

CIMC ENRIC

CIMC Enric Holdings Limited

(Stock Code:3899.HK)



2024

Environmental Social and Governance Report

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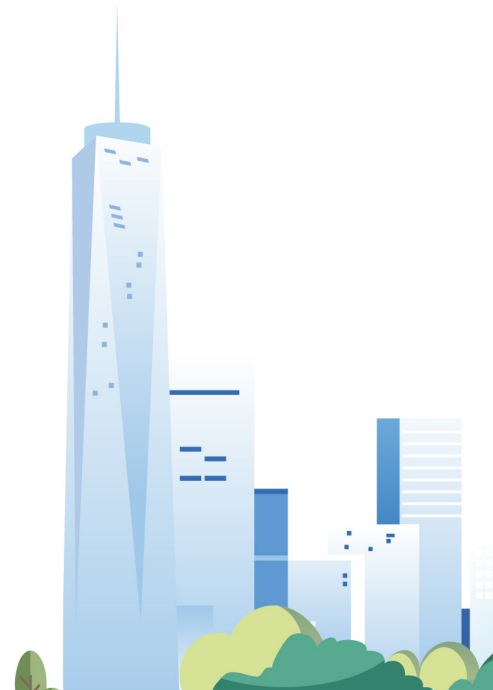
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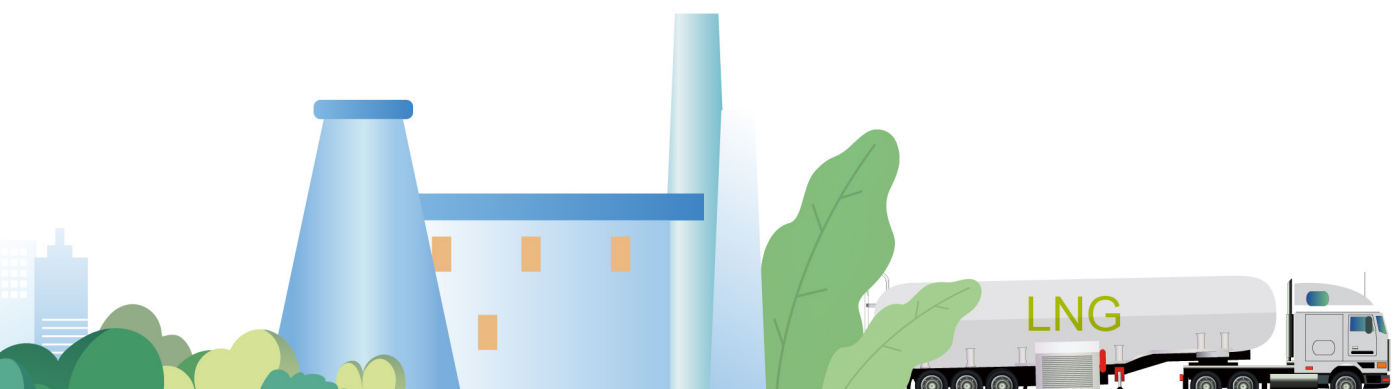
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Preliminary Sections

► About This Report

This is the ninth Environmental, Social and Governance ("ESG") Report issued by CIMC Enric Holdings Limited (referred to as "the Company" or "our Company", collectively with its member enterprises as "the Group", "CIMC Enric" or "We"). Adhering to the principles of materiality, quantification, balance and consistency, it elaborates on the Group's management strategies and performance in ESG aspects, focusing on issues of concern to stakeholders and how the Group achieves environmental and social sustainability.

🔍 Scope of the Report

This Report sets out the ESG performance of CIMC Enric Holdings Limited and its member enterprises for the period from January 1, 2024 to December 31, 2024 (with some parts extending to the beginning of 2025). The coverage includes 17 domestic and 6 overseas member companies. The environmental data in this Report covers 23 member companies of the Group¹, with details of the member companies listed in the appendix of this Report.



📖 Reporting Standards

This Report complies with *Environmental, Social and Governance Reporting Guide* ("ESG Reporting Guide") in Appendix C2 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited ("HKEX"), the *GRI Standards* issued by the Global Reporting Initiative (GRI), and references the United Nations' 2030 Agenda for Sustainable Development, as well as the *Stakeholder Capitalism Metrics in the white paper*² *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, published by the International Business Council of the World Economic Forum. The report has been compiled based on the actual circumstances of the Group.

¹ The revenue from the new energy business accounts for a small proportion of the Group's total turnover and is not considered a significant business of the Group. Therefore, the environmental data in this Report does not include data from the new energy business and its related subsidiaries.

² *Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation*, World Economic Forum, September 2020.

Application of Principles

Materiality: This Report identifies key issues of concern to stakeholders through in-depth communication, such as green low-carbon products and services, opportunities in clean energy, and presents corresponding response strategies and concrete actions within the Report.

Quantification: This Report employs standardized methods to quantify key performance indicators (KPIs), including carbon emissions, energy consumption, employee satisfaction, and discloses standards, methods, and key assumptions.

Balance: The ESG report provide an unbiased picture of the Company's performance. The report avoid selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader.

Consistency: Changes in indicators and methods, if any, are disclosed and explained in this Report.

Report Availability

This Report is published in both English and Chinese. In the event of any discrepancy between the two versions, the Chinese version shall prevail. The Report can be accessed by shareholders and stakeholders on Our Company website (www.enricgroup.com) and the HKEX's website (www.hkexnews.hk).

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Statement of the Board of Directors

As a leading provider of energy, chemical, and food equipment services in China, the Company closely follows industry trends and market dynamics, integrating sustainable development concepts deeply into our business strategy to offer high-quality products and service solutions that meet low-carbon environmental standards for our clients. Adhering to the principles of green, low-carbon, and sustainable development, we systematically advance energy conservation and emission reduction efforts, actively explore innovative business scenarios such as clean energy applications, and drive the green transformation across the entire industrial chain. Meanwhile, the Company earnestly fulfills its corporate social responsibilities, actively engages in social welfare initiatives, drives community development, and upholds sustainable development commitments through concrete actions, contributing to environmental protection and societal progress.

The Board of Directors of the Company, as the highest responsible body for environmental, social, and governance (ESG) matters, is fully responsible for identifying, evaluating, and confirming ESG-related risk factors of the Company, and ensuring the effective operation of the Company's ESG risk management system and internal oversight mechanisms. The Board of Directors and all directors of the Company guarantee that there are no false records, misleading statements, or significant omissions in the content of this Report, and they assume individual and joint liability for the truthfulness, accuracy, and completeness of its content.

To effectively advance its ESG initiatives, the Company has established an ESG management organizational system centered around the Board of Directors, the Sustainable Development Committee, and the ESG Working Group Leadership Team. Each level has clearly defined divisions of role and responsibilities, ensuring the efficient implementation of ESG-related work. Among these entities, the Board of Directors serves as the highest decision-making body for ESG matters. It is primarily responsible for formulating the Company's ESG strategy, setting the ESG agenda, reviewing progress reports on ESG plans and major issues, and reviewing and examining relevant actions and agenda items. This year, the Company's Board of Directors reviewed and evaluated multiple policies, systematically assessing the achievement of various ESG performance targets to ensure the effective implementation and execution of the Company's ESG strategy. The Board has fulfilled its duties, enhancing the Company's ESG governance level.

In the future, the Company will continue to strictly adhere to all ESG requirements, with risk management as the key focus. We will further improve our sustainable development management mechanisms, effectively reduce ESG risks, and continuously enhance our ESG management capabilities to create favorable conditions for the Company's high-quality development.

This Report provides a comprehensive disclosure of the progress and achievements of our ESG efforts in 2024. It has been reviewed and approved by the Sustainable Development Committee on March 24th and by the Board of Directors on March 25th in 2025.



President's Message

To all stakeholders:

2024 marks the beginning of CIMC Enric's comprehensive implementation of its five-year strategic plan. The Company has fully integrated sustainable development goals into its overall planning, consistently upholding the business philosophy of "Green Energy, Clean Logistics, Good Life". Through continuous technological innovation and business practices, CIMC Enric actively promotes the development of clean energy and a green environment.

CIMC Enric deeply understands that sustainable development is crucial for the long-term success of a company. 2024 is a pivotal year for the implementation of the Company's sustainable development strategy. We focused on the strategic transformation from "key equipment manufacturing" to "core processes and comprehensive services". By adopting an "end-to-end" approach to accelerate project implementation, we concentrated on new business areas such as the Zhanjiang green methanol production project, which aimed to produce 50,000 + 200,000 tons annually. In terms of business model innovation, we piloted the "Jining model", which focuses on the manufacturing of new energy vessels and power packages, as well as refueling services. This model has been gradually replicated and promoted across other regions. At the same time, CIMC Enric systematically conducted climate risk assessments and established a comprehensive environmental performance management system. By setting clear emission reduction targets and strengthening traceability efforts, the Company continuously reduced greenhouse gas emissions and effectively enhanced environmental governance.

CIMC Enric has always regarded innovation as the core driving force for product upgrades. The Company has established 19 research and development centers worldwide, focusing on the entire natural gas industry chain (covering liquefaction, storage, transportation, refueling, and ship/vehicle fuel systems) as well as strategic areas such as renewable fuels, hydrogen energy, chemicals, and food equipment. With robust technical capabilities, the Company maintains a leading position in the clean energy and environmental protection sectors. In 2024, the Company achieved significant technological breakthroughs. The 30MPa hydrogen tube bundle container was recognized by the National Energy Administration as a first-of-its-kind major technical equipment in the energy sector. Additionally, CIMC Hydrogen, a subsidiary, showcased key equipment and integrated solutions for the entire hydrogen energy industry chain at the 2024 Beijing International Hydrogen Technology & Equipment Exhibition (HEIE), and won the "Hydrogen Innovation Award". Through continuous technological innovation, the Company enhances service levels and operational efficiency, promotes the coordinated development of technology and environmental protection, reduces resource consumption, and creates new possibilities for green and low-carbon development.

CIMC Enric adheres to strict commercial ethical standards and maintains a zero-tolerance attitude towards any form of corruption. The Company is committed to fostering a culture of integrity and establishing a corporate environment rooted in self-discipline, honesty, and uprightness. To ensure the transparency and efficiency of its supply chain, the Company requires all suppliers to sign the *Commitment to Transparent Cooperation*, mitigating integrity risks at the source and building a transparent and corruption-free supply chain system. Furthermore, the Company integrates ESG principles deeply into its governance framework by establishing a robust corporate governance structure and implementing comprehensive ESG management mechanisms, thereby continuously enhancing governance efficiency. The Company also strengthens its internal control and audit supervision systems, regularly monitors compliance risks, and fosters a fair and competitive business environment, effectively bolstering its core competitiveness.

The Company upholds the principle of being "people-centric" and has established and continuously improved an occupational health and safety management system. This ensures that the workplace meets the international standards of the ISO 14001 environmental management systems and the ISO 45001 occupational health and safety management systems, while also optimizing the working environment for employees. The Company prioritizes the protection of employees' rights and interests. Through a comprehensive professional training system and clear career development pathways, it enhances employees' professional capabilities, helping them realize their personal value while strengthening organizational cohesion and market competitiveness. CIMC Enric is committed to achieving common development between the enterprise and society, laying a solid foundation for sustainable growth.

CIMC Enric sincerely thanks all stakeholders for their long-term support and trust in the Company. We are committed to working closely with all stakeholders to advance the process of sustainable development and strive tirelessly to create a more prosperous future.

Executive Director and President

Mr. Yang Xiaohu

April 2025

About Us

Company Overview

CIMC Enric Holdings Limited was established in 2004 as a member of China International Marine Container (Group) Co., Ltd. ("CIMC Group"). The Company was listed on the Stock Exchange of Hong Kong in 2005 and is primarily engaged in the design, development, manufacture, and sales of transportation, storage, and processing equipment used in clean energy, chemicals, environmental protection, liquid food, and other industries. It also provides related technical maintenance services. CIMC Enric currently boasts more than 10 product brands, over 10,000 employees, and operates over 20 manufacturing bases and world-leading R&D centers located in China, Germany, the Netherlands, Denmark, Belgium and other regions. Its products are sold to more than 100 regions and countries across Europe, South America, North America, Central Asia, Southeast Asia, as well as China, Thailand, Nigeria, Pakistan, Uzbekistan and more, forming an industrial development pattern characterized by Sino-European collaboration, rational distribution, and mutual support. In 2023, CIMC Safeway Technologies Co., Ltd., a subsidiary of CIMC Enric, was successfully listed on the Shenzhen Stock Exchange, solidifying its position as the world's leading manufacturer of tank containers. Additionally, as one of the first batch of companies included in the Hang Seng Stock Connect Hydrogen Energy Index, CIMC Enric's strength in the hydrogen energy sector has been widely recognized by the market.

Vision and Mission



Vision

To become an industry-leading technology enterprise in the clean energy, chemical environment, and liquid food market areas.



Mission

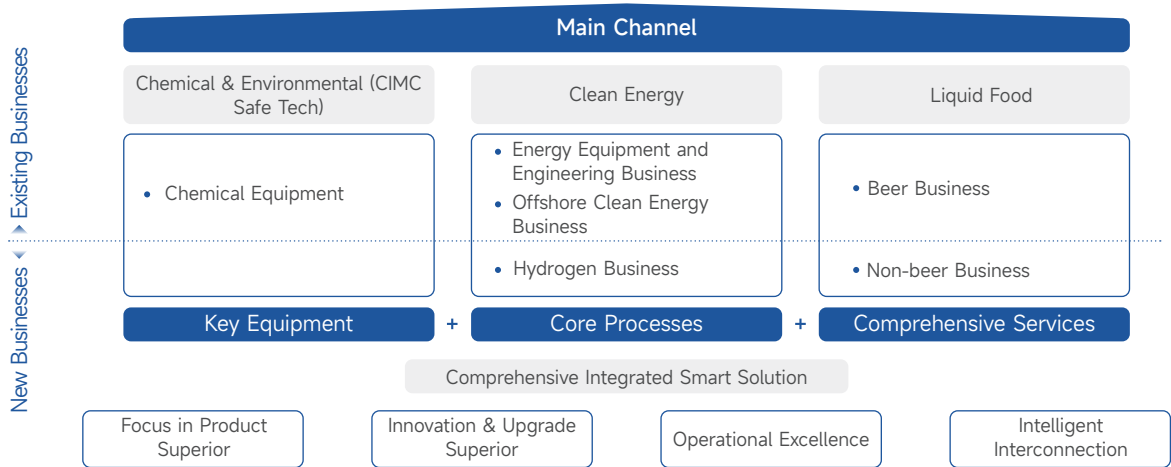
Through technological progress and product innovation, we make energy cleaner, the environment more sustainable, and life more enjoyable. We offer customers high-quality, reliable equipment and professional comprehensive value-added services, provide good returns for employees and shareholders, and create sustainable value for society.



Development Concept

Green energy, clean logistics and a better life.

Product Portfolio



| Natural Gas-focused Onshore + Offshore Clean Energy Value Chain | | | | | |
|--|------------------------|---|---|---|------------------------------------|
| Offshore Clean Energy Industry Chain | | | | | |
| Upstream (Production & Processing) | | Midstream (Transportation) | | Downstream (Application) | |
| Offshore oil and gas processing module | | Small and medium-sized gas carriers (LEG/LPG/LNG) | | Ship oil-to-gas conversion (marine tanks and power systems) for inland waterways and coastal applications LNG bunkering vessels and offshore/onshore bunkering solutions | |
| Onshore Clean Energy Industry Chain | | | | | |
| Upstream (Production & Processing) | | Midstream (Distribution & Storage) | | Downstream (Application) | |
| Liquefaction plant/wellhead skid-mounted equipment Onshore wellhead gas treatment and processing | | Clean energy distribution equipment Other clean energy storage equipment and engineering LNG peak shaving storage equipment and engineering | | Clean energy equipment for transportation Commercial and industrial LNG small fuel tanks | |
| Hydrogen Energy Industry Chain | | | | | |
| Upstream (Production & Processing) | | Midstream (Distribution & Storage) | | Downstream (Application) | |
| Demonstration project of hydrogen production from methanol and hydrogen refueling Demonstration project of hydrogen production from coke oven gas | | Hydrogen tube bundle trailer Liquid hydrogen storage tank | | Hydrogen refueling station Hydrogen combined heat and power solution for buildings Type III and Type IV on-vehicle hydrogen cylinders | |
| Key Equipment for Hydrogen Energy "Storage, Distribution, and Refueling" | | | | | |
| Mother station hydrogen compressor | Hydrogen tube trailers | Hydrogen compressor for hydrogen refueling stations | Station hydrogen storage tank groups | Hydrogen dispenser | On-vehicle hydrogen supply systems |
| Chemical and Environmental Protection Equipment | | | | | |
| Chemical and Environmental Protection Equipment | | | | | |
| Standard tank containers Specialized tank containers | | | | | |
| Liquid food Equipment and Engineering | | | | | |
| Liquid food storage tanks | | | Turnkey Projects for Brewing | | |
| Beer tanks Non-beer liquid food storage tanks | | | Turnkey Brewing Projects for Beer Turnkey Brewing Projects for Spirits | | |

We provide a "Key Equipment + Core Processes + Comprehensive Services" integrated solution for our customers to achieve comprehensive industrial service.

Equipment Manufacturing

- Advanced technologies from Europe and America
- Advantages of Chinese manufacturing
- Capability in key equipment manufacturing
- Global leading lean management capability

Engineering Services

- Consulting
- Design
- Construction
- Engineering general contracting

Solutions

- Solution to offshore liquefaction storage and transportation
- Solution for oil-to-gas conversion for vessels
- Integrated services for natural gas and hydrogen production from coke-oven gas
- Solution for heat and electricity supply in buildings
- Integrated solution for hydrogen production and hydrogenation in methanol
- Solution for LNG multimodal transportation
- Solution for natural gas peak-shaving and reserve
- Turnkey solution for beer and spirits production projects
- Financial solutions

Honors and Recognitions

Sustainability Ratings

In 2024, CIMC Enric was rated AA by MSCI ESG Ratings for the second consecutive year, achieving the highest rating in China's industrial equipment industry. It is the only company in this sector in China to hold an AA rating, solidifying its position as a global leader in its field. The Company also received an A rating from Wind ESG Rating, ranking at the top of the energy equipment and services sector. This recognition highlights CIMC Enric's outstanding ESG performance within its industry. In addition, CIMC Enric participated in the CDP Climate Questionnaire for the first time this year and achieved an impressive grade of B.

