



Management Procedure for Identification, Acquisition and Compliance Evaluation of HSE Laws, Regulations and Other Requirements

Document No.: CLADDING-HSE-PD-01

1 General Provisions

1.1 Purpose

To establish, implement and maintain a standardized, systematic and continuous management mechanism for accurately identifying, timely acquiring and dynamically updating the health, safety and environment (HSE) - related laws, regulations and other requirements applicable to the Company's material procurement, equipment supply, warehouse management, transportation and logistics, office operations and related activities. This ensures the full compliance of the HSE management system, the effective fulfillment of compliance obligations, the prevention of legal risks and HSE accidents, the protection of employees' health and safety, the preservation of the ecological environment, and the safeguarding of the Company's legitimate operational rights and interests. This procedure is formulated in accordance with the HSE management system requirements of PIPING SYSTEM PTE LTD and COMPANYY.

1.2 Scope of Application

This procedure applies to Pipeline Materials and Equipment Co., Ltd. and all its subordinate departments, branches and project departments (hereinafter collectively referred to as "all units"), covering all HSE management - related activities and the entire process including material procurement planning, supplier management, contract signing, material acceptance, warehouse storage, transportation and distribution, waste disposal and office operations. It also applies to suppliers, contractors and other relevant parties involved in the Company's material procurement, supply and services.

1.3 Referenced Documents

1. Work Safety Law of the People's Republic of China
2. Environmental Protection Law of the People's Republic of China

3. Occupational Disease Prevention and Control Law of the People's Republic of China
4. Regulations on the Safety Management of Hazardous Chemicals
5. Special Equipment Safety Law
6. Road Traffic Safety Law of the People's Republic of China (Applicable to Transportation Links)
7. Fire Protection Law of the People's Republic of China (Applicable to Warehouses and Office Premises)
8. ISO 14001 Environmental Management System Requirements
9. ISO 45001 Occupational Health and Safety Management System Requirements
10. HSE Management System Series Standards (Q/SY08002.1 - 3)
11. HSE Management Systems and Relevant Provisions of COMPANY
12. Petroleum and Natural Gas Industry Standards (SY Series)
13. HSE Risk Management Procedure (Internal Document of the Company)
14. Competence, Training and Awareness Management Procedure (Internal Document of the Company)
15. Non - Compliance, Correction and Preventive Action Control Procedure (Internal Document of the Company)
16. Record Control Procedure (Internal Document of the Company)
17. Relevant Industry HSE Technical Standards and Specifications

1.4 Terms and Definitions

1. HSE Laws and Regulations: Refer to legally binding documents such as laws, administrative regulations, departmental rules, local regulations and rules related to health, safety and environment promulgated by the state and local governments at all levels.
2. Other Requirements: Include national standards (GB/GB/T), industry standards (e.g., SY Series), local standards, group standards, international standards (when referenced by contracts or regulations), HSE policies, systems and management provisions of and Pipeline Bureau, HSE clauses in contracts and agreements signed with relevant parties, international conventions, industry association initiatives, supervision instructions of government regulatory authorities and reasonable expectations of relevant parties, which have binding or guiding effects on the Company's HSE management.
3. Compliance Evaluation: Refer to the activity of assessing the extent and effectiveness of the Company's compliance with relevant requirements in its business activities by comparing the identified HSE laws, regulations and other requirements, through daily supervision and inspection, special evaluation, regular comprehensive evaluation and other methods, combined with document review, on - site inspection, data monitoring, interview and research.

4. Applicable Laws and Regulations: Refer to HSE laws, regulations and other requirements that are directly related to the Company's material procurement and supply business, business activities and HSE management system, and have legal binding force or guiding significance for the Company.

2 Responsibility Assignment

2.1 Top Management / Management Representative of the Company

1. Approve the Master List of Applicable HSE Laws, Regulations and Other Requirements of the Company, and ensure the provision of necessary human, material, financial and other resources for the establishment, implementation and maintenance of the procedure.
2. Approve the annual compliance evaluation plan and the company - level compliance evaluation summary report, and make decisions on major HSE compliance risk rectification plans.
3. Regularly listen to the work report on HSE laws and regulations management, and promote the construction of HSE compliance culture.

