projects

with an installed capacity of **7.27** MW

As of the end of the reporting period, a cumulative total of **107** distributed photovoltaic projects were in operation

with a total installed capacity of **20.8** MW

generated **17,640** MWh of electricity

achieving a self-consumption rate of **58.62%**

In 2025, renewable energy consumption reached **1,487,169.89** MWh

accounting for **48.19%** of total energy consumption

Key Performance Indicators

electrification rate reached **66.14%**

Added **5** new natural gas power generationr projects

with **3,719** MW of new installed capacity

Hold equity in **21** natural gas power generation projects

with a cumulative installed capacity of **14,745** MW

The Company regards green power utilisation as a key lever for transforming our energy structure. By continuously increasing the procurement and consumption of green electricity, we steadily raise the share of green power in our energy consumption mix, injecting strong momentum into the green transformation of the industry.

Key Performance Indicators

In 2025, the Company consumed **169,161.08** MWh of green electricity through the "Green Certificates and Power Integrated" mechanism (GECs).

Actively Advancing Methane Emission Control

Kunlun Energy is continuously refining the methane emission reduction and control system. We are actively introducing specialised methodologies to enhance the precision of methane detection and to improve the efficiency of Leak Detection and Repair (LDAR).

Methane Leak Detection Technologies

Introduction of PPB-level[36] Vehicle-mounted Detection Technology

By equipping detection vehicles with high-precision Beidou modules and utilising big data algorithms to determine the type of leaking gas, PPB-level detection accuracy is achieved. Leak sources can be rapidly located within a 150-metres range through wind speed and direction analysis, reducing average response time by 10 to 20 seconds. This approach offers significant advantages in detection accuracy, efficiency, and overall effectiveness.

Upgrade of Natural Gas Leak Detection System

Supplementary upgrades included the deployment of pan-tilt scanning VOCs gas infrared imaging leak detectors, high-altitude surveillance cameras, and pan-tilt scanning laser methane leak concentration detectors. These enhancements improve real-time early warning capabilities, enabling the real-time collection and monitoring of combustible gas concentrations within the plant area. Through big data collection and analysis, the system facilitates effective risk assessment and safety warnings for natural gas leaks at major hazard installations, critical facilities, and key locations, achieving comprehensive, blind-spot-free monitoring across the plant.

Development of an "Air-Ground-Space" Patrol and Protection Model

By integrating technological prevention measures such as drone patrols and video surveillance with human patrols, the Company has developed an "air-ground-space" interactive sensing patrol model incorporating five integrated elements: "high-altitude video monitoring, low-altitude blind-spot compensation, drone patrols, manual inspections, and accompanying optical cables." This approach enables the timely and comprehensive collection, transmission, and storage of data on environmental conditions surrounding pipelines.

Simultaneously, the Company continues to deepen the recovery and utilisation of Boil-off Gas (BOG)[37], implementing a multi-pronged approach for full-process control. We effectively reduce BOG generation at its source through integrated dispatching, enhanced insulation, leak detection, and tanker pressure balancing. By leveraging process retrofitting, we have improved BOG recovery rates and are gradually eliminating flare combustion caused by BOG venting. We also remain committed to LDAR to curb methane emissions. In 2025, the Company published the *Technical Implementation Guidelines for Leak Detection and Repair (LDAR)*. During the Year, LDAR inspections were conducted across 13 LNG plants, receiving terminals, and gate stations, resulting in the identification and repair of 1,430 leak points and an annual methane emission reduction of approximately 36 tonnes.

[36] PPB (Parts Per Billion): A dimensionless unit of concentration representing one part per billion parts.
[37] BOG refers to the unavoidable boil-off gas generated during LNG production, storage, transportation, and use.

Case BOG Reliquefaction and Energy-Saving Retrofit at Guang'an LNG Plant

In 2025, Kunlun Energy's Guang'an LNG Plant implemented an energy-saving retrofit for BOG reliquefaction, enabling the recovery and reliquefaction of BOG generated during storage and production. The project features the cascaded recovery of cryogenic cold energy carried by the BOG, which is utilised for the pre-cooling of feed gas at the cold box inlet. By substituting traditional refrigeration systems with this recovered cold energy, the plant achieves an annual electricity saving of approximately 990 MWh, resulting in a reduction of 531 tCO_2 emissions per year.



BOG Reheater

As a member of the China Oil and Gas Enterprise Methane Emission Control Alliance, the Company actively participates in collaborative efforts for methane emission control, undertakes research on methane emissions from city gas operations, advances technological development for reducing fugitive emissions during loading and unloading operations at CNG and LNG fueling stations, and explores the development of a methane LDAR database. These efforts contribute to advancing methane emission control technologies and refining standards within the gas industry.

Key Performance Indicators

In 2025, through the optimisation of process measures and the strengthening of operational controls, the Company successfully avoided **250,600** tonnes of BOG emissions.

Indicator	Unit	2023	2024	2025
Methane Emissions	Tonnes	7,150	6,863	7,500[38]
Methane Emission Intensity[39]	Tonnes of methane equivalent / 100 million m^3	14.51	12.67[40]	12.66

[38] The increase in methane emissions in 2025 was primarily driven by the year-on-year growth in LNG processing volume.
[39] Methane Emission Intensity = Methane Emissions (tonnes of methane equivalent) / Natural Gas Sales (100 million m^3).
[40] The 2024 methane emission intensity of 12.28 tonnes of methane equivalent per 100 million m^3 disclosed in the 2024 ESG Report was inaccurate due to accounting omissions. It has been revised to 12.67 tonnes of methane equivalent per 100 million cubic metres in the current year.

Developing Zero-Carbon Demonstration Models

Leveraging our unique business strengths, Kunlun Energy is exploring deep emission reduction potential by integrating new energy, digital intelligence, and market mechanisms. We have established an innovative framework of "Distributed PV + Organic Waste Treatment + BOG Recovery," while promoting the design philosophy of unmanned and intelligent stations.

By synchronising clean energy development with engineering projects—such as residual gas recovery from LNG tankers and the circular utilisation of kitchen waste—we aim to reduce methane emissions and enhance biological carbon sequestration. Our goal is to create benchmark low-carbon and zero-carbon demonstration stations that lead the green and low-carbon transformation of the industry.

Key Performance Indicators

In 2025, the number of certified carbon-neutral stations had reached **32**

Water Resource Management

Kunlun Energy attaches great importance to water resource protection and efficient utilisation. Using fine-grained management as our key lever, we strive to continuously enhance water use efficiency. In 2025, focused on building a long-term water management mechanism, the Company formulated and released the *Administrative Measures for Water Intake and Usage (Trial)*, comprehensively strengthening the standardised control of water-related activities.

We conducted comprehensive water resource risk assessments to evaluate regional water endowments, water demand, and current efficiency levels. By scientifically developing utilisation plans, we have achieved precision-based water resource allocation.

We implemented full-lifecycle water management, strictly preventing leaks and drips to eliminate waste at the source and rationally control the consumption of freshwater.

We adopted a multi-pronged approach to improve efficiency, including optimising the operating parameters of production water systems, promoting advanced water-saving technologies and wastewater recycling processes, and increasing the utilisation of unconventional water resources.

Key Performance Indicators

	Total Water Consumption (10,000 m^3)	Water Consumption Intensity (m^3 / 10,000 yuan value added)
2023	501.00	2.03
2024	481.25	1.93
2025	500.60[41]	2.19

Implementing Green Operations

Kunlun Energy actively translates the philosophy that "A sound ecosystem is a priceless asset and a source of sustainable wealth" into concrete action. Committed to a path of green development, the Company continuously enhances the environmental governance efficiency through systematic environmental remediation, precision-targeted pollution prevention, and the creation of "Green Enterprises." Our goal is to ensure that corporate development resonates in harmony with ecological progress, fostering a future of symbiotic coexistence between industry and nature.

Laws and Regulations Complied With

Environmental Protection Law of the People's Republic of China

Law of the People's Republic of China on Environmental Impact Assessment

Water Pollution Prevention and Control Law of the People's Republic of China

Air Pollution Prevention and Control Law of the People's Republic of China

Soil Pollution Prevention and Control Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

Noise Pollution Prevention and Control Law of the People's Republic of China

Regulations on the Administration of Pollutant Discharge Permits

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Internal Policies and Systems of Kunlun Energy

Environmental Management Policy[42]

Environmental Incident Management Measures

Employee Safety and Environmental Protection Performance Assessment and Management Measures

HSE Training Management Measures

2025 Work Plan for Fighting Pollution Prevention and Control

Special Enhancement Plan for Ecological and Environmental Protection Work

Action Plan for High-Level Ecological and Environmental Protection in the Yangtze River and Yellow River Basins

Special Action Plan for Compliant Management of Solid Waste

Guidelines for the Construction of Zero-Waste Stations (Zero-Waste Factories)

2025 Work Plan for Enhancing Green Enterprise Creation

...

[41] In 2025, the Company's total water consumption increased year-on-year. This was mainly due to higher processing volume. In addition, warmer winter temperatures and prolonged high temperatures in summer drove a corresponding rise in water usage.

[42] For further details, please refer to the Environmental Management Policy on the Company's official website.

Environmental Management System

Kunlun Energy has established and maintains the ISO 14001 Environmental Management System certification. We have appointed the QHSE Committee as the leading decision-making body for environmental management, responsible for the integrated oversight of the Company's ecological and environmental protection initiatives. The Quality, Health, Safety, and Environment (QHSE) Department is designated as the executive body responsible for the specific implementation of environmental management, ensuring that all ecological requirements are effectively executed. Furthermore, the Company enforces accountability by signing Safety and Environmental Responsibility Agreements at all levels. We continuously advance our management system through measures such as system audits and environmental protection support and supervision.

In 2025, the Company recorded zero environmental pollution incidents. Neither the Company nor our subsidiaries were subject to major administrative penalties or criminal liabilities by ecological or environmental authorities. Furthermore, no entities under Kunlun Energy were included in the list of heavily polluting enterprises published by the Ministry of Ecology and Environment.


ENVIRONMENTAL MANAGEMENT SYSTEMS CERTIFICATE

ISO 14001 Environmental Management System Certification

Key Performance Indicators

In 2025, the total environmental protection investment amounted to **23.95** million yuan.

Environmental Risk Management

We have established a comprehensive environmental risk and opportunity assessment and response system. By integrating daily supervision with multi-level inspections, we have implemented a robust oversight model. This involves the comprehensive identification of major hazard sources and the regular conduct of environmental hazard investigations, with specific focuses on ecological protection redlines, environmentally sensitive areas, and key river basins. We have institutionalised a long-term mechanism for hazard identification and remediation to strengthen environmental oversight. In 2025, we identified 81 environmental hazards, all of which have been fully rectified.

In addition, based on our *Emergency Plan for Sudden Environmental Incidents*, we have delineated the responsibilities of various departments and levels within the Company. We have defined response strategies for potential accidents and emergencies to effectively prevent and control environmental incidents. By conducting regular emergency response drills, we continuously enhance our capacity for environmental risk prevention and control.



Green Enterprise Development

Kunlun Energy continues to deepen the efforts in "Green Enterprise" creation and enhancement. In 2025, the Company released the *2025 Action Plan for Green Enterprise Creation and Enhancement*. This initiative refines standards and specifications across various business segments, reinforces the leadership of demonstration projects, and strengthens performance evaluations. Through these measures, we are driving the comprehensive and in-depth advancement of Green Enterprise development across the organisation.

Key Performance Indicators

In 2025, the Company had **1** provincial-level green factory and **1** municipal-level green factory.

Deepening the Implementation of Cleaner Production

Adhering to the principles of reduction, reuse, and resource recovery, the Company promotes cleaner production and develops a circular economy by formulating and implementing cleaner production plans. We continuously adopt measures such as improving design, using clean energy and raw materials, employing advanced process technologies and equipment, enhancing management, and promoting comprehensive utilisation to reduce pollution at the source and steadily improve our cleaner production performance. As of the end of the reporting period, voluntary cleaner production audits had been completed for 2 LNG receiving terminals and 11 LNG plants, with 140 cleaner production plans formulated and implemented.

Key Performance Indicators

In 2025, investment in cleaner production amounted to **118.6798** million yuan

resulting in annual electricity savings of **69.1542** million kWh

a reduction in natural gas consumption of **1** million m^3

an annual decrease in carbon dioxide emissions of **58,100** tonnes

an annual reduction in sulfur dioxide emissions of **2.28** tonnes

an annual decrease in nitrogen oxide emissions of **8.83** tonnes

Promoting Green Office Practices

Kunlun Energy integrates the concept of environmental protection into our daily operations, continuously strengthening the promotion of green office practices and committing to building a low-carbon work environment.

Green Office Initiatives

Energy Conservation

- Replacement of energy-saving lighting fixtures.
- Strict control of air-conditioning temperatures and operational hours, and optimisation of office equipment power-usage modes.
- Advocating for energy and water conservation throughout office premises.
- Strengthening energy-saving awareness among all employees by posting energy-saving reminders and establishing regular inspection mechanisms, rigorously implementing the "power-off upon departure" management requirement, and effectively enhancing office energy consumption management performance.

Low-Carbon Office Practices

- Achieving end-to-end paperless processing for document circulation and business approvals based on the comprehensive OA system.
- Developing paperless meeting capabilities for non-confidential scenarios this year, having basically achieved paperless meeting functions for internal routine meetings and other sessions.
- Equipping employees with green and zero-carbon office supplies.
- Advocating for green commuting and green business travel among employees.

Resource Recycling

- Timely recovery and reuse of office stationery.
- Using recyclable tableware to reduce the generation of plastic waste.
- Actively promoting waste sorting.

Key Achievements

- In 2025, the Company piloted the installation of an upgraded intelligent lighting control system in the headquarters office area. By installing fiber optic sensors and time controllers, automatic light adjustment was achieved, with lights automatically turning off when employees leave the room, further reducing energy consumption in the office area.

Key Performance Indicators

In 2025, office building electricity consumption was **442.55** MWh, with a cumulative reduction of **50.42** MWh in electricity used for office lighting, representing a year-on-year decrease of **7.2%**, equivalent to a reduction of **29.13** tonnes of carbon emissions.

Continuous Improvement of Environmental Protection Capabilities

The Company systematically conducts environmental training, with content covering environmental laws and regulations, ecological protection practices, wastewater and exhaust gas treatment, and the standardised disposal of solid waste, ensuring that the philosophy of green operations is deeply ingrained throughout the organisation.

Key Performance Indicators

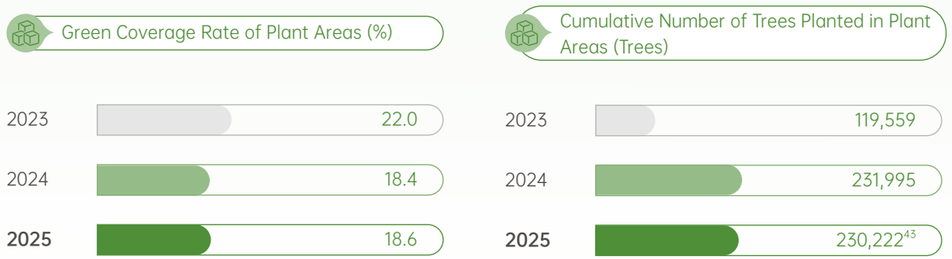
In 2025, conducted **45** environmental protection training sessions

with **10,070** participants

a total of **2,952** training hours

The Company focuses on increasing the green coverage of the plant areas, adhering to biodiversity principles by scientifically selecting tree species and plant communities to establish a green, low-carbon, and ecologically harmonious production and operational environment.

Key Performance Indicators



Furthermore, the Company conducts various environmental public welfare activities, such as voluntary tree planting, to continuously exert sustainable influence and strive to achieve harmonious coexistence between humanity and nature, as well as synergy between the economy and the environment. In 2025, the Company continued the participation in the "I Plant a Tree for Carbon Neutrality" initiative, conducting voluntary tree planting through various forms including financial and material donations, adoption and maintenance, afforestation and greening, and volunteer services. The employee participation rate reached 69.7%, with donations totalling approximately 461,000 yuan. A total of 27,888 trees were planted on-site, and 44,442 trees were planted through other forms such as donated maintenance.

[43] In 2025, the cumulative number of trees planted within the plant areas decreased compared to 2024. This was primarily due to the transfer of certain stations, which are no longer included within Kunlun Energy's statistical scope.

Environmental Governance

Kunlun Energy has formulated and implemented the *2025 Action Plan for Pollution Prevention and Control*, dynamically manages the pollution source inventory, develops key pollution prevention and control plans, and systematically deploys corresponding measures, so as to ensure the achievement of the overall goal of "continuously reduce the intensity of pollutant emissions and gradually increase the waste recycling rate." In 2025, the Company completed the installation of 50 sets of online pollutant monitoring equipment.

Atmospheric Pollutant Management

The Company continuously strengthens the exhaust gas management by formulating annual action plans for atmospheric pollution prevention and pollutant reduction targets. We have phased out all coal-fired boilers and conducted low-nitrogen retrofits to ensure compliance. Concurrently, we established a VOCs (Volatile Organic Compounds) management mechanism. For major risk sources such as refrigerants (ethylene and propane) in our plants, we implement full-process enclosed management to ensure risks are controlled. In 2025, the Company completed 15 low-nitrogen boiler retrofits.

Key Performance Indicators

Sulfur Dioxide (SO_2) Emissions (Tonnes)

2023	20.0
2024	19.9
2025	21.9

Nitrogen Oxide (NO_x) Emissions (Tonnes)

2023	400
2024	205
2025	202

Volume of Recovered Oilfield Associated Gas (100 million m^3)

2023	4.59
2024	2.87
2025	2.03

Wastewater Treatment

The Company strengthens the compliant management and comprehensive utilisation of wastewater, intensifying efforts to develop water recycling technologies. Apart from recovering and reusing a portion of industrial wastewater, third parties are engaged to ensure the lawful and compliant treatment of wastewater, guaranteeing that both domestic sewage and industrial wastewater discharge meet national standards. In 2025, the Company completed five key projects, including upgrades to wastewater treatment systems.

Key Performance Indicators

Industrial Wastewater Discharge Volume (10,000 m^3)

2023	22
2024	21
2025	32[44]

Industrial Wastewater Recovery Volume (10,000 m^3)

2023	6.8
2024	3.3
2025	8.6

Domestic Wastewater Discharge Volume (10,000 m^3)

2023	84
2024	102
2025	89

Domestic Wastewater Recovery Volume (10,000 m^3)

2023	1.9
2024	4.8
2025	6.6

Solid Waste Disposal

Kunlun Energy places high importance on the prevention and control of pollution from solid waste, particularly hazardous waste. We conduct full-process control and verification of solid waste to ensure that the generation and disposal of solid waste are managed throughout the entire process. Pilot projects are being advanced for the recycling of organic waste and the biochemical conversion of kitchen waste into fertilizer. For hazardous wastes such as molecular sieves, filter cartridges, and waste compressor lubricating oil, the Company strictly complies with relevant national laws and regulations, engaging professionally qualified third-party organizations for safe treatment.

Key Achievements

- Issued and launched the *Special Action Plan for Compliant Management of Solid Waste*, systematically deploying a three-year special rectification effort.
- Formulated and implemented the *Guidelines for the Construction of Zero-Waste Stations (Zero-Waste Factories)*, and organised the development of 42 zero-waste stations, with 30 waste-free stations completed in 2025.

[44] In 2025, the discharge volume of industrial wastewater increased year-on-year, primarily due to: firstly, a year-on-year cumulative increase in processing volumes at LNG plants, which led to higher water consumption and wastewater discharge; secondly, the commissioning of a new cooling water unit at the Bazhou LNG Plant, increasing both water usage and sewage discharge; and thirdly, the commencement of operations at the Gansu Zhenglu Gate Station and Linxia County Gate Station, resulting in new industrial wastewater discharges.

Concurrently, the Company strengthens pollutant management at construction sites, comprehensively enhancing the capacity and level of pollutant control in construction projects. Through high-standard environmental protection management, we support the development of green construction projects.

Implement measures such as contractual provisions and process supervision to strengthen the oversight of relevant parties.	Require construction sites to strictly implement measures such as surrounding the site with barriers, covering material stockpiles, employing wet methods for earthworks, hardening roads, cleaning vehicles entering and exiting, and ensuring enclosed transport of spoil materials.	Construction and demolition waste, as well as domestic waste, are transported to designated locations for treatment in accordance with relevant regulations.

Key Performance Indicators

In 2025, 60.62% of waste was disposed of by third-party institutions, the total amount of waste recycled/reused was 1,748 tonnes.

Key Performance Indicators

Non-hazardous Solid Waste Discharge Volume (Tonnes)

2023	7,452
2024	1,902
2025	1,824

Non-hazardous Solid Waste Discharge Intensity[45] (Tonnes / 100 million m^3)

2023	15.12
2024	3.51
2025	3.08

Hazardous Solid Waste Discharge Volume (Tonnes)

2023	693
2024	756
2025	868

Hazardous Solid Waste Discharge Intensity[46] (Tonnes / 100 million m^3)

2023	1.41
2024	1.40
2025	1.47

[45] Non-hazardous solid waste discharge intensity = Non-hazardous solid waste discharge volume (tonnes) / Natural gas sales volume (100 million m^3).

[46] Hazardous solid waste discharge intensity = Hazardous solid waste discharge volume (tonnes) / Natural gas sales volume (100 million m^3).

Noise Management

Daily Production and Operations

We adhere to the principles of "noise reduction at source, noise control during processes, and terminal protection", strengthening environmental noise supervision and organising the formulation of environmental noise monitoring plans. Furthermore, the Company prioritises the selection of low-noise equipment, coupled with the improvement of noise reduction facilities, and provides frontline station employees with professional protection equipment such as anti-noise earmuffs, effectively reducing the impact of production noise through systematic measures.

Engineering Project Construction

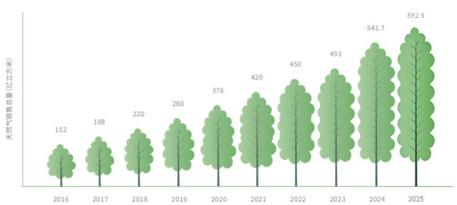
During the environmental impact assessment stage	During the construction stage	Upon project commissioning
Rigorously evaluate the impact of noise pollution, propose prevention and control measures, and design projects in accordance with the noise control measures specified in the environmental impact assessment.	Provide enclosed mechanical sheds for high-noise machinery such as electric saws, electric planers, and grinders on construction sites to reduce the diffusion of intense noise; meanwhile, strengthen employee education to prevent the generation of unnecessary noise.	Strictly ensure that noise prevention and control measures are put into operation simultaneously with the main works. Conduct noise monitoring of noise pollution sources in accordance with relevant regulatory requirements, incorporate it into the scope of ecological and environmental hazard identification, and carry out rectification for any identified issues.

Green Products and Services

Kunlun Energy deeply implements the national energy revolution deployment and fully leverages the characteristics of natural gas as a transition energy, an alternative energy, and a relatively clean fossil fuel. The Company vigorously promotes the implementation of integrated natural gas and new energy development projects as well as integrated energy projects. We actively explore emerging businesses such as hydrogen-enriched natural gas and bio-natural gas to accelerate the formation of new quality productive forces, promote the creation of a green integrated energy supply system, and contribute to the accelerated construction of a modern energy system.

Natural Gas Development and Utilisation

Kunlun Energy is committed to providing safe and stable green energy and high-quality, efficient customer service to various users. Our total natural gas sales volume has increased from 15.2 billion cubic metres in 2016 to 59.26 billion cubic metres in 2025, with cumulative natural gas sales reaching approximately 371.5 billion cubic metres. This is equivalent to replacing 494 million tonnes of standard coal, actively supporting the national energy structure transition.



Total Natural Gas Sales

Comprehensive Energy Utilisation

We actively explore innovative energy utilisation models, such as multi-energy synergistic supply, focusing on the scenario-based requirements of industrial parks, data centres, and industrial users regarding multi-energy supply, energy-saving retrofits, and integrated energy efficiency management. We aim to achieve integrated development, empower industrial upgrading and green transformation, and provide customers with customised and integrated comprehensive energy solutions.

Case

Chengdu Tianfu International Bio-town Distributed Energy Phase I Stage 1 Project

In December 2025, Phase I Stage 1 of Kunlun Energy's Chengdu Tianfu International Bio-town Distributed Energy project officially commenced operations. Using natural gas as fuel, the project employs smart energy network technology based on "heat-led electricity generation" multi-energy complementarity to provide users with economical, safe, efficient, and energy-saving integrated cooling, heating, and power services. Upon full completion and commissioning, the project is expected to supply 400,000 tonnes of steam and 150 million kWh of electricity annually. Compared with traditional energy supply, it will achieve an annual carbon emission reduction of 89,000 tonnes and save 31,000 tonnes of standard coal, equivalent to planting 500,000 trees[47].



Energy Station Facility Area

Key Performance Indicators

As of the end of 2025, a cumulative total of **12** integrated energy projects had been put into operation

with an installed capacity of **629** MW

In 2025, the heat supply reached **6.79** million gigajoules

generating revenue of **580** million yuan

[47] Converted based on common greening tree species such as poplar: a poplar with a diameter at breast height (DBH) of 20 cm absorbs approximately 0.172 tonnes of carbon dioxide per year on average.

Vessel LNG Bunkering

As a clean energy source, LNG offers significant advantages compared to traditional marine fuel oil, including being "green, environmentally friendly, energy-saving, and safe." Using LNG as fuel can reduce carbon dioxide emissions by 25%, nitrogen oxide emissions by 85%, and virtually eliminate sulfur oxide emissions. We continue to provide clean, stable, and efficient LNG bunkering services to global customers, working with all parties to build a more internationally competitive green shipping service system.