MSCI
ESG RATINGS



CCC B BB BBB A **AA** AAA

Wind ESG

CIMC ENRIC

2024 Rating



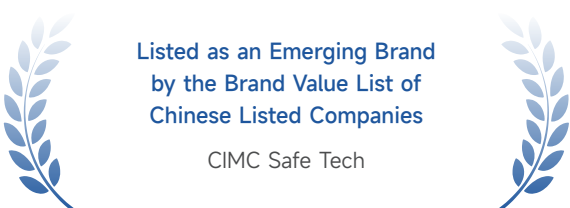
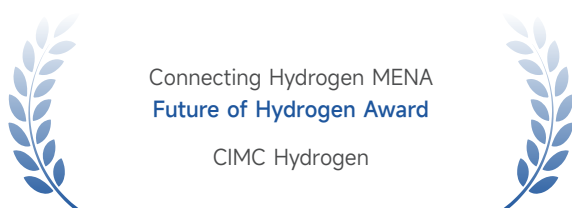
Furthermore, Shijiazhuang Enric, a subsidiary of CIMC Enric, earned a "Silver Medal" in the EcoVadis sustainability rating, placing it in the top 11% among all participating companies.



CIMC Enric is committed to deeply embedding ESG principles into its daily operations, actively drawing on internationally recognized best practices while continuously reviewing and optimizing its governance structure and corporate conduct guidelines. Our objective is to ensure that the Company maintains excellence in ESG management on a global scale and fully advances the process of sustainable development.



Awards & Honors



Strategic Leadership Drives Sustainable Development

Materiality

Assessment Process and Results of Materiality

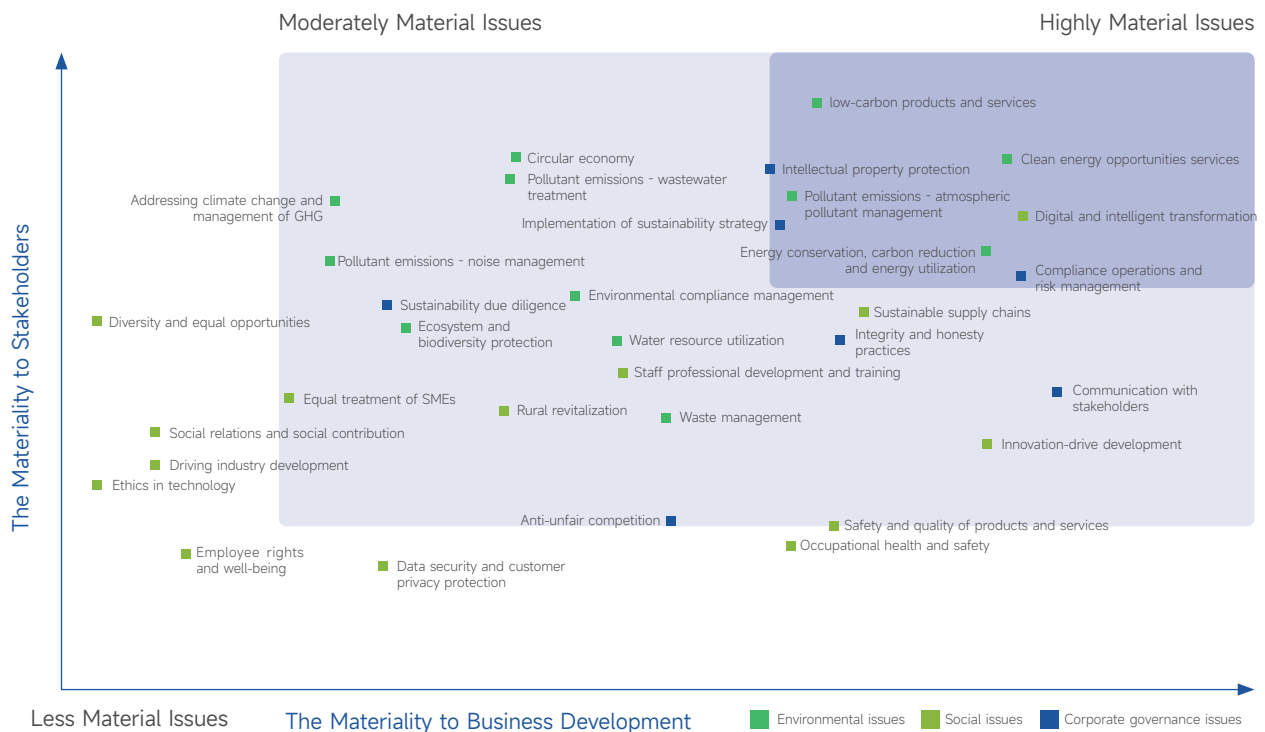
Assessment Process

In 2024, CIMC Enric reassessed its material issues. CIMC Enric adopted the issue assessment requirements of CIMC Group, incorporating seven issues—such as tech ethics and equitable treatment of SMEs—into the assessment scope. CIMC Enric conducted an online platform survey, collecting 1,133 valid questionnaires from internal and external stakeholders. Additionally, several interviews were held with senior executives and key stakeholders, including investment institutions, outstanding employees, clients, and government agencies, to gain in-depth insights into their perspectives and suggestions on sustainable development, as well as their ratings of the materiality of ESG issues.

Assessment Results

Through an ESG materiality assessment, CIMC Enric has identified 33 ESG issues, covering 12 environmental, 14 social, and 7 corporate governance issues. Among these, 8 issues are rated as highly material, 17 as moderately materials, and 8 as less material. The Company used these evaluation results to optimize operational management and information disclosure, as well as to implement targeted ESG initiatives. Moving forward, the materiality of these issues will be continuously and dynamically assessed to meet stakeholder expectations and ensure transparent, reasonable, and balanced information disclosure.

CIMC ENRIC 2024 Materiality Map



Response to 2024 ESG Issues in the Report

| Category | Issue | Materiality Level | Changes in Materiality | Responses in This Report |
|---------------|--|---------------------|------------------------|--|
| Environmental | Clean energy opportunities | Highly Material | ↑ | Response to climate change |
| Governance | Compliance operations and risk management | | ↑ | Deepening corporate governance |
| Environmental | Low-carbon products and services | | ↑ | Topical Section: Early Strategic Milestones Achieved through Effective Sustainable Practices |
| Environmental | Energy conservation, carbon reduction and energy utilization | | - | Response to climate change |
| Governance | Intellectual property protection | | - | Technological innovation as the driver |
| Governance | Implementation of sustainability strategy | | ↑ | Sustainable development strategy framework |
| Environmental | Pollutant emissions—management of atmospheric pollutants | | - | Strict control of pollutant discharge |
| Social | Digital and intelligent transformation | | ↑ | Technological innovation as the driver |
| Governance | Communication with stakeholders | Moderately Material | new | Communication with stakeholders |
| Social | Sustainable supply chains | | ↓ | Building a sustainable supply chain |
| Governance | Integrity and honesty practices | | ↓ | Business ethics and anti-corruption |
| Social | Innovation-driven development | | ↓ | Technological innovation as the driver |
| Environmental | Circular economy | | - | Strict control of pollutant discharge |
| Environmental | Pollutant emissions—wastewater management | | ↑ | Strict control of pollutant discharge |
| Environmental | Environmental compliance management | | new | Strict control of pollutant discharge |
| Environmental | Water resource utilization | | - | Strict control of pollutant discharge |
| Social | Staff professional development and training | | - | Diversity, equality, and talent development |
| Environmental | Addressing climate change and management of GHG emissions | | - | Response to climate change |
| Environmental | Pollutant emissions—noise management | | ↑ | Strict control of pollutant discharge |
| Governance | Sustainability due diligence | | new | Sustainable development strategy framework |
| Environmental | Waste management | | - | Strict control of pollutant discharge |
| Environmental | Ecosystem and biodiversity protection | | - | Biodiversity protection |
| Social | Rural revitalization | | ↑ | Caring for People's Livelihoods |
| Social | Equal treatment of SMEs | | new | Building a sustainable supply chain |
| Governance | Anti-unfair competition | | new | Fair competition and anti-trust |
| Social | Safety and quality of products and services | Less Material | ↓ | Pursuing excellence in quality |
| Social | Occupational health and safety | | ↓ | Occupational health and safety |
| Social | Diversity and equal opportunities | | new | Diversity, equality, and talent development |
| Social | Data security and customer privacy protection | | ↓ | Customer service and privacy protection |
| Social | Social relations and social contribution | | - | Caring for people's livelihoods |
| Social | Driving industry development | | ↓ | Participating in the formulation of qualifications and standards |
| Social | Ethics in technology | | new | Technological innovation as the driver |
| Social | Employee rights and well-being | | ↓ | Diversity, equality, and talent development |

According to the materiality assessment, changes in materiality were identified in 16 ESG issues this year compared to last year. In light of the Company's operational development and the key concerns of stakeholders, the materiality levels of certain issues were prudently adjusted. This adjustment aimed to accurately reflect the strategic priorities of the Company at different stages of development, as well as the diverse expectation of internal and external stakeholders. Among the highly material issues this year, the following issues have seen significant increases in materiality:

Clean energy opportunities:









- ▶ The materiality level of this issue has significantly increased as a result of the accelerated global energy transition, enhanced environmental awareness, and strengthened policy orientation. These factors have driven rapid growth in the clean energy market, further elevating the importance of this issue.

Compliance operations and risk management:

- ▶ The issue has experienced a notable rise in materiality due to increasingly stringent regulatory trends, heightened operational risks within the industry, upgraded stakeholder expectations, and the Company's own sustainable development needs.

Communication with Stakeholders

Sustainable development is a long-term endeavor, and companies need to comprehensively consider operational aspects, market factors, and the opinions of stakeholders. The Company has established extensive and effective communication and collaboration mechanisms with employees, customers, investors, suppliers, governments, research institutions, media, and communities. Depending on the characteristics of different stakeholders, various communication methods are employed, such as annual reports, regular meetings, interviews, social media, and digital platforms, to ensure transparency and accurately address the concerns of all parties.

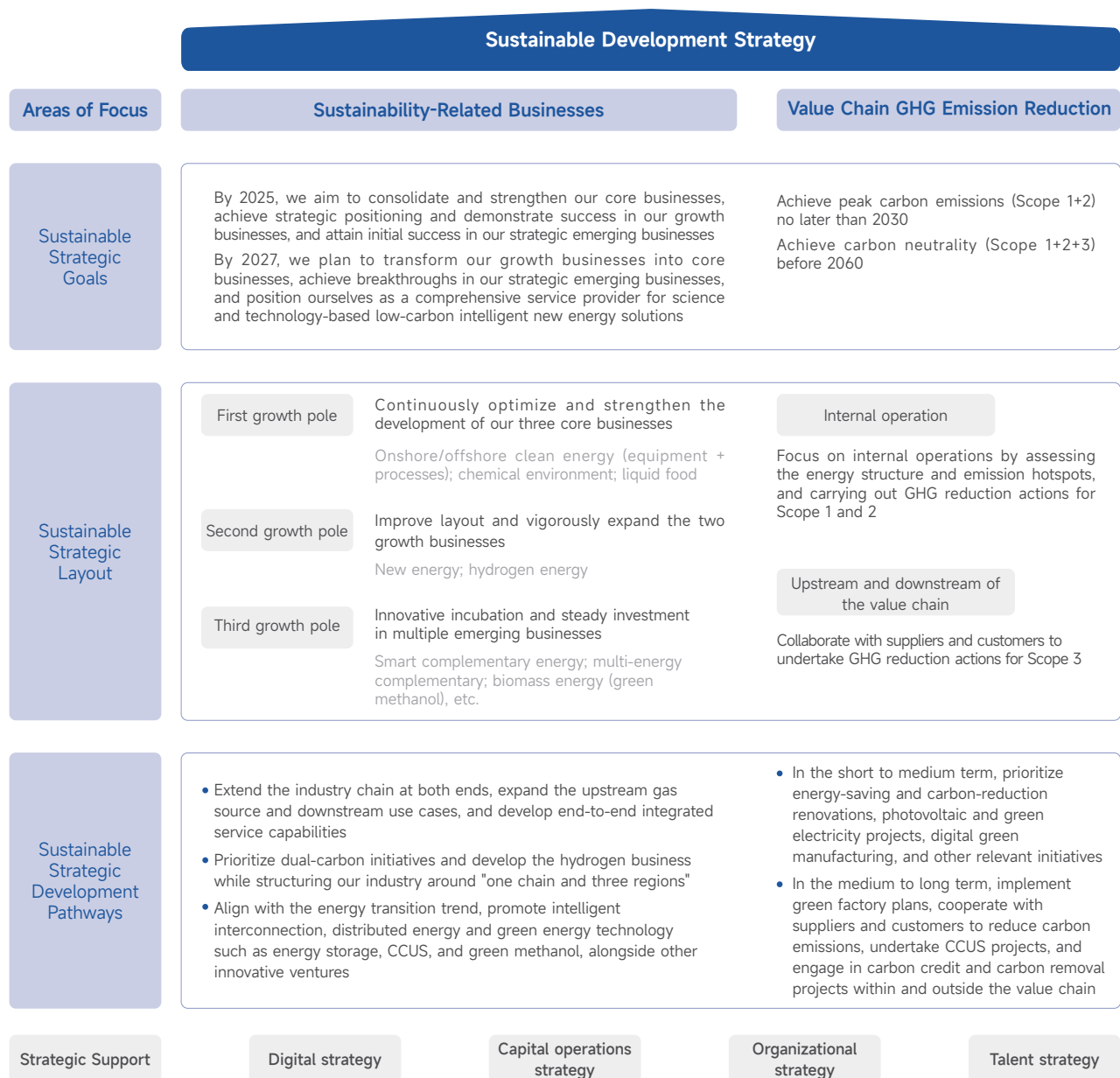
| Stakeholders | Communication Methods | |
|--|--|--|
|  Employees | <ul style="list-style-type: none"> Employee representative meeting Employee training Employee activities | <ul style="list-style-type: none"> Company newsletter and intranet for internal information sharing ESG survey questionnaire Employee satisfaction surveys |
|  Clients | <ul style="list-style-type: none"> Customer service center and hotline Client visits | <ul style="list-style-type: none"> ESG survey questionnaire Customer satisfaction survey |
|  Investors and Shareholders | <ul style="list-style-type: none"> Company website and social media information exchange ESG survey questionnaire Mailed hardcopies of reports (e.g., annual and ESG reports) | <ul style="list-style-type: none"> Organizing earnings release conferences Receiving investor research visits Conducting online and reverse roadshow activities |
|  Suppliers | <ul style="list-style-type: none"> Regular collaborative communication Supplier information portal | <ul style="list-style-type: none"> ESG survey questionnaire |
|  Governmental Authorities | <ul style="list-style-type: none"> Periodic information reporting Supervision and inspection | <ul style="list-style-type: none"> Mailed hardcopies of reports (e.g., annual and ESG reports) ESG survey questionnaire |
|  Research Institutions | <ul style="list-style-type: none"> Company website and social media information exchange Company announcement | <ul style="list-style-type: none"> Visits Survey |
|  Media | <ul style="list-style-type: none"> Interviews and feature reports Survey | <ul style="list-style-type: none"> Company website and social media information exchange |
|  Local Communities | <ul style="list-style-type: none"> Company website and social media information exchange ESG survey questionnaire | <ul style="list-style-type: none"> Social welfare activities |

Sustainable Development Strategy Framework

Sustainable Development Strategy Panorama

2024 marks the inaugural year for CIMC Enric to fully implement its five-year strategic plan (2023-2027)—the "3+2+N" strategy. Building on this, the Company has integrated sustainable development goals into its core, deeply embedding ESG risk and opportunity management across business operations, production, and the entire product lifecycle, continuously driving growth and advancement.

Sustainable Development Strategy Panorama



Sustainable Business Strategy

Strategic Positioning

Transitioning from "Equipment + Engineering" to "Comprehensive Service Provider", establishing an integrated industrial interactive value-added model centered on "Key Equipment + Core Processes + Comprehensive Services", aiming to become a comprehensive service provider of technological low-carbon smart new energy solutions.

Strategic Goals

By 2025, we aim to consolidate and strengthen our core businesses, achieve strategic positioning and demonstrate success in our growth businesses, and attain initial success in our strategic emerging businesses.

By 2027, we plan to transform our growth businesses into core businesses, achieve breakthroughs in our strategic emerging businesses, and position ourselves as a comprehensive service provider for science and technology-based low-carbon intelligent new energy solutions.

Business Development Strategy

Leadership strategy

Focus on top-tier products

Strengthen the research and development of key equipment and core processes to solidify industry leadership; concentrate on energy conservation and carbon reduction under the dual-carbon theme

Innovation strategy

Technological innovation for comprehensive services

Leverage technological and model innovations to support the expansion of comprehensive service businesses

Growth strategy

Strategic demonstration for full replication

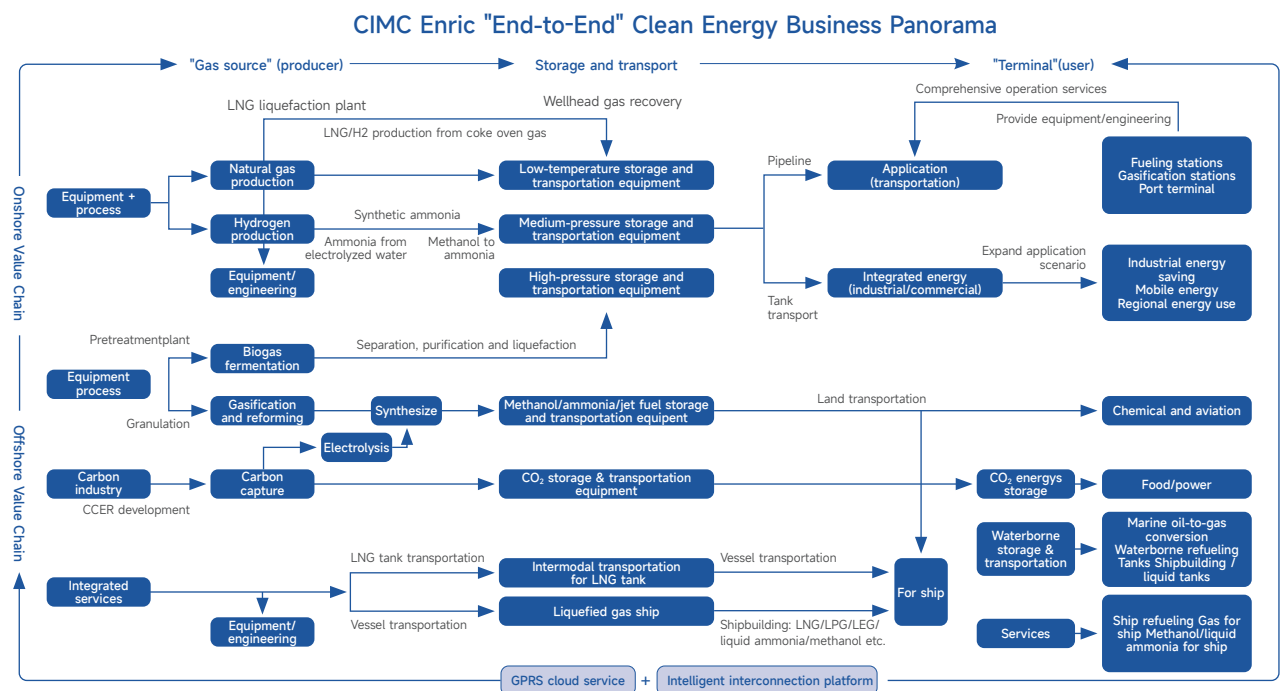
Focus on strategic demonstration to facilitate industrial integration and achieve full replication