2.2 Quality, Safety and Environmental Protection Department (HSE Centralized Management Department)

1. Be responsible for the formulation, revision, interpretation and supervision of the implementation of this procedure, and organize the establishment, implementation and maintenance of this procedure.
2. Organize the identification, acquisition and update of comprehensive HSE laws, regulations, standards and other requirements at the national, industrial and local levels, establish and dynamically maintain the Master List of Applicable HSE Laws, Regulations and Other Requirements of the Company. The content includes serial number, name, issuing authority, standard number/document number, issuance/effective date, summary of applicable clauses, applicable department/activity, status (current/obsolete), etc.
3. Establish a company - level HSE laws and regulations document library (combining electronic version and physical materials) to ensure easy access to key and commonly used documents. Track the update dynamics of laws and regulations on a quarterly basis, and organize a comprehensive review and update of the master list at least once a year.
4. Formulate the company - level compliance evaluation plan and scheme, organize the company - level regular comprehensive evaluation and special evaluation, prepare the company - level compliance evaluation report, and distribute it to all relevant units after approval by the management representative.
5. Convey the information on changes in important HSE laws, regulations and other requirements to all units, and organize the supervision, guidance and assessment of the HSE compliance evaluation work of all units.

6. Be responsible for the internal promotion, publicity and training of HSE laws, regulations and other requirements, provide professional technical support, answer relevant consultations of all departments, and take the compliance evaluation results and rectification status as important inputs for HSE management system audit and management review.

2.3 Procurement Management Department

1. Identify and collect professional HSE laws, regulations and other requirements related to material procurement activities (such as supplier safety qualification requirements, procurement material safety standards, special equipment procurement specifications, hazardous chemicals procurement provisions, etc.), and promptly transmit them to the Quality, Safety and Environmental Protection Department for inclusion in the company's master list.
2. Integrate HSE laws and regulations requirements into the supplier screening, evaluation and selection process, verify the supplier's HSE qualification certificates, clarify the HSE responsibilities of both parties in the procurement contract, and ensure that the procurement business process and operating procedures comply with relevant requirements.
3. Conduct self - inspection and self - evaluation of HSE laws and regulations compliance within the business scope of the department at least once every six months, retain the self - inspection records and report the evaluation results to the Quality, Safety and Environmental Protection Department, and cooperate with the company - level compliance evaluation work by providing records and materials related to HSE compliance in the procurement link.
4. Convey the applicable HSE laws, regulations and other requirements of the Company to suppliers, track the fulfillment of suppliers' HSE compliance obligations, and formulate and implement rectification measures for non - compliance items found in the procurement link.

2.4 Material Management Department (Warehousing and Transportation)

1. Identify and collect professional HSE laws, regulations and other requirements related to material warehousing, storage, transportation, loading and unloading, and waste disposal (such as warehouse fire safety specifications, road transportation safety laws and regulations, hazardous material warehousing and transportation standards, etc.), and promptly transmit them to the Quality, Safety and Environmental Protection Department.
2. Integrate relevant HSE requirements into the business processes and operating procedures of warehouse management and transportation logistics, establish HSE management records for the warehouse and transportation links, and ensure that the safety status of equipment and facilities, operating environment and labor protection meet the standard requirements.

3. Identify and acquire applicable local HSE laws, regulations and standards related to warehousing and transportation in combination with regional characteristics, conduct self - inspection of HSE compliance of the department once every six months, cooperate with the company - level evaluation, and rectify the compliance problems found.
4. Organize the employees of the department to learn HSE laws and regulations related to warehousing and transportation, and ensure that the employees' operating behaviors comply with compliance requirements.