Case

Hong Kong's First Ship-to-Ship LNG Bunkering Operation

On February 14, 2025, Kunlun Energy completed Hong Kong's first ship-to-ship LNG bunkering operation, supplying 2,200 tonnes of LNG fuel to the ZIM AQUAMARINE container vessel. This operation marked the first direct supply of bonded LNG across customs zones within the Guangdong-Hong Kong-Macao Greater Bay Area. It innovatively established an integrated "Shenzhen storage + Hong Kong bunkering" model, contributing to the green transformation of the shipping industry.





Ship-to-ship LNG Bunkering Operation at the Cheung Chau South Anchorage in Hong Kong

Key Performance Indicators

In 2025, marine and terminal LNG bunkering volume reached **177,000** tonnes, representing a year-on-year increase of **60.7%**.

Gas Hydrogen Blending

Taking the application of hydrogen-enriched natural gas technology as a starting point, we conduct research on hydrogen enrichment processes, the hydrogen adaptability of terminal equipment, the evolution of accident characteristics, and risk identification and control. We establish evaluation systems and standards for hydrogen enrichment in gas pipelines and construct full-process application solutions covering "blending, transmission and distribution, terminal utilisation, and trade metering", providing support for the subsequent replication and promotion of hydrogen-enriched natural gas technology across city gas enterprises.

Case

Key Technology Research and Demonstration Application Project for Hydrogen-Enriched Natural Gas Utilisation in Industrial Parks

In August 2025, Kunlun Energy's "Key Technology Research and Demonstration Application Project for Hydrogen-Enriched Natural Gas Utilisation" in the Old Urban Area Industrial Park of Yumen City, Gansu Province, successfully commenced trial operations.

Addressing the challenges of new energy consumption in Gansu, the project converts surplus wind and solar power into hydrogen and related derivative products through water electrolysis. It achieves the full-chain commercial application of hydrogen energy—covering "production, storage, transport, and utilisation"—via hydrogen-enriched pipeline transmission. Based on an estimated annual gas consumption of 10 million cubic metres in Yumen's old urban area and a 20% hydrogen blending ratio, the project is expected to reduce carbon emissions by approximately 1,600 tonnes per year, equivalent to planting about 80,000 trees[48].



Project Site

[48] Converted based on broad-leaved trees: one adult broad-leaved tree absorbs approximately 0.020 tonnes of carbon dioxide per year on average.

Green Methanol

We regard green methanol as a key direction for expanding clean energy application scenarios and promoting the replacement of fossil fuels, systematically and proactively laying out exploration and practices in the green methanol sector.

Case

Hainan Dongfang Green Methanol Demonstration Project

Kunlun Energy's Hainan subsidiary, in collaboration with upstream and downstream enterprises, jointly established the Hainan Dongfang Green Methanol Demonstration Project. In May 2025, the project successfully obtained the International Sustainability and Carbon Certification (ISCC), becoming the first project in China to receive the ISCC EU certification for green methanol produced from municipal solid waste.

Breaking away from traditional models, this project utilises biogas generated from the fermentation of waste materials such as food waste and animal manure as feedstock. It produces green methanol using a natural gas-to-methanol facility, thereby establishing a complete "municipal waste - biomethane - green methanol" industrial chain.

New Energy Projects

Wind Power

We actively layout high-quality wind power projects, relying on advanced wind power technology and full-industry chain service capabilities to provide customers with customised clean energy solutions.

Case

Liaocheng Shenxian Wind Power Project

As Kunlun Energy's first centralised new energy benchmark project in the lower reaches of the Yellow River basin, the Liaocheng Shenxian Wind Power Project commenced its main construction phase in November 2025, with a total installed capacity of 393.75 MW.

The project relies on enterprise-local government synergy mechanisms and digital intelligence empowerment technologies. It established the "Carbon-Neutral Breeze" youth commando team to overcome technical bottlenecks and clear the power transmission channels. Once commissioned, the project is expected to deliver 8.29 million MWh of green electricity annually, equivalent to saving 251,000 tonnes of standard coal and reducing carbon dioxide emissions by 688,000 tonnes.





Liaocheng Shenxian Wind Power Project Main Construction Commenced

New Energy Charging Stations

The Company continues to advance the infrastructure development of new energy charging stations, innovating the "PV-Storage-Charging" integrated service model that combines green energy, smart energy storage, and rapid charging. This leads the high-quality development of new energy charging infrastructure and builds a "Super-fast Charging + Zero-Carbon Emission" green travel ecosystem.

Case

Guangdong Branch's Distributed PV-Storage-Charging Project

On May 28, 2025, the Guangzhou Yifeng Distributed PV-Storage-Charging Project, managed by Kunlun Energy's Guangdong subsidiary, officially commenced operations. As a "three-in-one" low-carbon integrated energy station featuring photovoltaic power generation, smart energy storage, and green charging, the project has an installed capacity of 85.91 kW.

By leveraging advanced liquid-cooled charging terminals and a smart energy cloud platform, the station performs real-time four-dimensional data analysis of electricity prices, weather, traffic flow, and battery status to dynamically optimize the "PV-Storage-Charging" energy flow. After the project's commissioning, it generated approximately 91,000 kWh of electricity annually, equivalent to saving 36 tonnes of standard coal and reducing greenhouse gas and atmospheric pollutant emissions by 94 tonnes per year.



Charging Station

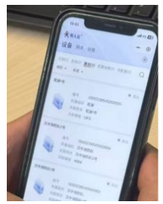
Green Services

The Company continuously innovates service models, upgrading service capabilities through digital and intelligent technologies. We integrate smart management and control, energy conservation and efficiency enhancement, and low-carbon operations throughout the entire cycle of customer gas usage. This helps customers reduce carbon emissions and improve energy utilisation efficiency, consistently injecting momentum into the green and low-carbon development of the economy and society.

Case

Shaanxi Branch Mini-Program Monitoring System

Kunlun Energy's Shaanxi subsidiary actively explores innovative solutions for energy conservation and efficiency, promoting the intelligent transformation of its heating business. During the 2024–2025 heating season[49], the Company innovatively deployed and applied a mobile mini-program monitoring system at the Hairong Haojia Garden heating station. This system enables precise regulation of boiler operations, effectively achieving energy saving and emission reduction targets.



On-site Use of the Mini-program

[49] 2024–2025 Heating Season: November 2024 – March 2025.

Building a Strong Ecological Barrier

Kunlun Energy adheres to the principle of "protection through development and development for protection," integrating biodiversity conservation into our daily production and operational processes. By exploring conservation pathways and continuously enhancing our protection standards, the Company aims to achieve harmonious coexistence between business growth and the ecological environment. We plan to identify and analyze biodiversity risks, opportunities, impacts, and dependencies across the Company's overall operations, diverse business lines, and specific operational sites in 2026, in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) framework. Furthermore, we intend to publish a dedicated *Biodiversity Conservation Report*.

Laws and Regulations Complied With

Environmental Protection Law of the People's Republic of China

Wildlife Protection Law of the People's Republic of China

Regulations of the People's Republic of China on Nature Reserves

Wetland Protection Law of the People's Republic of China

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Internal Policies and Systems of Kunlun Energy

Environmental Protection Management Guidance Manual

Construction Project Management Measures

Preliminary Design Management Procedures for Construction Projects

Civilised Construction Management Guidance Manual

Construction Project Completion Acceptance Management Measures

Biodiversity Protection Commitment[50]

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[50] For further details, please refer to the Biodiversity Conservation Commitment on the Company's official website.



Biodiversity Governance

Kunlun Energy has established a four-tier governance system of "supervision, decision-making, collaboration, and execution" to systematically advance biodiversity protection efforts.

Biodiversity Governance Structure

Institution	Primary Responsibilities
Sustainability Committee	Responsible for overseeing the implementation of biodiversity management efforts.
QHSE Committee	Chaired by the Company's Chairman, it serves as the highest decision-making body for biodiversity protection matters.
QHSE Department	Responsible for coordinating with relevant departments and subsidiaries to implement biodiversity protection commitments and work requirements, and reporting on key matters to the QHSE Committee and the Sustainable Development Committee.
Subsidiary Companies	Dedicated environmental protection staff are appointed to ensure the concrete implementation of matters related to biodiversity management.

In 2025, specialised ecological and environmental protection training sessions focused on biodiversity conservation were held for environmental management personnel at all levels, featuring lectures from industry experts.

Biodiversity Conservation

Kunlun Energy integrates biodiversity protection requirements throughout the entire project lifecycle, minimizing construction disturbances and ensuring precise pollution prevention and control, striving to achieve net zero biodiversity loss.

Avoid

Prior to project construction, we prioritize source prevention and control measures to preemptively address biodiversity impacts. During the siting phase, we conduct thorough screenings of environmentally sensitive points, strictly avoiding ecological protection redlines, nature reserves, and wildlife habitats. We systematically survey flora and fauna species and their distribution along pipeline routes, simultaneously performing biodiversity risk assessments and environmental impact evaluations to identify potential stressors and formulate prevention plans, thereby avoiding ecological damage caused by disorganised construction.

Reduce

During the construction phase, we implement targeted measures to minimize the footprint on biodiversity. We construct dedicated access roads and strictly demarcate construction sites, vehicle routes, and material storage areas to avoid occupying extra land and minimize disturbance to native vegetation, soil, and species habitats. We promote factory prefabrication and modular construction to reduce on-site noise and dust pollution, lowering the interference with surrounding biological environments. We educate construction personnel on ecological conservation through bulletin boards and warning signs, clearly defining identification standards and distribution ranges for key protected species to prevent accidental human interference.

Renewable

Upon project completion, we optimize ecological management and maintenance processes to enhance the biophysical functions and productivity of ecosystems: We strengthen environmental oversight during the operational period by conducting regular ecological patrols along the project routes. We ensure the timely clearance of construction waste and the restoration of vegetation on temporary construction land. By continuously refining ecological maintenance workflows, we aim to bolster the ecosystem's self-repair capacity and overall biological productivity.

Restore

Initiate ecosystem restoration measures to drive ecological improvement: We carry out topsoil backfilling and the replanting of suitable vegetation in areas disturbed during temporary construction. By selecting indigenous flora, we accelerate the recovery of original plant communities and enhance regional biodiversity.

Transformation

We conduct regular ecological protection training for employees and contractors to popularize biodiversity knowledge, strengthening a collective conservation mindset and upgrading ecological protection behaviors throughout the entire process.

Case

A New Paradigm for Biodiversity Conservation in Energy Infrastructure

Kunlun Energy's Fujian LNG Receiving Terminal project is located in Fuqing City, a national-level ecological city with stringent and complex environmental protection requirements. The Company adheres to the principles of "protection first" and "process control," coupled with multi-party synergy, to effectively achieve biodiversity conservation.

Prior to the commencement of works, protected flora and relevant trees within the planned land area were transplanted, and existing bird nests were relocated for protection. Furthermore, measures such as restoring and replanting grasslands, providing land free of charge, and constructing rural farm tracks were implemented to safeguard the production and ecological needs of local villagers. During the construction period, the Company systematically carried out biodiversity conservation in marine areas, comprehensive protection against soil erosion, recycling of water resources, the construction of vegetative ecosystems, and the establishment of ecological protection barriers. These actions ensured the all-encompassing protection of the ecological environment at the construction site and the surrounding areas.



Real-life Photo of Fujian LNG Construction Site

Advocacy for Ecological Conservation

Kunlun Energy is developing a diversified ecological cooperation network by proactively engaging with various stakeholders, including government departments, academic and research institutions, value chain partners, and local communities. We undertake collaborative actions and deep partnerships focused on biodiversity conservation, pooling multi-party strengths to continuously enhance regional biodiversity protection standards.

In 2025, Kunlun Energy's "Wenfeng Lu Yuan" Other Effective Area-based Conservation Measures (OECM) project was selected for the Ministry of Ecology and Environment's *2025 Compendium of Typical Corporate ESG Case Studies*. Furthermore, the second phase of the project's construction received development funding from the China Green Foundation.

Key Performance Indicators

The Kunlun Energy "Wenfeng Lu Yuan" OECM site covers a total area of 125,000 square metres and is home to over 230 protected species of flora and fauna. This includes 11 bird species under Class II National Protection and 1 animal species under Class II National Protection.



The Black-throated Laughingthrush, a Bird Species under Class II National Protection, Photographed within the Conservation Area.

Case

Biodiversity-themed Activities

On 15 August 2025, during the third National Ecology Day, the Company, in collaboration with the International Union for Conservation of Nature (IUCN), the Hainan Provincial Forestry Bureau, and Hainan University, co-hosted a thematic seminar titled "Safeguarding All Living Beings, Building a Diverse Future Together" at the Hainan "Wenfeng Lu Yuan" biodiversity conservation site.

Through field visits, specialised presentations, and roundtable forums, the event comprehensively and systematically showcased the phased achievements of the Company's dedicated efforts in the field of biodiversity conservation. The activity effectively fostered a broad consensus for multi-party synergy in safeguarding the ecological environment, providing a replicable and scalable "Kunlun Model" for corporate engagement in ecological conservation.



Event Launch Ceremony



Roundtable Forum

Social

Blue Flame Guardians Protecting People's Livelihoods, Together Composing a Glorious Chapter

Kunlun Energy is committed to providing users with stable, reliable, safe, and efficient energy supplies in collaboration with our partners through continuous research and development (R&D) and innovation, rigorous quality management, and responsible supply chain management. Simultaneously, we strive to build a diverse, equitable, and inclusive (DEI) workplace with sincerity and care, implement health and safety management through robust actions, and actively participate in social welfare and rural revitalisation, joining hands with stakeholders to create sustainable social value.

- Ensuring Energy Security and Stability
- Safeguarding Health and Safety
- Strengthening the Foundations of Quality
- Improving Customer Experience
- Driving Technological Innovation
- Collaborating with Value Chain Partners
- Adhere to the People-oriented Principle
- Practising Public Welfare Responsibilities



Ensuring Energy Security and Stability

Kunlun Energy adheres to the working principle of "guaranteeing livelihoods, public utilities, and key sectors." Focusing on our core responsibilities and primary businesses, we leverage the advantages of integrated value chain synergy to provide high-quality assurance for uninterrupted supply and stable peak-shaving in key regions, during critical periods, and for vital industries, serving as a "mainstay" for energy supply security.

Laws and Regulations Complied With

The Law of the People's Republic of China on the Protection of Petroleum and Natural Gas Pipelines

The Law of the People's Republic of China on National Security

Regulations on the Administration of Urban Gas

Administrative Measures for the Construction and Operation of Natural Gas Infrastructure

The Law of the People's Republic of China on Emergency Response to Sudden Events

Assessment Method for Energy and Electricity Supply Assurance Work of Central Enterprises

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Internal Policies and Systems of Kunlun Energy

Administration of Urban Gas Pipelines

Measures for the Integrity Management of Urban Gas Pipeline

Measures for the Administration of Long-Distance and Branch Natural Gas Pipelines

Measures for the Integrity Management of Long-Distance and Branch Natural Gas Pipelines

Measures for Pipeline Risk Management

Special Emergency Response Plan for Pipeline Accidents

Measures for the Management of Natural Gas Purchase and Sales Plans for Urban Gas Business

Measures for the Procurement of Gas Sources for Urban Gas Business

Standardised Service Guide for Natural Gas Customers

Special Guidance on Client Safety Inspection Issues

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Kunlun Energy has constructed an energy supply security system characterised by "all-chain coordination, all-factor assurance, and all-dimensional initiatives." By strengthening trend analysis and judgement from both the supply and demand sides, the Company formulates specialised supply security plans and enhances resource procurement to go all out in the supply assurance efforts. We closely monitor natural gas supply-demand dynamics and temperature variations, coordinating energy corridors such as the "West-to-East Gas Transmission, Sichuan-to-East Gas Transmission, Offshore Gas Landing, and North-to-South Gas Transmission" to ensure an overall balance between supply and demand. Rigorous plans are developed for key links including resource allocation, customer service, and safety management, driving the enforcement of supply security accountabilities at every level and down to every individual. The energy supply network fully covers 31 provinces, autonomous regions and municipalities directly under the Central Government across China, as well as the HKSAR, serving over 17 million end users in total.

Case

Hainan Subsidiary Secures Energy Supply for a Zero-Carbon Grand Event

During the Boao Forum for Asia Annual Conference in March 2025, Kunlun Energy's Hainan subsidiary achieved "zero errors, zero accidents, and zero complaints" through its "four-in-one" supply security model, successfully completing its mission. Six specialised task forces were established, forming a responsibility closed-loop based on a "four-defined mechanism" (defined personnel, positions, responsibilities, and timelines). The Company conducted two rounds of "penetrating" inspections, covering 19 stations across 7 units, and utilised "grid-based" management to achieve full-coverage protection of pipelines and pressure-regulating boxes. Regarding resource assurance, a dual-gas-source mechanism was activated, precisely scheduling the unloading of two LNG vessels to provide sufficient gas support for the conference. In terms of collaborative mechanisms, the Company implemented joint prevention and control horizontally with local governments and mutual guarantee of supply vertically with resource providers, creating a powerful synergy for supply security.



The Emergency Support Team Centrally Reports the Implementation of Work at Each On-duty Post Every Day

The Company conducted **2** rounds of "penetrating" inspections

across **7** units covering **19** stations

precisely scheduling the unloading of **2** LNG vessels

Pipeline Integrity Management

Kunlun Energy has constructed a modern management system for the pipeline business, conducting in-depth pipeline integrity management. We have established a risk-tiered control system for gas pipelines and an impact-zone classification system based on risk factors. Through refined management and digital intelligence empowerment, the Company enhances the operational efficiency and safety assurance capabilities of the pipeline business, laying a solid foundation for the upgrading of the energy supply security capacity. No reportable pipeline incidents or violations of pipeline safety regulations occurred in 2025.

Regular Identification and Evaluation: The Company conducts periodic reviews of High Consequence Areas (HCAs), pipeline risk assessments, inspections and testing, and full-coverage online identification and evaluation of confined spaces. Based on the evaluation results, stringent prevention and control measures—including video surveillance, casing, sealing, and combustible gas monitoring—are strictly implemented in key priority areas.

Supervision and Oversight: Relevant functional departments and supervision centres focus on regular sampling inspections and on-site guidance regarding digital quality, integrity systems, cathodic protection systems, and geological/flood-related damage to ensure that critical links remain under control.

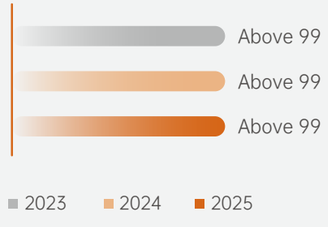
Digital Transformation: The Company vigorously promotes the digital transformation of the pipeline business by developing digital pipeline maps and achieving online management of various operational stages, including patrols, testing, and work orders. At the end of each year, the Company organises subsidiaries to collectively formulate pipeline integrity schemes and coordinate the work plans for the following year.

Key Achievements

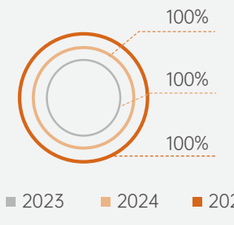
- Completed the construction of 10 demonstration High Consequence Areas (HCAs) for branch pipelines and promoted the development of smart pipelines and smart stations for city gas, with 17 new demonstration stations added in 2025.

Key Performance Indicators

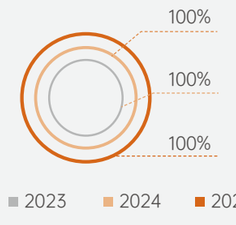
Equipment Integrity Rate (%)



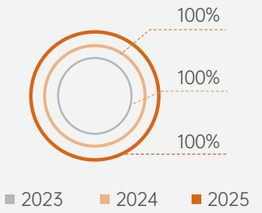
Risk Assessment Coverage Rate (%)



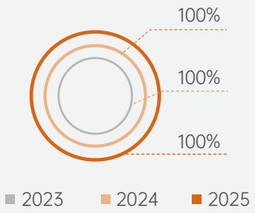
Urban Gas Pipeline Integrity Coverage Rate (%)



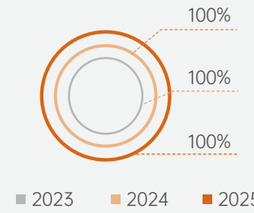
Branch Pipeline Integrity Coverage Rate (%)



Branch Pipeline High-Consequence Area Identification Rate (%)



Branch Pipeline Flood and Geological Hazard Protection Coverage Rate (%)



Enhancing Inherent Safety

We conduct in-depth analyses of key operations, major hazards, and critical nodes within our production and operational activities, providing a robust framework for the comprehensive promotion of intrinsically safe household equipment. Adhering to the principle of "improving management through inspection," the Company organised all units to systematically carry out spring and autumn inspections. These initiatives enable a comprehensive understanding of the operational status of pipelines, equipment, facilities, and auxiliary systems, allowing for targeted hazard rectification to ensure that all categories of equipment and facilities remain in optimal condition for long-term, stable, and reliable operation.

Key Achievements

- The Company vigorously promoted the renovation of ageing pipeline networks and specialised governance for "defective operation" in city gas pipelines, earnestly safeguarding urban gas safety. In 2025, a total of 280 kilometres of ageing pipeline networks were renovated, and 1,017 kilometres of indoor risers were replaced. Furthermore, a total of 5.94 million sets of four-component in-home gas safety package (comprising IoT metres, stainless steel corrugated hoses, gas safety valves, and gas leakage alarms) have been installed, continuously enhancing the level of gas safety assurance for users.

Case

Central Avenue Breakthrough Project in Harbin

As the core commercial and prosperous district of Harbin, Central Avenue is characterised by dense pedestrian and vehicular traffic and a high concentration of heritage buildings, making the renovation of ageing pipeline networks extremely difficult. Kunlun Energy's Hazhongqing subsidiary ensured the successful one-time displacement and commissioning of the project by coordinating construction plans and strengthening government-enterprise synergy. The project adopted off-peak construction, segmented zoning, and multi-point simultaneous excavation models to compress the construction period and minimise public disturbance while strictly adhering to quality and safety standards. The project completed the renewal of 10.8 kilometres of ageing cast-iron pipelines, fully replacing them with PE (Polyethylene) pipes. This marks the total elimination of the Company's ageing cast-iron pipelines, eliminating leakage risks at the source and elevating the level of intrinsic safety to a new height.





Construction Site

Professional Capability Cultivation

During the Year, the Company organised training and technical exchanges for pipeline protection and security management personnel. Focusing on pipeline protection functions, the sessions shared the latest research results and practical experiences in the field. This included the promotion of innovation achievements in pipeline protection; the application of new equipment, materials, and technologies; risk control during pipeline emergency repairs; and management experience in third-party construction oversight, thereby facilitating the continuous enhancement of personnel capabilities.

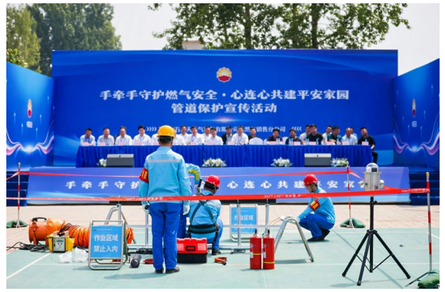
Case

Pipeline Protection Publicity Campaign

On 16 May 2025, the Company hosted a pipeline protection publicity event themed "Hand in Hand to Safeguard Gas Safety, Heart to Heart to Build a Secure Home." Through the screening of promotional films on the pipeline protection law, the exhibition of equipment such as "Pipeline Sentinels" and PPB-level gas leak detection vehicles, and the conduct of PE (Polyethylene) pipeline emergency drills and interactive safety sessions, the event effectively enhanced public awareness of gas pipeline protection and built a social consensus on collective safeguarding.



Activity Launch Ceremony



On-site Demonstrations



Emergency Assurance Mechanism

Strictly in accordance with the *Special Emergency Plan for Pipeline Accidents*, the Company continues to strengthen the risk early-warning and emergency assurance capabilities. We have constructed a risk warning, tracking, and emergency system characterised by "precise perception, rapid response, and efficient disposal." The Company implements tiered management for gas pipeline leakage incidents, clearly defining emergency organisation responsibilities and on-site disposal measures to effectively address risks such as uncontrolled leaks during pipeline transmission. In 2025, the Company formulated the *Pipeline Integrity System Plan* to further strengthen the professional development of maintenance and emergency repair (M&ER) teams, establishing a mechanism of "training through practice and integrating peacetime with emergency readiness" to enhance specialised capabilities.

Case

2025 Central Enterprise Urban Gas Emergency Drill

In November 2025, Kunlun Energy, in collaboration with industry peers, jointly hosted the Central Enterprise Urban Gas Emergency Drill, with over 300 participants from 15 central state-owned enterprises observing. The drill focused on five real-combat scenarios, including gas leak detection and emergency plugging, simulating a medium-pressure gas pipeline leak. The Company's professional repair teams utilised intelligent equipment, such as integrated emergency vehicles and accident detection robots, coordinating with public security and fire departments to complete the disposal efficiently. This drill comprehensively tested the scientific nature of emergency plans and team synergy, further refining emergency linkage mechanisms between enterprises and consolidating the foundation for safeguarding the urban gas "lifeline."



Participating Team Members Conducting Emergency Rescue



Steel Pipe Plugging

Key Performance Indicators

In 2025, emergency rescue drills were conducted **9,679** times

pipeline protection and emergency repair technical personnel training was conducted **4,399** times

with over **100** person-times participating

Improve Product Accessibility

Kunlun Energy remains steadfast in the mission of energy inclusivity. By vigorously promoting "coal-to-gas" conversion projects, extending gas pipeline network construction, and implementing subsidies for key groups such as low-income populations, the Company continuously enhances product accessibility and affordability.