Four Strategic Themes

| | |
|---|--|
| Focus on Top-Tier Products | <ul style="list-style-type: none"> • Deepening the operational mechanisms of core product lines, fully leveraging synergies, and establishing an leading position within the industry • Solidifying the leading position of champion products (e.g., tank containers) within their respective industries • Developing collaborative engineering capabilities and enhancing capabilities in the "production, storage, and utilization" of clean energy to achieve business breakthroughs • Advancing the global layout of the energy equipment business • Increasing self-built high-quality production capacity, expanding upstream resources and downstream use cases, and driving energy equipment sales • Consolidating the leading position in the small-scale liquefied gas vessel industry and enhancing profitability |
| Innovative Technology Solutions | <ul style="list-style-type: none"> • Actively deploying hydrogen energy demonstration city clusters, breaking through with benchmark demonstration projects, and driving the performance of hydrogen energy equipment, to solidify CIMC's influence in the hydrogen energy industry • Building capabilities for comprehensive zero-carbon and low-energy consumption energy solutions • Positioning core equipment and solutions within the green methanol industrial chain • Focusing on the resource utilization of rare and precious metals, developing environmental operation businesses, and identifying breakthrough opportunities in environmental equipment • In alignment with our core clean energy business, actively identifying favorable targets, and executing high-quality projects |
| Restructuring for Operational Excellence | <ul style="list-style-type: none"> • Promoting the substantial advancement of the Golden Tiger project • Transforming supply chain management in the energy business • Building digital operation capacity • Strengthening the development of the core talent pipeline, establishing a strategic talent supply chain, optimizing organizational structure, and enhancing enterprise workforce efficiency • Optimizing inefficient enterprises and liquidating inefficient assets |
| Intelligent Interconnection for Value Creation | <ul style="list-style-type: none"> • Intelligent upgrading of clean energy equipment, interconnection of key energy equipment, and exploring value creation through a smart energy platform • Digital-intelligent operations: Upgrading internal manufacturing digitization to achieve green intelligent manufacturing • Digital intelligence interconnection: Achieving networked stations, networked tanks, networked vessels, and networked gas systems |

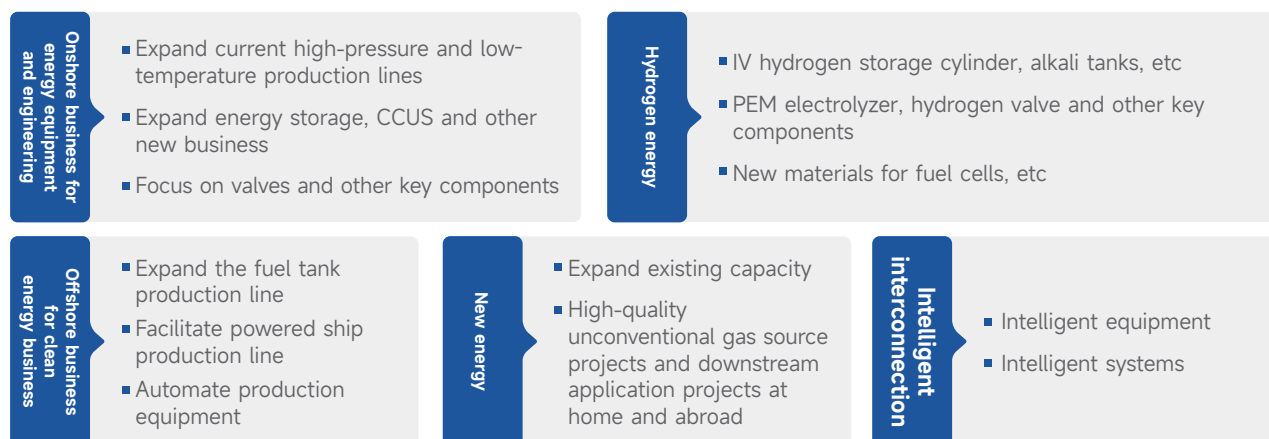
End-to-End Business Panorama

CIMC Enric, leveraging its end-to-end manufacturing and service capabilities, with 'Key Equipment + Core Processes + Comprehensive Services' as its core focus, will actively expand into three key areas, incubate three innovative businesses, integrate operations across the vertical industry chain, and establish a closed-loop business model, all centered around the Company's key equipment, core processes, and comprehensive services.



Investment Plan

In line with our commitment to green and intelligent development, we will seize new opportunities for sustainable growth and expand new business horizons. Below are the details of CIMC Enric's investment plan for the next five years:



Sustainable Development Goals and Achievements

At the beginning of 2024, CIMC Enric adopted the overall plan and goals of CIMC Group, and the Occupational Health and Safety Committee established the annual goal for sustainable development for 2024. After a year of efforts and continuous monitoring, the Company essentially met the annual target as scheduled, and the main results are as follows:

| Indicator | 2024 Target | Achievement of Target |
|---|------------------|---------------------------|
| Energy consumption per RMB 100 million of revenue (tons of standard coal per RMB 100 million) | Decrease by 3% | Achieved |
| CO2 emission per RMB 100 million of revenue (tons per RMB 100 million) | Decrease by 3% | Achieved |
| Total NOx emissions (tons) | Decrease by 2% | Not achieved ³ |
| Total VOC emissions (tons) | Decrease by 2% | Achieved |
| Chemical oxygen demand (tons) | Decrease by 1.6% | Achieved |
| Number of work-related fatalities and serious injuries | 0 | Not achieved ⁴ |
| Number of major fire incidents (loss exceeding RMB 200,000) | 0 | Achieved |
| Number of major environmental incidents (major complaints or fines) | 0 | Achieved |
| Number of major safety incidents | 0 | Achieved |
| Number of environmental administrative penalties | 0 | Achieved |
| Number of new occupational disease cases | 0 | Achieved |

³ The absolute value of emissions has risen, primarily due to a faster growth in product revenues

⁴ A work-related fatality has occurred.

CIMC Enric closely monitors global developments in ESG trends and standards, actively embracing the United Nations' *2030 Agenda for Sustainable Development* and the *Stakeholder Capitalism Metrics* proposed by the World Economic Forum. The Company actively supports the UN's Sustainable Development Goals through a range of initiatives, aligning with the four core pillars emphasized by the *Stakeholder Capitalism Metrics*: principles of governance, planet, people, and prosperity.

| Stakeholder Capitalism Metrics | SDGs | CIMC Enric Actions |
|--|---|--|
| <p>Good Governance Risk Control and Compliance (Corresponding to "Principles of Governance")</p> |  | <p>Enhance corporate governance effectiveness, strictly enforce risk control and compliance; optimize management systems, improve decision-making efficiency and transparency</p> |
| <p>Green Manufacturing Innovative Development (Corresponding to "Prosperity")</p> |    | <p>Drive technological innovation around green business, actively participate in and promote industrial development</p> |
| <p>Low-carbon and Environmental Protection Cherish the Earth (Corresponding to "Planet")</p> |    | <p>Develop sustainable development strategies, promote green business and projects, and advance carbon peaking and neutrality in operations</p> |
| <p>People-Oriented Harmonious Win-Win (Corresponding to "People")</p> |       | <p>Emphasize employee well-being and social responsibility, provide safe and healthy working environments, and drive diversity and equal employment; promote social development through rural revitalization and charitable activities</p> |

Topical Section

Early Strategic Milestones Achieved through Effective Sustainable Practices

2024 marks a pivotal year for the effective implementation of CIMC Enric's sustainable business strategy, which involves transitioning from "key equipment manufacturing" to "core processes and comprehensive services". This year, we have adopted the following strategies to rapidly implement a series of projects focusing on the "end-to-end" approach.

For the upstream segment

Driven by technological innovation, focusing on the development and production of high-quality resources and using coke oven gas, CIMC Enric has launched a series of strategic demonstration projects. Leveraging successful experiences, the Company rapidly replicated these models and scaled up capabilities to develop new, large-scale projects and businesses.

For the downstream segment

CIMC Enric fully capitalized on the advantages of its multi-channel resource pool and multi-combination sales model. By harnessing the resource strengths of natural gas, hydrogen energy, green methanol, and other multi-energy sources, and relying on its smart operational system, the Company developed and provided high-end equipment and distributed integrated energy solutions. These include combined heat and power (CHP), cooling, heating, and power systems, as well as carbon dioxide co-supply solutions for the agricultural sector. Through these efforts, CIMC Enric created a diversified, complementary, and comprehensive service offering.

The preliminary results of this year's strategic outcomes include:

- Resource Acquisition: We have implemented the Ansteel CIMC hydrogen and LNG production project using coke oven gas, and progressively launched a series of other projects;
- Emerging Businesses: We have accelerated the implementation of the Zhanjiang Green Methanol Project, which has an annual production capacity of 50,000 + 200,000 tons;
- Business Models: We have taken the lead in promoting the "Jining Model" in the offshore clean energy sector, initiating projects for the manufacturing and fueling services of new energy vessels and power packages, and gradually replicating and promoting them;
- Customer Collaboration: We have established strategic partnerships with numerous leading enterprises in the field of sustainable business.



Case

◆ Ansteel CIMC Hydrogen and LNG Production Project Using Coke Oven Gas Enters Production

The hydrogen and LNG production project utilizing coke oven gas, invested and constructed by Ansteel CIMC (Yingkou) New Energy Technology Co., Ltd. (referred to as "Ansteel CIMC⁵"), a subsidiary of CIMC Enric, commenced construction at the beginning of 2024 and officially began production on September 26.

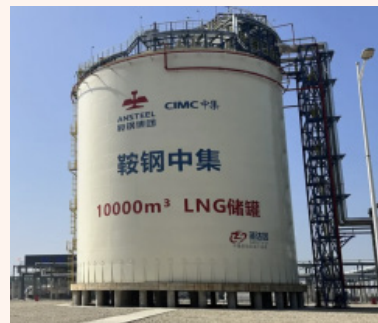
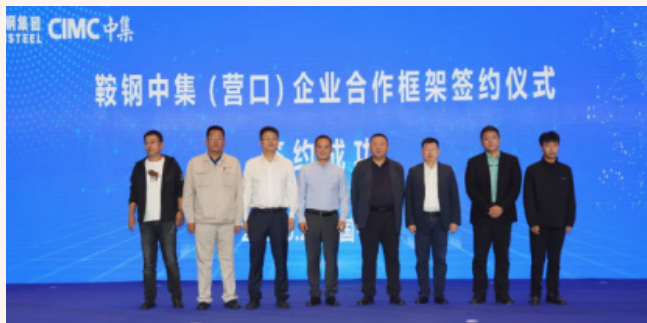
- At the resource end, the project produces high-purity hydrogen and LNG by separating and purifying coke oven gas—a byproduct of steel manufacturing—thereby achieving high-value utilization of coke coal gas. At full capacity, the project will annually produce 15,000 tons of "blue" hydrogen and 140,000 tons of LNG.

- At the application end, this project meets the demand for hydrogen, LNG, and other clean energy sources from steel mills and nearby clients, enabling localized consumption of clean energy. Additionally, it promotes upgrades in customer energy storage and usage equipment, driving the development of innovative application chains that integrate and couple with hydrogen refueling and related facilities, thereby supporting the construction of a local clean energy industrial ecosystem.

This is a new energy demonstration project that deepens cooperation between central state-owned enterprises and serves as the first key demonstration project in building an "end-to-end" green industrial ecosystem encompassing resources, storage, transportation, and application. The project is expected to reduce annual emissions by 470,000 tons of carbon dioxide, 174 tons of sulfur dioxide, and 1,344 tons of nitrogen oxides, playing a critical leading and exemplary role in the green development of the steel industry.

Future Plans

In the future, CIMC Enric will continue to establish cooperative partnerships with leading steel mills across China. The Company is committed to promoting the green energy transition within the steel industry and accelerating the large-scale application of hydrogen energy. CIMC Enric aims to complete over ten similar projects within the next five years. In addition to the Ansteel CIMC project, the Lingyuan Iron&Steel project and the Shougang Shuicheng Iron&Steel project in Liupanshui have also been launched.



Project Signing Ceremony and Project Site

⁵ Ansteel CIMC is a joint venture established by CIMC Enric and Angang Steel Company Limited



Case

Advancing the 50,000 + 200,000 Tons of Green Methanol Demonstration Project to Promote Circular Economy Development

On October 15, 2024, the 50,000-ton-per-year green methanol project of CIMC Green Energy Low-Carbon Technology (Zhanjiang) Co., Ltd. successfully obtained approval for filing. This project utilizes biomass pellets as raw materials, which undergo processes including gasification, purification, and conversion, ultimately producing methanol as the main product. This process advances the development of a circular economy by promoting sustainable resource utilization. Currently, the project is under construction and is expected to commence formal production in 2025.

Moreover, to further strengthen its EPC capabilities in green methanol design and construction, CIMC Enric acquired Beijing Zhongliansheng Chemical Engineering Co., Ltd.⁶ (referred to as "Beijing Zhongliansheng"). This strategic acquisition is of significant importance for enhancing CIMC Enric's upstream industrial chain layout and its comprehensive capabilities in the "production end" of hydrogen, green methanol, and other clean energy sources. Through this acquisition, CIMC Enric will significantly enhance its core technological strengths in coke oven gas comprehensive utilization projects, as well as in methanol and ammonia synthesis processes, further solidifying its market competitiveness in these fields.

Future Plans

Continuously advance the second phase of the green methanol project, with an expected annual production capacity

Within the next five years, achieve a cumulative production capacity of green methanol

200,000 tons

1 million tons



Case

Promoting Cross-Sector Strategic Cooperation to Drive the Transition to Green Energy and Zero Carbon Development

In 2024, CIMC Enric entered into strategic cooperation agreements with Shanghai Waigaoqiao Shipbuilding Co., Ltd., Shenergy Company Limited, Sinopec (Hong Kong) Fuel Oil Company Limited, and Hong Kong and China Gas Company Limited in the fields of new energy vessels, zero-carbon factories, green methanol, and hydrogen energy development, respectively. These agreements demonstrate the Company's strong capabilities and diverse strategic layout in the field of clean energy equipment and services, contributing significantly to the global transition to green energy and sustainable development.



Signing Ceremony for Strategic Cooperation Agreement

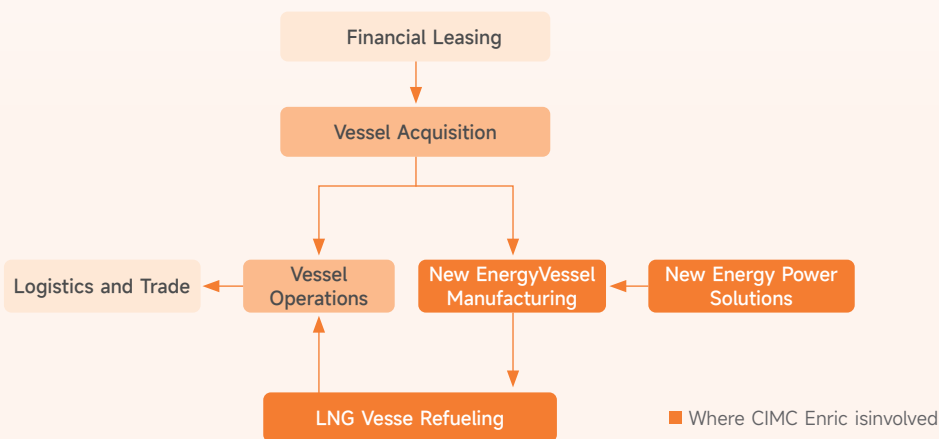
⁶ Founded in 2004, Beijing Zhongliansheng is a professional engineering design company specializing in coking, coal gas purification, comprehensive applications of coke oven gas (including hydrogen production, LNG, methanol, synthetic ammonia, and other processes), and the activated carbon field. The company holds a leading position in the domestic market.



Case

◆ "Jining Model" – Strategic Demonstration and Replication of Successful Experiences

Jining is located at the northernmost point of the navigable section of the Beijing-Hangzhou Grand Canal, serving as a crucial hub city along this historic waterway. Focusing on key nodes in Jining's inland waterway transportation network, CIMC Enric has partnered with complementary stakeholders to pioneer the exploration and implementation of a business model for the waterborne clean energy industrial chain along the Beijing-Hangzhou Grand Canal. This initiative has resulted in three joint venture projects focused on new energy vessel manufacturing, new energy vessel power systems, and LNG refueling. Collectively, these efforts have fostered the "Jining Model," which drives green development in inland waterway shipping through the adoption of clean energy solutions.



Schematic Diagram of the Jining Model

- In the field of new energy shipbuilding, the plan involves producing 400 new energy vessels annually, with all expected to be completed by the end of 2025. The first phase of the project, which was completed and put into production in 2024, has a planned annual capacity of 240 new energy vessels and 100 ship repairs and conversions. As of 2024, 5 vessels have already been delivered;
- In the area of new energy power packs, the Company is actively meeting regional LNG power pack demands while simultaneously exploring external markets;
- In terms of LNG refueling, the skid-mounted refueling station in the main urban port area's oil and gas comprehensive service zone has been completed, with ongoing progress on other construction projects.

Future Plans

- Strengthen the foundation of cooperation in Jining, and systematically advance the implementation of projects related to refueling station construction;
- Prioritize the replication of the "Jining Model" in regions such as Anhui and Guangxi. By January 2025, five new energy vessels and power pack projects have been initiated in Anhui;
- Actively explore inland waterway green shipping business and partnership opportunities nationwide, supporting the growth of the Group's innovative waterborne clean energy initiatives.