2.5 Quality Inspection Department

1. Identify and collect professional HSE laws, regulations and other requirements related to material quality inspection (such as hazardous material inspection standards, environmental protection index testing specifications, inspection operation safety procedures, etc.), and promptly transmit them to the Quality, Safety and Environmental Protection Department.
2. During the material acceptance process, verify whether the HSE performance of the materials complies with relevant laws, regulations and standards, record the inspection results, and ensure that the inspection methods and processes comply with compliance requirements.
3. Conduct self - inspection of HSE compliance of the department once every six months, participate in the company - level compliance evaluation, provide HSE compliance inspection data and reports on material quality, and implement rectification for non - compliance items in the inspection link.

2.6 Other Business and Functional Departments (Equipment Department, Engineering Technology Department, Human Resources Department, General Office, etc.)

1. Equipment Department: Identify and collect HSE laws and regulations related to equipment procurement, maintenance and use (such as special equipment safety laws and regulations, equipment safety standards, etc.), integrate them into the equipment management process, conduct departmental compliance self - inspection, and cooperate with the company - level evaluation.
2. Engineering Technology Department: Identify HSE laws, regulations and standards related to engineering and technical services, integrate compliance requirements into technical schemes and process procedures, conduct departmental self - inspection and provide technical support for compliance evaluation.
3. Human Resources Department: Identify HSE laws and regulations related to occupational health and labor protection (such as occupational disease prevention standards, provisions on the management of labor protection articles, etc.), integrate HSE laws and regulations knowledge into the employee training system, supervise the implementation of occupational health examinations, and conduct departmental compliance self - inspection.

4. General Office: Identify HSE laws and regulations related to office premises fire safety, electricity safety and logistics management, formulate HSE management systems for office areas, conduct compliance self - inspection in the office operation link, and cooperate with the company - level evaluation.
5. All departments shall organize their employees to learn relevant HSE laws, regulations and other requirements, ensure strict compliance in work, conduct HSE compliance self - inspection of their own departments, cooperate with the company - level HSE compliance evaluation work, and implement rectification requirements.

2.7 All Units (Branches and Project Departments)

1. Identify, acquire and update applicable local HSE laws, regulations, standards and other requirements (such as local environmental protection emission limits, regional transportation control provisions, etc.) in combination with the specific business and regional characteristics of the unit, and promptly transmit them to the Quality, Safety and Environmental Protection Department.
2. Apply the requirements of laws and regulations to on - site management, operation activities and employee behavior norms, and ensure that project planning and on - site operations comply with compliance requirements.
3. Organize self - inspection of HSE laws and regulations compliance within the scope of the unit once every six months, retain the self - inspection records and report the results to the Quality, Safety and Environmental Protection Department, and implement rectification for non - compliance items found in the self - inspection.
4. Feed back problems in the acquisition, application and compliance evaluation of laws and regulations to the Company's Quality, Safety and Environmental Protection Department, and cooperate with the company - level compliance evaluation and supervision and assessment.

3 Identification of HSE Laws, Regulations and Other Requirements

3.1 Scope of Identification

1. Laws and Regulations Category: Laws, administrative regulations, departmental rules, local regulations, judicial interpretations and supervision instructions of government regulatory authorities related to work safety, environmental protection, occupational health, road transportation, fire safety, special equipment safety and hazardous chemicals management promulgated by the state and local governments.
2. Standards and Specifications Category: National standards (GB/GB/T), petroleum and natural gas industry standards (SY Series), local standards, group standards, international standards (when referenced by contracts or regulations) and relevant industry technical specifications and operating procedures.

3. Higher - level Requirements Category: HSE policies, policies, management systems, provisions, notices and standard catalogs issued by and Pipeline Bureau.
4. Contracts and Agreements Category: Contract and agreement clauses containing HSE requirements signed with suppliers, customers, contractors and other relevant parties.
5. Other Requirements Category: International conventions related to HSE joined by China, industry association initiatives, non - regulatory guidelines, standards voluntarily adopted by the Company and reasonable HSE expectations of relevant parties.