Kunlun Energy consistently regards "Rural Gasification" as a core driver for serving public livelihoods and facilitating the optimisation of urban-rural energy structures. Through the extension of clean energy supply networks and the upgrading of convenient services, we inject sustainable green momentum into the development of "Beautiful Villages." By the end of the reporting period, "coal-to-gas" projects had achieved tangible results across multiple provinces and regions, with natural gas pipelines laid for thousands of administrative villages, benefiting over 1.6 million households.

Focus Areas	Specific Initiatives
Strengthening Rural Natural Gas Infrastructure Layout	We are advancing pipeline network extension projects, prioritising coverage for major agricultural production areas, characteristic towns, and remote villages. Simultaneously, LNG emergency supply points and small-scale gasification stations are being constructed in densely populated areas to ensure a stable gas supply during extreme weather conditions.
Optimising Rural Energy Service Systems	Tailored to rural gas demand, we have introduced convenient services such as on-site account opening and simplified application processes, alongside the implementation of targeted preferential gas pricing. We have established village-level service teams to conduct regular safety inspections and stove maintenance, improving the service experience for rural residents.
Empowering Agricultural Production	We provide stable energy support for scenarios such as greenhouse heating and agricultural product processing, helping farmers reduce costs and increase income. This energy upgrade effectively underpins a "green and happy life" in the countryside.

Case

"Coal-to-Gas" Projects of Gansu Subsidiary

Kunlun Energy's Gansu subsidiary has actively advanced "coal-to-gas" conversion projects in regions such as Linxia and Jiayuguan. By providing full-process services—including acceptance publicity, gas supply guidance, account opening reviews, and routine inspections—the subsidiary has built a robust gas safety defence line.

- The Linxia Zheqiao Village Project overcame challenges such as communication in ethnic minority areas and complex village layouts. Within 52 days, the project completed the laying of 5.5 kilometres of medium-pressure and 31.6 kilometres of low-pressure pipelines, successfully providing gas to 746 households.
- The Jiayuguan Project focused on the renovation and reconstruction of 56 ageing residential communities. By installing intrinsically safe equipment—including IoT gas metres, alarms, and self-closing valves—the project provides residents with safe and convenient clean energy. This contributes to the optimisation of the urban energy structure and benefits 68,450 local households.



Rural Gas Pipeline Infrastructure Safety Inspection Checks



"Coal-to-Gas" System Ignition Scene

Safeguarding Health and Safety

As a steadfast practitioner of national strategic priorities, Kunlun Energy insists on the coordinated management of development and safety. We are fully committed to building a safety governance system compatible with a world-class enterprise, leveraging digital and intelligent technologies to enhance levels of intrinsic safety. The Company continues to construct a safety production network involving all employees, driving a sustained and stable improvement in our safety performance and consolidating a robust foundation for the Company's high-quality development.

Laws and Regulations Complied With

Work Safety Law of the People's Republic of China

Interim Measures for the Supervision and Administration of Work Safety in Central Enterprises

Regulations on the Reporting, Investigation and Handling of Work Safety Accidents

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Special Equipment Safety Law of the People's Republic of China

Regulations on Work-Related Injury Insurance

Occupational Safety and Health and Working Environment Convention

Emergency Response Law of the People's Republic of China

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Internal Policies and Systems of Kunlun Energy

Occupational Health and Safety Policy[51]

Measures for the Tiered Prevention and Control of Work Safety Risks

Measures for the Supervision and Administration of Identification and Rectification of Safety and Environmental Hazards

Measures for the Performance Appraisal of Employees' Safety and Environmental Protection Responsibilities

Measures for HSE (Health, Safety, and Environment) Training Management

Measures for Occupational Health Management

Measures for Occupational Health Surveillance

Measures for Employee Health Examination Management (Trial)

Measures for the Safety Supervision and Administration of Contractors (Trial)

Detailed Rules for the Annual Evaluation of Operational Contractors

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[51] For further details, please refer to the Occupational Health and Safety Policy on the Company's official website.

Health and Safety Management System

Kunlun Energy has established "QHSE Committee" across all levels of the organisation to serve as the supreme decision-making bodies for QHSE affairs. Under these committees, specialised sub-committees and QHSE Management Offices have been established. For major safety and environmental initiatives, the Company also forms leadership groups and specialised task forces led by senior management. To cover the nationwide operations, the Company operates four Quality, Safety, and Environmental Supervision Centres[52], which are responsible for conducting inspections across all units, projects, and stations. By implementing a system of "separation of supervision and management" and "independent oversight," the Company strengthens the implementation of QHSE tasks and ensures strict compliance with national laws, policies, and standards.

Kunlun Energy QHSE Organisational Structure



The Chairman of the Company serves as the Chair of the Committee, with members comprising the General Manager, Deputy General Managers, Assistant General Managers, and the principal heads of the headquarters departments and various units. As the executive body responsible for the Company's health and safety strategy and performance, the Committee oversees the formulation, implementation, and performance management of health and safety strategies, and provides recommendations on risks and opportunities concerning major issues affecting the Company's QHSE areas.

Established under the QHSE Committee, the Office drafts committee documents based on resolutions and ensures their timely communication and supervised implementation.

Each unit establishes relevant specialised committees based on its production and operation characteristics and actual circumstances, providing decision-making support and work guidance for QHSE management.

The Company has obtained and maintained certifications under the Q/SY 08002.1 Health, Safety and Environment Management System and the ISO 45001 Occupational Health and Safety Management System, achieving 100% coverage of the business operations. We regularly engage third-party institutions to conduct system reviews and assessments, and implement routine audits of health and safety policies and practices across all operational sites and contractors. We establish tracking records for issues identified in audits, carry out timely rectification and complete a closed-loop management process. Audit results are periodically reported to the QHSE Committee for oversight and to drive continuous improvement in health and safety management.


OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM (OHSMS) CERTIFICATE

Kunlun Energy Occupational Health and Safety Management System Certification Certificate

[52] The Quality, Safety, and Environmental Supervision Centre serves as the executive body for Kunlun Energy's QHSE supervision. It is subject to the centralised management and functional oversight of the Company's Quality, Health, Safety, and Environmental Protection Department.

Key Performance Indicators

In 2025, the investment in work safety amounted to 1,012 million yuan.

In 2025, the Company solidly implemented system reinforcement to enhance the quality and efficiency of the management systems.

Comprehensive Revision of the *QHSE Management System Manual*:

Centred on dynamic risk prevention and control, the manual establishes 7 primary elements and 32 secondary elements, achieving a clear system architecture and standardised content.

First-ever Formulation of the *Implementation Guidelines for QHSE Management System Construction*:

Based on business categories and management levels, these guidelines clarify requirements such as system construction workflows, ensuring that system requirements penetrate directly to frontline stations and teams.

Filling Gaps in QHSE Management for New Energy Businesses:

Focusing on five types of new energy sectors, including PV power and wind power generation, the Company conducted safety risk identification and control. By compiling and issuing a series of management documents, we filled the gaps in the QHSE management system for new energy business models and provided guidance to relevant units on standardising risk management.

Strengthening Supervision Mechanisms:

The Company established four specialised centres: the Risk Diagnosis and Evaluation Technology Centre, the Safety Technology and Risk Management Tool Research and Promotion Centre, the System Operation and Audit Technology Centre, and the Accident Investigation and Technical Analysis Centre. These centres drive a transformation from "on-site hazard identification" to "safety management oversight," from "routine supervision" to "guidance and support," and from "high coverage" to "precision diagnosis," continuously enhancing supervision effectiveness.

Indicator	Unit	2023	2024	2025
Total Lost Worktime Rate (TLWR)[53] for Employees and Contractors	/	4.4	6.8	0
Lost Time Injury Rate (LTIR)[54] for Employees and Contractors	/	0.0132	0.0134	0
Total Recordable Incident Rate (TRIR)[55] for Employees and Contractors	/	0.0659	0.0268	0.0348
Lost Workdays Due to Injury for Employees and Contractors	Days	42	63	0
Number of Work-Related Fatalities for Company Employees	Persons	0	0	0
Number of General and Above Safety Production Responsibility Accidents for Company Employees	Incidents	0	0	0

[53] Lost Time Working Rate (TLWR) = (Total lost time due to work-related injuries / Total actual hours worked) × 1,000,000.
[54] Lost Time Injury Rate (LTIR) = (Number of lost time injury cases / Total actual hours worked) × 1,000,000.
[55] Total Recordable Incident Rate (TRIR) = (Total number of recordable work-related injuries / Total actual hours worked) × 1,000,000.

Safety Production

Safety Risk Management

Kunlun Energy continuously strengthens the prevention and control of production safety risks, deepening the implementation of the "Two Lines of Defence" responsibilities and executing risk-tiered prevention and control for work safety.

QHSE Two Lines of Defense

First Line of Defense: Prevention and Control by Business Departments

- Establish and improve the safety risk management mechanism characterised by "Two Reports, Two Lists, One Alert, and One Platform." Organise the development of an operational risk database and create a smart work permit management platform to enhance precision in risk prevention.
- Persist in integrating risk prevention with emergency management. Refine the three-tier emergency management system and leverage government-enterprise synergy to form a coordinated, efficient, and robust accident emergency response mechanism.

Second Line of Defense: Supervision and Reinforcement by Safety Regulatory Departments

- Establish a mechanism for three major professional regular meetings: safety supervision, production safety, and safety engineering.
- Organise subsidiaries to strengthen the development of safety regulatory teams through personnel allocation, capacity building, and work quality verification, while optimising the functions of supervision centres.
- Introduce and apply intelligent technological means to drive the transformation of the production safety supervision model toward being "digital, intensive, professional, and intelligent."

In 2025, we continued to refine the dynamic risk control mechanism, strictly implemented safety risk management, and consolidated the foundation for long-term governance.

Dynamic Safety Risk Control	Enterprise Categorised Management	Five-Level Dynamic Safety Risk Prompting
Established corporate-level databases for Safety Laws and Regulations, Risk Hazards, and Accidents and Incidents. Compiled the *Catalogue of Safety Management Tool Application Scenarios*, featuring 64 management tools across 6 categories (e.g., risk identification, site safety, contractor management) to enhance technical depth.	Refined the risk classification and grading model for subsidiaries. In 2025, 11 Tier-1 risk enterprises and 14 high-risk project companies were identified.	Formulated the *Working Requirements for Dynamic Safety Risk Alerts (2025 Edition)*. Issued 12 monthly risk alert letters, 33 warning notices for key units, and 4 special risk alert letters to 41 tier-2 subsidiaries.

Hazard Identification and Remediation

Shifted the safety focus upstream by promoting a proactive prevention model. Conducted rigorous "Six-tier"[56] safety inspections, comprehensive hazard identification, and risk evaluations. Upheld a "zero-tolerance" attitude toward risks, enforced closed-loop management for hazards, and achieved dynamic zero-clearing of major accident hazards.

Key Performance Indicators

In 2025, a total of 45,938 hazard risks were identified, all of which have been fully corrected, resulting in a hazard identification and rectification rate of 100%.

Digital Intelligence Empowerment of Safety

Kunlun Energy is deepening the commitment to technological empowerment, leveraging digital and intelligent solutions to bolster energy supply security. By integrating cutting-edge technologies—including the Internet of Things (IoT), AI algorithms, and digital twins—the Company is constructing a "Smart Gas" ecosystem. We are vigorously advancing the application of the A10 system, SCADA systems, and digital pipelines, while accelerating digital safety infrastructure such as intelligent valve pit retrofitting, gas alarm installation, and IoT metre replacement. By deeply integrating pipeline integrity management with core leak detection capabilities, we employ a multi-pronged approach to enhance levels of intrinsic safety.

[56] "Six-level" Management: Refers to the six-tier management structure comprising the "Headquarters – Provincial Branch – Project Company – Station/Team – Shift/Group – Individual Post."

Digital & Intelligent Empowerment of Kunlun Energy's Supply Assurance Efforts

Field	Specific Initiatives
Sales Operations	By analysing historical winter supply data and the impact of force majeure events, we track usage patterns across diverse user groups. We have established a digital sales forecasting model linking temperature to demand, enabling rolling forecasts to ensure residents in key regions remain warm throughout the winter.
Production & Operation	We conduct comprehensive inspections of equipment and facilities to optimise production scheduling. Relying on digital systems to monitor real-time data across the entire chain—from intake and pressure regulation to transmission—we dynamically adjust supply volumes based on demand fluctuations to maintain stable network pressure and sufficient terminal supply.
Pipeline Integrity Management	Focusing on core safety scenarios such as HCA identification, risk grading, corrosion protection, and third-party construction oversight, we implement full-process online management. Through terminals like intelligent valve pits, smart cathodic protection (CP) posts, and "Pipeline Sentinels," we gain real-time insights into operational status, enhancing risk anticipation and disposal efficiency.
Leak Detection	We have deployed PTZ laser methane detection and warning systems. By deploying diversified intelligent monitoring equipment at key pipeline sections, including AI cameras, and PPB/PPT-level[57] detection vehicles, we achieve 24/7, full-process, and full-coverage leak detection across station process areas.
Intelligent Inspection	Intelligent inspection robots are deployed in critical areas, utilising infrared thermography, visible light cameras, and environmental sensing technology to perform standardised 24-hour tasks. A full coverage check of 78 inspection points is completed in just 68 minutes, with data transmitted to the central control platform for AI analysis to precisely identify hazards such as equipment overheating or instrument anomalies.

Key Performance Indicators

As of the end of the reporting period, we have deployed a total of 238 laser gimbals, 3,065 sets of online combustible gas monitoring equipment, 2,649 pipeline sentinels and electronic fence systems, and effectively managed 5,653 instances of third-party construction.

[57] PPT (Parts Per Trillion): A dimensionless unit of concentration representing one part per trillion.

Safety Culture Construction

Kunlun Energy is actively constructing a modern QHSE cultural system. Its subsidiaries formulate annual work safety education and training plans and have established employee training and assessment mechanisms. By conducting safety education and training at least once a month, the Company aims to integrate safety culture concepts comprehensively and deeply into every stage of production and operation, injecting strong safety culture momentum into the Company's high-quality development.

In 2025, the Company solidly advanced the "1,000 Safety Backbone Training Programme." Adopting a model of "pre-training online courses + autonomous testing via mini-programs," the Company completed safety and environmental performance appraisal training for 113 middle-management cadres and 74 primary heads of project companies. Using a three-stage "Online + Offline + On-the-job Practice" model, the Company empowered 62 project company Safety Directors and 63 urban gas emergency specialists, tangibly enhancing the safety leadership of key personnel.

Case

2025 "Work Safety Month" Campaign

In June 2025, during the 24th National "Work Safety Month," the Company launched 14 themed activities across 6 categories, including speech contests, Safety Publicity and Consultation Days, and safety knowledge competitions. By combining top-level design with grassroots innovation, the Company developed a signature model for Work Safety Month activities, with a cumulative participation of 40,000 person-times.



Safety Knowledge Competition Finals



Gas Safety Equipment

Key Performance Indicators

In 2025, the certified post-holding rate for employees engaged in special types of work stood at **100%**

the cumulative number of personnel obtaining Certified Safety Engineer qualifications reached **1,206**

Publicity and education on accident cases were carried out **3,984** times

101,706 participants watched warning education videos

126 safety skills competitions

953 safety knowledge lectures were held

A total of **90,217** employee attendances were recorded for safety training

with the total duration of safety-related training reaching **28,422** hours

achieving a **100%** safety training coverage rate

12,883 safety and emergency drills were conducted

100,241 participations

Occupational Health

Kunlun Energy has firmly established a philosophy of safe development, fully implementing the "Healthy China" initiative. By vigorously promoting the construction of Healthy Enterprises, the Company has achieved a continuous enhancement in the management levels of employee health and safety.

Building a Healthy Enterprise

In active response to the *"Healthy China 2030" Planning Outline*, the Company has launched the "Health Escort" project. We actively promote the creation of Healthy Enterprises and continuously improve health management standards and employee awareness, striving to build a new paradigm of "Total Workforce Health and Vitality." In 2025, we conducted the "Weight Management Year" campaign, comprehensively mapping employee health status and inviting professional medical staff to provide customised services—including free health measurements and physiotherapy—to build a comprehensive health protection network for our staff.

Case

Employee Health Management System

Kunlun Energy, in collaboration with Kunlun Digital Technology, developed an Employee Health Management System to professionally enhance health management through digital and intelligent means. By establishing electronic health archives based on physical examination data, the system utilises intelligent algorithms for health risk grading and precision intervention. Supported by a dedicated app platform, it provides dynamic alerts and personalised management. By the end of the reporting period, the collection of physical examination data had been completed, and two rounds of system-wide training were conducted. A total of 28,600 accounts have been activated, representing an activation rate of 91%.





Employee Health Management System

Key Performance Indicators

By the end of the reporting period, 355 "Health Cabins" (Health Cottages) had been established. 144 AEDs (Automated External Defibrillators) and 5,467 sets of fitness equipment were deployed. 738 gymnasiums and fitness corners were constructed.

10 additional units were awarded the local "Healthy Enterprise" title, bringing the cumulative total to 30. 20 employees were selected as "Occupational Health Stars."

Occupational Health Protection

Kunlun Energy strictly adheres to relevant laws and regulations concerning occupational disease prevention and control, comprehensively strengthens occupational disease prevention and control management, and enhances the prevention and control level.

Occupational Health Protection Measures

- Based on job suitability, we provide employees with appropriate personal protective equipment (PPE) and new equipment and facilities, improve working conditions, and mitigate the impact of occupational hazards on employees.
- Conduct regular occupational hazard factor testing and daily monitoring; establish occupational hazard information disclosure boards to publish test results promptly and accurately, and fully safeguard employees' right to know about occupational health.
- Conduct regular specialised inspections and remediation of occupational disease hazards, along with on-site inspections.
- Regularly inspect and maintain occupational disease prevention facilities to ensure their normal operation.
- Implement graded and classified management of occupational hazard risks, allocate prevention and control resources in a targeted manner, promote the integration of occupational health concepts into the entire production and operation process, and achieve precise risk prevention and control with management closure.
- Organise occupational health examinations for all employees, establish and dynamically update occupational health monitoring records on a "one-person, one-file" basis, regularly assess employee health status, and track occupational health trends.
- Establish a certification list for specific positions, conduct regular certification training and education, and ensure a 100% certification rate for special trades.

Subsidiaries have developed differentiated *Hazard Identification and Risk Prevention Manuals* tailored to their specific business scenarios and job characteristics. The Company organised all employees to conduct identification of occupational disease hazards at their respective posts, driving the implementation of comprehensive occupational health risk control across all personnel and processes to mitigate occupational health risks at the source.

Key Performance Indicators

In 2025, Personnel Qualification Certification Rate: 100%; Employee Awareness Rate of Major Job Hazards and Protection Knowledge: 100%

Occupational Health Examination Coverage Rate: 100%; Occupational Health Examination Pass Rate: 100%; New Cases of Occupational Diseases: 0

Detection Rate of Occupational Hazard Factors: 100%; Qualified Rate of Occupational Hazard Workplace Monitoring: 100%

Occupational Health Training

To effectively safeguard employee occupational health and strengthen the primary responsibility for health management, the Company has organised diverse and content-rich occupational health promotion and training activities. These initiatives further consolidate the occupational health management philosophy across the workforce and strive to create a robust occupational health culture.

Key Performance Indicators

In 2025, Health Lectures and Training: **984** sessions conducted.

"Occupational Disease Prevention and Control Week" & "Five Ones"[58] Health Literacy Campaign:

689 themed presentations delivered

17,072 sets of promotional materials distributed

Outreach and Engagement: Reached **27,934** persons through promotion

27,513 persons participating in the health literacy level survey

Supporting Employee Mental Health

We pay close attention to employee mental health management, providing more extensive health assistance and services to improve overall physical and mental well-being. In 2025, the Company conducted mental health lectures and integrated EAP (Employee Assistance Programme) courses into the competency training for labour union cadres.

[58] The "Five-One" Initiative comprises: a) Establishing a permanent health literacy display board; b) Organising a health literacy lecture; c) Watching a health literacy video; d) Completing a health literacy knowledge test; e) Reading a health literacy handbook.

Contractor Safety Management

Kunlun Energy has strengthened contractor safety supervision and management by implementing a governance framework consisting of comprehensive headquarters oversight, specialised provincial-level supervision, and full accountability at the project company level. Contractors are integrated into the Company's unified management system, adhering to consistent safety standards and requirements. By promoting a "Full Lifecycle" management model, the Company enforces rigorous oversight across the pre-project, mid-project, and post-project stages. All contractor personnel are required to sign the *Commitment Letter for Safe Operation Posts*, and the Company strictly implements a "Double Blacklist" system for both contracting entities and their personnel.

Contractor Safety Appraisal

To build a closed-loop system for contractor safety and strengthen performance control, the Company implements a Contractor Safety Performance Evaluation Mechanism, which serves as a critical basis for comprehensive assessments. Project companies conduct safety performance evaluations during the implementation phase and upon project completion; these results are then integrated into an annual comprehensive safety performance appraisal.

In 2025, the Company intensified supervision, inspection, and appraisal regarding professional qualifications, technical literacy, and practical skills. Through strict accountability and assessment, a cumulative total of 1,219 points were deducted across 693 person-times, significantly enhancing the standardisation of contractor safety management.

Contractor Safety Training

The Company operates a Specialised Safety Training Mechanism for key personnel of external contractors. All training is conducted by institutions with relevant professional qualifications to ensure standardised management.

Contractor Key Personnel

- Primary heads of successful bidders for engineering construction and equipment maintenance services
- Officers in charge of safety
- Heads of safety management departments
- Construction project managers
- Other key post supervisors identified based on specific project needs

Training Requirements

- The training duration must be no less than 16 credit hours.
- A Training Completion Certificate (valid for 2 years) is issued upon passing the assessment.

Key Performance Indicators

In 2025, Contractor Work-Related Fatalities: **0**

Organised **6** sessions for **598** key personnel (including project managers and safety officers).

10 individuals who failed the assessment were placed on the "Blacklist."



Strengthening the Foundations of Quality

Kunlun Energy consistently adheres to the quality policy of "Honesty and Trustworthiness, Excellence and Perfection." We reinforce our quality foundations through systematic construction, continuously deepening quality technology innovation and the upgrading of management efficiency. We embed excellence throughout the entire product lifecycle. By safeguarding public livelihood through quality and forging the future through responsibility, we continue to enhance the core resilience of the Company's sustainable development.

Laws and Regulations Complied With

Law of the People's Republic of China on Product Quality

Regulations on Urban Gas Management

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Internal Policies and Systems of Kunlun Energy

Quality Management Manual

Rules and Procedures for Product Quality Supervision and Administration

Rules and Procedures for Quality Risk Management"

Rules and Procedures for Quality Management of Material Supply

Rules and Procedures for Quality Incident and Accident Management

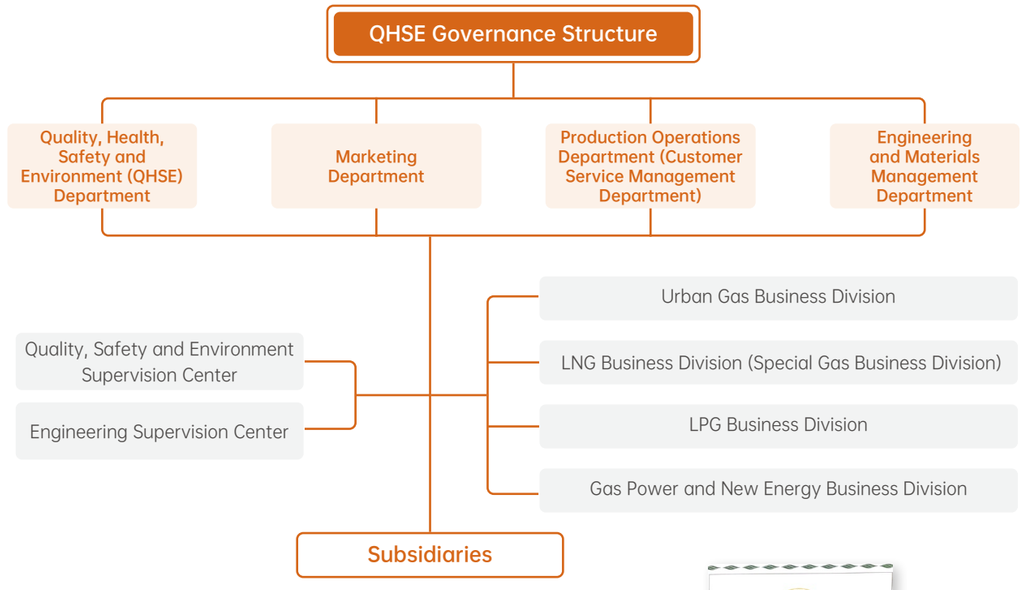
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Quality Management System

Kunlun Energy has established a quality management and governance system characterised by clear powers and responsibilities, as well as efficient synergy. The QHSE Committee serves as the supreme decision-making body, chaired by the Chairman, and is responsible for deliberating on major quality matters, organising periodic reviews, and driving continuous improvement. The Company implements a three-tier management and supervision mechanism: "headquarter departments manage and supervise by business line, professional business units assume specific responsibility by expertise, and the Quality, Health, Safety, and Environmental Protection Department along with the Supervision Centre conduct comprehensive supervision," clearly defining the boundaries of quality management responsibilities for all levels and positions. Concurrently, quality management performance is fully integrated into the performance appraisal system for all employees, ensuring quality responsibilities are assigned at every level. We strive to construct a quality management and control system featuring universal participation, full-process control, all-element coverage, and closed-loop processes.