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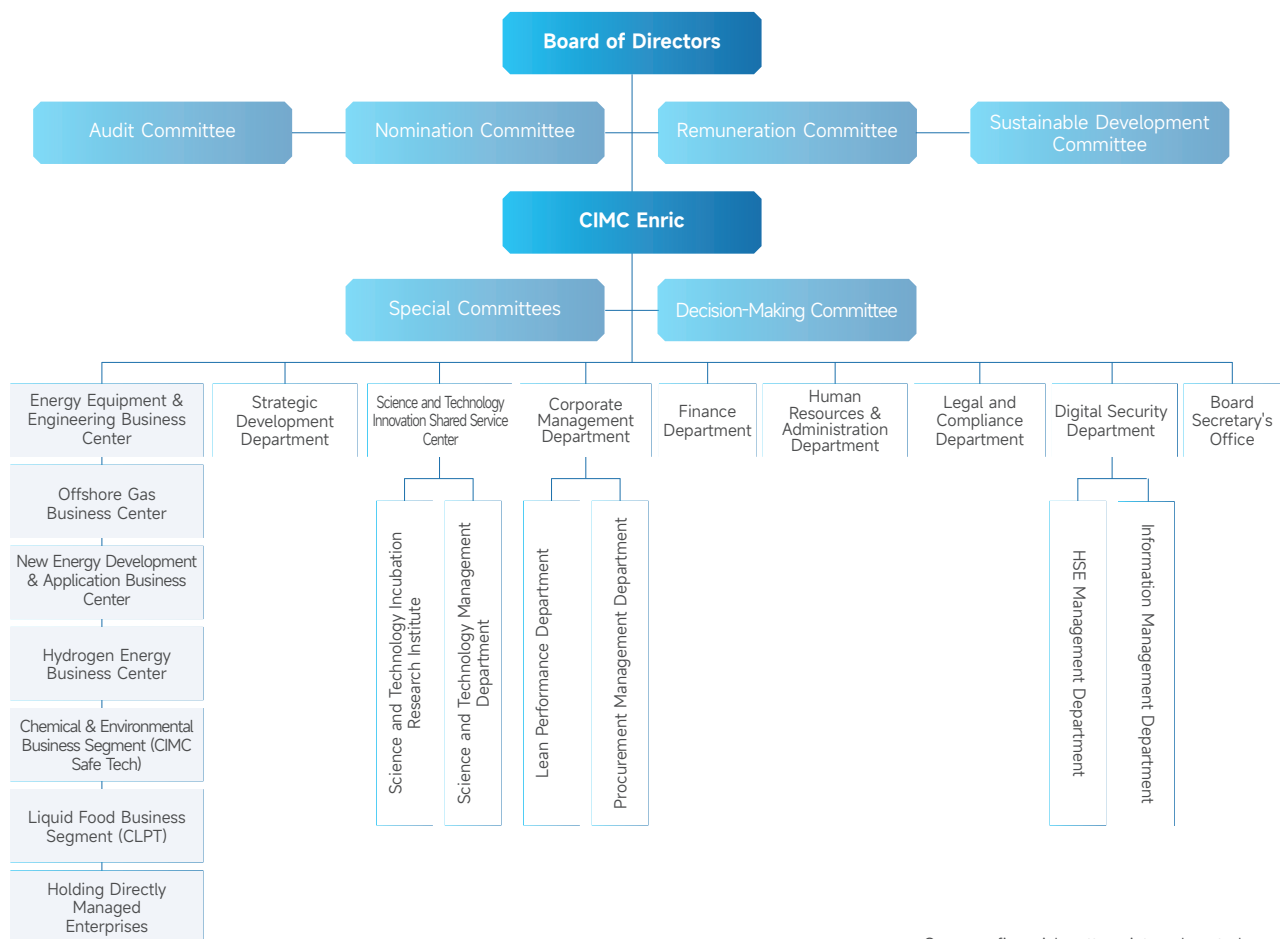


Integrity and Compliance: Enhancing Robust Operations

Deepening Corporate Governance

Organizational Structure

The Company has established a robust and orderly governance structure in accordance with relevant laws and regulations, including the *Company Law of the People's Republic of China* and the *Listing Rules of the Stock Exchange of Hong Kong Limited*, forming a governance mechanism characterized by clear delineation of rights and responsibilities, mutual coordination, and checks and balances, thereby ensuring efficient and compliant corporate management.



As of the end of the reporting period, the Board of Directors of CIMC Enric consisted of nine members, including four independent non-executive directors, one executive director (the president), and four non-executive directors (including Mr. Gao Xiang, the chairman). The board attendance rate for 2024 was 100%, with the average tenure of directors being 2 years, and each director is required to retire and stand for re-election at least every three years. The Board has four specialized committees⁷, namely the Audit Committee, the Nomination Committee, the Remuneration Committee, and the Sustainable Development Committee, which are responsible for overseeing the Company's affairs from various fields.

Audit Committee

Oversees financial matters, internal controls, compliance, anti-corruption, related-party transactions and other issues

Nomination Committee

Handles issues related to board independence and diversity

Remuneration Committee

Discusses compensation assessment mechanisms (including those linked to ESG)

Sustainable Development Committee

Coordinates the development of the company's ESG work plan and objectives, monitors the execution of related actions, and reviews and continuously improves them

⁷ Board committee composition: <https://doc.irasia.com/listco/hk/enric/announcement/ca240930a.pdf>

Board Independence

An independent board can supervise management from a more objective perspective, effectively avoiding conflicts of interest, and enhancing the quality and transparency of corporate decision-making. The Company's Board of Directors highly values the practice of excellent corporate governance, aiming to align with and uphold international best practices. The Company clearly delineates the responsibilities of the Board of Directors and daily business management, with the roles of chairman and president separately responsible to ensure a balance of power and effective delegation. The Chairman of the Company's Board of Directors, serving as a non-executive director, is responsible for overseeing the Board's operations, formulating strategies and policies for the Group, establishing business objectives and plans, monitoring the performance of senior executives, and fostering good corporate governance norms. The President is responsible for leading the executive management team in executing the strategies and plans set by the Board of Directors, as well as managing the day-to-day operations and business expansion of the Company. He regularly reports to the Board of Directors to ensure that its decisions are properly implemented.

Composition of the Board of Directors

The Board of Directors of the Company has established clear requirements regarding the number and independence of independent directors. The Board of Directors of the Company comprises only one executive director, alongside a total of eight non-executive directors, including independent non-executive directors. These non-executive directors account for 88.9% of the board membership, a proportion that exceeds the average level of both all Stock Exchange-listed companies and listed peer companies.

Composition of Members in Each Committee

The Board of Directors invites independent directors to serve as chairpersons or members of various committees of the Board. All members of the Audit Committee of the Company are independent non-executive directors. The Remuneration Committee of the Company is chaired by an independent non-executive director, and all its members are non-executive directors. The Chairman of the Nomination Committee is Mr. Gao Xiang, Chairman of the Board and a non-executive director. The majority of the Nomination Committee members are Independent non-executive directors, who provide independent advice to the Board on matters involving strategy, policies, company performance, accountability, resources, key appointments, and codes of conduct.

Independent Professional Opinions

The Company has established a policy titled Procedures for Directors to Seek Independent Professional Advice, which enables directors to seek independent professional advice from other independent professionals and attend meetings when appropriate.

Compensation Decisions and Interest Avoidance

According to the Company's Remuneration Policy of Directors and Executive Management, all directors are prohibited from participating in decisions regarding their own remuneration or benefits, and they are required to abstain from deliberations on related matters. The Company generally does not provide independent non-executive directors with equity-based compensation containing performance-related elements (such as stock options or grants) to avoid potential bias in their decision-making and to preserve their objectivity and independence.

Related-Party Transactions and Conflicts of Interest

Decisions regarding related party transactions with the Company's controlling shareholders are made by all independent non-executive directors. When potential conflicts of interest arise in Board decision-making, independent non-executive directors will take a leading and guiding role, overseeing the Company's adherence to established business goals and objectives, as well as its performance in relevant matters declared.

Information Reporting and Data Access

The Company reports its business, significant project progress, and communication with the capital market to the Board of Directors on a monthly, quarterly, semi-annual, and annual basis. Clear guidelines have been established to support the Board in accessing company information.

The Nomination Committee of the Company conducts an annual assessment of the composition of the Board of Directors and provides recommendations to the Board. The Board of Directors of the Company believes that the current composition of its members adequately meets the requirements for independence. However, it will consider from time to time whether additional independent director positions should be added to further align with best practices.

Board Diversity

CIMC Enric has formulated and enforced the *Board Diversity Policy*⁸, ensuring that the selection of board candidates is based on a variety of criteria. These include, but are not limited to, gender, age, cultural background, educational qualifications, industry experience, professional expertise, years of service, and other relevant factors.

In addition, to ensure the Company better understands and responds to the constantly changing business environment, the Board of Directors of the Company is composed of members with diverse professional backgrounds, including law, accounting, management, and so on.



Legal Compliance

Mr. Wang Yu holds a Master's degree in Law and has served in legal affairs roles at International Data Group and China Ocean Shipping Group, bringing extensive experience in legal compliance.

Mr. Xu Qipeng is a registered lawyer in Hong Kong, a lawyer in the Guangdong-Hong Kong-Macau Greater Bay Area, and a Notary Public in China. With over 25 years of practice as a lawyer in Hong Kong, he specializes in cross-border commercial legal matters between Mainland China and Hong Kong.



Auditing Experts

Mr. Zeng Han, a Certified Public Accountant (China), has long held senior positions within CIMC's finance department, where he has been responsible for financial management and auditing.

Ms. Huang Li has over 20 years of experience in corporate finance, capital markets, initial public offerings, mergers and acquisitions, and placement projects. Since 2023, she has been serving as an independent non-executive director of a listed energy company on the Hong Kong Stock Exchange.

Ms. Qiu Hong has over 25 years of extensive experience in investment banking and private equity investments across Asia and the United States. Her advisory expertise covers multiple cross-border M&A transactions for Asian companies, with a particular focus on the power, energy, infrastructure, diversified industrials, and clean technology sectors.

Mr. Yang Xiaohu has extensive experience in container manufacturing, sales, and market operations, having held management positions in multiple business units of CIMC.

Mr. Yang Lei, with years of experience working at the National Development and Reform Commission and the National Energy Administration, possesses rich experience in strategic research and policy formulation in the energy sector. Currently, he serves as the Deputy Director of the Energy Institute at Peking University.



Risk Management

Industry Experts



In terms of gender diversity, CIMC Enric deeply recognizes the importance of gender diversity in enhancing the quality of board decisions and overall corporate performance. We firmly believe that the inclusion of female leaders can bring diverse perspectives and innovative thinking to the board, thereby promoting the level of corporate decision-making. During the Reporting Period, the Company's Board of Directors has set a goal on gender diversity of "no less than 20% women on Board by 2028 or earlier". This goal has been incorporated into the *Board Diversity Policy* to ensure and promote the implementation of diversity strategies for Board members. As of the end of the current reporting period, the Board of Directors includes two female members, accounting for 22.22% of the total⁹, achieving the target ahead of schedule. In addition, the executive management team of the Company consists of six members, including one females, representing 17% of the executive management team.

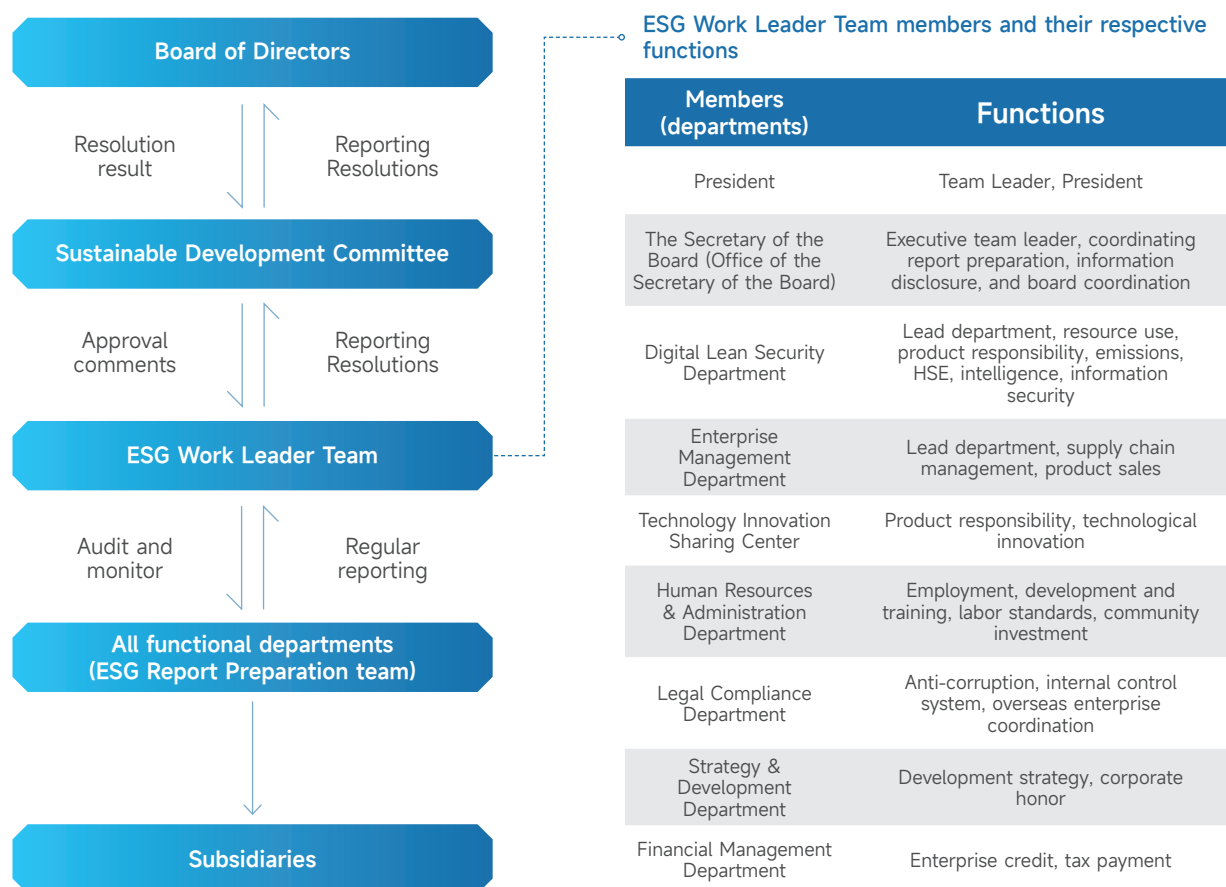
⁸ Board Diversity Policy: doc.irasia.com

⁹ Effective September 30, 2024, Ms. Qiu Hong has been appointed as an independent non-executive director and a member of both the Audit Committee and the Nomination Committee: <https://doc.irasia.com/listco/hk/enric/announcement/ca240930.pdf>

Sustainable Development Governance

The Board of Directors of the Company deeply recognizes that ESG governance is a key element in advancing corporate sustainable development. Excellent ESG governance enables the Company to align with its vision and mission of sustainability. To this end, the Company has established a comprehensive ESG governance structure, with the Board serving as the highest governing body. In 2020, the Board established the Sustainable Development Committee, chaired by the Chairman of the Board and including the President as a member. This committee is responsible for overseeing, managing, and guiding the Company's ESG initiatives. Its duties include formulating ESG strategies and goals, planning implementation pathways, monitoring execution progress, regularly evaluating outcomes, and driving continuous improvement. Other Board committees, including the Audit Committee, Remuneration Committee, and Nomination Committee, collaborate with the Sustainable Development Committee within their respective areas of expertise. Together, they focus on and review sustainable development issues, such as ESG risk identification, internal control and risk management, and matters related to the independence and compensation of the Company's governance structure. These committees propose optimization recommendations to the Board to enhance the Company's overall sustainability efforts.

In November 2023, the Company revised the terms of reference of its Sustainability Committee to include the management of emerging risks and enhanced focus on climate change issues. From 2023 onwards, the Company incorporated the "Eight ESG Topics of the Group Board" into its business plans, implementing quarterly tracking and management. Meanwhile, the Company has established an ESG Work Leader Team at the management level and ESG Reporting Task Forces at the operational level of each subsidiary, forming a "three-tier ESG governance system". This structure facilitates the implementation of ESG governance strategies centered on "green development, technological innovation, intelligent manufacturing, humanistic care, and collaborative win-win outcomes" from top to bottom.



| ESG Structure | ESG Duties |
|---|--|
|  Board of Directors | <ul style="list-style-type: none"> Fully responsible for the Company's ESG initiatives; Issue the Board of Directors' statement and approve the ESG report; Propose resolutions on ESG strategy and targets; Review recommendations from the Sustainable Development Committee regarding the enhancement of ESG risk performance, identification of ESG risks, mitigation measures, and related policies; Review the Company's disclosures related to sustainable development, including climate reports; Encourage and support collaboration between the Sustainable Development Committee and other standing committees. |
|  Sustainable Development Committee | <ul style="list-style-type: none"> Exercise ESG duties on behalf of the Board of Directors; Organize various specialized committees (Operations Management Committee, Strategy and M&A Development Committee, HSE Committee, Scientific and Technological Innovation Committee, Core Talent Management Committee) to formulate, implement, review, and continuously improve work objectives and plans related to material ESG issues within the company; Review major ESG issues, monitor their implementation, and review the progress of goals; Review the ESG report and provide disclosure recommendations; Oversee and review climate risk trends and related matters; Conduct research on the formulation and review of climate risk objectives, strategies, risks, mitigation measures, policies, materiality issues, management principles and routines, as well as budgeting; Oversee and review climate risk objectives, company performance, and the effectiveness of action plans; Review the climate change risk inventory and organize the development of measures to address climate change risks; Review the ESG report and provide disclosure recommendations. |
|  ESG Work Leader Team | <ul style="list-style-type: none"> Formulate ESG policies and objectives, and allocate resources; Deliberate on major ESG matters; Internally approve the ESG report; Organize and assess the achievement of policies and objectives; Oversee the implementation of ESG management and the development of ESG-related systems. |
|  All Functional Departments | <ul style="list-style-type: none"> Execute their respective ESG work plans within their areas of responsibility and report progress to the Work Leader Team; Engage in regular communication with stakeholders relevant to their departments; Drive the implementation of ESG tasks and daily management across subsidiaries in their respective areas; Regularly supervise the progress of ESG work, policies and objectives, and propose improvement suggestions; Organize the preparation, disclosure, and external communication of the ESG report, as well as conduct training activities. |
|  Member Enterprises | <ul style="list-style-type: none"> Implement routine measures for ESG risk management and carry out ESG improvement initiatives within their own companies. Regularly report on ESG management improvement and performance progress and provide ESG data and case studies as required. |

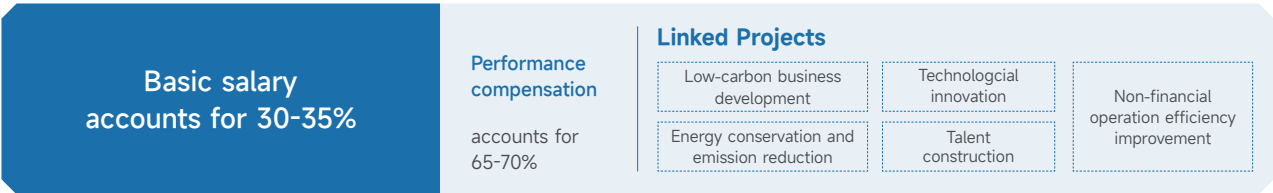
During the reporting period, the Company's Board of Directors actively fulfilled its responsibilities and played a key role in advancing ESG-related initiatives. To enhance corporate governance and ensure operations align with the latest regulatory requirements and market best practices, the Board engaged professional institutions to conduct specialized training. The training focused on updates to the 2024 Hong Kong Stock Exchange rules and recent landmark cases, with an emphasis on the following areas:

- | | |
|---|---|
| • Enhancing Board effectiveness | • Strengthening risk management and internal controls |
| • Strengthening the independence of independent non-executive directors | • Enhancing capital management |
| • Promoting diversity within the Board and across the workforce | • Paperless securities market |

ESG-Linked Remuneration and Clawback Mechanism

CIMC Enric has established the *Remuneration Policy of Directors and Executive Management*, which tightly ties senior management compensation to ESG goals, reinforcing the implementation of sustainable development strategies. This policy undergoes annual review to ensure alignment with the Company's strategic priorities. Performance-based compensation is explicitly linked to ESG objectives, including climate change mitigation, low-carbon business development, hydrogen energy industry chain expansion, and green methanol production. Simultaneously, health and safety, anti-corruption, and compliance operation are designated as non-negotiable bottom lines. Violations or major incidents in these areas trigger a deduction system or a one-vote veto mechanism, resulting in reduced performance payouts and potential administrative or financial penalties. ESG issues now serve as a critical factor in executive compensation assessments, with differentiated weighting based on individual responsibilities.