3.2 Principles of Identification

1. Relevance Principle: Focus on the Company's HSE risk points, business activities (procurement, warehousing, transportation, etc.) and products and services, accurately identify the laws, regulations and other requirements directly related to them, and avoid redundancy of irrelevant information.
2. Timeliness Principle: Prioritize the acquisition of current and valid versions, promptly eliminate obsolete and invalid documents, and ensure that the identified information is synchronized with the latest regulatory requirements.
3. Comprehensiveness Principle: Cover all fields of health, safety and environment, and include all business links (from procurement to waste disposal), functional departments and all subordinate units to ensure no compliance blind spots.
4. Regional Principle: All units shall, in combination with the characteristics of their respective regions, focus on identifying local HSE laws, regulations and standards that are only applicable to their own regions to ensure regional compliance.

3.3 Identification Methods

1. Initial Identification: When establishing or updating the HSE management system, the Quality, Safety and Environmental Protection Department shall organize all departments and units to conduct comprehensive initial identification and form an initial list to lay the foundation for subsequent management.
2. Regular Identification:
 - All departments and units shall, in combination with their business characteristics, adopt the "checklist verification method + process analysis method", identify applicable requirements one by one against the business processes, and regularly sort out the update status of laws and regulations in their own fields.
 - Establish an inter - departmental identification team, and adopt brainstorming and expert consultation methods to conduct special identification for key high - risk businesses such as hazardous chemicals procurement and management, special equipment material supply and long - distance transportation, so as to ensure full coverage of risk points.
 - Combine the results of the Company's HSE risk identification, and link the identification of laws and regulations with risk control to ensure that the identified laws, regulations and other requirements accurately cover all major HSE risk points.

3.4 Frequency and Update of Identification

1. Regular Identification: All departments and units shall conduct comprehensive identification and update once a year, complete the sorting out of applicable requirements of their own departments/units before the end of October each year, and report to the Quality, Safety and Environmental Protection Department; the Quality, Safety and Environmental Protection Department shall complete the summary update and review of the company's master list before the end of November.
2. Special Identification: When the following situations occur, all relevant departments and units shall conduct special identification within 15 working days and report the results to the Quality, Safety and Environmental Protection Department:
 - The state or local government promulgates or revises relevant HSE laws, regulations and standards;
 - The Company's business scope expands (such as adding overseas material procurement) or new material procurement categories are added (such as adding hazardous chemicals procurement);
 - Higher - level units issue new HSE management requirements or government regulatory authorities issue supervision instructions;
 - HSE accidents, compliance problems occur or relevant parties put forward major HSE demands;
 - The business region of each unit changes or the new project location has special HSE regulatory requirements.

3.5 Confirmation of Identification Results

For the HSE laws, regulations and other requirements identified by all departments and units, the applicable clauses, applicable business links, effective date, issuing authority, standard number/document number and other information shall be clearly defined, and the HSE Laws, Regulations and Other Requirements Identification Form shall be filled in. After being reviewed and approved by the department/unit head, it shall be reported to the Quality, Safety and Environmental Protection Department. The Quality, Safety and Environmental Protection Department shall organize relevant experts (covering procurement, warehousing, inspection and other business fields) to review and confirm the identification results to ensure the applicability, comprehensiveness and accuracy. Those that do not meet the requirements shall be returned for re - sorting.

4 Acquisition of HSE Laws, Regulations and Other Requirements

4.1 Acquisition Channels

1. Official Channels: Official websites of the state and local governments (Ministry of Justice, Ministry of Emergency Management, Ministry of Ecology and Environment, State

Administration for Market Regulation, National Health Commission, Ministry of Transport, National Standards Full - text Public System), windows of local government regulatory authorities and bulletins.

2. Higher - level Channels: HSE - related documents, notices, standard catalogs and content pushed by the internal information platform issued by and Pipeline Bureau.
3. Professional Databases / Service Institutions: Subscribe to professional HSE laws and regulations databases (such as Beida Fabao, Wolters Kluwer China), standard information service websites (such as China National Standards Service Network), and entrust professional consulting institutions to provide regulatory update reminder services.
4. Industry Channels: Information released by petroleum and natural gas industry associations (such as COMPANY Association), logistics industry associations, professional journals (Petroleum Safety, Journal of Safety Science and Technology of China), industry conferences and training.
5. Relevant Party Channels: Acquire HSE requirements related to contracts and agreements from suppliers, customers and contractors, and obtain regulatory interpretations and application suggestions from industry experts.
6. Internal Channels: Share information on HSE laws, regulations and other requirements related to business among all departments and units, and the Quality, Safety and Environmental Protection Department shall establish an internal information sharing platform to summarize information.