Kunlun Energy Quality Management and Supervision Organisational Structure Diagram



The Company has obtained ISO 9001 Quality Management System certification and consistently passes annual surveillance audits to ensure the effective operation and continuous improvement of the quality management system.


QUALITY MANAGEMENT SYSTEMS CERTIFICATE

This is to certify that the Quality Management System of

GB/T19001-2016 (ISO9001：2015，IDT)

Kunlun Energy Quality Management System Certification Certificate

Quality Risk Management

Kunlun Energy follows the PDCA (Plan-Do-Check-Act) risk management methodology. Centred on the entire life cycle of quality management, the Company comprehensively identifies key control points across various business scenarios and continuously refines the quality risk inventory. By formulating targeted risk response measures and defining responsible departments, we have established a closed-loop quality risk management mechanism to ensure that quality risks at every stage of our core products are effectively controlled. In 2025, no quality accidents occurred within the Company.

Key Achievements

In 2025, the Company conducted inspections and rectifications of quality risks, organising various units to identify risks related to products, engineering, materials, and service quality across 5 professional lines: city gas, branch pipelines, LNG, LPG, and new energy. A total of 120 evaluative inspections of product quality testing and inspection levels were carried out, and 26 product quality risk warnings and emergency plans were compiled.

For core products such as natural gas, liquefied petroleum gas (LPG), specialty gases, and value-added businesses, we have further strengthened quality tracking throughout the entire sales process. We have established a "rapid response, closed-loop disposal" quality emergency mechanism, clarifying emergency trigger conditions, disposal procedures, and responsible entities to fully prevent quality risks and resolutely preclude the occurrence of quality accidents or incidents. In 2025, 1,098 new quality risks were identified, 464 key quality control points were reviewed across the entire process, and 46 major or higher-level quality risks requiring priority control were evaluated and established.

Key Performance Indicators

In 2025, third-party institutions were commissioned to conduct
3,316 sampling inspections

the execution rate of gas quality testing plans reached
100%

the qualification rate of gas quality sampling inspections reached
100%

the primary acceptance pass rate for projects reached
100%

the first-time success rate of trial operations and commissioning reached
100%

Quality Capability Development

Kunlun Energy consistently advances quality training and the cultivation of a quality culture, continuously strengthening the quality awareness of all employees and enhancing professional capabilities in quality control. We extensively mobilise grassroots levels to actively establish Quality Control (QC) circles and quality-trustworthy teams. By deeply conducting various mass quality activities—such as quality breakthrough projects, quality suggestions, and technical competitions—we drive the integration of quality culture into every stage of production and operations. This guides all personnel to form a conscious commitment to valuing and upholding quality, effectively promoting quality enhancement initiatives.

Case

2025 "Quality Month" Activities

In September 2025, the Company organised "Quality Month" activities themed "Strengthen Comprehensive Quality Management, Promote the Construction of a Quality-Strong Nation." Through diverse formats including specialised training, case studies, skills competitions, and quality self-inspections, we enhanced employees' quality awareness and management capabilities, further solidified the quality foundation, fostered a robust quality atmosphere, and promoted an excellent quality culture. During the "Quality Month" period, over 50 media reports were published, and 99 "Quality Open Day" and "Customer Experience Day" events were held, with 2,113 participants.



Customer Experience Day

Key Performance Indicators

In 2025, the Company actively carried out mass quality activities, facilitating the advancement of approximately 20 participants in mass quality activity selections and producing 409 activity outcomes. We received 16 awards for QC outcomes and trustworthy teams from our Parent Company, 20 QC awards at or above the provincial and ministerial level, and 4 advanced quality unit recognitions at or above the municipal level.

We conducted 3 quality training sessions, with 1,070 total participants and a total training duration of 30 hours.

Improving Product Quality

Improving Management Mechanisms

Kunlun Energy maintains stringent supervision of product quality, continuously strengthening control throughout the entire product lifecycle. The Company has established a monthly quality reporting mechanism and systematically conducts specialised product quality audits and quality management enhancement initiatives. By accurately analysing weaknesses and prominent issues within quality control, we define clear optimisation measures and implementation requirements, assigning management responsibilities at every level to effectively drive the quality management work towards higher efficiency and greater depth.

During the current year, the Company launched a specialised action for product quality enhancement, covering the entire business process across production, sales, transport, storage, and retail. We focused on organising specialised reviews of key quality management stages for core products, including natural gas, liquefied petroleum gas (LPG), specialty gases, and value-added businesses. Through these reviews, we have further clarified quality management responsibilities and boundaries at each stage, refined management process nodes, and compiled and issued the *Guiding Opinions on Improving the Quality Management of Core Products*. Simultaneously, we completed the revision of 232 quality management system documents and policies to ensure that all quality management requirements are effectively implemented and documents are executed efficiently.

Cultivating Self-Reliance in Quality Inspection

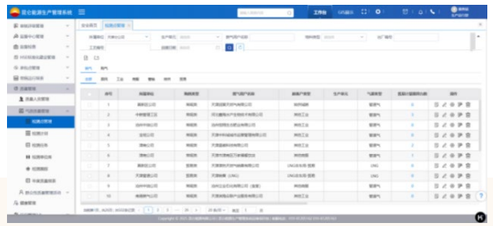
We continue to enhance our independent inspection capabilities, striving to establish professional inspection institutions for natural gas sales products and systematically advancing pilot work for product quality inspection. As of the end of the reporting period, Kunlun Energy's subsidiaries—Jiangsu LNG, Jingtang LNG, and Shaanxi Ansai LNG—have established in-house product quality testing laboratories and obtained CNAS (China National Accreditation Service for Conformity Assessment) certification.



Laboratory Accreditation Certificate of Jingtang LNG

Digital and Intelligent Empowerment

Kunlun Energy leverages digital empowerment to upgrade quality management, actively applying digital technologies such as big data analysis, BeiDou positioning, and intelligent recognition. Relying on digital management and control platforms, we have achieved full-process traceability for the quality of core products. Through intelligent early-warning and anomaly analysis functions, we enhance the intelligence, precision, and overall efficiency of product quality management. In 2025, the Company developed an online quality control module integrated with the production management system, achieving dynamic control over the entire process of gas quality testing points, testing plans, and testing results. We continue to promote the construction of online analysis cabins for piped gas to further strengthen the real-time nature and accuracy of quality control. As at the end of the reporting period, 22 analysis cabins have been deployed.



Online Quality Control Module

Improving Customer Experience

Kunlun Energy consistently prioritises customer service as a core element of the business and development. The Company firmly adheres to the customer service philosophy of "Starting with Customer Needs, Achieving Customer Satisfaction, and Exceeding Customer Expectations," continuously innovating service models, enhancing customer service effectiveness, and striving to provide customers with high-quality, convenient, and thoughtful gas services, empowering a better life through intelligent gas and streamlined service.

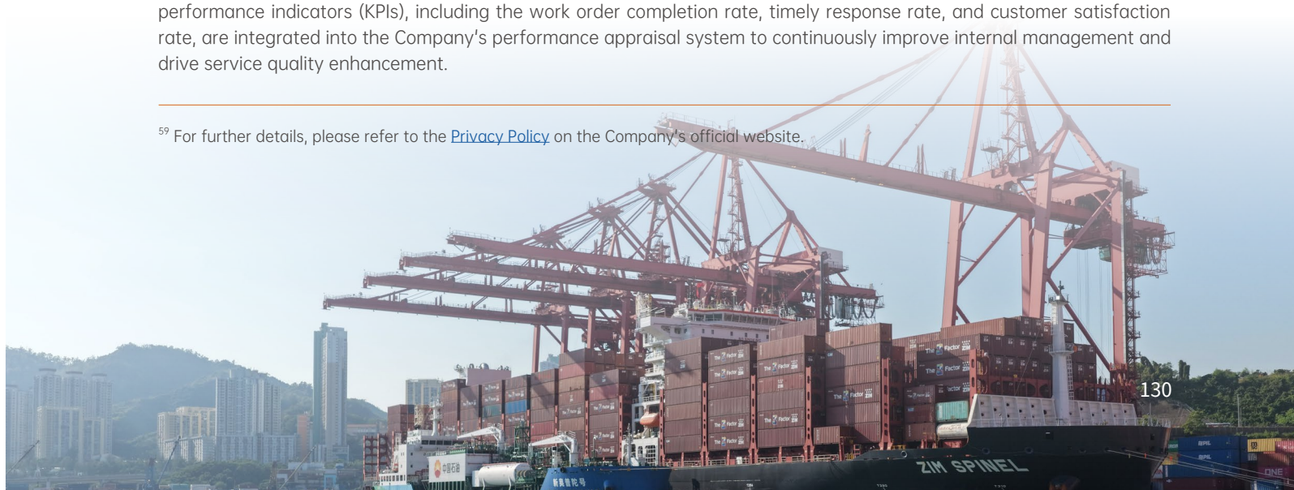
Laws and Regulations Complied With	Internal Policies and Systems of Kunlun Energy
The Law of the People's Republic of China on the Protection of Consumer Rights and Interests	*Quality Management Measures for Natural Gas Customer Service in Urban Gas Business*
The Advertising Law of the People's Republic of China	*Guidance Manual for Standardised Services for Natural Gas Customers*
The Regulations on Urban Gas Management of the People's Republic of China	*Privacy Policy*[59]
...	...

Customer Service System

Kunlun Energy maintains a deep focus on the diversified needs of the gas customers. The Company has established a robust customer service quality management system, forming a four-tier collaborative governance structure consisting of the "Sustainability Committee – QHSE Committee – Headquarters Departments – Subsidiaries." Dedicated customer service quality management bodies or specialist positions have been established at both the headquarters and subsidiary levels. We are fully committed to implementing standardised service processes, striving to provide customers with professional, efficient, and precise services.

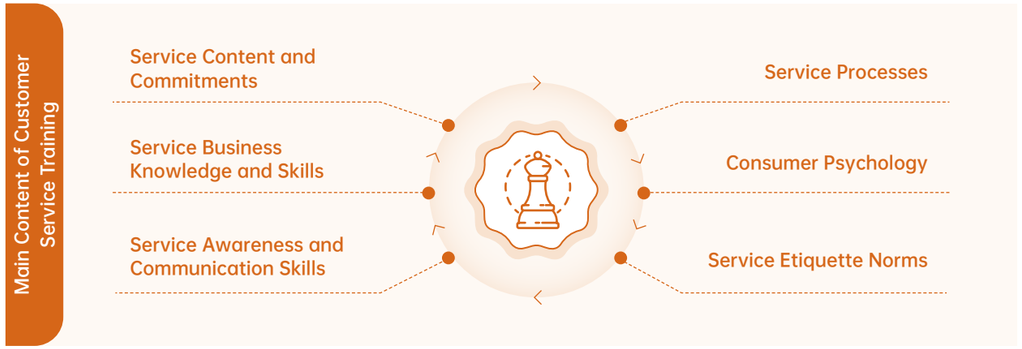
Furthermore, we have established a comprehensive customer service quality supervision and evaluation mechanism. Key performance indicators (KPIs), including the work order completion rate, timely response rate, and customer satisfaction rate, are integrated into the Company's performance appraisal system to continuously improve internal management and drive service quality enhancement.

[59] For further details, please refer to the Privacy Policy on the Company's official website.



Customer Service Training

Centred on the competency requirements for customer service roles, Kunlun Energy has constructed a tiered and categorised customer service training system. Tailored to different positions and levels, the Company systematically conducts pre-job training, in-service rotation training, job-transfer adaptation training, and specialised business training to comprehensively consolidate the professional foundation of our service personnel.



Case

Urban Gas Terminal Customer Service Training Programme

From September 15 to 19, 2025, the Company hosted an Urban Gas Terminal Customer Service Training Programme. Over 90 business backbones participated in the session, which aimed to further consolidate service foundations and enhance the core competencies of the customer service team.

For the first time, this training innovatively constructed a "Five-in-One" curriculum architecture, integrating "Service Standards – Public Opinion Management – Legal Risk Control – Value-Added Services – Digital Empowerment." This framework precisely covers the critical links of the customer journey. By adopting a diversified teaching model of "Theoretical Explanation + Practical Drills + Case Reviews," the programme tangibly enhanced trainee interaction while ensuring the effectiveness and engagement of the training.



Training Site

Responsible Marketing

Kunlun Energy upholds the principle of responsible marketing and strictly regulates promotional conduct throughout the marketing process. The Company explicitly prohibits false advertising, misleading marketing, and similar practices, ensuring that product pricing is transparent and billing methods are clear and traceable. By effectively safeguarding the consumer's right to know, we continue to build a market image defined by integrity and accountability. During the reporting period, the Company was involved in zero controversial incidents or legal proceedings arising from non-compliant product information disclosure or improper marketing promotion.

Case

"3.15" Special Customer Service Publicity Campaign

During the "3.15" (World Consumer Rights Day) period in 2025, various units of the Company launched a special publicity campaign themed "Gas Service on 3.15, Warm Protection 365 Days a Year." The initiative aimed to enhance customer experience, trust, and loyalty while strengthening employees' awareness of service advocacy.

Anhui Branch provided business consultations and free stove installation services, distributing over 200 sets of promotional materials.Shandong Branch: produced a series of service publicity videos based on the "Five-isation" model (Professionalisation, Standardisation, Digitalisation, Intelligentisation, and Personalisation), clearly demonstrating the Company's service standards, commitments, and contact channels.Hainan Branch guided residents on using online platforms for bill payments and repair requests, while simultaneously conducting in-home safety inspections.



Anhui Branch Activity Scene



Shandong Branch's Customer Service Center



Hainan Branch Providing On-Site Guidance to Users on Online Processes

Addressing Customer Complaints

Kunlun Energy deeply implements the "Customer First" philosophy and has established a comprehensive customer complaint handling mechanism. We promptly accept customer complaints through multiple online and offline channels, while tracking and supervising the resolution process to ensure all issues are properly addressed, achieving closed-loop handling of customer complaints. During this year, the average response time for customer complaint incidents was 2.2 hours, and the average case closure time was 14.6 hours.

Customer Feedback and Suggestion Channels

Online

956100 Hotline

"Kunlun Wise Enjoy +" WeChat Official Account

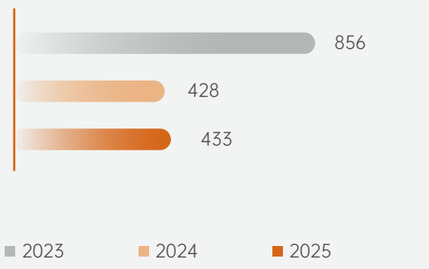
Offline

Service Hall Service

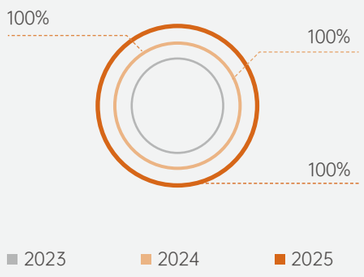
Door-to-Door Service

Key Performance Indicators

Total Number of Customer Complaints (Items)



Resolution Rate of Received Customer Complaints



Enhancing Customer Experience

Optimizing Service Processes

Kunlun Energy is dedicated to providing customers with more convenient and professional services. We actively promote the deepening of terminal customer services to meet the diverse needs of different customer categories, regions, and timeframes. For new customers, we implement a "One-on-One Service & Full-Process Assistance" model, providing timely and proactive on-site engagement to achieve "Zero Travel" for gas installation applications.

Digital Intelligence Service Innovation

Kunlun Energy is constructing a new ecosystem for digitally intelligent customer service, striving to create a multi-sector lifestyle circle encompassing "Internet + Integrated Energy + Living." By driving leaps in customer service capacity through technological innovation, we provide customers with integrated, full-process, and one-stop energy solutions.

Constructing an "AI + Human" Collaborative Omni-channel Intelligent Service System:

Offline: We are building modern service halls and deploying intelligent service robots that support features such as facial recognition for gas processing, self-service payments, and credit top-ups. We provide "grid-based" services to create a "30-minute service circle."

Online: Leveraging the "Kunlun Huixiang+" online platform, we have integrated 25 high-frequency services. We innovatively constructed a "Four-stage Service Funnel" model—comprising intelligent customer service, manual processing, video diagnostics, and on-site service—to enable "zero-travel" business processing. Based on the Kunlun Large Language Model (LLM), we have developed AI Digital Humans embedded with 19 categories of gas business knowledge to facilitate intelligent Q&A and self-service.

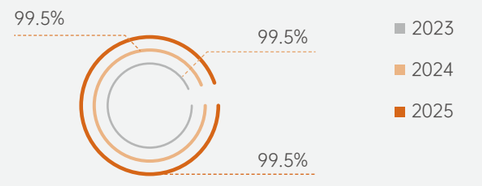
Advancing Customer Service Big Data Construction: We are establishing a terminal intelligent sensing network using IoT gas metres, self-closing valves, pre-metre valves, gas alarms, and emergency shut-off valves to enhance intelligent safety prevention.Relying on a Smart Gas Management Platform, we have achieved digital management for intelligent metering, network monitoring, and inspections. The real-time data collection rate has reached 99.7%, providing a solid data foundation for "Single-Network Government-Enterprise Services" and continuous service quality improvement.

Customer Satisfaction Surveys

The Company regularly conducts customer satisfaction surveys using methods such as telephone interviews, online surveys, scheduled on-site interviews, and "mystery shopper" undercover inspections. These provide a comprehensive understanding of user experiences. Based on these results, we conduct quality analysis and rectification to continuously optimise service levels. In 2025, the customer satisfaction survey covered 1.195 million users.

Key Performance Indicators

Customer Satisfaction



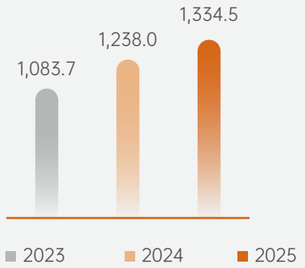
Safeguarding Gas Safety

Kunlun Energy upholds customer gas safety as the core responsibility, constructing a full-process gas supply security mechanism to ensure the safety and reliability of gas for public livelihood. In strict accordance with the *Service Guide for Gas Customers* (GB/T 28885), the Company conducts user safety inspections and has formulated the *Administrative Measures for User Safety Inspections*. This defines management requirements across all stages—including daily inspection control, institutional responsibility allocation, closed-loop hazard remediation, service follow-up supervision, and safety promotion—thereby achieving standardised and process-oriented safety inspection services.

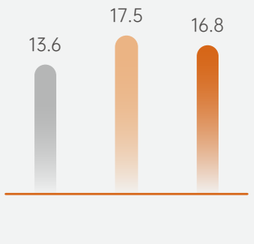
We continue to intensify public awareness campaigns regarding safe gas usage by conducting "Five-In" activities (entering enterprises, rural areas, communities, schools, and households). Through the popularisation of gas safety knowledge, distribution of emergency materials, and interactive hazard identification, we strengthen public safety awareness and form an all-encompassing promotional framework. Simultaneously, the Company has launched the "Hazard Snapshot" mini-programme, opening channels for employees and the public to report safety hazards. We encourage universal participation in gas safety supervision and reward individuals for valid hazard reports, building a collaborative gas safety protection network involving multiple stakeholders.

Key Performance Indicators

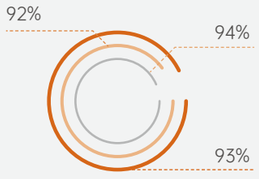
Number of Resident Households Inspected for Safety (Ten thousand households)



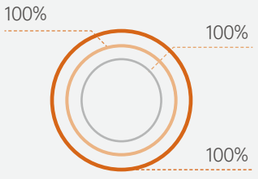
Number of Commercial Users Inspected for Safety (Ten thousand households)



Safety Inspection Coverage Rate for Resident Households



Safety Inspection Coverage Rate for Commercial Users



Case

Jiangsu Branch Innovates Immersive Experience Model with Micro-scenes



Miniaturised Scenario Equipment

During the current year, Kunlun Energy's Jiangsu branch pioneered the use of "micro-scene equipment." By guiding users through olfactory, visual, and tactile senses, the branch provided an immersive, hands-on experience for leak detection and the operation of self-closing valves. Coupled with explanatory promotional videos, this initiative achieved an effective transition of gas safety knowledge from theory to practice.

Strengthening Customer Communication

Adhering to the principles of "Open Collaboration, Co-construction, and Sharing", Kunlun Energy has established a regularised customer communication mechanism. Across our core business segments—including city gas, LNG, and LPG—we actively conduct exchange activities such as customer symposia to gain deep insights into energy demands and requirements. By fostering a positive interaction framework with our clients, we continue to deepen cooperative relationships, achieving resource sharing and synergistic win-win outcomes.

Case

"Blue Flame Guardianship, Smart Benefits for Thousands": City Gas Terminal Customer Exchange Meeting

On 27 August 2025, the Company hosted a city gas terminal customer exchange meeting themed "Blue Flame Guardianship, Smart Benefits for Thousands." A total of 113 participants attended, including representatives from local governments, the China City Gas Association, peer enterprises, and a broad range of terminal customers.

The event comprehensively showcased Kunlun Energy's service upgrade achievements and innovative practices through four main themes: "Service Quality Enhancement", "Digital and Intelligent Kunlun", "Brand Building", and "Progressing Together." Through the symposium, participants engaged in discussions surrounding six key topics: customer needs, the intelligent transformation of customer service, customer safety maintenance, the development prospects of city gas, and the collaborative development of enterprises, collectively exploring pathways for solutions.





Site of the Urban Gas Terminal Customer Exchange Meeting

Privacy Protection

Kunlun Energy respects and protects the personal privacy rights of all stakeholders. The Company has formulated a *Privacy Policy* and integrated privacy protection functions into the overall corporate compliance management system. We ensure that personal information is collected, used, stored, and processed in a lawful, compliant, transparent, and controllable manner. Simultaneously, we employ dual technical and managerial measures to safeguard data confidentiality, integrity, and availability, preventing tampering, loss, and unauthorised access. Furthermore, for sensitive information and business-related users, we have further strengthened authority management, strictly controlling access boundaries through multi-level authorisation and enhanced auditing.

The Company extends privacy protection requirements to external collaborations, urging business partners, suppliers, and contractors to strictly adhere to the principles of the *Privacy Policy*, thereby achieving a closed-loop privacy protection framework across the entire cooperation chain.

The Company maintains a zero-tolerance policy towards any form of privacy policy breach or infringement of personal privacy. We support personnel in submitting anonymous reports to the Audit Committee via post or email. The Audit Committee investigates such incidents and takes necessary corrective and disciplinary actions based on the findings.

Key Performance Indicators

In 2025, the Company recorded

0 incidents of privacy protection violations.



Driving Technological Innovation

Kunlun Energy adheres to the principle of "aligning the innovation chain with the business chain and enhancing the value chain through the innovation chain." We have built a highly efficient technology enablement system, focusing on breakthroughs in key technologies and the promotion of innovative achievements. By leveraging technological innovation to stimulate endogenous momentum and improve overall innovation efficiency, we are committed to achieving a higher level of technological self-reliance and self-strengthening, thereby driving the high-quality development of the natural gas industry.

Laws and Regulations Complied With

Science and Technology Progress Law of the People's Republic of China

Law of the People's Republic of China on Promoting the Transformation of Scientific and Technological Achievements

Law of the People's Republic of China on the Popularisation of Science and Technology

Patent Law of the People's Republic of China

Copyright Law of the People's Republic of China

Special Action Plan for Technological Self-reliance and Self-strengthening of Central Enterprises

National Medium- and Long-term Science and Technology Development Plan Outline

Standardisation Law of the People's Republic of China

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Internal Policies and Systems of Kunlun Energy

Management Measures for Scientific and Technological Projects

Management Measures for Scientific and Technological Awards

Management Measures for Soft Science Research

Implementation Opinions on Further Strengthening the Management of Technical and Skilled Experts

Management Measures for Highly Skilled Talents

Management Measures for Professional and Technical Experts

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Technology Innovation System

We have established a comprehensive Kunlun Energy technological framework, encompassing 7 major technical fields, 18 technical directions, and 42 core technologies. This framework provides full coverage across all segments of the Company's industry chain, with a strategic emphasis on key operational requirements such as natural gas market forecasting, lean marketing, production operations, and safety management, effectively guiding the Company's technological innovation initiatives.

7 Major Technical Fields of Kunlun Energy's Technological Framework

- Market Forecasting
- Resource Optimization
- Lean Marketing
- Engineering and Equipment
- Operation and Metering
- Safety, Environmental Protection, Low-Carbon and Energy Conservation
- Integrated Energy

R&D Team Building

The Company has established a Professional Technical and Skilled Expert Committee, supported by an executive office, the Professional Technical Expert Collaboration Committee, and the Technician Collaboration Committee, ensuring clear management responsibilities at all levels. Through the creation of expert studios and the implementation of twelve key mechanisms—including expert engagement and funding guarantees—we have fully unleashed the innovative vitality of our experts. Detailed regulations have been set for routine management, technical oversight, support, and team building. These define expert tasks, appraisal formats, and standardised evaluation criteria, while strengthening incentives for skilled experts to ensure that talent development and technological advancement are deeply integrated with business growth.

Stimulating Innovation Vitality

To further incentivise our technological innovators and stimulate creativity, the Company conducts award recommendations and appraisals in accordance with the *Management Measures for Scientific and Technological Awards*, fostering an environment that encourages innovation and value creation.

R&D Achievements

Kunlun Energy continues to deepen technological research, accelerating the transition of innovative outcomes into industrial and scenario-based applications. This achieves a profound integration of technological and commercial value, empowering the Company's high-quality development and injecting strong momentum into the energy industry's technological progress and industrial upgrading. This year, we achieved significant results in core technological breakthroughs and the iteration of innovative outcomes, forming a portfolio of industry-leading technical solutions with independent intellectual property rights.