Take the compensation structure of the executive director and President of the Company as an example:



(The compensation of above items has included the Company's achievements and performance in environmental aspects, and is closely related to them)

Long-term incentives

CIMC Enric's Board of Directors is committed to rewarding outstanding employees through a long-term Stock Option Incentive plan, tightly aligning the interests of key employees with the Company's long-term development. This plan aims to foster co-growth between employees and the Company, ensuring that employees' long-term commitments align with corporate objectives. Under the plan, the incentive scheme typically has a validity period of ten years, with long-term incentives gradually vesting over three years for eligible participants. Vesting conditions include the employee's annual performance appraisal meeting predetermined standards and approval by the Board of Directors.

Clawback provisions

CIMC Enric strictly enforces the CIMC Group Integrity Regulations for Executives and Personnel in Sensitive Positions, which clearly defines misconduct and disciplinary violations applicable to all employees, including executive directors and senior management. The Company also establishes clawback mechanisms and bonus reimbursement policies to address violations. These measures include, but are not limited to, deductions from year-end bonuses, stock options, and equity awards, as well as clawbacks of previously issued bonuses and/or imposition of additional financial penalties. The Company conducts annual performance reviews and assessments of executive directors and senior management, or when significant events or changes occur, to ensure their compliance awareness and ability to fulfill duties effectively. This reinforces the Company's commitment to long-term sustainable development and healthy operational governance.

For details on the corporate governance, please refer to the Corporate Governance Report in the Company's 2024 Annual Report.



Business Ethics and Anti-Corruption

Business Ethics Policy

CIMC Enric consistently adheres to domestic laws and regulations, including the *Criminal Law of the People's Republic of China*, the *Anti-Unfair Competition Law of the People's Republic of China*, and regulations of the Hong Kong Special Administrative Region, such as the *Prevention of Bribery Ordinance* and the *Competition Ordinance*. As a globally operating company listed on the Hong Kong Stock Exchange, CIMC Enric also complies with international laws and regulations in its overseas operations. These include, but are not limited to, the *United Nations Convention against Corruption*, the *Foreign Corrupt Practices Act (FCPA)* of the United States, the *UK Bribery Act 2010*, the *European Union Convention on the Fight Against Corruption Involving Officials of the European Communities or Officials of Member States of the European Union*, the *Criminal Law Convention on Corruption*, the *Civil Law Convention on Corruption*, and other regional anti-corruption conventions, such as those issued by the Group of States Against Corruption (GRECO).

The Company adheres to integrity in professional conduct and strictly complies with the Group's anti-corruption regulations, such as the *CIMC Group Integrity Regulations for Executives and Personnel in Sensitive Positions*. We have formulated and released the *Anti-Corruption and Anti-Fraud Regulations of CIMC Enric Holdings Limited*¹⁰, the *Whistleblowing Policy of CIMC Enric*¹¹, and the *Code of Integrity and Compliance of CIMC Enric*. The subsidiary enterprises under the Company have also established anti-corruption and anti-bribery systems according to their own business characteristics and actual conditions, such as the *Code of Corporate Conduct and Business Ethics*, the *Management System of Honesty and Self-discipline of Employees*, and the *Anti-Fraud Management System*, in order to prevent commercial bribery and create a working environment that upholds integrity.

CIMC Enric consistently upholds integrity and transparency as core business principles, embedding this philosophy across all its operations. Both the Company headquarters and its member enterprises require all existing and prospective qualified suppliers to sign the *Commitment to Transparent Cooperation*, which aims to ensure integrity and transparency in their partnerships. By 2025, the Company plans to disseminate and enforce anti-corruption policies and internal compliance audit procedures among key suppliers, with the initiative gradually expanding to cover all suppliers.

Meanwhile, the Company conducts on-site or form-based reviews for each supplier before admitting them into the supplier system. Suppliers are required to commit to implementing CIMC Enric's business ethics policies and to continue adhering to these policies throughout their partnership. This year, the Company has further strengthened its supplier integrity and compliance management. For instance, in the case of CLPT, all qualified suppliers and subcontractors—whether currently in the inventory, newly introduced, or participating in procurement or subcontracting tender projects—are required to sign the *Anti-Corruption and Confidentiality Compliance Commitment Letter*. The commitment letter mandates that suppliers comply with anti-corruption laws and regulations in the countries or regions where they operate. It also requires them to engage in ethical commercial interactions and prohibits them from offering any form of benefit to the Company's employees or their associated parties. These measures aim to eliminate corrupt practices and prevent the pursuit of unfair commercial advantages. Through these initiatives, the Company effectively mitigates the risks of fraud and corruption, fostering a healthy and integrity-driven business environment.

¹⁰ Anti-Corruption and Anti-Fraud Regulations of CIMC Enric Holdings Limited: edge://newtab/irasia.com

¹¹ Whistleblowing Policy of CIMC Enric: <https://doc.irasia.com/listco/hk/enric/whistleblowingpolicy.pdf>

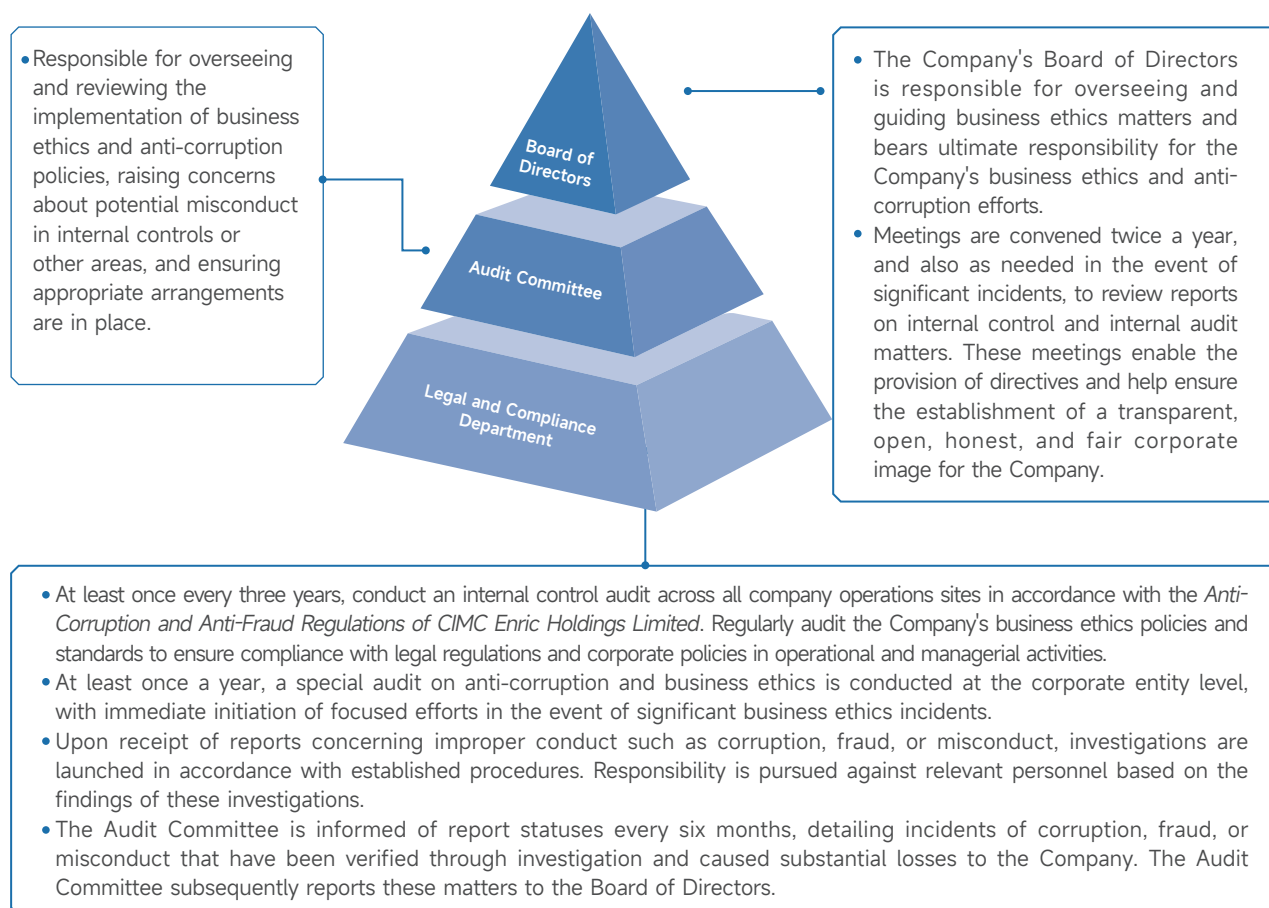


Measures to Prevent Commercial Bribery and Other Corruption-Related Activities

| Pre-event awareness enhancement | In-process monitoring and control | Post-event mutual supervision |
|---|---|--|
| <p>The Company conducts training and dissemination in accordance with the Code of Conduct for Procurement Personnel of CIMC Group formulated by CIMC Group, reinforcing employee awareness and fostering a corporate culture rooted in integrity.</p> | <p>Building on CIMC's procurement system, the Company has refined and established a series of related regulations. It continuously enhances the system to prevent employees from engaging in corrupt or bribery practices through business processes.</p> <ul style="list-style-type: none"> • <i>Material Procurement Control Procedures</i> • <i>Tender and Bidding Procurement Management System</i> • <i>Non-Product Material Procurement Management System</i> • <i>Supplier Management System</i> | <p>CIMC Enric has established a multi-tiered supervision mechanism, which extends beyond financial critical processes to include various reporting channels such as the General Manager's mailbox, employee email, communication dialogues, and the General Manager's internal publication, encouraging employees and business partners to actively report any violations.</p> |

Business Ethics Management

CIMC Enric has established a business ethics management framework to ensure that all levels of management and employees deeply understand and adhere to business ethics and compliance requirements.



Integrity and uprightness are the core values of our Group. In accordance with the *Anti-Corruption and Anti-Fraud Regulations of CIMC Enric Holdings Limited*, business leaders are required to conduct integrity education among employees within their area of responsibility and to implement supervision. The Company continuously conducts publicity and training activities to deepen employees' understanding and recognition of integrity culture, fostering a positive, healthy, harmonious, and upward integrity culture atmosphere. Simultaneously, the audit and supervision departments, on a quarterly basis, publicize key audit issues to each enterprise based on the audit findings and self-inspection rectification status released by the Group, aiming to enhance awareness and prevent corruption from the source of thought.

To ensure employees have a profound understanding of and adherence to the Company's business ethics policy, the Company implements the following measures:



As a member of the China Enterprise Anti-Fraud Alliance, the Company strictly adheres to the *Convention of the China Enterprise Anti-Fraud Alliance* and actively participate in professional forums organized by the alliance, gaining insights into building anti-corruption and anti-bribery systems. Without compromising production and operations, the Company regularly sends key personnel to anti-corruption training within and beyond the alliance, disseminating the learned content to other employees to ensure anti-corruption principles are deeply ingrained.





Case

◆ CIMC Safe Tech's Integrity Education and Publicity Efforts

In 2024, focusing on external risk control trends and key internal risk points, CIMC Safe Tech delivered three quarterly training sessions, engaging a total of 123 participants. At the same time, a comprehensive review was carried out for all levels of leadership and personnel in sensitive positions. The signing of the annual Honesty and Self-discipline Statement was organized, with a total of 550 signatories. Additionally, for newly hired employees (totaling 33 participants), trainings on internal control and integrity were organized. These efforts aimed to build a strong sense of integrity from the outset and lay the foundation for the Company's sustainable development.

for newly hired employees, trainings on internal control and integrity were organized, totaling

33 participants



Case

◆ CIMC Sanctum Conducts Digital Supplier Risk Management

CIMC Sanctum has optimized supplier management and risk control through a digital risk management project. The main measures include:

- Identifying supplier interests and associations: Identifying associated suppliers, increasing the number of suppliers, and optimizing the supply chain structure to ensure the security and health of the supply chain.
- Refining bidding and tender management: Implementing risk management measures for the bidding and tendering phases, including terminating cooperation, increasing the number of suppliers, and requiring legal representatives to sign commitment letters to prevent improper supplier behavior.
- Focusing on external client risks: Collecting external client information, especially for long-term EPC engineering projects, analyzing the relationship between employees and clients, providing early warnings, and accurately intervening to minimize the impact of external risks on business operations.

These initiatives have significantly enhanced the risk management capabilities in terms of business ethics, providing a strong guarantee for the Company's high-quality development.

Whistleblowing System and Whistleblower Protection

CIMC Enric has established a comprehensive whistleblowing system, strictly observing the *Internal Whistleblowing System of CIMC Enric Holdings Limited*, which clearly outlines reporting channels, monitoring methods, and whistleblower protection. The Company has established multiple open reporting avenues at various levels, encouraging the legitimate and reasonable reporting of potential misconduct through proper procedures. The Company has designated a dedicated complaint and reporting hotline, email address, and mailing address, which are openly published on the Company's OA system and WeChat public account. This facilitates whistleblowers in reporting internal and external violations, such as trade secret leaks, corrupt practices (e.g., bribery, embezzlement, investment in suppliers or competitors), abuse of power, and nepotism, through face-to-face discussions, letters, emails, or phone calls.

Additionally, the Company requires employees in positions with frequent external email correspondence, such as procurement and sales, to include whistleblowing hotline and email addresses, as well as the General Manager's email, in their email signatures. This is to build a transparent and compliant communication and oversight channel with external clients and suppliers, ensuring information transparency and timely feedback on potential issues.

The Company strictly handles all whistleblowing materials in confidence, including the identities of whistleblowers and implicated employees. When handling complaints and whistleblowing reports, it is strictly prohibited to transmit core information, such as reporting letters, evidence materials, and whistleblowing records, to the accused units or individuals, to prevent information leakage and any form of retaliation against whistleblowers. The company will pursue administrative, economic, and legal responsibilities for acts of retaliation.

In 2024, overseas member enterprises engaged local law firms to provide professional information and set up software tools (EQS Integrityline), offering process support and training to comply with the German Whistleblower Protection Act. This was to ensure compliance with whistleblower protection regulations in operational regions such as the Netherlands, Belgium, and Denmark.

| | |
|-----------------|--|
| Hotline | 0755-26802222 |
| Email | 5198@enricgroup.com |
| Mailing Address | Legal and Compliance Department, CIMC Enric Holdings Limited, 3rd Floor, CIMC R&D Center, No. 2 Gangwan Avenue, Shekou Industrial Zone, Shenzhen, Guangdong, China |



Business Ethics Audit

During the reporting period, the Legal and Compliance Department actively conducted special audits and economic responsibility audits, focusing on risk areas such as corruption and bribery. These efforts ensured comprehensive audit coverage across all operational aspects of the company, achieved through the integration of internal and external whistleblowing cases and Group risk alerts. Upon identifying issues and deficiencies through audits, the relevant responsible departments or units were required to implement corrective measures and continuously monitor the progress of these actions. This process ensured closed-loop management of risk points. Within the reporting period, the Legal and Compliance Department completed and published 10 audit reports for affiliated enterprises, identified 154 audit deficiencies, and achieved an overall annual defect rectification rate of nearly 95%.

The Company's 2024 anti-corruption indicators are shown in the table below:

| | | | |
|---|---|---|---|
| Total number of anti-corruption litigation cases | Handling rate of valid reports | Number of specific anti-corruption training sessions | Number of participants in specific anti-corruption training |
| 0 | 100% | 23 | 2,360 |
| Coverage rate of anti-corruption training for employees | Number of anti-corruption training sessions for the Board | Number of board members participating in anti-corruption training | Coverage rate of training for the Board of Directorboard |
| 23% | 1 | 9 | 100% |
| Number of audits conducted | Number of audit findings to be enhanced | | |
| 13 | 170 | | |

Fair Competition and Anti-Trust

In promoting fair competition, the Company strictly adheres to relevant laws and regulations, including the *Anti-Unfair Competition Law of the People's Republic of China*. To enhance the Company's market competitiveness, we continuously increase investment in research and development as well as intelligent production lines, focusing on innovation and technological progress. Moreover, we actively participate in industry association activities, proactively play a key role in the establishment of industry standards, and take on the responsibility of promoting industry standardization and improving overall industry technology levels. In 2024, CIMC Enric continued to operate in compliance with regulations and respect others' intellectual property rights. There were no violations of laws or regulations, and no penalties were imposed. We will continue to make unremitting efforts to ensure the Company's business operations comply with relevant requirements and to promote the entire industry toward more advanced technologies and a healthier competitive environment.

02



Low-carbon and Environmental Protection: Safeguarding Green Ecosystems

Response to Climate Change

CIMC Enric's involvement in sustainable energy, such as green methanol, and its development of demonstration projects, not only supports sustainable development but also aims to leverage the advantages of the Company's core equipment and key processes through technological advancements. This effort is intended to make the application of clean energy more widespread, economical, and safe.

Zero-Carbon Mission International Climate Summit 2024
Executive Director and President Mr. Yang Xiaohu

In 2023, CIMC Enric released its *Climate Action White Paper*, referencing TCFD recommendations and incorporating stakeholder feedback. The White Paper assessed the Company's and its member enterprises' performance in climate metrics, risks, and opportunities for the year.

In 2024, the Company continued to monitor climate-related risks and opportunities, and reviewed the results of the 2023 climate scenario analysis. As there were no significant changes in the Company's business segments, strategy, or operational boundaries during the reporting period, the Company continued to reference the 2023 analysis results.

This report focuses on the core viewpoints and conclusions of the analysis of climate risks and opportunities. For details on the assessment methodology, scenario selection, key assumptions, and data charts, please refer to the *Climate Action White Paper*¹² by CIMC Enric.

Governance

Please refer to the section on Sustainable Development Governance for detailed content.

Strategy and Action

Climate Risks and Opportunities

Regarding the climate risks and opportunities identified for CIMC Enric, we conduct in-depth analysis of the impact of various factors across the Company's value chain, comprehensively consider their potential financial impacts, and implement corresponding measures to mitigate their effects on business operations.