4.2 Acquisition Requirements

1. The acquired laws, regulations and other requirements shall be current and valid versions, with key information such as the issuing department, effective date, update date and standard number/document number clearly marked. For revised documents, the differences before and after revision shall be clearly defined.
2. For paper documents, they shall be stamped with the department seal, numbered and filed, and the acquisition date and source shall be indicated; for electronic documents, they shall be classified and stored in the company's designated sharing platform (such as the HSE Module of the OA System), and access permissions shall be set according to departments and business types to ensure that relevant personnel can query them conveniently.
3. The Quality, Safety and Environmental Protection Department shall establish the HSE Laws, Regulations and Other Requirements Acquisition Records, recording the name of the acquired document, acquisition time, acquisition channel, acquirer, distribution scope and other information to ensure traceability.
4. After acquiring professional or local laws and regulations, all departments and units shall transmit them to the Quality, Safety and Environmental Protection Department within 5 working days to avoid compliance risks caused by information delay.

4.3 Registration, Update and Communication

4.3.1 List Registration and Update

1. Based on the information transmitted by all departments, the Quality, Safety and Environmental Protection Department shall establish and dynamically maintain the Master List of Applicable HSE Laws, Regulations and Other Requirements of the Company, issue it in electronic version on the company's sharing platform, update the list status (newly added, revised, obsolete) once a month, and organize all departments to conduct an annual review of the master list in December each year to ensure the comprehensiveness and accuracy of the list.
2. When laws and regulations are obsolete or revised, the Quality, Safety and Environmental Protection Department shall indicate the obsolescence date and replacement documents in the list, update the document library simultaneously, and notify relevant departments to stop using the obsolete documents.

4.3.2 Document Management

1. The Quality, Safety and Environmental Protection Department shall establish a company - level HSE laws and regulations document library, classify and store documents according to "laws and regulations - standards and specifications - higher - level requirements - contracts and agreements - other requirements", and check the validity of documents regularly (quarterly) to ensure that the documents are consistent with the list.
2. All departments may establish professional HSE laws and regulations document libraries of their own departments according to business needs (such as the Procurement Department establishing a regulatory library related to supplier management), and update them in linkage with the company's main document library.

4.3.3 Information Communication and Training

1. For important newly issued or revised HSE laws and regulations (such as regulations involving major business adjustments or high - risk fields), the Quality, Safety and Environmental Protection Department shall communicate them to all relevant departments and units through OA system notifications, special meetings, document circulation and other forms within 10 working days after issuance/revision; for general regulatory updates, they shall be communicated through monthly HSE briefings.
2. The Human Resources Department shall incorporate HSE laws and regulations training into the company's annual training plan, the Quality, Safety and Environmental Protection Department shall provide training materials and faculty support, and all departments shall conduct special training in combination with their business characteristics (such as the Warehousing Department conducting fire safety laws and regulations training, and the Transportation Department conducting road transportation safety laws and regulations training) to ensure that employees understand and master the compliance requirements related to their own work. Training records shall be filed in accordance with the Record Control Procedure.
3. For external relevant parties such as suppliers and contractors, the Procurement Management Department and business connection departments shall communicate the

applicable HSE laws, regulations and other requirements of the Company through contract clauses, written notifications, on - site training and other methods to ensure that external relevant parties are aware of and fulfill their compliance obligations.

4.4 Application and Integration

When formulating and revising HSE management systems, business processes, operating procedures and emergency plans, all departments and units shall fully reference the applicable HSE laws, regulations and other requirements to ensure that the content of the documents is consistent with the compliance requirements. Before the issuance of the documents, they shall be reviewed by the Quality, Safety and Environmental Protection Department for compliance.