Case

Construction Method Creativity for LNG Storage Tank Outer Walls at Fujian LNG Terminal

In June 2025, the Fujian LNG Terminal project, a subsidiary of Kunlun Energy, achieved a major breakthrough in the construction methods for storage tank outer walls. The project's independently developed track-based hydraulic climbing formwork system successfully completed key technical verification and was applied for the first time in the construction of large-scale domestic full-containment LNG storage tanks. Powered by 116 hydraulic jacks and supported by an independently developed intelligent synchronous control system, the system can complete a wall lift of 3,600mm in just 40 minutes. This reduces lifting operations by over 1,300 instances and improves efficiency by 36 times compared to traditional methods, saving approximately 28 days of construction time per storage tank. Furthermore, the system is designed to withstand the high winds and typhoons prevalent at the project site, effectively overcoming construction challenges in adverse weather conditions.

Track-Mounted Hydraulic Lifting Template System



Panoramic View of Storage Tank #2

Intellectual Property Protection

The Company strictly complies with all relevant laws and regulations regarding IP protection. In alignment with the Parent Company's *Intellectual Property Management Regulations and Trademark Management Regulations*, as well as our own *Management Measures for Scientific and Technological Projects*, we standardise IP management to prevent any infringement. By strengthening the protection of innovative outcomes, deepening the exploitation of IP value, and organising IP Awareness Week activities, we foster an innovative ecosystem that empowers industry-wide progress.

Case

Intellectual Property Management Training Programme

In 2025, Kunlun Energy hosted an IP management training programme for 150 personnel, including technology and IP managers and R&D staff. Featuring experts from both within and outside the Company, the session covered IP regulations, policy requirements, report writing, patent portfolio layout, and experience sharing. This effectively enhanced IP protection awareness and the Company's capacity for legally compliant management.

Key Performance Indicators

In 2025, 31 patent applications were accepted, including 27 invention patent applications.

10 patents were granted, comprising 5 invention patents and 4 utility model patents; 1 technical secret was recognised, and 4 software copyrights were registered.

Collaborative Standardisation

The Company actively participates in the formulation and revision of national, industrial, and group standards to enhance our technical influence and market presence. In 2025, we achieved breakthrough progress in standardisation: international standard drafting proceeded efficiently, with preparations underway for new standards regarding IoT systems for gas transmission and distribution pressure regulation and their operation and maintenance. By leading and participating in various standardisations, we promote the Company's advanced practices and core technical standards across the urban gas industry. In recognition of our exemplary role in integrating IoT technology within the international urban gas sector, the Company was honoured as the "2025 Advanced Unit of the National Information Technology Standardisation Technical Committee (SAC/TC 28) IoT and Digital Twin Subcommittee."

Key Performance Indicators

In 2025, Lead-authored 1 international standard and co-authored 1 international standard.

Participated in the formulation of 7 national standards, 4 industrial standards, 6 group standards, and 18 Parent Company standards. Released 33 corporate standards.

Digital and Intelligent Transformation

In 2025, Kunlun Energy implemented an enhancement project for the information technology platforms, actively advancing digital transformation and intelligent development. We are committed to embedding "intelligent" elements across all segments of the natural gas industry chain.

Upgrading Infrastructure

In 2025, we successfully launched the Kunlun ERP system, achieving precise integration with 15 systems, including the Yunmengze Intelligent Platform, Shared Service Platform, and Production Management System. This integration has bolstered our operational efficiency and energy security capabilities.

Enhancing Safety through Technology

This year, we continued to focus on enhancing safety through technological empowerment, creating new momentum for secure development.

The Production Management System now features eight core modules and business application scenarios, including production scheduling and pipeline integrity. This strengthens comprehensive oversight of production safety, improves risk anticipation and disposal, and drives the transition towards "unmanned, intensive, and standardised" management models.

A comprehensive digital map of the pipeline network has been established, achieving full-element digitalisation for 120,000 kilometres of pipelines and 900,000 pieces of equipment. By constructing full-lifecycle digital twins, we have realised dynamic visualisation and intelligent management for core operations, such as high-consequence areas (HCAs), high-risk pipeline segments, and routine inspections, enhancing the foresight, safety, and reliability of network operations.

The Intelligent Management System for Bottled LPG was continuously optimised, with upgrades to online safety inspection audits, electronic contract templates, and real-time digital invoicing. Simultaneously, an automatic high-frequency chip reading function was launched. Seven LPG filling stations in Yulin, Baise, and Qinzhou (Guangxi region) were successfully interfaced with the "Guiran Anguan" regulatory platform. Real-time transmission of business data to government terminals and instant warnings for abnormal cylinders have shifted safety management from "post-event response" to "pre-emptive warning", effectively reducing leakage risks.

Creating Digital Benchmarks

We have intensified our digital transformation efforts by developing benchmark projects to create replicable and scalable models.

Case

Pilot Project for Digital Transformation and Intelligent Development at Jingtang LNG

In 2025, Kunlun Energy completed the scenario construction for the digital and intelligent pilot project at the Jingtang LNG terminal. Covering 17 sub-scenarios across the core areas of production, equipment, and safety, the project developed an intelligent operational management application for the Tangshan LNG terminal. This initiative established four key digital scenarios: "Intelligent Production, Integrated Business Management, Digital Equipment Management, and Real-time Safety Control." It serves as a flagship model for digital transformation within the Company's LNG sector, laying a solid foundation for full-process digital operations.



Jingtang LNG Digital and Intelligent Platform Cockpit

Innovative AI Applications

This year, we completed the top-level planning for our Natural Gas Sales Large Model, identifying 20 application scenarios across four pillars: production safety, intelligent operations, metering, and intelligent customer service. In 2025, we focused on high-value, high-priority scenarios.

Intelligent Analysis for Natural Gas Market Intelligence

By integrating policies, news, and market data, we developed AI agent applications for intelligent Q&A and automated report generation. Trialled at headquarters, these have improved market intelligence query and analysis efficiency by 50%.

Intelligent Customer Service Scenarios

Tailored to the complex service processes and high safety requirements of the urban gas sector, we deployed a fusion solution of Large Language Models (LLMs) and Deep Natural Language Learning models. By incorporating Retrieval-Augmented Generation (RAG) technology to link real-time policy databases and standard service procedures, the system achieves coherent parsing of multi-turn complex dialogues and accurate identification of user intent. Currently trialled at the Shandong Customer Service Centre, it covers all 26 categories of customer service queries.

Production Safety Scenarios

The Intelligent Assistant for Safety Inspections possesses capabilities for gas equipment detection and hazard identification, supporting the automated auditing of safety inspection activities.

Collaborating with Value Chain Partners

Kunlun Energy continuously refines the management standards for partners and strengthens the sustainable resilience of the supply chain. By leveraging digital and intelligent means, we enhance supply management efficiency and consistently promote the construction of long-term mechanisms for green procurement management. We systematically prevent and control supply risks, striving to create a supply chain ecosystem characterised by compliance, transparency, efficient synergy, and green sustainability.

Laws and Regulations Complied With

Government Procurement Law of the People's Republic of China

Bidding and Tendering Law of the People's Republic of China

Regulation on the Implementation of the Bidding and Tendering Law of the People's Republic of China

Regulation on Guarantees for Payments to Small and Medium-sized Enterprises

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Internal Policies and Systems of Kunlun Energy

Contractor, Supplier, and Service Provider Resource Pool Management Procedures

Supply Management Regulations

Supplier Management Implementation Rules

Green Procurement Management Procedures

Materials Procurement Management Procedures

Supplier Code of Conduct[60]

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Supplier Management

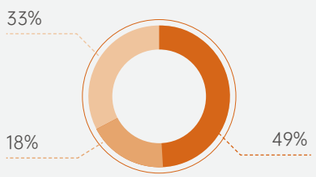
Kunlun Energy has established a robust sustainable supply chain system. The QHSE Committee is designated as the supervisory and guiding body for supply chain ESG management, tasked with the holistic oversight of ESG initiative implementation. The Policy Research Department is responsible for the establishment, maintenance, and dynamic updating of the partner resource pool. Various professional departments lead the full-lifecycle management of partners, fostering a well-defined and synergistic ESG management mechanism to ensure the long-term sustainability of the supply chain. The Company has implemented a standardised and regulated partner management framework centred on the "Screening – Onboarding – Evaluation – Appraisal – Exit" process, with a strategic focus on strengthening compliance, safety, and sustainability controls across the supply chain.

Key Performance Indicators

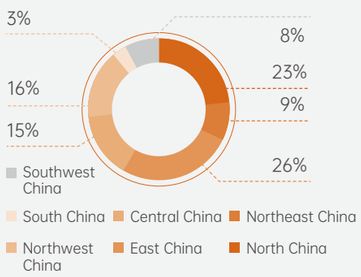
In 2025, the total number of suppliers was

1,215

Number of Suppliers by Type



Number of Suppliers by Region



[60] For further details, please refer to the Supplier Code of Conduct on the Company's official website.

Resource Pool Management

The Company continues to advance intensive, regulated, digitalised, collaborative, and professional management. Partners are integrated into a unified resource pool under an open-access system. By employing a management model characterised by "classification and grading, full-lifecycle control, and closed-loop accountability," we achieve the optimal allocation of partner resources and precise risk prevention. In addition to verifying corporate qualifications, the Company integrates ESG-related indicators into the assessment criteria to ensure the sustainable operational capabilities and collaborative stability of potential partners from the outset.

Key Performance Indicators

In 2025, the proportion of new suppliers screened using ESG criteria was

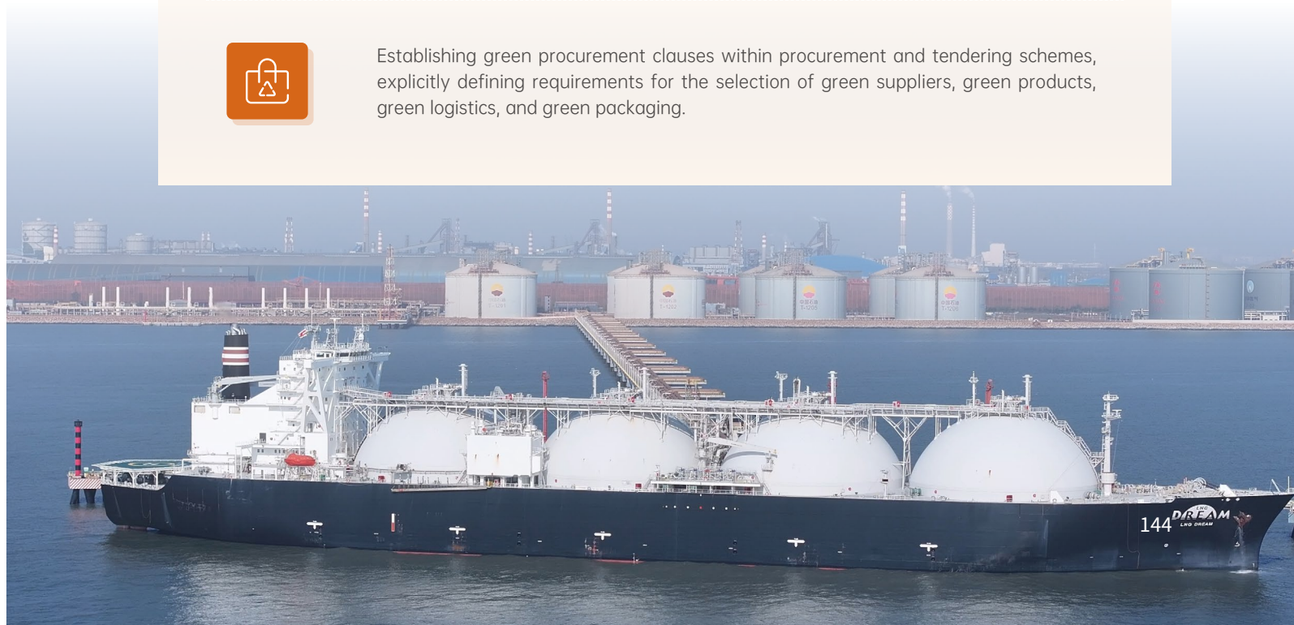
100%

ESG Factors Considered in Supplier Screening and Onboarding

Incorporating certifications and management performance in areas such as environment, quality, occupational health and safety (OHS), and business ethics into the screening criteria.

Under equivalent conditions, priority is given to the selection of high-efficiency, energy-saving, eco-friendly, low-carbon, and recyclable green technologies, processes, and products. Preference is granted to products manufactured by Green Factories or those with green certifications, while the procurement of products with valid carbon neutral certificates is encouraged.

Establishing green procurement clauses within procurement and tendering schemes, explicitly defining requirements for the selection of green suppliers, green products, green logistics, and green packaging.



Evaluation and Appraisal

To strengthen the management and control of supply chain ESG risks, the Company has established a multi-disciplinary Supplier Management Working Group. This group, consisting of professionals from supplier management, procurement, quality, technology, and HSE (Health, Safety, and Environment) sectors, is responsible for conducting on-site inspections and performance appraisals of partners.

On-site Supplier Inspections

For Manufacturers among Material Suppliers: The professional working group is commissioned to conduct on-site inspections, focusing on dimensions such as corporate profile, quality control, R&D capabilities, HSE, and social responsibility.

For Other Partners: Relevant departments conduct inspections via physical visits, video conferencing, or by commissioning third-party professional agencies based on operational management needs. Entities that fail to meet onboarding qualifications are disqualified from the resource pool.

Supplier Evaluation

On an annual basis, the Company organises audits and evaluations of partners within the resource pool, covering aspects such as qualifications, performance, integrity, and anti-corruption. This process is jointly executed by the partner management department, user departments, and user entities. Evaluation results are submitted to the Policy Research Department and, following approval by the designated Company leadership, serve as the basis for the annual appraisal of partners in the resource pool.

Supplier Appraisal

Kunlun Energy has developed a supplier evaluation and appraisal system characterised by "quantitative assessment and closed-loop management." Based on a combination of "routine assessments and annual appraisals," a comprehensive appraisal is conducted using pre-set weightings to generate a final score. Suppliers are then classified into four grades—A, B, C, and D—for tiered management.

Furthermore, green procurement requirements, such as environmental indicators and low-carbon performance, are integrated into the supplier appraisal management. By evaluating suppliers on environmental protection, resource conservation, social responsibility, and sustainable development, the Company encourages them to continuously improve their ESG performance, achieving a mutually beneficial and sustainable partnership.



Supplier Category	Appraisal Content
Tier 1 Material Suppliers	• Routine Assessment Scores derived from "per-order evaluations", covering: collaborative responsiveness, delivery timeliness, and delivery accuracy. • Annual Appraisal Scores from Subsidiary Entities, covering: product quality, technical proficiency, service capability, and contract fulfilment. • Annual Appraisal Scores from the Authorised Procurement Management Group, covering: overall strength, pricing levels, collaborative capacity, supply share, R&D and innovation capabilities, and integrity in operations.
Tier 2 Material Suppliers	• Covers seven key areas: product quality, technical proficiency, service capability, contract fulfilment, pricing levels, supply share, and integrity in operations.

Key Performance Indicators

In 2025, on-site appraisals were conducted for **543** Tier 2 material suppliers, representing an appraisal coverage rate of **49.36%**

Supplier Exit Mechanism

To foster a healthy and sustainable supply chain ecosystem, the Company has established a comprehensive supplier exit mechanism and a "Supplier Blacklist" management system. We implement normalised supplier exit procedures, continuously strengthening supervision and risk prevention to remove non-compliant suppliers. In 2025, a total of 26 material suppliers were removed.

Jointly Building a Sustainable Supply Chain

Kunlun Energy is committed to promoting responsible and sustainable business practices. To standardise supplier conduct, the Company has formulated a *Supplier Code of Conduct*, covering key areas such as labour and human rights, environmental protection, and business ethics.

Supplier Code of Conduct

Areas	Specific Requirements
Labour and Human Rights	• Remuneration paid to employees shall not be lower than the local statutory minimum wage and must ensure their basic living needs are met. • Consider employees' work-life balance by arranging reasonable workloads; avoid or minimise overtime and excessive working hours where possible, and pay overtime wages in accordance with relevant laws and employment contracts. • Provide a safe and healthy working environment for employees. • Maintain zero tolerance for all forms of discrimination, including but not limited to nationality, gender, ethnicity, race, religion, educational background, and physical or mental disability. • Prohibit all forms of harassment, including sexual harassment. • Prohibit all forms of modern slavery, forced labour, and child labour. • Respect employees' rights to freedom of association and collective bargaining.
Environmental Protection	• Comply with all applicable environmental laws and regulations; take effective measures for pollution prevention and control to ensure emissions meet or exceed statutory standards. • Continuously reduce greenhouse gas (GHG) emissions, optimise energy efficiency, prioritise renewable energy, and support global climate goals. • Consistently improve resource efficiency through design optimisation, process upgrading, and management enhancement. • Protect natural habitats and biodiversity; avoid operations in critical biodiversity areas and prohibit illegal deforestation or ecosystem destruction.
Business Ethics	• Do not engage in or participate in any form of corruption, including bribery, fraud, collusion, and money laundering. • Do not participate in any practices that restrict fair market competition, including but not limited to colluding with competitors, price-fixing, or other activities violating anti-trust and fair competition laws.

Integrity in the Supply Chain

Kunlun Energy attaches high importance to the anti-corruption awareness and conduct of suppliers and partners. During public tendering, bidders are required to sign the *Partner Onboarding Commitment Letter*, which includes anti-corruption, anti-bribery, professional ethics, and legal compliance. Whether a bidder has established anti-corruption policies is integrated into the bid response and evaluation criteria. Furthermore, we conduct business ethics advocacy by distributing anti-corruption training materials through face-to-face sessions and online mini-programs.

Key Performance Indicators

Indicators	Unit	2023	2024	2025
Proportion of Material Suppliers Signed the *Integrity Procurement Commitment*	%	100	100	100
Proportion of Material Suppliers Signed the *Social Responsibility Commitment*	%	100	100	100

Supplier ESG Training

We deliver ESG-related training through a combination of online videos, centralised offline sessions, and daily morning briefings on engineering sites. Training covers key areas such as occupational health and safety (OHS), product quality, business ethics, environmental protection, and legal compliance. Training effectiveness is tracked through examinations to encourage suppliers to deepen their understanding and implementation of ESG principles.





In addition, the Company has established a collaborative green procurement mechanism to deepen strategic synergy with suppliers. Focusing on key stages such as R&D, product design, packaging optimisation, and logistics decarbonisation, we promote green innovation and the implementation of sustainable outcomes. We actively guide and support suppliers in developing green technologies, products, and services to collectively build a green supply chain ecosystem.

Adhere to the People-oriented Principle

Kunlun Energy regards talent as the vital source of corporate innovation and development, placing significant emphasis on the construction of the workforce and the accumulation of human capital. Adhering to the philosophy that "talent is the primary resource", we remain steadfast in advancing our strategy of strengthening the enterprise through talent. We are committed to effectively safeguarding the legal rights and interests of every employee and stimulating the vitality of talent in value creation, thereby injecting powerful "talent momentum" into the high-quality development of the Company.

Laws and Regulations Complied With

Labour Law of the People's Republic of China
Labour Contract Law of the People's Republic of China
Employment Promotion Law of the People's Republic of China
Provisions on the Prohibition of Using Child Labour
Social Insurance Law of the People's Republic of China
Regulations on the Management of Housing Provident Fund
Trade Union Law of the People's Republic of China
Provisions on Collective Contracts
Special Provisions on the Labour Protection of Female Employees
Vocational Education Law of the People's Republic of China
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Internal Policies and Systems of Kunlun Energy

Administrative Measures for Labour Contracts
Administrative Measures for Graduate Recruitment and Cultivation
Labour and Human Rights Commitment[61]
Administrative Measures for Employee Leave
Administrative Measures for Remuneration
Administrative Measures for Employee Mobility
Implementation Measures for Enterprise Annuity
Administrative Measures for the Labour Protection of Female Employees
Administrative Measures for Employee Careers
Administrative Measures for Employee Education and Training
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Employee Rights Protection

Talent Attraction

Kunlun Energy attaches great importance to the attraction and cultivation of talent. In accordance with industry requirements and the Company's own developmental needs, we adopt scientific and rational methods to formulate recruitment plans, innovate recruitment techniques, strengthen school-enterprise cooperation, and promote the selection and appointment of high-level experts to broaden channels for talent introduction. Furthermore, we actively respond to national employment policies, solidly advancing the placement of retired soldiers—including disabled veterans—and providing equal employment opportunities for persons with disabilities and vulnerable groups within society.

Simultaneously, to strictly preclude the phenomena of child labour and forced labour, the Company has established a comprehensive recruitment practice review mechanism. We explicitly prohibit the recruitment of minors and strictly forbid any form of forced labour, integrating these requirements into our recruitment criteria. We have strengthened the induction audit process, requiring candidates to provide authentic and valid identification documents and educational certificates during recruitment. A primary focus is placed on verifying age information to eliminate the recruitment of child labour at the source.

Should any violations such as child labour or forced labour be identified during the recruitment or employment process, the Company will immediately terminate the non-compliant activities. For child labour, we will immediately arrange for the cessation of work and contact guardians to ensure a safe return; for forced labour, we will immediately lift all personal restrictions and safeguard the individual's freedom of employment to ensure the timely resolution of the violation.

[61] For further details, please refer to the Labour and Human Rights Commitment on the Company's official website.

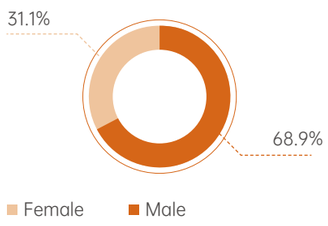
Equal Employment

Kunlun Energy resolutely practises the philosophy of equal employment and has formulated and published the *Labour and Human Rights Commitment*, dedicated to building an inclusive, diverse, fair, and just employment environment. We strictly reject all forms of discrimination and do not differentiate between candidates based on non-professional competence factors such as gender, age, ethnicity, religious belief, or disability status, ensuring that all workers enjoy equal employment opportunities. Furthermore, we explicitly preclude the use of child labour and resolutely forbid any form of non-compliant employment practices, including forced labour or compulsory overtime. In 2025, no cases related to workplace discrimination occurred within the Company, nor were there any violations involving child labour or forced labour.

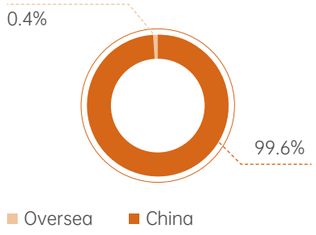
Key Performance Indicators

Indicator	Unit	2023	2024	2025
Total Number of Employees	Persons	27,138	24,809	22,331
Number of New Employees Hired This Year	Persons	274	494	281
Percentage of Ethnic Minority Employees	%	5.5	5.6	5.6
Number of Disabled Employees	Persons	117	116	114
Total Employee Turnover Rate	%	2.9	2.3	2.7
By Gender: Male Employee Turnover Rate	%	3.0	2.2	2.7
By Gender: Female Employee Turnover Rate	%	2.7	2.5	2.8
By Age: Turnover Rate (<30 Years Old)	%	3.5	2.3	3.2
By Age: Turnover Rate (30-50 Years Old)	%	3.0	2.3	2.7
By Age: Turnover Rate (> 50 Years Old)	%	2.0	2.3	2.8

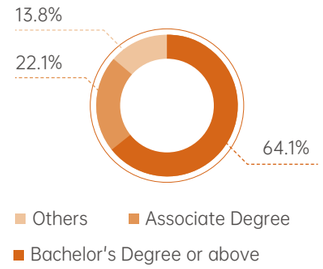
Employee Ratio by Gender



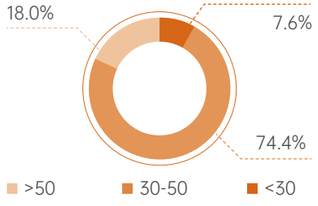
Employee Ratio by Region



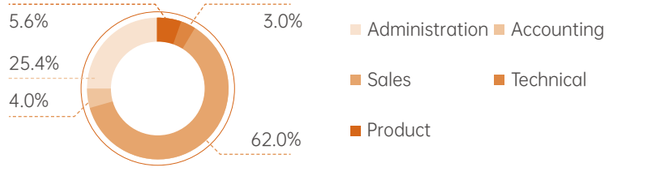
Employee Ratio by Education Level



Employee Ratio by Age Group



Employee Ratio by Function



Remuneration and Benefits

Kunlun Energy adheres to the performance-based remuneration principle and comprehensively implements the system of equal pay for equal work. We have established a robust remuneration and benefits system to ensure that employees enjoy statutory benefits, including China's statutory social insurance and housing provident fund scheme[62] labour protection equipment, and paid leave. Additionally, we provide various supplementary benefits such as enterprise annuities and critical illness insurance.

Key Achievements

To address difficulties faced by employees and their immediate relatives in securing medical appointments for major or critical illnesses, the Company launched the "Kunlun Healthcare" Green Channel for Medical Services in Beijing in 2021. This service provides professional medical consultation and guidance, recommending specific hospitals or experts based on the patient's condition to enhance diagnostic efficiency and treatment outcomes. Since its inception, the programme has provided nearly 3,000 professional medical services to employees and their families, assisting over 600 households in overcoming medical challenges. The satisfaction rate among employees and their families has consistently remained at 100%. This year, incorporating employee feedback, the Company proactively upgraded the service by adding a free online consultation function, enabling health consultations from the comfort of one's home.