¹² *Climate Action White Paper*: <https://doc.irasia.com/listco/hk/enric/annual/2023/ctcf.pdf>

Key Physical Risks Impact Assessment and Response

| Key Risks | Short-Term | Medium-Term | Long-Term | Description of Potential Impact | Value Chain Impact | Financial Impact | Response Measures |
|------------------------------------|------------|-------------|-----------|---|--------------------|--|--|
| Extreme Heat | ✓ | ✓ | ✓ | <ul style="list-style-type: none"> Power rationing due to high temperatures, restricts production capacity and leads to project schedule adjustments and occasional shutdowns Rising temperatures increase energy consumption for operations and factory ventilation, refrigeration, cooling, and air conditioning, as well as maintenance frequency Sudden extreme heat events pose health and safety risks to outdoor workers | Operations | Increased operational and management costs Revenue loss due to operational disruptions | <ul style="list-style-type: none"> Expanding into photovoltaic and energy storage projects to increase the proportion of new energy power supply and enhance resilience during peak electricity usage periods in various plant areas Preparing electric generators and other backup facilities, and flexibly adjusting work schedules during summer power restrictions Developing the <i>Emergency Plan for Heatstroke Incidents</i> Organizing summer heatstroke emergency rescue drills to improve response capabilities Implementing special summer measures for heat prevention and cooling at construction sites, such as setting up high-temperature rest areas, distributing relevant supplies, screening for contraindications to high-temperature work, and issuing high-temperature subsidies, to protect personnel health |
| Extreme Precipitation and Flooding | ✓ | ✓ | ✓ | <ul style="list-style-type: none"> Urban floods may result in damage or submersion of assets such as plants, equipment, and inventory Intense short-time heavy rainfalls may cause localized inflows or leaks in factory areas or workshops, rendering equipment unusable and causing the suspension of specific processes In the event of heavy rainfall, it will increase the drainage pressure on the drainage facilities in the factory area, leading to flooding of the grounds and potential losses or damage to factory equipment | Operations | Increased operational and management costs Reduced revenue due to production discontinuation and halts in the event of major natural disasters Increased expenditure on employee and equipment insurance Loss of value and impairment of assets | <ul style="list-style-type: none"> All member enterprises have formulated relevant emergency response plans and procedures for typhoon and flood prevention, such as the Emergency Response Plan for Typhoon and Flood, the Emergency Response Procedure Guidelines for Typhoon and Gale, and the Special Emergency Response Plan for Natural Disasters Organizing flood emergency drills and completing targeted improvements based on issues identified during the drills Deploying flood prevention work in advance before the rainy season, fully equipping flood control materials to enhance emergency response capabilities during the flood season Carrying out inspection work when the rainy season arrives, improving the equipment layout and implementing localized reinforcement in low-lying and easily permeable areas, checking the safety of electrical facilities, and ensuring the unobstructed status of rainwater wells and drainage pipes Organizing anti-typhoon and flood control emergency drills, and making targeted improvements based on the issues identified during the drills. |

Key Transition Risks Impact Assessment and Response

| Key Risks | Short-Term | Medium-Term | Long-Term | Description of Potential Impact | Value Chain Impact | Financial Impact | Response Measures |
|---|------------|-------------|-----------|--|-------------------------|---|---|
| International/Domestic Climate Policies | ✓ | ✓ | ✓ | <ul style="list-style-type: none"> National climate policies are becoming stricter, potentially increasing carbon management costs, as evidenced by laws such as the <i>Energy Law of the People's Republic of China</i> and the <i>Interim Regulations on the Administration of Carbon Emission Trading</i>. The CBAM will impose carbon tariffs on goods imported into the EU, potentially increasing costs for CIMC Enric's related product exports. For example, the steel containers for compressed or liquefied gases, classified under HS code 7311 00, are subject to the CBAM as stipulated in Regulation (EU) 2023/956. Increasingly stringent information disclosure regulatory requirements, such as the EU CSRD, the Stock Exchange of Hong Kong's ESG Code, and the Hong Kong region's HKFRS S1/S2. | Upstream and Operations | Increased operational and management costs Capital expenditures in the short time | <ul style="list-style-type: none"> Closely monitoring the development of policies, laws and regulations Actively participating in the formulation of national, industry, and group standards Reasonably integrating climate-related goals and standards into investment decisions Increasing reasonable investments, implementing emission reduction measures, enhancing energy consumption management, and meeting policy requirements Considering timely transfer of production capacity overseas to achieve risk hedging Strictly adhering to local regulatory requirements for information disclosure and conducting verification to avoid issues such as false information disclosure and greenwashing |
| Industry Development | | ✓ | ✓ | <ul style="list-style-type: none"> The shifting balance between decarbonization and supply security will constrain many companies' investment decisions in natural gas As a transitional energy source for the net-zero transition, natural gas is projected by the IEA to peak in global consumption demand between 2030 and 2035, followed by a risk of declining demand | Upstream and Operations | Increase in R&D costs Decrease in revenue | <ul style="list-style-type: none"> Enhance market insights and promptly adapt business development strategies Effectively manage internal operations and conduct competitor analysis to maintain product superiority |
| Upstream Raw Materials | ✓ | ✓ | ✓ | <ul style="list-style-type: none"> The increase in the cost of raw materials such as steel, and the risk of rising electricity prices for energy-intensive enterprises, may be passed through to the Company's overall costs | Upstream | Increase in production costs | <ul style="list-style-type: none"> Enhance research and development efforts and appropriately reduce risks through alternative materials Innovate and improve procurement processes and strategies, developing targeted green procurement plans Collaborate with suppliers to foster mutual growth and achieve low-carbon transition |
| Low-carbon Technological Innovation | ✓ | ✓ | ✓ | <ul style="list-style-type: none"> The imbalance between the R&D costs of low-carbon technological innovation and its benefits may affect the Company's costs and revenues External low-carbon technology innovations may lead to a decline in the competitiveness of the Company's products | Operations | Increase in R&D costs Accelerated depreciation of high-energy consumption equipment Decrease in revenue | <ul style="list-style-type: none"> Conduct low-carbon technological innovation based on market demand to reasonably avoid market risks Establish a dedicated R&D center to strengthen low-carbon technology research, including hydrogen production R&D and optimization of storage tank design, among others. The outcomes of such R&D can also be converted into marketable technological achievements. Carry out energy-saving retrofitting to enhance the energy efficiency of equipment; accelerate the phasing out of high-energy-consuming, low-value assets to avoid the risk of asset stranding |
| Energy Structure Adjustment | ✓ | ✓ | ✓ | <ul style="list-style-type: none"> The government issues break-down objectives for "control of total energy consumption and energy intensity" of the Company, and as a result, the frequency of energy management events such as power rationing, control of total energy consumption and energy intensity, and peak-shifting electricity usage is expected to increase continuously, leading to restrictions on regular production electricity usage Failing to timely assess and adjust the energy consumption structure may lead to an increase in energy costs; green power projects and the purchase of green electricity require substantial capital investment | Operations | Increased operating and management costs Increased capital expenditures in the short time | <ul style="list-style-type: none"> Construction of photovoltaic power generation facilities and implementation of green electricity procurement to reduce reliance on traditional fossil fuels Implement digital energy monitoring and management, and carry out improvement measures Optimize the operation efficiency of factory facilities through measures such as process innovation, energy-saving technological upgrading and other measures |

Key Transition Opportunity Impact Assessment and Response

| Key Opportunities | Short-Term | Medium-Term | Long-Term | Description of Potential Impact | Value Chain Impact | Financial Impact | Response Measures |
|---|------------|-------------|-----------|--|--------------------|---|--|
| Internal Operations | | | | | | | |
| Digital energy management | | √ | | Effective energy monitoring and management, such as implementing an energy management system, conducting energy audits and energy efficiency diagnosis, and adopting energy-saving technologies, is crucial for CIMC Enric (primarily for equipment and process business). This approach significantly reduces energy consumption and carbon emissions, resulting in cost savings | Operations | | Enhance digital energy management to optimize energy efficiency |
| Energy saving retrofit | | √ | | | | | Increased short-term capital expenditure due to technological advancements |
| Process innovation | | | | Against the backdrop of the vigorous development of green energy, a timely adjustment of the current energy consumption structure and the development of clean energy can offer the Company opportunities for energy cost saving | | Reduced operational costs due to decreased energy consumption | Develop new low-energy/high-efficiency technologies through R&D innovation |
| | | √ | √ | While short-term investments in energy-saving and low-carbon R&D improvements for technology and production processes, as well as lean production management, may increase costs for the Company, long-term benefits will arise from reduced production energy consumption and carbon emissions through low-carbon process innovation. Ultimately, this will lead to savings in energy and carbon emission costs. | | | Reuse waste materials to improve material utilization Adopt product lightweighting measures to reduce Scope 3 emissions Actively participate in green collaborative research projects such as low-carbon footprint steel, broadening technological avenues |
| Green businesses | | | | | | | |
| Natural gas (full value chain) | √ | √ | | Product structure adjustment is a crucial process in the low-carbon transition. This includes technological upgrades, changes in raw materials, and adjustments to business models, all of which can have an impact on the Company. For CIMC Enric's five major business segments—such as clean energy equipment manufacturing, natural gas transportation, and EPC—aligning with the carbon peaking and carbon neutrality trend and making adjustments in products or services, such as green transportation and green equipment manufacturing, can enhance the Company's product competitiveness, increase market share, and ultimately boost revenue. | Downstream | | Deploy hydrogen energy business to create an integrated value chain covering hydrogen production, storage, transportation, and refueling, as well as application scenarios and intelligent hydrogen solutions The Ansteel CIMC coke oven gas-to-hydrogen and co-production of LNG project become operational in 2024 |
| Hydrogen energy (full value chain) | | √ | √ | | | | Increase in R&D costs |
| Ammonia (bio-based production, industrial tail gas capture, storage and transportation) | | √ | √ | The Ministry of Industry and Information Technology, along with five other departments, jointly issued the <i>Action Plan for Green Development in the Shipbuilding Industry (2024-2030)</i> . The plan highlights that China's marine alternative fuel and new energy technology applications will be in line with international standards and that China's international market share for liquefied natural gas (LNG), methanol, and other green-powered ships will exceed 50%. Additionally, the European Union's Fit for 55 initiative explicitly includes the shipping industry in the Emissions Trading System (ETS), which will create significant business development opportunities for clean energy ships. | | Revenue increases due to increased demand for products and services | Increase R&D investment in areas such as energy conservation and environmental protection, clean energy, and green infrastructure upgrades Focus on the reserves and R&D of CCUS technology, waiting for the business model to mature |
| Methanol (bio-based production, storage and transportation) | | √ | √ | | | | Actively participate in the formulation of relevant national, industry, and group standards related to the development of low-carbon products and technologies |

Climate Resilience

We have conducted scenario analysis of climate-related risks and opportunities in the short-term (in 2023-2025), medium-term (by 2030), and long-term (by 2050) across the following five different scenarios:

| Type of Analysis | Scenario |
|------------------------------------|--------------|
| Physical Risks | RCP4.5 |
| | RCP8.5 |
| Transition Risks and Opportunities | IEA NZE 2050 |
| | IEA APS |
| | IEA STEPS |

For details on the scenario analysis assumptions, charts, and specific results, please refer to CIMC Enric's *Climate Action White Paper*¹³, as this chapter presents only the key conclusions.

| Physical Risks | Risk Type | Average Risk Level |
|----------------|-----------------------|--------------------|
| Acute risks | Extreme precipitation | Medium risk |
| | Extreme heat | Medium risk |
| | Tropical cyclones | Medium risk |
| | Coastal flooding | Low risk |
| | Riverine flooding | No risk |
| Chronic risks | Wind speed trends | Low risk |
| | Warming trends | Low risk |
| | Dry trends | Low risk |
| | Water scarcity | Low risk |
| | Sea level rise | Low risk |

In terms of physical risks, under the RCP4.5 and RCP8.5 scenarios, the average risk levels of extreme precipitation, extreme heat, and tropical cyclones are relatively high. According to the transition risk scenario analysis, regardless of whether the Company adopts an aggressive or compliant approach to emission reductions, the transition risks across all scenarios are low.

As for climate opportunities, under the NZE 2050 and APS scenarios, the roles of natural gas, green hydrogen, green ammonia, and green methanol in the future energy sector are expected to continue strengthening. These related energy opportunities are closely aligned with CIMC Enric's business development strategy and will bring new growth opportunities to the Company. The detailed quantitative results of the corresponding scenario analysis can be found in CIMC Enric's *Climate Action White Paper*.

¹³ *Climate Action White Paper*: <https://doc.irasia.com/listco/hk/enric/annual/2023/ctcfd.pdf>

Climate Action Measures

CIMC Enric strictly adheres to laws and regulations such as the *Energy Conservation Law of the People's Republic of China*. Aiming for peak carbon emissions and carbon neutrality, the Company achieves energy conservation and emission reduction, as well as quality improvement and efficiency enhancement, through optimizing production processes and technologies, and improving energy utilization efficiency. In 2024, the Company actively carried out energy conservation and emission reduction projects based on internal regulations, including the *Energy Management Regulations* and the *Water, Electricity, and Gas Usage Management Regulations*. It also implemented energy conservation management plans and regular inspections to further reduce energy consumption.

Drawing on advanced energy management systems both domestically and internationally, CIMC Enric continuously enhances its energy management capabilities. By 2024, seven of its member companies had obtained ISO 50001 energy management system certification, accounting for more than 27% of the total number of member companies.

The subsidiaries have passed the ISO 50001 Energy Management System certification.

7 subsidiaries

The proportion of member enterprises exceeds

27%

Utilization of Clean Energy

During the reporting period, the Company continued to advance the efficient utilization of renewable energy, steadily increasing the proportion of renewable energy sources such as photovoltaic power. The aim is to gradually establish an energy consumption system characterized by green and low-carbon, energy conservation and efficiency, diversified complementarity, and intelligent interconnection. In 2024, the Company's member enterprises made new progress in promoting the construction of photovoltaic projects within their factory premises, achieving a total photovoltaic installed capacity of 19.65 MW.

achieving a total photovoltaic installed capacity

19.65 MW

Progress of Distributed Photovoltaic Projects in Factory Premises of CIMC Enric's Member Enterprises ¹⁴

| Member Enterprises | Roof Construction Area | Installed Capacity | Progress |
|--------------------|------------------------|--------------------|----------------------------|
| Nantong Energy | 8,000 m ² | 1.11MW | Operational |
| CIMC Hongtu | 70,000 m ² | 5.00MW | Operational |
| CLPT | 19,000 m ² | 2.07MW | Operational |
| SOE | 60,000 m ² | 5.67 MW | Operational |
| GCT | 14,000 m ² | 1.20 MW | Operational |
| CIMC Safe Tech | 6,500 m ² | 0.70 MW | Operational |
| CIMC Sanctum | 37,000 m ² | 3.90 MW | Operational |
| Shijiazhuang Enric | 70,000 m ² | 6.24 MW | Implementation in progress |


¹⁴ All photovoltaic projects are constructed through third-party investment

Energy Saving and Consumption Reduction Action

Energy conservation and consumption reduction are crucial approaches to enhancing the efficiency of energy utilization. Leveraging its deep experience and technological advantages in the field of energy equipment, CIMC Enric has implemented measures such as technological research and development, equipment retrofit, product design, process optimization, and digitalization and intelligent upgrades to fully unlock its energy-saving potential and continuously improve energy usage efficiency.

CIMC Enric's Emission Reduction Measures

| Specific Measures | Emission Reduction Stage | Estimation of Carbon Reduction | Business Segment | Description | |
|--|--|--------------------------------|---|--------------|--|
| Improving energy efficiency and reducing consumption | Efficient energy utilization | Scope 1 | 80 tCO ₂ e per year | Clean energy | CIMC Hongtu has built a new large heat treatment furnace, which adopts multi-purpose furnace technology and high-pressure jet burner technology, and eliminates circulation fans. These measures have achieved a reduction of 45 m ³ of gas per unit. |
| | Energy management system | Scope 1,2 | 95 tCO ₂ e per year | Clean energy | Shijiazhuang Enric is currently advancing the construction of the EQC platform to achieve digital management and operation as well as digital and intelligent scheduling of the entire zero-carbon factory. This includes monitoring, collecting, and managing carbon emission data for the entire factory. |
| | Refined management of energy | Scope 2 | Approx. 350 tCO ₂ e per year | Clean energy | SOE conducted a study on the increased energy consumption in the paint shop and developed an energy-saving retrofit solution to address the excessive electricity consumption of the RTO. Following the implementation of the project, daily electricity consumption was reduced from 3,000 kWh to 880 kWh. |
| Utilization of renewable energy | Roof-mounted BIPV system | Scope 2 | 1,391 tCO ₂ e per year | Liquid food | CLPT's intelligent equipment workshop spans 18,900 m ² , with a photovoltaic installed capacity of 1.605 MWp, capable of generating 1.2519 million kWh of clean energy annually. The project is expected to produce 1.8 million kWh of electricity in its first year, fully meeting 50% of the site's production electricity needs and supplying surplus power to other production and office areas within the factory.  |
| | Photovoltaic project in the factory premises | Scope 2 | 844.2 tCO ₂ e per year | Clean energy | The Nantong Energy PV Project is anticipated to generate 1.2 million kWh annually, saving electricity costs by RMB 578,400. Currently, the proportion of green electricity used by Nantong Energy has reached 12.8%.  |

| | | | | | |
|---|---|--|--------------------------------------|--------------|---|
| Processes phased out, replaced, or upgraded | Construction of a twelve-unit double-decker drying room | Scope 1 | 2,560.03 tCO ₂ e per year | Clean energy | Nantong Energy has invested in and constructed a twelve-unit double-decker vacuum drying room, which significantly reduces the consumption of fuel gas for vacuum processes and saves approximately RMB 4.5 million annually in natural gas costs.  |
| | Cooling upgrade for the spin forming machine | Scope 2 | 400 tCO ₂ e per year | Clean energy | Shijiazhuang Enric has implemented energy-saving technical renovations and plans to add a 1,500KW refrigeration capacity unit with Grade 1 energy efficiency (advanced level), specifically a double first-grade frequency conversion screw compressor unit or a double first-grade magnetic levitation compressor unit. A comprehensive system analysis for energy saving and carbon reduction shows that the project will save approximately RMB 425,800 in electricity costs annually. |
| Lightweight design for products | Lightweight design in semi-trailer | Scope 3 Purchased products and services - End-of-life treatment of sold products | 4,500 tCO ₂ e per year | Clean energy | CIMC Hongtu has achieved a weight reduction of over 400 kg in the tank body of LPG tanker trucks, while maintaining equivalent performance. This was accomplished through the application of new materials and lightweight design, resulting in a 10% increase in single-vehicle transport capacity. Following the product weight reduction, annual CO ₂ emissions have been reduced by approximately 4,500 tons. |

Breakthrough Products and Services

CIMC Enric attaches great importance to the sustainable development of its business, focusing on enhancing technical reserves in green business areas and increasing R&D investment in low-carbon fields. These efforts are aimed at being well-prepared for long-term green business opportunities. In 2024, the Company pursued vigorous innovation, achieving a series of major breakthroughs in green businesses.

Climate-related Products and Services

Hydrogen Energy Business

Securing the Bid for China's Largest Green Hydrogen-Ammonia-Methanol Integration Project: Advancing the "Hydrogen Valley in Northern China"



In August 2024, Shijiazhuang Enric successfully won the bid for the China Energy Construction Songyuan Hydrogen Energy Industry Park (a hydrogen-ammonia-methanol integration project), which is currently the largest green hydrogen-to-green ammonia and green methanol synthesis innovation demonstration project under construction in the country.

CIMC Enric Successfully Launched China's First Commercial Liquid Hydrogen Tanker



In January 2024, CIMC Sanctum successfully developed and launched China's first commercial liquid hydrogen tanker. This breakthrough signifies significant progress for CIMC Enric in the high-end equipment manufacturing sector of the hydrogen energy industry chain, filling the gap in China's liquid hydrogen storage and transportation equipment sector.

The First High Vacuum Multilayer Insulated Liquid Hydrogen Spherical Tank Completed On-Site in China



CIMC Sanctum successfully developed and completed the on-site construction of China's first high vacuum, multilayer insulated liquid hydrogen spherical tank. This achievement marks a milestone in large-volume storage within the hydrogen energy industry chain for the company.

China's Largest-Volume Automotive Compressed Hydrogen Cylinders with Aluminum Liners and Full Carbon Fiber Wrapping



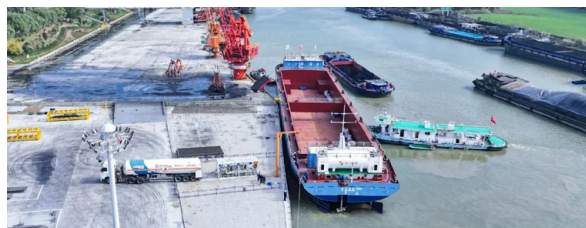
Nantong Energy has developed China's largest-volume automotive compressed hydrogen cylinders with aluminum liners and full carbon fiber wrapping. These cylinders have passed the type certification from national type testing institutions. The large volume enhances hydrogen storage efficiency, reduces potential hydrogen leakage points, and achieves a mass hydrogen storage density of 5.26 wt%. This allows for optimized hydrogen carrying capacity by size and significantly improves vehicle driving range.

Securing Overseas Orders of Over Ten Million US Dollars for Hydrogen Storage Spherical Tanks



CIMC Hongtu has successfully signed a contract for an overseas hydrogen storage spherical tank project, under which it will construct 12 storage spherical tanks, each with a volume of 2,953 cubic meters, for an Indian client's green hydrogen and green ammonia project in Oman, Middle East. This project lays a solid foundation for expanding the company's overseas business.

First Refueling Completed for "Jining Port Navigation 9001": Pioneering 90-Meter LNG-Powered Vessel on the Beijing-Hangzhou Grand Canal



CIMC Enric's intelligent LNG skid-mounted integrated refueling equipment—designed, developed, and manufactured by the Company—fully demonstrates the Company's comprehensive capabilities in the inland waterway LNG-powered vessel sector through cooperation with sister companies. These capabilities span "manufacturing + equipment + intelligence + service", with which the Company successfully supported the first refueling of the LNG-powered vessel "Jining Port Navigation 9001".

Shengli Oilfield Associated Gas Power Generation and Heating Project



The project utilizes CIMC Enric's AM20 CHP (Combined Heat and Power) energy station product, which generates electricity using the casing gas that is naturally vented from the oilfield. The hot water produced is used for the insulation of oil pipelines. From its commissioning in September 2024 to December 15, 2024, the project provided the oil wells with 42,344 kWh of electricity free of charge and supplied 86,612 kWh of heat.

New Green Shipping Benchmark: Construction Begins on the First 40,000 m³ LPG/Liquid Ammonia Carrier



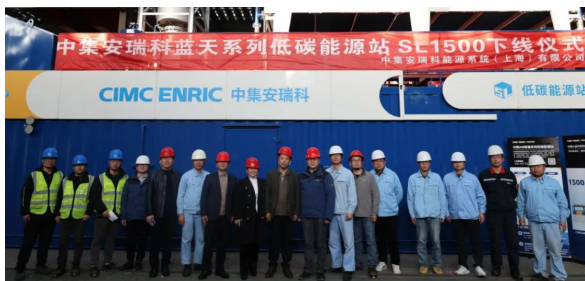
In 2024, SOE officially commenced construction of the first 40,000 m³ LPG/liquid ammonia carrier for Avance Gas. The vessels in this series are equipped with MAN's environmentally friendly dual-fuel engines, meeting the latest IMO EEDI Phase III and Tier III emission requirements.

Global First Vertical Double-Lobe Fuel Tank Delivered



SOE has successfully delivered the world's first 3×4,650 m³ vertical ultra-high LNG double-lobe ship fuel tanks, marking a significant breakthrough for the company in the high-end fuel tank manufacturing sector. The project overcame technical challenges, including ultra-high structural design, vertical saddle strength, and combined water-gas pressure testing, to provide an efficient fuel storage solution for container ships with compact spaces.

Launch of the First Blue Sky Series Low-carbon Energy Station



CIMC Enric Energy Systems (Shanghai) Co., Ltd., a subsidiary of CIMC Enric, has successfully launched the first Blue Sky Series low-carbon energy station (SL1500). The device is applied to the Ulanqab ferroalloy exhaust gas power generation project. It efficiently utilizes industrial flue gas for power generation and enables combined heat and power (CHP) supply, reducing carbon emissions by up to 8,048 tons annually.

CIMC Enric Constructs and Delivers Multiple New Energy Vessels

In 2024, CIMC Enric achieved significant results in offshore clean energy area, constructing or delivering numerous new energy vessels, including:

- Marine fuel tanks and other components
- LNG/dual-fuel carrier vessels
- LNG bunkering vessel
- New energy-powered vessels

The client base includes both domestic and overseas renowned companies, such as:

- CNOOC
- Changhang Shipping Co., Ltd.
- AC-INOX GmbH
- Vitol International Shipping
- Seaspan ULC

The Company Provides Low-Carbon Whisky Turnkey Engineering Services for Gujing Group



The Company will provide Gujing Group with a complete set of whisky production equipment and turnkey engineering services, covering the entire process from raw materials to finished products. The project will utilize the latest energy-saving and carbon-reducing technologies in the industry to help the client achieve net-zero emissions and carbon neutrality targets.

Climate-Related Financial Impact

Current Financial Impact ¹⁵

Financing Channels

In terms of securing green funding, CIMC Enric primarily obtains financial support for its green projects through green loans and credit lines. Notably, the Company has not issued any green bonds. As of the end of the reporting period, CIMC Enric has secured RMB 34.41 million ¹⁶ in green loans domestically and a sustainability-linked credit line of EUR 170 million (approximately RMB 1.34 billion) internationally. These funds will continue to support the Company's green initiatives. For information on financing unrelated to green funds, please refer to the CIMC Enric 2024 Annual Report.

Climate-Related Financial Expenditure

In terms of climate-related financial expenditures, CIMC Enric has referred to standards such as the *Green Low-carbon Transformation Industry Guidance Catalogue (2024 Edition)*, the *Green Bond Endorsed Projects Catalogue (2021 Edition)*, and the *Green Technology Promotion Catalogue (2024 Edition)* to classify its internal green activities, and subsequently aggregate and consolidate the relevant data. The financial expenditures (unit: RMB) for this year are as follows:

| Climate-Related Activities | Capital Expenditure | Operating Expenditure |
|---|---------------------|-----------------------|
| Low-carbon operation equipment investment | 79,904,000 | 1,494,000 |
| Process improvement investment | 2,380,000 | 3,274,000 |
| Climate-related products R&D investment | 114,904,000 | 127,597,000 |
| Green-related review and certification | - | 1,110,000 |
| Green digital system investment | 1,658,000 | - |
| Others ¹⁷ | - | 208,000 |

Regarding climate-related financial benefits, CIMC Enric's green power adoption is carried out through the Energy Performance Contracting (EPC) model, enabling preferential prices for green power procurement that reduces energy costs and annual cash outflows. For green revenue performance, please refer to CIMC Enric's 2024 Annual Report, under the operating income section of the Clean Energy Segment.

Anticipated Financial Impact

For information on anticipated financial impact, refer to the scenario analysis chapter in the *Climate Action White Paper* and the "Investment Plan" section within the Sustainable Business Strategy chapter of this Report. This section provides a clear analysis of the financial risks and opportunities exposures under different scenarios, as well as the Company's five-year investment plan formulated to manage climate-related risks and opportunities ¹⁸.

¹⁵ This year, CIMC Enric conducted its first assessment of climate-related financial performance statistics. However, the data may not yet cover all relevant aspects. The scope and criteria of these statistics will be progressively enhanced in the future.

¹⁶ This amount does not include bank credit lines.

¹⁷ This includes employee climate awareness training, the Company participation in standard formulation, and climate-related premium expenditures.

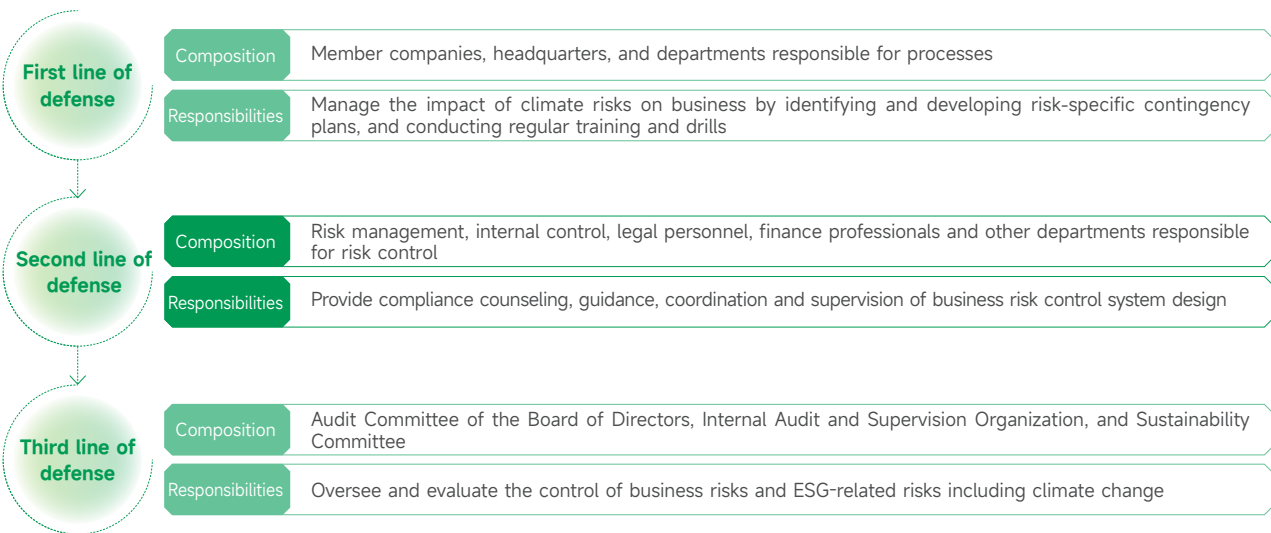
¹⁸ The investment amount in the Investment Plan is closely linked to business development and strategic layout, and is considered a trade secret. Therefore, this Report does not disclose the relevant figures at this time.

Risk Management

CIMC Enric prioritizes stakeholder interests and deeply understands the importance of addressing climate-related risks while seizing climate-related business opportunities to create sustainable value and ensure long-term stability for the Company. To this end, CIMC Enric continuously enhances its risk management framework and control systems by proactively integrating climate change factors into risk management, building a resilient and responsible corporate core.

Risk Management Structure

CIMC Enric has established a three-line defense model for business risk management, by incorporating climate-related risks into its considerations to ensure full participation of all employees in the Company's risk control efforts.



Risk Management Procedures

CIMC Enric has established management procedures for climate risks and opportunities and achieved closed-loop risk management through "risk identification, risk assessment, risk priority ranking, risk response, and optimization and improvement".



Risk Identification

In light of various policy trends, market dynamics, and technological advancements, CIMC Enric has formulated a climate risk identification list based on the COSO ERM framework.



Risk Assessment

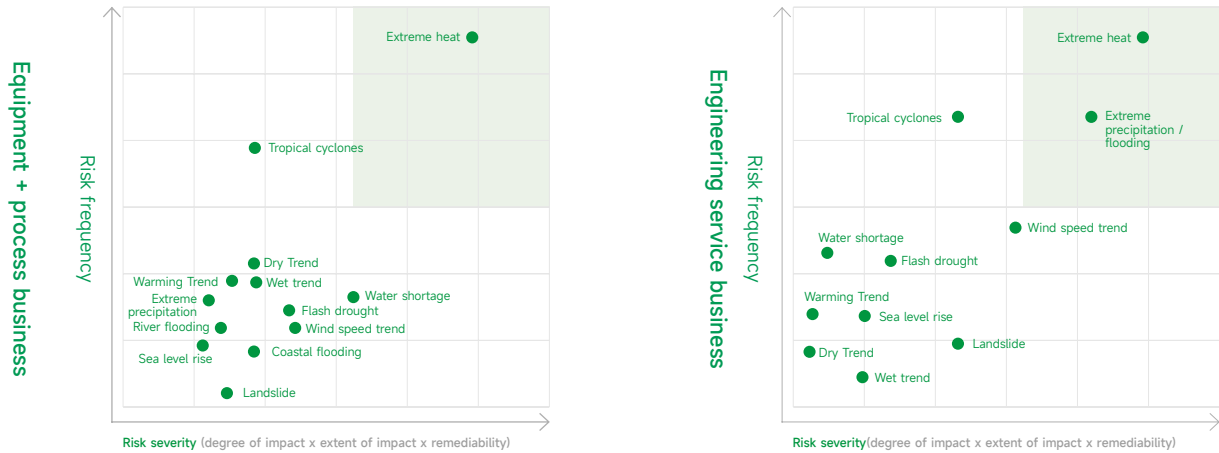
In terms of risk assessment, CIMC Enric has referred to the COSO's *Enterprise Risk Management for Environmental, Social, and Governance-Related Risks*. We have adopted the Delphi method to gather expert opinions. CIMC Enric invited internal business heads, risk control officers, and external industry experts to participate in workshops and interviews, where they assessed the anticipated impact and likelihood of each identified risk.



Priority Ranking

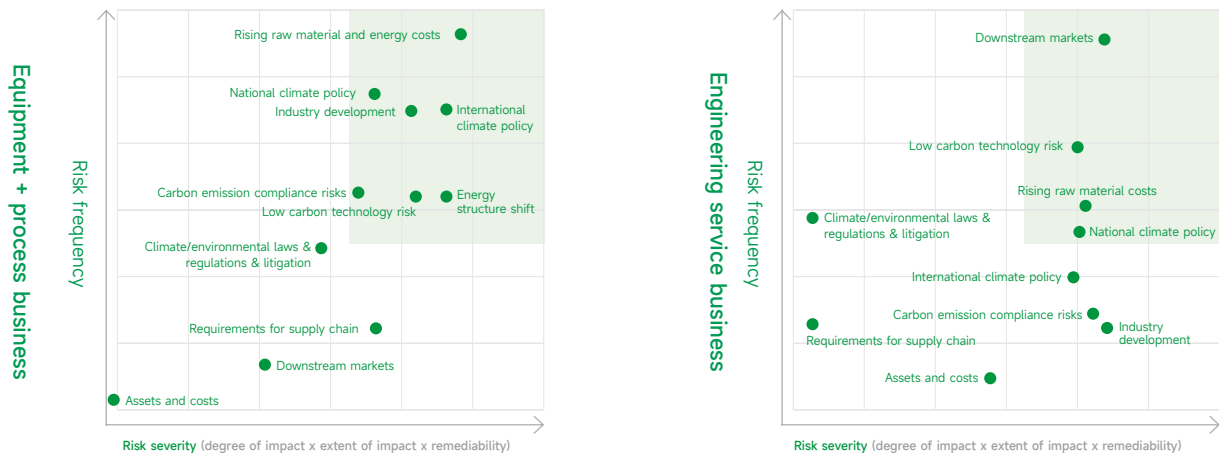
By integrating feedback from its member companies and various departments, CIMC Enric has prioritized climate-related risks and opportunities.

During the reporting period, CIMC Enric continued to strengthen the management of potential climate risks in its production operations and maintained tracking and assessment of risk factors. In 2024, there were no significant changes in our business and operational boundaries, hence the climate risk matrix identification results did not require major updates.



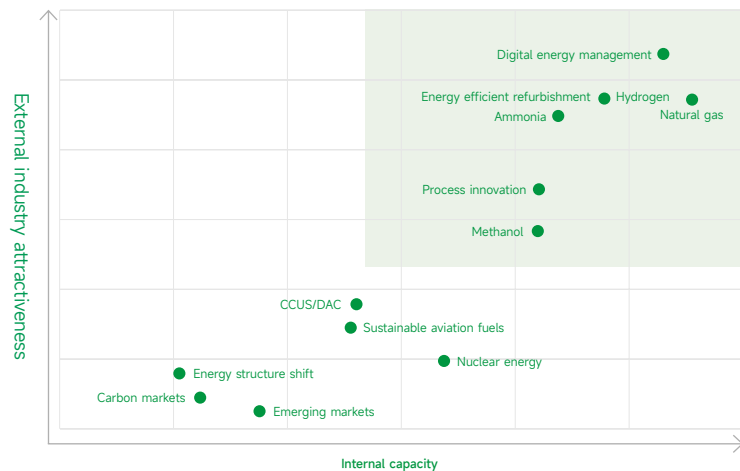
Physical Risk Matrix

Regarding physical risks, for equipment and process-oriented enterprises, extreme heat is the primary risk that affects business continuity. In contrast, engineering service-oriented enterprises face uncertainty due to their reliance on customer-designated construction sites for engineering projects. These sites are often susceptible to local disasters, with the most common being extreme precipitation or flooding, tropical cyclones, and increasing wind speeds.



Transition Risk Matrix

In terms of transitional risks, equipment and process-oriented enterprises have a higher dependency on energy consumption, particularly electricity, and the development of energy-related businesses, such as LNG. Consequently, they face greater risks associated with the low-carbon transition. Specifically, the risks posed by factors such as rising energy costs, adjustments in the energy structure, and the development of the energy industry are relatively high.