A Commemorative Silk Banner Presented by an Employee's Family

The Company strictly implements working hour standards and rest and leave systems in accordance with laws and regulations. We resolutely oppose any form of forced or compulsory labour, advocate for efficient working practices, and, in principle, do not encourage overtime. Where overtime is necessary due to business requirements, overtime pay is provided in full or compensatory time off is arranged in strict accordance with regulations to safeguard employees' legal right to rest. Furthermore, based on specific role requirements, the Company has introduced a work-from-home model, equipped with VPNs and other remote office technical support, to flexibly adapt to employee needs and optimise the work experience.

Performance Appraisal

Grounded in the dual needs of organisational development and employee growth, Kunlun Energy has constructed a multi-level performance appraisal system for all staff. We design differentiated appraisal schemes based on the characteristics of various positions and levels, implementing a combination of Key Performance Indicators (KPIs) and 360-degree performance evaluations. We have strengthened the application of appraisal results, directly linking performance scores to promotions and remuneration adjustments. Additionally, we have optimised the setting of special award projects, highlighting their roles in targeted, precise, and supplementary incentives. By refining appraisal standards and enhancing precision, we leverage the positive guiding role of special awards.

Furthermore, we have fully integrated ESG requirements into the performance appraisal system. Management performance contracts explicitly include assessment indicators related to energy and water conservation, carbon emissions, health and safety, and compliant operations. These results are closely tied to rewards, punishments, appointments, and removals to ensure the effective implementation of ESG responsibilities.

The Company has established performance feedback and grievance mechanisms. Through ad-hoc conversations and performance interviews, we assist employees in analysing their strengths and potential, identifying issues, and providing suggestions for improvement. Employees who disagree with their appraisal results may lodge an appeal directly with their supervisors or the Human Resources Department via the online performance management system.

[62] The statutory social insurance and housing provident fund scheme refers to the social security system mandated by the Labour Law of the People's Republic of China, which primarily includes: endowment insurance (pension), medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, housing provident fund.

Enhancing Employee Experience

Democratic Management

Kunlun Energy proactively listens to employee voices and continuously improves communication mechanisms. We maintain open communication channels through petition mailboxes and activities for collecting rationalisation suggestions, ensuring that employee opinions are accurately and promptly conveyed to relevant departments. For new hires, the Company holds orientations to provide a communication window and takes targeted measures to resolve reported difficulties, helping them adapt quickly to their roles.

The Company has established a three-tier trade union organisation covering all grassroots units, fully leveraging the union's functions in protection, construction, participation, and education to enhance democratic management. This year, the Staff Representative Congress deliberated on and registered 25 proposals. Relevant functional departments provided written responses, and six representative categories of proposals concerning workforce construction, support for relocated personnel, and cultural/sports life were addressed during the congress.

Additionally, we have established a Labour Dispute Mediation Committee within the trade union as the core entity responsible for handling labour disputes, ensuring they are resolved fairly, promptly, and compliantly. No labour disputes occurred within the Company this year.

Key Performance Indicators

In 2025,

25 proposals were deliberated and approved by the Staff Representative Congress.

The trade union membership rate reached

100%

Assistance for Employees in Need

We conduct regularised special consolation activities for employees in difficulty during major festivals such as the Spring Festival and National Day. In 2025, Company leadership conducted concentrated visits during the New Year and Spring Festival periods, providing consolation to 1,127 employees, ensuring corporate care was delivered effectively.

Employee Satisfaction

This year, the Company conducted a special survey on the ideological trends of all employees. Through anonymous questionnaires, we listened to employee voices across seven core dimensions, including conceptual awareness, organisational identification, career development, communication and collaboration, mental health, and general suggestions. This provides a solid foundation of public opinion for optimizing services and building harmonious labour relations.

Key Performance Indicators

In 2025, the employee satisfaction rate was

97.88%

Care for Female Employees

We resolutely safeguard the legal rights of female employees, constructing a comprehensive, multi-level protection mechanism for women and children. Through "International Women's Day" activities and exploring childcare services during holidays[63], we encourage all employees to share domestic responsibilities with their families and systematically promote the construction of family-friendly workplaces. For breastfeeding employees, we have piloted "Mother and Baby Rooms" to ensure they have sufficient time for infant care and support regulated nursing breaks.

Key Performance Indicators

In 2025, paid maternity leave for mothers totalled **19,654** days

As at the end of the reporting period, a total of **7** "Mother and Baby Rooms" had been established

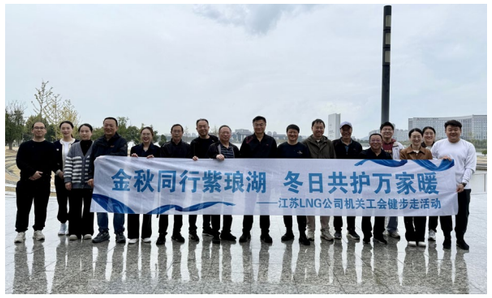
paid paternity leave for fathers totalled **2,184** days

The proportion of female employees in management positions was **37.1%**

Diverse Cultural and Recreational Activities

The Company values employee needs for cultural and sports activities. We launched an online reading service for all staff and completed the creation of 353 physical bookrooms. We organised table tennis tournaments, employee talent shows, and seasonal walking activities to enhance cultural and physical literacy as well as team cohesion.





[63] This initiative is also applicable to male employees.

Promoting Employee Development

Kunlun Energy ensures that employee growth resonates with corporate development. By constructing systematic career development planning and an empowerment-oriented training system, we cultivate talent comprehensively. We motivate talent through meaningful careers and empower the enterprise through our workforce, striving to create a development environment where everyone can succeed and fully realise their potential, thereby sustaining a competitive talent advantage for high-quality corporate development.

Expanding Promotion Channels

We value the career development planning of our employees and have built a robust promotion system to facilitate self-improvement throughout their professional lives. The Company has established a professional and technical sequence position management matrix that "horizontally covers eight major disciplines and vertically integrates three management levels: headquarters, provincial branches, and project companies." This creates a talent layout with a rational structure and distinct tiers. We continue to systematically plan the cultivation of young cadres and echelon construction to enhance the vitality of the management talent pool.

Simultaneously, we have established an internal open recruitment mechanism. For specific vacancies, we initiate open competitive selection across the entire Company, striving to build efficient and unobstructed channels for internal talent mobility. Through the systematic coordination and optimisation of human resources, we fully activate the internal impetus of the organisation and comprehensively enhance corporate management efficiency and core competitiveness.

Employee Training

Kunlun Energy adheres to the philosophy of "respecting knowledge, respecting talent, and fulfilling dreams for creators." Employee training is managed through structured planning. At the beginning of each year, we scientifically formulate an annual training plan centred on the Company's annual tasks, strategic deployments, and core challenges. This strengthens the role of training in driving business development and focuses on enhancing key competencies and technical levels. Furthermore, we continue to refine our tiered cultivation mechanism, conducting diversified and differentiated training. We have constructed a talent cultivation framework including the "Kunpeng Programme," "Kunyu Programme," and "Rainbow Programme,"[64] developing training resources based on employee needs to promote the comprehensive and long-term development of internal talent.

Proactively Implementing Precision Training

Focusing on the development needs of our core business, we strive to enhance the innovative thinking and new technology application capabilities of management talent. We prioritise the cultivation of talent in high-end commerce, new energy, and digital intelligence sectors to strengthen core technical breakthroughs. By scientifically setting training projects, we emphasise a problem-oriented approach and resource allocation, resolutely reducing non-essential training to improve overall effectiveness.

Conducting Tiered and Categorised Training

We implement a tiered and categorised training mechanism and enforce line responsibility, with the Human Resources Department providing overall coordination and business departments leading execution. The annual training plan allocates training authority by management level, divided into Parent Company level (Categories A/B) and Company level (Categories C/D). Category C represents key projects requiring departmental submission, HR review, and leadership approval; Category D comprises ad-hoc professional training. Through tiered implementation and differentiated management, we achieve full-staff coverage and precise empowerment.

We continuously enrich and expand our training resources, utilising the "PetroChina e-Learning" online platform, external training organisations, and university lecturers to encourage all employees to engage in learning and personal growth.

[64] The "Kunpeng Programme" is tailored for young talents. The "Kunyu Programme" is designed for professional and technical personnel. The "Rainbow Programme" is applicable to operational and skilled personnel.

Case

2025 First Training Programme for Key Mid-level Leaders

In September 2025, Kunlun Energy successfully concluded the first training programme of the year for key mid-level leaders, with 52 senior cadres in attendance. This programme focused closely on current topical issues and challenges facing the Company, inviting experts from the Parent Company and the wider industry to deliver lectures aimed at strengthening strategic proactivity and enhancing corporate governance efficiency.

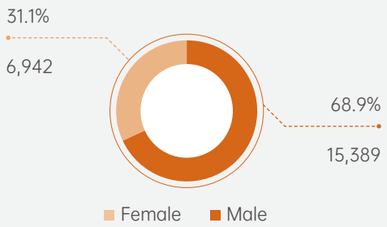


The Lecture Scene of Training Program

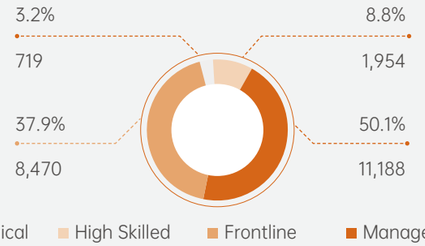
Key Performance Indicators

Indicator	Unit	2023	2024	2025
Total Number of Employees Trained	Persons	27,138	24,809	22,331
Average Training Hours per Employee	Hours	85	84	84
Training Rate of Frontline Employees	%	100	100	100
Company-Level Training Programs	Programs	55	137	65
Employees Trained at Company Level	Person-times	6,767	1,778	6,065
Training Sessions at Parent Company Level	Sessions	115	113	223
Employees Trained at Parent Company Level	Person-times	34,571	31,604	2,260

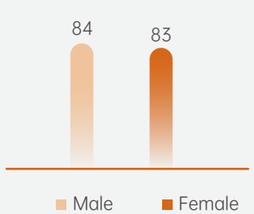
Number of Trainees by Gender



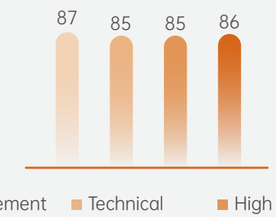
Number of Trainees by Employee Category



Average Training Duration by Gender



Average Training Duration by Employee Category



Practising Public Welfare Responsibilities

Kunlun Energy integrates supporting charitable causes and contributing to rural revitalization into the corporate DNA, striving to be a practitioner and promoter of social public welfare. By establishing long-term public welfare mechanisms and deepening multi-value synergies, the Company continues to drive improvements in people's livelihoods, community development, and social progress, translating national sentiment and social responsibility into tangible actions.

Building Harmonious Communities

Kunlun Energy has developed a regular community communication mechanism using grid-based management as a key driver. We collaborate with government authorities and community forces to innovate multi-channel publicity models, ensuring smooth feedback channels for residents' concerns and consolidating the foundation of harmonious communities. Online, leveraging the "Kunlun Huixiang+" WeChat official account and residential property owner groups, we provide targeted short videos on gas safety to intuitively popularise safety knowledge and emergency response skills. Offline, through symposiums and the placement of grid manager public notice boards, we clearly define contact information and areas of responsibility to provide real-time consultancy services.In partnership with the government, we conduct gas safety lectures and leverage the strengths of community grid members for door-to-door visits to address queries and identify hazards, ensuring a closed-loop rectification of indoor safety risks. Through the multi-pronged approach of "government-enterprise-community synergy, online-offline integration, and lecture-rectification combination," we ensure gas safety knowledge is deeply understood, effectively fortifying the safety barrier for gas usage.

Case

"Love in Gem Flower, Youth Volunteer Action" Lei Feng Theme Activity by Sichuan Branch

In March 2025, Kunlun Energy's Sichuan Branch, in collaboration with local enterprises, launched a volunteer service model integrating "Gas Safety + Ecological Governance." Youth volunteers conducted specialised actions in the Longqiwan community, including voluntary weeding, environmental remediation, and gas safety advocacy. The team cleared 300 square metres of weeds, removed over 50kg of waste, repaired 3 green belts, and eliminated 12 safety hazards. Furthermore, over 200 *Gas Safety Manuals* were distributed, and a "Youth Safety Consultant" team provided one-on-one safety education to 20 individuals from key groups, such as elderly people living alone and families with disabilities.



The team cleared

300 square metres

of weeds

"Love in Gem Flower, Youth Volunteer Action" Lei Feng Theme Activity

Practising Philanthropy and Charity

Kunlun Energy actively participates in philanthropic causes, delivering "corporate warmth" through actions such as visiting elderly people living alone and participating in blood donations. We are committed to empowering vulnerable groups and promoting social equity.

Case

"Blue Flame Starlight · Warming Star Hearts" Consolation Activity for Children with Autism by Tianjin Branch

In March 2025, Kunlun Energy's Tianjin Branch organised a youth volunteer team to collaborate with the Tianjin Binhai New Area Xiangyu Autism Rehabilitation Centre. A team of 32 youth employees and their families donated nearly 300 educational books and supplies to children with autism. Through painting and interactive games, they provided warm care to over a hundred children.



Consolation Activity for Children with Autism

Case

Volunteer Services for the 15th National Games

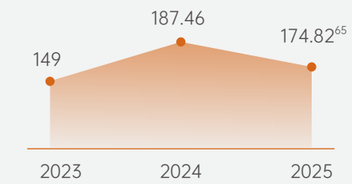
In November 2025, during the 15th National Games, the South China Branch of Kunlun Energy organised a youth volunteer team at the Hong Kong-Zhuhai-Macao Bridge (HZMB) port. As a core transport hub, the HZMB port played a vital role in ensuring cross-border travel for the Games. Volunteers provided services including event information, customs clearance guidance, and transport interchange enquiries, assisting over 100 travellers and ensuring smooth passage.



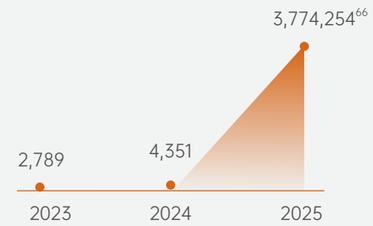
Volunteer Group Photo

Key Performance Indicators

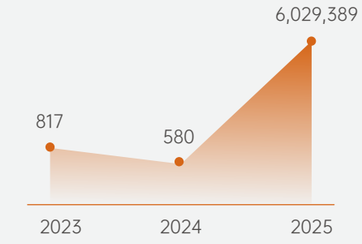
Total Amount of Public Welfare Donations (Ten thousand yuan)



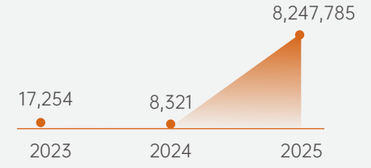
Total Hours of Public Welfare Service (Hours)



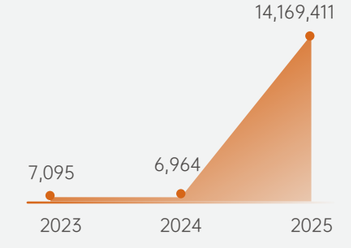
Total Number of Public Welfare Service Sessions (Sessions)

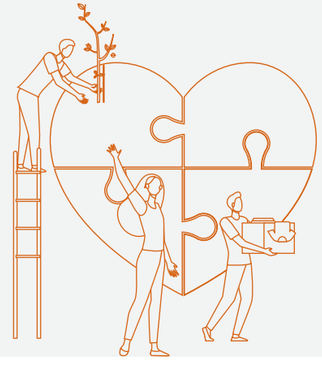


Number of Participants in Public Welfare Services (Persons-times)



Number of Beneficiaries of Public Welfare Service (Person-times)





[65] The total amount of public welfare donations includes only cash contributions and excludes the monetised valuation of door-to-door services.

[66] Significant changes in data related to public welfare services compared to previous years are due to an adjustment in the statistical calibre. This year, we have incorporated public-interest door-to-door services into our statistics. These services are oriented towards community residents—with a primary focus on vulnerable groups such as the elderly, persons with disabilities, and families in difficulty—providing free or low-cost home visits. These include, but are not limited to, health advocacy, free battery replacement, and equipment maintenance.

Supporting Rural Revitalization

Kunlun Energy thoroughly implements the national strategic deployment of rural revitalization, focusing on increasing farmers' income and empowering sustainable rural development.

The Company leverages the "Kunlun Huixiang+" platform to carry out Consumption-based Assistance initiatives. Provincial branches coordinate with local counties to assist in the qualification audits of products. This has enabled 21 provincial branches (including Hunan, Hainan, Ningxia, Zhejiang, and Hebei) to launch local speciality modules on WeChat official accounts and mini-programs, helping local products reach markets nationwide.

Case

"Oil Seedling Plan" by Xinjiang Branch

In June 2025, Kunlun Energy's Xinjiang Branch, in collaboration with Karamay Vocational and Technical College, held the induction ceremony for the 2025 graduates of the "Oil Seedling Plan." Simultaneously, the programme launched the on-the-job internships for the 2026 class of the Green Industry College "Order-based" training programme. This school-enterprise collaborative education model represents a deep commitment to rural revitalisation through educational advancement and talent assistance.

The Company has established a "123" rotation internship model[67] for the 2025 class, providing "dual mentors" to offer comprehensive guidance throughout the process, thereby helping students grow into practical talents within the energy sector. For the 2026 class, the Company has co-developed core professional curricula to build a solid foundation of vocational literacy and technical skills. By providing targeted cultivation of skilled personnel for the green industry—characterised by "empowerment through education and industry growth through talent" —the Company injects lasting momentum into both rural revitalisation and the development of the regional energy industry.



2026 Class Contracted Students Flag Presentation Ceremony

[67] The "123" rotation internship model specifies that during a one-year internship period, participants must rotate through no fewer than two positions, with a practical training duration of no fewer than three months in each position.

Case

"Kunlun Education Assistance · Realising Dreams in Autumn" Project

Enshi Tujia and Miao Autonomous Prefecture in Hubei Province is situated deep within the Wuling Mountains. Due to the constraints of its natural geography, some rural areas continue to face a scarcity of educational resources. Kunlun Energy has launched and sustained the "Kunlun Education Assistance · Realising Dreams in Autumn" public welfare project in Enshi, primarily supporting mountain schools such as Changyantang Primary School in Enshi City.

The Company proactively organises the donation of essential supplies, including clothing, stationery, and sports equipment, alongside the distribution of educational grants. These initiatives are designed to bolster rural educational revitalisation, providing tangible support to bridge the resource gap between urban and rural areas and to unlock the potential of students in remote regions. Since its inception in 2012, the project has cumulatively benefited hundreds of students across the Enshi region.

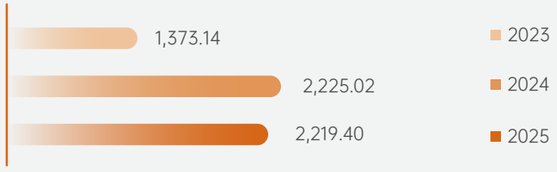




Kunlun Scholarship Charity Education Project

Key Performance Indicators

Total Amount of Consumption-based Assistance (Ten thousand yuan)



Appendix

ESG Performance

Economic Performance

Indicator Category	Indicator	Unit	2023	2024	2025
Economic Performance	Revenue	100 million yuan	1,773.5	1,870.5	1,939.8
	Total Assets	100 million yuan	1,435.2	1,433.9	1,441.2
	Sales Volume of Natural Gas	100 million m^3	492.8	541.7	592.6
	Annual LPG Sales Volume	10,000 tonnes	576.8	578.4	614.8
	Number of Natural Gas Users	10,000 households	1,560.4	1,645.4	1,719.2

Environmental Performance

Indicator Category	Indicator	Unit	2023	2024	2025
Emissions	Sulfur Dioxide (SO_2) Emissions	Tonnes	20.0	19.9	21.9
	Nitrogen Oxide (NO_x) Emissions	Tonnes	400	205	202
	Volume of Recovered Oilfield Associated Gas	100 million m^3	4.59	2.87	2.03
	Industrial Wastewater Discharge Volume	10,000 m^3	22	21	32
	Industrial Wastewater Recovery Volume	10,000 m^3	6.8	3.3	8.6
	Domestic Wastewater Discharge Volume	10,000 m^3	84	102	89
	Domestic Wastewater Recovery Volume	10,000 m^3	1.9	4.8	6.6
	Non-hazardous Solid Waste Discharge Volume	Tonnes	7,452	1,902	1,824
	Non-hazardous Solid Waste Discharge Intensity	Tonnes/100 million m^3	15.12	3.51	3.08
	Hazardous Solid Waste Discharge Volume	Tonnes	693	756	868
	Hazardous Solid Waste Discharge Intensity	Tonnes/100 million m^3	1.41	1.40	1.47
Climate change	Direct GHG Emissions (Scope 1)	tCO_2e	373,839	489,665	520,885
	Direct GHG Emission Physical Intensity (Scope 1)	tCO_2e/10,000 m^3	0.076	0.090	0.088
	Direct GHG Emission Economic Intensity (Scope 1)	tCO_2e/10,000 yuan	0.021	0.026	0.027
	Indirect GHG Emissions (Scope 2)	tCO_2e	1,094,381	1,104,390	977,550
	Indirect GHG Emission Physical Intensity (Scope 2)	tCO_2e/10,000 m^3	0.222	0.204	0.165
	Indirect GHG Emission Economic Intensity (Scope 2)	tCO_2e/10,000 yuan	0.062	0.059	0.050
	Total GHG Emissions (Scope 1+Scope 2)	tCO_2e	1,618,370	1,594,055	1,498,435
	Total GHG Emission Physical Intensity (Scope 1+Scope 2)	tCO_2e/10,000 m^3	0.328	0.294	0.253
	Total GHG Emission Economic Intensity (Scope 1+Scope 2)	tCO_2e/10,000 yuan	0.093	0.085	0.077
	Methane Emissions	Tonnes	7,150	6,863	7,500
	Methane Emission Intensity	Tonnes/100 million m^3	14.51	12.67	12.66
	BOG Emissions Reduced through Process Optimization and Operational Control	10,000 tonnes	45.11	22.91	25.06
	Green Coverage Rate of Plant Areas	%	22.0	18.4	18.6
	Cumulative Number of Trees Planted in Plant Areas	Trees	119,559	231,995	230,222

Indicator Category	Indicator	Unit	2023	2024	2025
Resource Usage	Total Water Consumption	10,000 m^3	501.00	481.25	500.60
	Water Consumption Intensity	m^3/10,000 yuan value added	2.03	1.93	2.19
	Total Energy Savings	MWh	19,619.41	14,002.23	13,758.01
	Total Value of Energy Savings	10,000 yuan	960.8	677.9	678.6
	Total Water Savings	10,000 m^3	0.80	6.60	1.49
	Total Value of Water Savings	10,000 yuan	2.20	18.48	2.69
Energy Usage	Total Energy Consumption	MWh	2,889,323.85	3,170,178.44	3,085,983.62
	Energy Consumption Intensity	MWh/10,000 yuan	0.163	0.169	0.159
	Gasoline Consumption	Tonnes	4,223.48	4,077.26	3,747.74
	Diesel Consumption	Tonnes	875.34	881.35	710.56
	Natural Gas Consumption	10,000 m^3	11,378.03	11,879.47	10,552.28
	LPG Consumption	Tonnes	81.77	23.18	39.58
	Total Direct Energy Consumption	MWh	1,186,925.58	1,345,161.05	1,195,793.02
	Direct Energy Consumption Intensity	MWh/10,000 yuan	0.067	0.072	0.062
	Purchased Electricity Consumption	MWh	1,689,893.58	1,814,125.50	1,878,394.93
	Purchased Steam Consumption	MWh	12,504.68	10,864.89	11,795.67
	Total Indirect Energy Consumption	MWh	1,702,398.26	1,825,017.39	1,890,190.60
	Indirect Energy Consumption Intensity	MWh/10,000 yuan	0.096	0.098	0.097

Social Performance

Indicator Category	Indicator	Unit	2023	2024	2025
Anti-Corruption	Number of Concluded Corruption Litigation Cases Filed against the Company	Cases	0	0	0
	Number of Concluded Corruption Litigation Cases Filed against Employees	Cases	0	0	0
	Anti-corruption Training Coverage	%	100	100	100
	Number of Anti-corruption Training Sessions	Sessions	6	9	16
Work Safety	Number of Work-Related Fatalities in the Company	Persons	0	0	0
	Workdays Lost Due to Work-Related Injuries of Employees and Contractors	Days	42	63	0
	Total Lost Rate (TLWR) for Employees and Contractors	/	4.4	6.8	0
	Lost Time Injury Rate (LTIR) for Employees and Contractors	/	0.0132	0.0134	0
	Total Recordable Incident Rate (TRIR) for Employees and Contractors	/	0.0659	0.0268	0.0348
	Number of General and Above-Grade Work Safety Liability Accidents in the Company	Cases	0	0	0
	Publicity and Education on Accident Cases	Sessions	2,036	3,446	3,984
	Attendance at Warning Education Video Screenings	Person-times	45,035	72,712	101,706
	Number of Safety Skills Competitions	Sessions	196	129	126
	Number of Safety Knowledge Lectures	Sessions	1,623	1,442	953
	Employee Attendance in Safety Training	Person-times	162,107	73,011	90,217
	Total Hours of Safety-Related Training	Hours	92,315	94,077	28,422
	Number of Safety Emergency Drills	Drills	14,000	9,616	12,883
	Attendance in Safety Emergency Drills	Person-times	84,000	89,562	100,241
Product Quality	Equipment Intact Rate	%	Above 99	Above 99	Above 99
	Risk Assessment Coverage Rate	%	100	100	100

Indicator Category	Indicator	Unit	2023	2024	2025
Product Quality	Integrity Coverage Rate of Urban Gas Pipelines	%	100	100	100
	Integrity Coverage Rate of Branch Pipelines	%	100	100	100
	Identification Rate of High-Consequence Areas for Branch Pipelines	%	100	100	100
	Coverage Rate of Flood Control and Geological Disaster Protection for Branch Pipelines	%	100	100	100
	Number of Resident Households Inspected for Safety	Ten thousand households	1,083.7	1,238.0	1,334.5
	Safety Inspection Coverage Rate for Resident Households	%	94	92	93
	Number of Commercial Users Inspected for Safety	Ten thousand households	13.6	17.5	16.8
	Safety Inspection Coverage Rate for Commercial Users	%	100	100	100
	Monitoring Rate of Key Production and Operation Conditions	%	100	100	100
	Reporting Rate of Emergency Information	%	100	100	100
Supplier Management	Total Number of Suppliers	Suppliers	1,447	1,597	1,215
	Material Suppliers	Suppliers	805	839	598
	Service Contractors	Contractors	437	494	220
	Engineering Contractors	Contractors	205	264	397
	Proportion of Suppliers Signing the Sunshine Procurement Commitment	%	100	100	100
	Proportion of Suppliers Signing the Social Responsibility Commitment	%	100	100	100
Customer Service	Number of Complaints Received on Products and Services	Cases	856	428	433
	Resolution Rate of Received Complaints	%	100	100	100
	Customer Satisfaction Rate	%	99.5	99.5	99.5
Employment	Total Number of Employees	Persons	27,138	24,809	22,331
	Proportion of Females in Management	%	36.4	38.2	37.1
	Proportion of Males in Management	%	63.6	61.8	62.9

Indicator Category	Indicator	Unit	2023	2024	2025
Employment	Proportion of Male Employees by Gender	%	68.0	68.3	68.9
	Proportion of Female Employees by Gender	%	32.0	31.7	31.1
	Proportion of Chinese Employees by Region	%	99.2	99.4	99.6
	Proportion of Overseas Employees by Region	%	0.8	0.6	0.4
	Proportion of Full-Time Employees by Employment Type	%	100	100	100
	Proportion of Part-Time Employees by Employment Type	Programmes	0	0	0
	Proportion of Employees with Bachelor's Degree or Above by Education Level	%	55.3	59.6	64.1
	Proportion of Employees with Associate Degree by Education Level	%	25.1	23.6	22.1
	Proportion of Employees with Other Qualifications by Education Level	%	19.6	16.8	13.8
	Proportion of Employees Under 30 Years of Age by Age Group	%	10.9	9.3	7.6
	Proportion of Employees Aged 30–50 by Age Group	%	71.5	72.6	74.4
	Proportion of Employees Over 50 Years of Age by Age Group	%	17.6	18.1	18.0
	Number of Newly Hired Employees	Persons	274	494	281
	Number of Disabled Employees	Persons	117	116	114
	Overall Employee Turnover Rate	%	2.9	2.3	2.7
	Turnover Rate of Male Employees by Gender	%	3.0	2.2	2.7
	Turnover Rate of Female Employees by Gender	%	2.7	2.5	2.8
	Turnover Rate of Chinese Employees by Region	%	2.9	2.3	2.7
	Turnover Rate of Overseas Employees by Region	%	0	0	0
	Turnover Rate of Employees Under 30 by Age Group	%	3.5	2.3	3.2
	Turnover Rate of Employees Aged 30–50 by Age Group	%	3.0	2.3	2.7
	Turnover Rate of Employees Over 50 by Age Group	%	2.0	2.3	2.8

Indicator Category	Indicator	Unit	2023	2024	2025
Occupational Health	Occupational Health Examination Rate	%	100	100	100
	Pass Rate of Occupational Health Examinations	%	100	100	100
	Detection Rate of Occupational Hazard Factors	%	100	100	100
	Qualified Rate of Occupational Hazard Workplace Monitoring	%	100	100	100
Employee Training	Training Rate of Frontline Employees	%	100	100	100
	Number of Company-Level Training Programmes	Programmes	55	137	65
	Employee Attendance at Company-Level Training	Person-times	6,767	1,778	6,065
	Number of Parent Company-Level Training Courses	Sessions	115	113	223
	Employee Attendance at Parent Company-Level Training	Person-times	34,571	31,604	2,260
	Total Number of Trained Employees	Persons	27,138	24,809	22,331
	Number of Male Trained Employees by Gender	Persons	18,454	16,945	15,389
	Number of Female Trained Employees by Gender	Persons	8,684	7,864	6,942
	Percentage of Male Trained Employees by Gender	%	68.0	68.3	68.9
	Percentage of Female Trained Employees by Gender	%	32.0	31.7	31.1
	Average Training Hours per Male Employee by Gender	Hours	86	85	84
	Average Training Hours per Female Employee by Gender	Hours	84	83	83
	Number of Trained Management Staff by Employee Category	Persons	11,235	11,780	11,188
	Number of Trained Professional and Technical Staff by Employee Category	Persons	896	814	719
	Number of Trained Highly Skilled Staff by Employee Category	Persons	2,117	1,933	1,954
	Number of Trained Frontline Operators by Employee Category	Persons	12,890	10,282	8,470
	Percentage of Trained Management Staff by Employee Category	%	41.4	47.5	50.1
	Percentage of Trained Professional and Technical Staff by Employee Category	%	3.3	3.3	3.2
	Percentage of Trained Highly Skilled Staff by Employee Category	%	7.8	7.8	8.8
	Percentage of Trained Frontline Operators by Employee Category	%	47.5	41.4	37.9
	Average Training Hours per Management Member by Employee Category	Hours	88	90	87
	Average Training Hours per Professional and Technical Staff by Employee Category	Hours	80	85	85
	Average Training Hours per Highly Skilled Staff by Employee Category	Hours	82	86	85
	Average Training Hours per Frontline Operator by Employee Category	Hours	83	88	86
Social Investment	Total Hours of Social Welfare Services	Hours	2,789	4,351	3,774,254
	Number of Social Welfare Service Events	Events	817	580	6,029,389
	Number of Participants in Social Welfare Services	Person-times	17,254	8,321	8,247,785
	Total Number of Beneficiaries of Social Welfare Services	Person-times	7,095	6,964	14,169,411
	Total Amount of Social Welfare Donations	Ten thousand yuan	149	187.46	174.82
	Total Amount of Consumption-based Assistance	Ten thousand yuan	1,373.14	2,225.02	2,219.40

Disclosure Index

HKEX ESG Appendix C2

HKEX *Environmental, Social and Governance Reporting Code*

Mandatory Disclosure Requirements	Page
Governance Structure	P17-18
Reporting Principles	P1-2
Reporting Scope	P1

Aspect	Content	Page
A1 Emissions	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: ① Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. ② Hazardous wastes are those defined by national regulations.	P84
	A1.1 Types of emissions and respective emissions data.	P89-90
	A1.2 [Deleted on 1 January 2025]	
	A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, density (e.g., per unit of production volume, per facility).	P91
	A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, density (e.g., per unit of production volume, per facility).	P91
	A1.5 Description of emission targets set and steps taken to achieve them.	P89-90
	A1.6 Description of how hazardous and non-hazardous waste are handled, and description of reduction targets set and steps taken to achieve them.	P90-91
A2 Use of Resources	Policies on the efficient use of resources (including energy, water, and other raw materials). General Disclosure Note: Resources can be used in production, storage, transportation, buildings, electronic equipment, etc.	P74
	A2.1 Total direct and/or indirect energy consumption by type (e.g., electricity, gas, or oil) in kilowatt hours (in '000s) and intensity (e.g., er unit of production volume, er facility).	P75
	A2.2 Total water consumption and intensity (e.g., per unit of production volume, per facility).	P84

Aspect	Content	Page
A2 Use of Resources	A2.3 Description of energy use efficiency targets set and steps taken to achieve them.	P13、P76-82
	A2.4 Description of any issues in sourcing water that is fit for purpose, water efficiency targets set and steps taken to achieve them.	P13、P83
	A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, per unit produced.	This section is not applicable as the Company's business nature does not involve product packaging.
A3 Environment and Natural Resources	General Disclosure Policies to reduce the issuer's significant impacts on the environment and natural resources.	P84
	A3.1 Description of the significant impacts of business activities on the environment and natural resources and the actions taken to manage them.	P85-88
B1 Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, and other treatment and benefits.	P149
	B1.1 Total workforce by gender, employment type (full time or part time), age group, and geographical region.	P150
	B1.2 Employee turnover rate by gender, age group, and geographical region.	P150
B2 Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P113
	B2.1 Number and rate of work related fatalities in each of the past three years, including the reporting year.	P115
	B2.2 Lost days due to work related injuries.	P115
	B2.3 Description of occupational health and safety measures adopted, as well as related implementation and monitoring methods.	P116-123
B3 Development and Training	General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	P149、P154-155
	B3.1 Percentage of employees trained by gender and employee category (e.g., senior management, middle management).	P155
	B3.2 Average training hours completed per employee by gender and employee category.	P155

Aspect	Content	Page
B4 Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P149
	B4.1 Description of measures to review recruitment practices to avoid child and forced labour.	P149
	B4.2 Description of steps taken to eliminate such practices when violations are discovered.	P149
B5 Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	P143
	B5.1 Number of suppliers by geographical region.	P143
	B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and related implementation and monitoring methods.	P143-144
	B5.3 Description of practices used to identify environmental and social risks along the supply chain, and related implementation and monitoring methods.	P145-147
	B5.4 Description of practices used to promote the use of environmentally friendly products and services when selecting suppliers, and related implementation and monitoring methods.	P147
B6 Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to the health and safety, advertising, labelling and privacy matters of products and services provided, and methods of redress.	P125, P130
	B6.1 Percentage of total products sold or shipped that are subject to recall for safety and health reasons. This section is not applicable as the Company's business nature does not involve product recalls.	This section is not applicable as the Company's business nature does not involve product recalls.
	B6.2 Number of complaints received regarding products and services and the response methods.	P133
	B6.3 Description of practices relating to maintaining and protecting intellectual property rights.	P140
	B6.4 Describe the quality inspection process and product recall procedures.	P127, P129
	B6.5 Describe consumer data protection and privacy policies, as well as the relevant implementation and monitoring methods.	P137
B7 Anti-corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P44
	B7.1 Number of concluded corruption litigation cases filed against the issuer or its employees during the reporting period, and the outcomes of the cases.	P45
	B7.2 Description of preventive measures and whistleblowing procedures, and related implementation and monitoring methods.	P46
	B7.3 Description of anti - corruption training provided to directors and employees.	P46

Aspect	Content	Page
B8 Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P156
	B8.1 Focus areas of contribution (e.g., education, environmental issues, labour needs, health, culture, sports).	P156-160
	B8.2 Resources contributed (e.g., money or time) to the focus areas.	P158、P160
D Climate-related Disclosures Governance	Governance (a) The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. (b) Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities.	P53
D Climate-related Disclosures Strategy	Climate related Risks and Opportunities	P55-70
	Business Model and Value Chain	
	Strategy and Decision Making	
	Climate Resilience	
D Climate-related Disclosures Risk Management	Risk Management The processes and related policies the issuer uses to identify, assess, prioritise, and monitor climate-related risks and opportunities. The processes the issuer uses to identify, assess, prioritise, and monitor climate-related risks and opportunities, including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities; and The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	P54
D Climate-related Disclosures Metrics and Targets	Climate related Transition Risks	P71-73
	Climate related Physical Risks	
	Climate related Opportunities	
	Capital Deployment	
	Internal Carbon Price	
	Remuneration	
	Industry Metrics	
	Climate related Targets	
	Applicability of Cross Industry Metrics and Industry Metrics	
	Climate related Transition Risks	

Reference of ESG Indicators System for ESG Reports of Listed Companies Controlled by Central Enterprises

Disclosure Content			Relevant Chapter
Environmental Indicators			
Primary Indicator	Secondary Indicator	Tertiary Indicator	
E.1 Resource consumption	E.1.1 Water Resources	E.1.1.1 Freshwater Consumption (Recommended Disclosure)	/
		E.1.1.2 Recycled Water Consumption (Recommended Disclosure)	/
		E.1.1.3 Recycled Water Consumption Ratio (Recommended Disclosure)	/
		E.1.1.4 Water Consumption Intensity (Recommended Disclosure)	P84
	E.1.2 Materials	E.1.2.1 Non-renewable Material Consumption (Recommended Disclosure)	/
		E.1.2.2 Toxic and Hazardous Material Consumption (Recommended Disclosure)	/
		E.1.2.3 Material Consumption Intensity (Recommended Disclosure)	/
	E.1.3 Energy	E.1.3.1 Fossil Energy Consumption (Basic Disclosure)	/
		E.1.3.2 Non-fossil Energy Consumption (Basic Disclosure)	P79
		E.1.3.3 Non-fossil Energy Usage Ratio (Recommended Disclosure)	P79
		E.1.3.4 Total Energy Consumption (Recommended Disclosure)	P75
		E.1.3.5 Energy Consumption Intensity (Recommended Disclosure)	P75
	E.1.4 Packaging Materials	E.1.4.1 Packaging Material Usage (Recommended Disclosure)	/
		E.1.4.2 Lightweighting and Reduction of Packaging Materials (Recommended Disclosure)	/
E.2 Pollution prevention and Control	E.2.1 Wastewater	E.2.1.1 Wastewater Discharge Compliance (Recommended Disclosure)	P13
		E.2.1.2 Wastewater Management and Reduction Measures (Recommended Disclosure)	P89-90
		E.2.1.3 Wastewater Discharge Volume (Basic Disclosure)	P90
		E.2.1.4 Wastewater Pollutant Discharge Volume (Basic Disclosure)	/
		E.2.1.5 Wastewater Pollutant Discharge Concentration (Recommended Disclosure)	/
	E.2.2 Waste Gas	E.2.2.1 Waste Gas Emission Compliance (Basic Disclosure)	P13
		E.2.2.2 Waste Gas Pollutant Emission Volume (Recommended Disclosure)	P89
		E.2.2.3 Waste Gas Pollutant Emission Concentration (Recommended Disclosure)	/
	E.2.3 Solid Waste	E.2.3.1 Solid Waste Disposal Compliance (Basic Disclosure)	P13
		E.2.3.2 General Industrial Solid Waste Management (Recommended Disclosure)	P90-91
		E.2.3.3 General Industrial Solid Waste Disposal Volume (Recommended Disclosure)	P91
		E.2.3.4 Hazardous Waste Management (Basic Disclosure)	P90-91
		E.2.3.5 Hazardous Waste Disposal Volume (Basic Disclosure)	P91

Disclosure Content			Relevant Chapter
E.3 Climate Change	E.3.1 Greenhouse Gas Emissions	E.3.1.1 Greenhouse Gas Sources and Types (Basic Disclosure)	/
		E.3.1.2 Greenhouse Gas Emission Management (Recommended Disclosure)	P53
		E.3.1.3 Scope 1 Emissions (Recommended Disclosure)	P72
		E.3.1.4 Scope 2 Emissions (Recommended Disclosure)	P72
		E.3.1.5 Scope 3 Emissions (Recommended Disclosure)	P73
		E.3.1.6 Greenhouse Gas Emission Intensity (Recommended Disclosure)	P72
	E.3.2 Emission Reduction Management	E.3.2.1 Greenhouse Gas Emission Reduction Management (Recommended Disclosure)	P77-83
		E.3.2.2 Greenhouse Gas Emission Reduction Volume (Recommended Disclosure)	P71-72
	E.3.3 Environmental Rights Trading	E.3.3.1 Participation in the Carbon Emissions Trading Market (Recommended Disclosure)	/
		E.3.3.2 Participation in the Energy Use Rights, Water Rights and Pollutant Discharge Rights Trading Markets (Recommended Disclosure)	/
		E.3.3.3 Participation in Green Power Trading (Recommended Disclosure)	P80
	E.3.4 Climate Risk Management	E.3.4.1 Climate Risk Management (Recommended Disclosure)	P54
E.4 Biodiversity	E.4.1 impacts of production, Services, and products on Biodiversity	E.4.1.1 Impacts of Production, Services, and Products on Biodiversity (Recommended Disclosure)	/
E.5 Resource and Environmental Management Systems and Measures	E.5.1 Low carbon Development Goal Setting and Strategic Measures	E.5.1.1 Low Carbon Development Goal Setting and Strategic Measures (Recommended Disclosure)	P55-71
	E.5.2 Resource Management Measures	E.5.2.1 Water Resource Management (Basic Disclosure)	P83
		E.5.2.2 Material Management (Recommended Disclosure)	/
		E.5.2.3 Energy Use and Conservation Management (Basic Disclosure)	P74-77
	E.5.3 Energy Saving and Carbon Reduction Monitoring, Statistics, Assessment, and Reward Punishment System	E.5.3.1 Energy Saving and Carbon Reduction Monitoring, Statistical Reporting, and Assessment System (Recommended Disclosure)	P74
	E.5.4 Green Environmental Actions and Measures	E.5.4.1 Cleaner Production (Recommended Disclosure)	P86
		E.5.4.2 Green Technology Upgrades and Circular Utilisation (Recommended Disclosure)	P78
		E.5.4.3 Green Building Retrofits (Recommended Disclosure)	P79
		E.5.4.4 Green Office and Operations (Recommended Disclosure)	P87
		E.5.4.5 Green Procurement and Green Supply Chain Management (Recommended Disclosure)	P143-148
		E.5.4.6 Environmental Public Welfare Activities (Recommended Disclosure)	P88

Disclosure Content			Relevant Chapter
E.5 Resource and Environmental Management Systems and Measures	E.5.5 Green and Low carbon Certification	E.5.5.1 Environmental Management System Certification (Recommended Disclosure)	P85
		E.5.5.2 Green and Low Carbon Enterprise Certification (Recommended Disclosure)	P86
		E.5.5.3 Green and Low Carbon Product and Service Certification (Recommended Disclosure)	/
	E.5.6 Legal Compliance in Environmental Field	E.5.6.1 Emergency Plan for Sudden Environmental Incidents (Recommended Disclosure)	P85
		E.5.6.2 Environmental Violations and Noncompliance Incidents (Basic Disclosure)	P85
Social Indicator			
Primary Indicator	Secondary Indicator	Tertiary Indicator	
S.1 Employee Rights	S.1.1 Employee Recruitment and Employment	S.1.1.1 Corporate Recruitment policies and Implementation (Basic Disclosure)	P149-153
		S.1.1.2 Employee Structure (Basic Disclosure)	P150
		S.1.1.3 Avoiding Child Labour or Forced Labour (Recommended Disclosure)	P149
	S.1.2 Employee Compensation and Benefits	S.1.2.1 Compensation philosophy and policies (Basic Disclosure)	P149, P151
		S.1.2.2 Working Hours and Rest & Leave (Recommended Disclosure)	P149, P151
		S.1.2.3 Compensation and Benefits Security (Basic Disclosure)	P151
		S.1.2.4 Employee Democratic Management (Basic Disclosure)	P152
	S.1.3 Employee Health and Safety	S.1.3.1 Employee Occupational Health and Safety Management (Basic Disclosure)	P113-123
		S.1.3.2 Employee Safety Risk Prevention and Control (Basic Disclosure)	P116-117
		S.1.3.3 Safety Accidents and Work related Injury Response (Basic Disclosure)	P115
		S.1.3.4 Employee Care and Support (Recommended Disclosure)	P152-153
	S.1.4 Employee Development and Training	S.1.4.1 Employee Incentive and promotion policies (Recommended Disclosure)	P154
		S.1.4.2 Employee Education and Training (Basic Disclosure)	P154-155
		S.1.4.3 Employee Career Planning and Job Change Support (Recommended Disclosure)	P154
	S.1.5 Employee Satisfaction	S.1.5.1 Employee Satisfaction Surveys (Recommended Disclosure)	P152
		S.1.5.2 Labour Disputes (Recommended Disclosure)	P152
		S.1.5.3 Employee Turnover (Recommended Disclosure)	P150
S.2 Product and Service Management	S.2.1 product Safety and Quality	S.2.1.1 Production Standard Management policies and Measures (Recommended Disclosure)	P125-129
		S.2.1.2 Quality Management (Basic Disclosure)	P125-129
		S.2.1.3 Product Recalls and Withdrawals (Recommended Disclosure)	/
		S.2.1.4 Negative Product or Service Incidents (Recommended Disclosure)	/
	S.2.2 Customer Service and Rights	S.2.2.1 Customer Satisfaction (Recommended Disclosure)	P134
		S.2.2.2 Customer Complaints and Handling (Recommended Disclosure)	P133
		S.2.2.3 Customer Information and privacy protection (Recommended Disclosure)	P137

Disclosure Content			Relevant Chapter
S.2 Product and Service Management	S.2.3 Innovation Development	S.2.3.1 R&D and Innovation Management System (Basic Disclosure)	P138
		S.2.3.2 R&D Investment (Recommended Disclosure)	/
		S.2.3.3 Innovation Achievements (Recommended Disclosure)	P139
		S.2.3.4 Intellectual property protection (Recommended Disclosure)	P140
S.3 Supply Chain Security and Management	S.3.1 Supplier Management	S.3.1.1 Supplier Selection and Management (Basic Disclosure)	P143-148
		S.3.1.2 Number and Distribution of Suppliers (Recommended Disclosure)	P143
	S.3.2 Supply Chain Link Management	S.3.2.1 Supply Chain Management policies and Measures (Recommended Disclosure)	P143-148
		S.3.2.2 Supply Chain Security Assurance and Emergency Plans (Recommended Disclosure)	/
		S.3.2.3 Major Risks and Impacts (Supply Chain) (Recommended Disclosure)	/
S.4 Social Contribution	S.4.1 Tax payment	S.4.1.1 Tax payment (Recommended Disclosure)	/
	S.4.2 Community Co-construction	S.4.2.1 Policies and Measures for Participating in Local Community Development (Recommended Disclosure)	P156
		S.4.2.2 Contributions and impacts on Local Communities (Recommended Disclosure)	P156
	S.4.3 Social Welfare Activities	S.4.3.1 Policies and Measures for participating in Social Welfare Activities (Recommended Disclosure)	P157
		S.4.3.2 Inputs and Effectiveness of participation in Social Welfare Activities (Recommended Disclosure)	P158
		S.4.3.3 Accessible Environment Construction (Recommended Disclosure)	/
	S.4.4 National Strategy Response	S.4.4.1 Industrial Transformation (Recommended Disclosure)	P92-97
		S.4.4.2 Rural Revitalization and Regional Coordinated Development (Recommended Disclosure)	P159-160
		S.4.4.3 “Belt and Road” and Overseas Responsibility (Recommended Disclosure)	/
		S.4.4.4 Industry Characteristics and Other Social Responsibility Performance (Recommended Disclosure)	/
Governance Indicators			
Primary Indicator	Secondary Indicator	Tertiary Indicator	
G.1 Governance Strategy and Organisational Structure	G.1.1 Governance Strategy and processes	G.1.1.1 Governance Strategy Formulation (Basic Disclosure)	P29-34
		G.1.1.2 Governance Strategy Oversight process (Basic Disclosure)	P29-34
		G.1.1.3 Governance Strategy Approval and Review process (Basic Disclosure)	P29-34
		G.1.1.4 Party Building Leadership (Recommended Disclosure)	/
	G.1.2 Organisational Composition and Functions	G.1.2.1 Ownership Responsibilities (Recommended Disclosure)	/
		G.1.2.2 Organisational Structure and Functions of the Board of Directors, Supervisory Board, and Management (Basic Disclosure)	P29-34
		G.1.2.3 Appointment procedures and Composition of the Board of Directors, Supervisory Board, and Management (Basic Disclosure)	P29-34

Disclosure Content			Relevant Chapter
G.1 Governance Strategy and Organisational Structure	G.1.3 Remuneration Management	G.1.3.1 Remuneration plans for Directors and Supervisors (Basic Disclosure)	P35
		G.1.3.2 Transparency of Board Remuneration (Recommended Disclosure)	P35
		G.1.3.3 Reasonableness of Management Remuneration (Recommended Disclosure)	P35
G.2 Standardised Governance	G.2.1 Internal Control	G.2.1.1 Internal Audit (Basic Disclosure)	P46
		G.2.1.2 Internal Control Structure, Mechanisms, and Processes (Basic Disclosure)	P41
	G.2.2 Integrity Building	G.2.2.1 Integrity Building System and Standards (Basic Disclosure)	P44
		G.2.2.2 Effectiveness of Integrity Building Measures (Basic Disclosure)	P45-46
	G.2.3 Fair Competition	G.2.3.1 Fair Competition System and Standards (Basic Disclosure)	P44
		G.2.3.2 Effectiveness of Fair Competition Measures (Basic Disclosure)	P47
G.3 Investor Relations Management and Shareholder Rights	G.3.1 Investor Relations Management	G.3.1.1 Investor Relations Management Strategy (Basic Disclosure)	P37
		G.3.1.2 Investor Communication (Basic Disclosure)	P36-37
		G.3.1.3 Investor Relations Management Department Development (Basic Disclosure)	/
	G.3.2 Shareholder Rights	G.3.2.1 Shareholders' Meeting (Basic Disclosure)	P36
		G.3.2.2 Shareholder Communication (Basic Disclosure)	P36
		G.3.2.3 Shareholder Right to Know and Right to participate in Decision making (Basic Disclosure)	P36
	G.3.3 Creditor Rights	G.3.3.1 Credit Status (Recommended Disclosure)	/
		G.3.3.2 Bond Market Performance (Recommended Disclosure)	/
G.4 Information Disclosure Transparency	G.4.1 Information Disclosure System	G.4.1.1 Financial Information Disclosure (Basic Disclosure)	P7
		G.4.1.2 Non - financial Information Disclosure (Basic Disclosure)	P1-2
	G.4.2 Information Disclosure Quality	G.4.2.1 Regular Monitoring, Auditing, and Evaluation of All Disclosed Information (Basic Disclosure)	P2
G.5 Compliance Management and Risk Management	G.5.1 Compliance Management	G.5.1.1 Compliance Management System (Basic Disclosure)	P38
		G.5.1.2 Compliance System Development (Basic Disclosure)	P38-40
		G.5.1.3 Compliance Review process (Basic Disclosure)	/
	G.5.2 Risk Management	G.5.2.1 Risk Identification and Early Warning (Basic Disclosure)	P41-43
		G.5.2.2 Risk Control and Tracking (Basic Disclosure)	P41-43
		G.5.2.3 Risk Reporting and Management (Basic Disclosure)	P41-43

IFRS S2 Climate-related Disclosures

Recommended Disclosure Content		Relevant Chapter
Governance	Disclose the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate related risks and opportunities.	P53
	Disclose management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate related risks and opportunities.	P53
Strategy	Disclose the climate related risks and opportunities that could reasonably be expected to affect the entity's prospects.	P55-70
	Disclose the current and anticipated effects of those climate related risks and opportunities on the entity's business model and value chain.	P55-70
	Disclose the effects of those climate related risks and opportunities on the entity's strategy and decision making, including information about its climate related transition plan.	P55-70
	Disclose the effects of those climate related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate related risks and opportunities have been factored into the entity's financial planning.	P55-70
	Consider the entity's identified climate related risks and opportunities, disclose the resilience of the entity's strategy and its business model to climate related changes, developments and uncertainties.	P55-70
Risk Management	Disclose the processes and related policies the entity uses to identify, assess, prioritise and monitor climate related risks.	P54
	Disclose the processes the entity uses to identify, assess, prioritise and monitor climate related opportunities, including information about whether and how the entity uses climate related scenario analysis to inform its identification of climate related opportunities.	P54
	Disclose the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate related risks and opportunities are integrated into and inform the entity's overall risk management process.	P54
Metrics and Targets	Disclose information relevant to the cross-industry metric categories.	/
	Disclose industry based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry.	P72-73
	Disclose targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate related risks or take advantage of climate related opportunities, including metrics used by the governance body or management to measure progress towards these targets.	P71

GRI Standards

Usage Statement	Kunlun Energy reported the information cited in this GRI Content Index with reference to the GRI Standards for the period from 1 January 2025 to 31 December 2025.
GRI Used	GRI1: Foundation 2021 GRI11: Oil and Gas Sector 2021

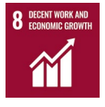
Material Topic	GRI Standard	Disclosure	Industry Standard Reference Number	Page
Topic 11.1 GHG Emissions	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.1.1	P53
	GRI 302: Energy 2016	Disclosure 302-1 Energy Consumption within the Organisation	11.1.2	P75
		Disclosure 302-2 Energy Consumption outside of the Organisation	11.1.3	/
		Disclosure 302-3 Energy Intensity	11.1.4	P75
	GRI 305: Emissions 2016	Disclosure 305-1 Direct (Scope 1) GHG Emissions	11.1.5	P72
		Disclosure 305-2 Indirect (Scope 2) GHG Emissions	11.1.6	P72
		Disclosure 305-3 Other Indirect (Scope 3) GHG Emissions	11.1.7	P73
		Disclosure 305-4 GHG Emissions Intensity	11.1.8	P72
Topic 11.2 Climate Adaptation, Resilience and Transition	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.2.1	P53
	GRI 201: Economic Performance 2016	Disclosure 201-2 Financial Impacts of Climate Change and Other Risks and Opportunities	11.2.2	P55-70
	GRI 305: Emissions 2016	Disclosure 305-5 Greenhouse Gas Emissions Reductions	11.2.3	P78-82
Topic 11.3 Air Emissions	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.3.1	P89
	GRI 305: Emissions 2016	Disclosure 305-7 Emissions of Nitrogen Oxides (NO_X), Sulphur Oxides (SO_X) and Other Significant Air Emissions	11.3.2	P89
	GRI 416: Customer Health and Safety 2016	Disclosure 416-1 Assessment of Health and Safety Impacts of Product and Service Categories	11.3.3	P135

Material Topic	GRI Standard	Disclosure	Industry Standard Reference Number	Page
Topic 11.4 Biodiversity	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics – Additional Sectoral Recommendations	11.4.1	P99
	GRI 304: Biodiversity 2024	Disclosure 304-1 Operations Owned, Leased or Managed by the Organisation in or Near Protected Areas and Biodiversity-Rich Areas Outside Protected Areas	11.4.2	P101
		Disclosure 304-2 Significant Impacts of Activities, Products and Services on Biodiversity	11.4.3	/
		Disclosure 304-3 Habitats Protected or Restored	11.4.4	P101-102
		Disclosure 304-4 Species Listed in the IUCN Red List and National Conservation Lists in Habitats Affected by Operations	11.4.5	/
Topic 11.5 Waste	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.5.1	P90-91
	GRI 306: Waste 2020	Disclosure 306-1 Waste Generation and Significant Waste-Related Impacts	11.5.2	P90-91
		Disclosure 306-2 Management of Significant Waste-Related Impacts	11.5.3	P90-91
		Disclosure 306-3 Waste Generated	11.5.4	P91
		Disclosure 306-4 Waste Diverted from Disposal	11.5.5	P91
		Disclosure 306-5 Waste Sent to Disposal	11.5.6	P91
Topic 11.6 Water and Effluents	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.6.1	P83
	GRI 303: Water and Effluents 2018	Disclosure 303-1 Interactions of the Organisation with Water as a Shared Resource	11.6.2	P83
		Disclosure 303-2 Management of Impacts Related to Discharges	11.6.3	P89-90
		Disclosure 303-3 Water Withdrawal	11.6.4	P83
		Disclosure 303-4 Water Discharge	11.6.5	P90
		Disclosure 303-5 Water Consumption	11.6.6	P84
Topic 11.9 Occupational Health and Safety	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.9.1	P113-115
	GRI 403: Occupational Health and Safety 2018	Disclosure 403-1 Occupational Health and Safety Management System	11.9.2	P114
		Disclosure 403-2 Hazard Identification, Risk Assessment and Incident Investigation	11.9.3	/

Material Topic	GRI Standard	Disclosure	Industry Standard Reference Number	Page
Topic 11.9 Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	Disclosure 403-3 Occupational Health Services	11.9.4	P121-123
		Disclosure 403-4 Occupational Health and Safety Matters: Worker Participation, Consultation and Communication	11.9.5	/
		Disclosure 403-5 Worker Occupational Health and Safety Training	11.9.6	P123
		Disclosure 403-6 Promotion of Worker Health	11.9.7	P121-123
		Disclosure 403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Associated with Business Relationships	11.9.8	P122
		Disclosure 403-8 Workers Covered by the Occupational Health and Safety Management System	11.9.9	P114
		Disclosure 403-9 Work-Related Injuries	11.9.10	P115
		Disclosure 403-10 Work-Related Health Issues	11.9.11	P121-123
Topic 11.10 Employment Practices	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.10.1	P149-150
	GRI 401: Employment 2016	Disclosure 401-1 New Hire Rates and Employee Turnover	11.10.2	P150
		Disclosure 401-2 Benefits Provided to Full-Time Employees (Excluding Temporary or Part-Time Employees)	11.10.3	P151
	GRI 404: Training and Education 2016	Disclosure 404-1 Average Hours of Training per Employee per Year	11.10.6	P155
		Disclosure 404-2 Employee Skills Upgrading and Transition Support Programmes	11.10.7	P154
	GRI 414: Supplier Social Assessment 2016	Disclosure 414-1 New Suppliers Screened Using Social Assessment Criteria	11.10.8	P144
		Disclosure 414-2 Negative Social Impacts in the Supply Chain and Actions Taken	11.10.9	/
Topic 11.11 Anti-Discrimination and Equal Opportunity	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.11.1	P149-150
	GRI 202: Market Performance 2016	Disclosure 202-2 Proportion of Senior Management Hired from the Local Community	11.11.2	/
	GRI 401: Employment 2016	Disclosure 401-3 Parental Leave	11.11.3	/

Material Topic	GRI Standard	Disclosure	Industry Standard Reference Number	Page
Topic 11.11 Anti-Discrimination and Equal Opportunity	GRI 404: Training and Education 2016	Disclosure 404-1 Average Hours of Training per Employee per Year	11.11.4	P155
	GRI 405: Diversity and Equal Opportunity 2016	Disclosure 405-1 Diversity of Governance Bodies and Employees	11.11.5	P34, P150
		Disclosure 405-2 Ratio of Basic Salary and Remuneration of Women and Men	11.11.6	/
	GRI 406: Anti-Discrimination 2016	Disclosure 406-1 Incidents of Discrimination and Corrective Actions Taken	11.11.7	P150
Topic 11.14 Economic Impact	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.14.1	P29-34
	GRI 201: Economic Performance 2016	Disclosure 201-1 Direct Economic Value Generated and Distributed	11.14.2	P7
	GRI 202: Market Performance 2016	Disclosure 202-2 Proportion of Senior Management Hired from the Local Community	11.14.3	/
	GRI 203: Indirect Economic Impacts 2016	Disclosure 203-1 Infrastructure Investments and Supportive Services	11.14.4	P105-112
		Disclosure 203-2 Significant Indirect Economic Impacts	11.14.5	P111, P159-160
	GRI 204: Procurement Practices 2016	Disclosure 204-1 Proportion of Spending on Local Suppliers	11.14.6	/
Topic 11.15 Local Communities	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics – Additional Sectoral Recommendations. Describe Approaches to Identifying and Engaging Stakeholders in Local Communities.	11.15.1	P156
	GRI 413: Local Communities 2016	Disclosure 413-1 Operations with Local Community Engagement, Impact Assessment and Development Programmes	11.15.2	P156
		Disclosure 413-2 Operations with Actual or Potential Significant Negative Impacts on Local Communities	11.15.3	/
Topic 11.19 Anti-Competitive Behaviour	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.19.1	P47
	GRI 206: Anti-Competitive Behaviour 2016	Disclosure 206-1 Legal Actions Regarding Unfair Competition, Anti-Trust and Anti-Monopoly Practices	11.19.2	P47
Topic 11.20 Anti-Corruption	GRI 3: Material Topics 2021	Disclosure 3-3 Management of Material Topics	11.20.1	P45
	GRI 205: Anti-Corruption 2016	Disclosure 205-1 Operations Where Corruption Risk Assessments Have Been Carried Out	11.20.2	P46
		Disclosure 205-2 Communication and Training on Anti-Corruption Policies and Procedures	11.20.3	P45-46
		Disclosure 205-3 Confirmed Incidents of Corruption and Actions Taken	11.20.4	P45

United Nations Sustainable Development Goals (UN SDGs)

SDGs		Our Actions	Page
	SDG 1: No Poverty	Relying on the "Kunlun Huixiang+" platform, we have comprehensively launched consumption-based assistance and empowerment actions to help local specialities sell well across the nation. Simultaneously, we are advancing city gas project construction in remote areas, securing energy supplies while driving local employment and economic development, thereby narrowing regional development gaps through energy empowerment.	P111, P159-160
	SDG 3: Good Health and Well-being	Adhering to a people-oriented approach, we comprehensively safeguard the health rights and interests of both employees and users. At the employee level, we conduct specialised mental health lectures, strictly implement health and safety management systems, and provide additional protections such as critical illness insurance and supplementary medical insurance to advance the construction of a "healthy enterprise." At the user level, we popularise knowledge on safe gas usage to safeguard customer safety.	P113-123, P135
	SDG 4: Quality Education	We have constructed a diversified educational empowerment system covering employee growth and community development. Internally, we have built a comprehensive talent training system offering specialised courses such as new hire orientations and leadership training. Externally, we implement the "Oil Seedling Plan", forming a sustainable talent supply system through deep school-enterprise integration; its mature model has been replicated and promoted in partner colleges across multiple regions, including Inner Mongolia and Heilongjiang.	P154-155, P159-160
	SDG 5: Gender Equality	We advocate for the philosophy of equal employment, adhering to the principle of gender equality in recruitment, promotion, and remuneration/benefits to eliminate gender discrimination. We also conduct promotional activities for the protection of women's rights to foster a corporate culture of gender equality.	P34, P153
	SDG 7: Affordable and Clean Energy	We fulfill our clean energy mission through our core business, promoting energy accessibility and clean substitution. We continue to expand the scale of natural gas supply to ensure the clean energy needs of urban and rural residents as well as industrial users; we are accelerating the layout of renewable energy and advancing the "Natural Gas + Green Electricity" integration model.	P92-97, P111-112
	SDG 8: Decent Work and Economic Growth	We safeguard the legal rights of employees, strictly comply with labour regulations, and enhance employee well-being. Through our full-industry chain layout, we drive synergistic development and economic growth across the industrial chain.	P149-152
	SDG 9: Industry, Innovation and Infrastructure	We drive industrial upgrading through technological innovation, focusing on key areas for technical breakthroughs and the transformation of scientific achievements. We are refining the national energy supply network to enhance the resilience and coverage of energy provision.	P105-106, P138-142
	SDG 10: Reduced Inequalities	We actively promote "Coal-to-Gas" engineering to ensure that remote areas enjoy equal access to clean and efficient energy services, helping to narrow regional and urban-rural development gaps and promote the balanced allocation of resources.	P111-112

SDGs		Our Actions	Page
	SDG 11: Sustainable Cities and Communities	We are developing "PV-Storage-Charging" integrated comprehensive energy service stations to meet the charging needs of new energy vehicles in cities, supporting the development of green transport.	P97
	SDG 12: Responsible Consumption and Production	Practising the philosophy of green production, we deeply implement clean production, optimise production processes, and reduce pollutant emissions. We have established a sustainable supply chain management system, requiring suppliers to comply with environmental and labour requirements to drive the green transformation of the industrial chain.	P85-87, P147-148
	SDG 13: Climate Action	We have established a climate governance framework, conducting climate risk identification and scenario analysis to formulate scientific carbon reduction pathways. We reduce operational carbon emissions through measures such as BOG (Boil-Off Gas) recovery and the promotion of energy-saving technologies. By expanding renewable energy deployment, advancing the construction of zero-carbon stations, and deepening comprehensive energy projects involving gas-power, photovoltaics, and cold energy utilisation, we contribute to global climate governance.	P53-73
	SDG 14: Life Below Water	In the construction of coastal LNG receiving terminals, we scientifically avoid ecologically sensitive marine areas and simultaneously implement coastline ecological restoration projects to protect the marine environment.	P99-101
	SDG 15: Life on Land	We have completed the "Wenfeng Luyuan" OECM site in Hainan, achieving the synergistic development of energy exploitation and ecological protection. We also conduct biodiversity seminars to enhance ecological protection awareness among all staff.	P101-102
	SDG 16: Peace, Justice and Strong Institutions	We are refining our corporate governance system, practising business ethics and compliant operations, and ensuring the transparent disclosure of corporate information to accept supervision from stakeholders.	P29-50
	SDG 17: Partnerships for the Goals	We are building a diversified cooperation network to synergistically promote the implementation of Sustainable Development Goals. We actively participate in the formulation and revision of industry standards to enhance our industry influence. Collaborating with suppliers and customers, we advance the construction of sustainable supply chains and share green development experiences. We have established a "1+N+X" ESG disclosure system to strengthen communication with stakeholders and build a consensus for development.	P21-23, P140, P147-148

Sustainability Accounting Standards Board (SASB) - *Sustainability Accounting Standard* for Gas Utilities & Distributors Index

Aspect	Reference Number	Indicator	Page
		Topic Indicators	
Energy Affordability	IF-GU-240a.1	Average retail natural gas price: (1) residential, (2) commercial, (3) industrial, (4) transportation service	/
	IF-GU-240a.3	(1)Number of residential customer service disconnections for non payment, (2) percentage reconnected within 30 days	/
	IF-GU-240a.4	Discussion of the impact of external factors on customer natural gas affordability, including the economic conditions of the service area	/
End-Use Efficiency	IF-GU-420a.2	Natural gas savings from customer efficiency measures by market segment	/
Gas Delivery Infrastructure Integrity	IF-GU-540a.1	(1)Number of reportable pipeline incidents, (2) number of corrective actions implemented, (3) number of violations of pipeline safety regulations	P107
	IF-GU-540a.2	Distribution pipelines: (1) percentage of cast iron or wrought iron, and (2) percentage of unprotected steel	/
	IF-GU-540a.3	Percentage of (1) transmission pipelines and (2) distribution pipelines inspected	/
	IF-GU-540a.4	Description of measures taken to manage the integrity of gas delivery infrastructure, including measures related to safety and emissions risks	P107-110
		Activity Metrics	
	IF-GU-000.A	Number of customers: (1) residential, (2) commercial, (3) industrial	P135
	IF-GU-000.B	Volume of natural gas delivered to: (1) residential, (2) commercial, (3) industrial, and (4) transported for others	/
	IF-GU-000.C	Length of (1) transmission pipelines and (2) distribution pipelines	/

Independent Limited Assurance Report

HKQAA HONG KONG QUALITY ASSURANCE AGENCY 香港品質保證局

To the Board of Directors of KunLun Energy Company Limited

1. Limited Assurance Conclusion

Hong Kong Quality Assurance Agency ("HKQAA", "we", "our", "us") conducted an independent limited assurance engagement on the sustainability disclosures ("Sustainability Disclosures") presented by KunLun Energy Company Limited ("the Company") in its 2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT ("the Report") for the reporting period from 1 January 2025 to 31 December 2025 ("Reporting Period") and issued this Independent Assurance Report ("Assurance Report").

Based on the procedures performed, evidence obtained, and subject to the stated assumptions, dependencies, boundaries, limitations, and exclusions set out in Appendix A, nothing has come to our attention that causes us to believe that the Sustainability Disclosures are not presented, in all material respects, in accordance with the requirements of the ESG Reporting Code, and with reference to reporting criteria as stated in Section 2 of this Assurance Report.

2. Engagement Overview

The objective of this sustainability assurance service is to provide an independent conclusion, with a limited level of assurance, on whether the Sustainability Disclosures have been prepared in accordance with the following reporting criteria:

The Environmental, Social and Governance Reporting Code ("ESG Reporting Code") set out in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited.

The assurance team also reviewed whether the Sustainability Disclosures have been prepared with reference to the Global Reporting Initiative Sustainability Reporting Standards ("GRI Standards") with our assurance engagement limited to the specific referenced sections as listed in the Report only.

For the avoidance of doubt, the Appendices listed at the end of this Assurance Report form an integral part of it, though certain Appendices are intended for the Company's internal use only. For reference, a generic version of Appendix A (which sets out the assumptions, dependencies, boundaries, limitations, exclusions, roles and responsibilities, and independence applicable to this engagement) is publicly available on the HKQAA website (www.hkqaa.org) under the navigation path: News & Resources > Guides & Forms > Guidelines > Sustainability Assurance.

3. Basis for Conclusion

HKQAA's assurance procedure was conducted in accordance with the International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements ("ISSA 5000"), issued by the International Auditing and Assurance Standards Board ("IAASB").

F1025-LA-SUST-ASSUR-HKOCMO-1E-OB 24 March 2026

HKQAA
HONG KONG QUALITY ASSURANCE AGENCY
香港品質保證局

A limited assurance engagement involves performing procedures that vary in nature and extent from those performed for a reasonable assurance engagement. Accordingly, the level of assurance obtained is substantially lower than that obtained in a reasonable assurance engagement.

In conducting this engagement, we confirm our independence from the Company. The engagement team performed the engagement in accordance with the HKQAA Code of Conduct. Based on the procedures performed and the evidence obtained, we consider the evidence sufficient and appropriate to form a basis for our conclusion.

4. Responsibilities for the Sustainability Disclosures

The Company's management is responsible for the preparation of the Sustainability Disclosures in accordance with the applicable reporting criteria, and for designing, implementing and maintaining such internal controls as it determines necessary to enable the preparation of Sustainability Disclosures that are free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

5. Responsibilities of the Engagement Team

Our responsibility is to plan and perform this engagement to obtain limited assurance about whether the Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue this Assurance Report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if they could reasonably be expected to influence the decisions of users taken on the basis of the Sustainability Disclosures.

As part of this engagement, we exercise professional judgment and maintain professional skepticism, perform risk assessment procedures including obtaining an understanding of relevant internal controls (but not for the purpose of providing a conclusion on their effectiveness), and design and perform procedures responsive to assessed risks. As fraud is inherently more difficult to detect than unintentional error, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.

6. Summary of Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgment, including the assessed risks of material misstatement, whether due to fraud or error.

Our assurance procedures included, but were not limited to:

• reviewing relevant policies, procedures, relevant documentation and records provided by the Company, including those related to sustainability-related information such as governance, risk identification, and performance metrics;

• interviewing key management and responsible personnel of the Company for reporting and sustainability-related governance;

• conducting analytical reviews of disclosures for plausibility and consistency with relevant external frameworks and internal supporting data;

• selecting representative samples of disclosures, with a focus on materiality and risk, and assessing the underlying evidence for each sample using judgmental sampling;

• evaluating the transparency of disclosed assumptions, dependencies, and boundaries; and

• assessing the completeness of coverage with respect to the requirements of the reporting criteria, including reviewing methodologies used for estimations, sensitivity analyses, and disclosures of uncertainties.

This Assurance Report is made solely for the use of KunLun Energy Company Limited and the users of its 2025 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT, and for use in accordance with the reporting criteria stated in Section 2 of this Assurance Report. We do not accept or assume responsibility for any other purpose or to any other person to whom this Assurance Report is shown or in whose hands it may come.

The engagement leader on the assurance engagement resulting in this Assurance Report is KT Ting.

Signed on behalf of Hong Kong Quality Assurance Agency

Hong Kong Quality Assurance Agency

Hong Kong, PRC
15 April 2026
Ref: 14992762

F1025-LA-SUST-ASSUR-HKOCMO-1E-OB 24 March 2026

Reader Feedback

Thank you for reading the *2025 Environmental, Social, and Governance (ESG) Report of Kunlun Energy*.To provide you and our other stakeholders with more valuable information and to further enhance our ESG management capabilities, we sincerely welcome your comments and suggestions. Please feel free to share your feedback via the following channels:

Address: 39/F, 118 Connaught Road West, Hong Kong

Website: http://www.kunlun.com.hk/

Email: info@kunlun.com.hk

1. What is your overall assessment of this Report?

☐ Good ☐ Satisfactory ☐ Fair ☐ Poor

2. How would you rate the clarity, accuracy, and completeness of the information, data, and indicators disclosed in this Report?

☐ Good ☐ Satisfactory ☐ Fair ☐ Poor

3. Do you believe this Report provides a comprehensive reflection of Kunlun Energy's performance in environmental, social, and governance aspects?

☐ Good ☐ Satisfactory ☐ Fair ☐ Poor

4. Do you find the presentation and language of this Report to be clear and easy to understand?

☐ Good ☐ Satisfactory ☐ Fair ☐ Poor

5. Do you feel the layout and design of this Report helped your understanding of the relevant information?

☐ Good ☐ Satisfactory ☐ Fair ☐ Poor

6. Which area do you believe requires the most improvement in this Report?

☐ Governance ☐ Healthy & Safety ☐ Customer Service ☐ Supply Chain

☐ Employee ☐ Environmental ☐ Social

7. Do you have any other comments or suggestions regarding Kunlun Energy's ESG management or our ESG reporting?

ESG Report Editorial Board Members

Department	Position	Name
Corporate Leadership	Director	He Yongli
General Administration Department	Member	Li Wei
	Member	Guo Yichen
Development & Planning Department	Member	Wang Xianjun
	Member	Shi Chenglin
Finance Department	Member	Wang Tao
	Member	Cui Zhihong
Human Resources Department	Member	Huang Yuanbin
	Member	Wu Songge
Capital Operations Department	Member	Liu Weijing
	Member	Wang Jiayi
Legal & Compliance Department	Member	Zhang Guangzhi
	Member	Peng Yun
Policy Research Department	Member	Guo Lei
	Member	Zhao Junteng
Marketing Department	Member	Du Shucheng
	Member	Feng Lu
Production & Operation Department (Customer Service Management)	Member	Cui Xiaofeng
	Member	Chen Qibin
Pipeline Management Department	Member	Shan Xinyu
	Member	Liu Lei
Engineering & Materials Management Department	Member	Gong Dali
	Member	Wang Kai
Quality, Health, Safety & Environment Department	Member	Bi Fengdong
	Member	Zhu Caiwen
	Member	Zhang Wei
	Member	Yu Haijuan
	Member	Wang Ziwen
Technology & Information Department	Member	Wang Peng
	Member	Feng Lide
Audit Department	Member	Wang Diangui
	Member	Yin Xiaohui
Corporate Culture Department	Member	Dai Baicong
	Member	Yan Shuo
Integrity and Discipline Inspection Department	Member	Zheng Qianying
	Member	Huang Shengchen
Urban Gas Business Unit	Member	You Zhuang
	Member	Zhang Dongsheng
LNG Business Unit	Member	Guan Shiming
	Member	Li He
LPG Business Unit	Member	A Jinku
	Member	Du Jingwen
Gas, Power & New Energy Business Unit	Member	Ji Xiang
	Member	Cui Yuquan
Hong Kong (Overseas) Business Unit	Member	Tang Gaosong
	Member	Zhang Fuling



KunLun Energy Company Limited

(incorporated in Bermuda with limited liability 於百慕達註冊之有限公司)

昆侖能源有限公司

Address: 39/F, 118 Connaught Road West, Hong Kong

Website: http://www.kunlun.com.hk/

Email: info@kunlun.com.hk