Climate Opportunity Matrix



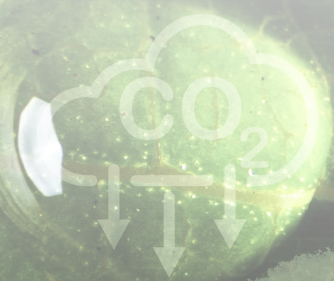
Risk Response

Following risk identification and assessment results, the Company has analyzed the underlying causes of risks and has formulated or adjusted risk management strategies, internal monitoring procedures, and risk control rules and standards in a targeted manner. This is aimed at preventing, avoiding, or mitigating risks at their source. Besides, the Company has developed pertinent response measures and solutions based on business risk scenarios, including a special emergency plan for natural disasters and emergency response procedure guidelines. The Company regularly reviews the nature and severity of risks to ensure that they are effectively controlled.



Optimization and Improvement

Climate risks are highly complex and uncertain. Consequently, we will continue to refine and improve the forward-looking methods to identify climate risks and capabilities to research and mitigate them. With a constant focus on climate practices by internationally leading organizations and enterprises, we enforce cross-departmental cooperation and stakeholder engagement to consistently improve information communications and transparency. Furthermore, we will increase climate-related training sessions to improve awareness and enhance the climate adaptation capacity of both the Company and its employees.



Indicators and Objectives

To effectively address climate change, CIMC Enric employs a range of quantifiable indicators to manage the progress of related actions. Based on these indicators, corresponding response objectives have been established, with regular reviews and assessments of their implementation. The climate targets are as follows:

Achieving peak carbon emissions across the Group no later than 2030, and realizing carbon neutrality before 2060

| Indicator | | Unit | 2024 | 2023 | 2022 | Percentage Change from 2023 to 2024 |
|--|--------------------------------|--|-----------|-----------|-----------|-------------------------------------|
| Absolute emissions | | | | | | |
| Direct GHG emissions (Scope 1) | | Tons of CO2e | 30,604.70 | 31,353.17 | 23,140.20 | Decreased by 2.39% |
| Indirect GHG emissions (Scope 2) | | | 78,769.12 | 84,326.44 | 71,698.35 | Decreased by 6.59% |
| Other indirect GHG emissions (Scope 3) | Employee commute ¹⁹ | | 1,503.20 | - | - | - |
| | Business travel ²⁰ | | 1,949.04 | - | - | - |
| Emission intensity | | | | | | |
| Direct GHG emissions (Scope 1) | | Tons of CO2 equivalent per RMB 100 million revenue | 121.7371 | 123.63 | 132.06 | Decreased by 6.83% |
| Indirect GHG emissions (Scope 2) | | | 313.3219 | 318.18 | 409.16 | Decreased by 10.85% |

¹⁹ The carbon emissions from employee commuting are calculated based on the sample survey data of commuting methods for employees of the Company in 2024 (sample proportion: 23.07%). We have used the transportation data of employees traveling between their residences and workplaces, applying the factors from the China's Product Life Cycle Greenhouse Gas Emissions Dataset (2022) for accounting purposes.

²⁰ The carbon emissions from employee business travel are based on the mileage of railway and air travel by employees of the Company. The factors from the China's Product Life Cycle Greenhouse Gas Emissions Dataset (2022) have been utilized for accounting.

Strict Control of Pollutant Discharge

CIMC Enric regards compliance with environmental and safety regulations as the cornerstone of sustainable development. The Company places great importance on the impact of its products, services, and operations on environmental protection, energy conservation, and the comprehensive utilization of resources. It has formulated and implemented several internal environmental management policies to promote the deep integration of green development with business operations.

In 2024, member enterprises under the company continued to update systems related to environmental protection, monitoring, factor identification, and effluent management. These updates, combined with international advanced standards, have optimized the environmental management system, covering aspects such as policy formulation, goal setting, risk assessment, implementation controls, regular monitoring, oversight inspections, and continuous improvement.

By 2024, a total of 15 member enterprises of the Company have obtained ISO 14001 Environmental Management System Certificate, accounting for over 58% of all member enterprises. Additionally, 3 enterprises have been awarded the national "Green Factory" title, and 2 enterprises have received the provincial "Green Factory" title. Furthermore, the Company's Digital Security Department conducts internal reviews of the environmental management system at least once a year and require subordinate investment companies to carry out external audits of the environmental management system every three years based on requirements specified in the ISO 14001, thereby ensuring compliance with certification standards across all operational areas.

In 2024, relevant enterprises commissioned third-party monitoring agencies to conduct tests on wastewater and exhaust emissions in accordance with the requirements of the pollutant discharge permit, and all results met the qualifications.

Utilization of Water Resources and Wastewater Management

In terms of water resource utilization, CIMC Enric strictly adheres to the *Water Law of the People's Republic of China*, attaches great importance to the rational use of water resources, and continuously optimizes water resource management. The Company has established a comprehensive water conservation management system that covers the entire process of water withdrawal, recovery, and reuse, in order to reduce the pressure on water resources from production and operations.

During the reporting period, member companies significantly improved water usage efficiency and reduced water consumption through various measures. Specific measures include:

- ✓ Installation of advanced water-saving equipment, such as efficient water recycling systems and smart water meters, to achieve precise monitoring and control of water usage;
- ✓ Implementation of refined water use management in the production process, allocation of water resources reasonably, and introduction of efficient cooling towers and wastewater treatment and reuse facilities in high water consumption processes;
- ✓ Use of treated water resources for non-production activities such as factory greening and road washing;
- ✓ Extensive conduct of water-saving publicity and education, promotion of the use of sensor-activated faucets and water-saving toilets, and control of water resource usage at the source.

Through these initiatives, the Company has effectively reduced water waste and optimized the efficiency of water resource utilization.

In terms of wastewater discharge, CIMC Enric strictly adheres to the requirements of laws and regulations such as the *Water Pollution Prevention and Control Law of the People's Republic of China*, and consistently sets wastewater treatment and discharge standards above the national stipulated levels, ensuring all discharged wastewater is clean and harmless, thereby mitigating potential environmental impacts.



Regarding wastewater management, the Company explicitly prohibits the direct discharge of hazardous wastes such as high-freezing point oily products, oil stains, solvent waste, acid waste, and acetone waste into the drainage system. To ensure the safe treatment of wastewater, the Company has established specific procedures requiring that all wastewater containing harmful substances be collected centrally and undergo an effective treatment process as stipulated. Only after the wastewater meets discharge standards is it permitted to be released into municipal sewage networks, thereby minimizing environmental impact.



In terms of wastewater treatment technology, the Company continuously adopts advanced processes to enhance treatment efficiency and quality. Currently, the Company has initiated technical upgrades at its wastewater treatment stations, added new treatment facilities, and achieved the reuse of concentrated water from deionized water production, optimizing resource utilization efficiency.



In sewage pipeline systems, the Company has established two separate networks for industrial and test waters. Efficient resource utilization is achieved by treating acid wash wastewater in alkali wash tanks and recycling test water during pressure testing processes. For domestic sewage, the company employs septic tanks for pretreatment, and sewage containing animal and vegetable oils is processed through grease traps before being combined with other wastewaters and discharged into municipal sewage mains, ensuring the scientific and environmentally friendly nature of the treatment process.

During the reporting period, CIMC Enric faced no challenges related to water acquisition and usage within its operational areas. On the emissions front, quarterly monitoring results of wastewater discharge consistently met standards.

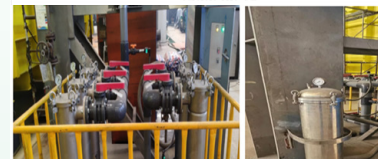
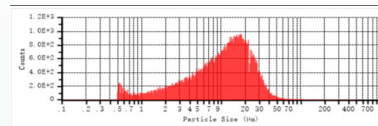


Case

◆ Nantong Energy Enhances Wastewater Treatment to Enable Recirculation of Pressurized Test Water

In the past, the heavy-duty workshop of Nantong Energy used to centrally discharge wastewater from pressurized testing into a collection pool. Once the water level reached the warning line, a submersible pump was used to transport the water to the wastewater treatment station for processing. This method resulted in high water consumption, significant transportation costs, a heavy burden on the wastewater treatment system, and elevated management expenses.

To address these issues, the company introduced bag filter wastewater treatment equipment, achieving a filtration efficiency of over 95%, which meets the requirements for water reuse. Through this recycling process, approximately 30,000 tons of water are saved annually, significantly reducing the burden on wastewater treatment and contributing to energy conservation and emission reduction goals.



Nantong Energy Pressurized Test Water Treatment Diagram and Treatment Equipment



Case

◆ Enric (Bengbu) Compressor Two-Stage Reverse Osmosis Technology for Efficient Treatment of Chemical Industrial Wastewater - A Practical Case

Enric (Bengbu) Compressor has introduced a high-concentration wastewater treatment solution utilizing two-stage reverse osmosis technology, integrating various auxiliary machinery and equipped with high-performance core membrane elements. The product can be applied in areas such as leachate from refuse, pesticide wastewater, chemical industrial wastewater, and pharmaceutical wastewater, with the produced water quality meeting the standards required in Table 2 of the *Standard for Pollution Control on the Landfill Site of Municipal Solid Waste* (GB16889-2008).



Wastewater Solution Unit

Pollutant Emissions

CIMC Enric strictly complies with the *Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution* for exhaust gas management. The Company formulates emission monitoring plans and regularly conducts exhaust gas monitoring. Every quarter, it compiles its environmental protection status, including pollutant emissions, environmental permits, and improvement measures, to ensure that exhaust gas emissions meet national air pollutant emission standards. During the reporting period, the Company actively responded to environmental protection requirements by controlling exhaust gas emissions in production processes through source control, process optimization, equipment upgrades, third-party cooperation, and training and education.

To effectively manage Volatile Organic Compounds (VOCs), CIMC Enric member companies have implemented multiple measures:

In terms of source control, the companies have used powder coating instead of water-based paint and substituted with anti-corrosion materials, fundamentally reducing the generation of VOCs. At the same time, by optimizing production processes, introducing advanced equipment, and improving production procedures, the companies further reduced the production of VOCs.

Regarding equipment upgrades, the Company has invested in efficient equipment, installed exhaust hoods and ventilation ducts, to ensure the effective collection of VOCs. Additionally, advanced treatment facilities, such as those utilizing activated carbon adsorption, were equipped to ensure that exhaust gases meet emission standards. This reinforces the defense against VOCs from both technical and facility perspectives.



In terms of training and education, by enhancing employee training, the importance of VOCs emission reduction was emphasized, standardized operating procedures were implemented, and human-induced increase in VOCs emissions was avoided, ensuring comprehensive effectiveness in VOCs control.

Regarding NO_x, SO_x, and particulate matter, we conduct regular testing in strict accordance with the emission permit and environmental impact assessments. During the reporting period, CIMC Enric achieved 100% compliance with the emission standards for various types of gas pollutants within its operational scope.

Waste Management

CIMC Enric strictly abides by the *Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes* and other relevant laws and regulations and implements internal management policies, including the *Solid Waste Management Measures* and the *Hazardous Waste Pollution Prevention Management Policy*, to consistently refine its waste management practices.

CIMC Enric's member enterprises have established comprehensive measures for hazardous waste management, implementing a stringent ledger accounting system to meticulously document the sources, generation amounts, inventory levels, and disposal processes of hazardous waste, aimed at ensuring compliance with hazardous waste disposal procedures.



In terms of source control, the Company continuously optimizes production processes, phases out outdated procedures, and implements refined management of raw materials. It selects substitutes with lower hazardous waste generation to reduce the amount of hazardous waste from the source.

In process management, the Company has established strict hazardous waste classification and collection systems, strengthened hazardous waste storage management, and enhanced the protection and monitoring of related facilities to prevent secondary leaks.



In terms of final disposal, the Company entrusts qualified entities to handle hazardous waste, ensuring compliance with disposal regulations. Recyclable and non-hazardous waste, including aluminum chips, excess materials, various metal offcuts, as well as waste packaging materials such as cardboard boxes, wooden pallets, and storage tank saddles, are segregated, collected, and periodically sold to specialized recycling firms for reprocessing, thereby facilitating the circular use of these resources.

During the reporting period, CIMC Enric recorded no instances of non-compliance in the disposal of hazardous waste within the operational scope of the Company.



Case

◆ Compliant Hazardous Waste Management and Resource Utilization Reduces Waste Mineral Oil by 74%

Shijiazhuang Enric signed contracts with qualified entities for hazardous waste management and operation. Through the Hebei Province Solid Waste Dynamic Information Platform, they conducted compliant transfer and treatment of hazardous waste and commissioned external regeneration and utilization of general solid waste.

In 2024, Shijiazhuang Enric effectively controlled the generation of hazardous waste by implementing measures such as recycling and reusing paint buckets, controlling the waste from half-full paint cans, and improving oil leakage points of spin forming machines. Through these measures, the production of waste mineral oil decreased by 74% compared to the previous year.

production of waste mineral oil decreased

74%

Noise Management

CIMC Enric strictly complies with the *Law of the People's Republic of China on Prevention and Control of Pollution from Environmental Noise* and other relevant laws and regulations and committed to actively preventing and controlling environmental noise pollution.

The noise generated during the Company's production operations mainly originates from the operation of various equipment in the mechanical processing stages, such as the operation of edge planers, shearing machines, bending machines, and plate rolling machines. Additionally, employees in positions related to welding and sandblasting are also exposed to noise risks during these environmental processes.

In terms of noise management

member enterprises of CIMC Enric regularly monitor occupational hazard factors related to noise and implement multiple prevention and control measures. These include installing ventilation and dust removal equipment, as well as noise reduction and soundproofing environmental protection facilities to improve working conditions. Warning signs are posted in areas requiring hearing protection, and employees are provided with protective gear such as noise-reducing earplugs and earmuffs. Early in 2024, Shijiazhuang Enric took measures, including the construction of grinding rooms, to address the issue of noise exceeding standards at three workstations. This effort contributed to the continuous improvement of the working environment and reduced the number of noise-polluted workstations to one.

In terms of community noise management

CIMC Enric also adopted measures, including the time-limited operation of high-noise equipment, enhanced scheduling and guidance of construction machinery and vehicles, selection of low-noise and low-vibration machinery and vehicles, and the construction of fences to mitigate the impact of construction noise on surrounding environmentally sensitive points.



Biodiversity Protection



Biodiversity is of key importance to the balance of the Earth's ecosystems and human sustainable development. CIMC Enric has always attached great importance to biodiversity conservation, fully recognizing that such conservation is not only a national strategy but also a key focus for the continuous improvement of the Company's ecological protection efforts.

During the reporting period, we remained dedicated to protecting the ecological environment surrounding our production and operation premises, ensuring the effective preservation of habitats for biological populations, and safeguarding the normal lives of the species. Meanwhile, our member enterprises are gradually improving policies, commitments, and goals related to biodiversity, aiming to reduce risks and enhance positive impacts in business and operational areas with higher biodiversity risks. Additionally, we are conducting biodiversity conservation education activities, such as monitoring of flora and fauna and habitat cleanup, to encourage public participation in biodiversity conservation.



Case

◆ CIMC Hydrogen Develops Biodiversity Policies and Commitments to Manage Biodiversity Risks

CIMC Hydrogen has formulated the *Commitments and Policies on Reducing Risks of Biodiversity Loss and Time-Bound Targets for Reducing the Risk of Biodiversity Loss in Key Areas and Commitments to Having a Positive Impact on Biodiversity*. These efforts ensure that the Company's operations align with relevant laws, regulations, and international conventions, and actively respond to national and global initiatives promoting biodiversity conservation.

CIMC Hydrogen commits to fully considering the potential impacts on biodiversity in all company activities, including manufacturing, sustainable raw material procurement, and product transportation and storage, and integrating biodiversity conservation into the core of its sustainable development strategy. CIMC Hydrogen regularly evaluates and monitors the progress of its commitments and policies, to ensure the effective implementation of relevant measures.

Based on these commitments, CIMC Hydrogen has established short-, medium-, and long-term objectives for managing biodiversity risks. These objectives include short-term issue optimization, medium-term ecosystem restoration, and long-term enhancement of positive factors.

03



**Innovation-Driven,
Working Together for a
Sustainable Future**

Technological Innovation as the Driver

Research & Development

CIMC Enric regards innovation as the primary driving force for product upgrades. We have established 19 R&D centers globally, including nine overseas institutions, focusing on the entire industry chain of natural gas liquefaction, storage, transportation, refueling, vehicle/marine natural gas fuel systems, as well as key equipment/processes for renewable fuel production, hydrogen energy, chemical industry, food equipment, etc.

The Company has formulated the *Measures for Managing the "Golden Seed" Technological Innovation Projects of CIMC Enric Holdings Limited*, which clearly defines the processes for project application, evaluation, funding, and achievement transformation. This ensures efficient allocation of resources, further stimulates the vitality of R&D teams, and drives sustained technological leadership.

R&D centers

19

overseas institutions

9



Case

◆ CIMC Sanctum Completes Type Testing for 40m³ Liquid Hydrogen Tanker and 45m³ Liquid Hydrogen Storage Tank

CIMC Sanctum has become the first domestic company to successfully complete type testing for a 40m³ liquid hydrogen tanker and a 45m³ liquid hydrogen storage tank.



Case

◆ CIMC Enric's 30MPa Hydrogen Tube Bundle Container Recognized as "First of Its Kind" in Energy Sector by National Energy Administration

In December 2024, CIMC Enric's "30MPa Carbon Fiber Wound Hydrogen Cylinder and Tube Bundle Container" received the "First of Its Kind" recognition in the energy sector from the National Energy Administration. This product was developed by Shijiazhuang Enric Gas Equipment Company Limited, a subsidiary of CIMC Enric. It is currently the largest in volume and most efficient in transportation among hydrogen tube bundle containers in the country. It fills gaps in domestic standards and has achieved commercial application. Compared to similar products in the industry, it offers a **70.8%** increase in gas capacity, significantly enhancing transportation efficiency and substantially reducing costs.



30MPa Carbon Fiber Wound Hydrogen Tube Bundle Container

Case

◆ CIMC Enric Delivers 10MPa Compressed Air Energy Storage System Project

On July 25, 2024, Shijiazhuang Enric successfully delivered 170 standardized gas supply units for the 4500m³ compressed air energy storage system. These units will serve the "Source-Grid-Load-Storage Integration" technology research and testing base in the Three Gorges Modern Energy Innovation Demonstration Park in Ulanqab City, Inner Mongolia Autonomous Region.

The initial design of the standard storage unit features a system volume of 4,500 cubic meters and a design pressure of up to 10.5MPa. Upon completion, the project is expected to achieve a storage capacity of 10MW×4 hours.

Case

◆ CIMC Hydrogen Wins Hydrogen Innovation Award at HEIE2024

At the 2024 Beijing International Hydrogen Technology & Equipment Exhibition (HEIE) on March 25, CIMC Hydrogen showcased key equipment and integrated solutions across the hydrogen energy entire industry chain and received the Hydrogen Innovation Award from the organizing committee. During the exhibition, CIMC Hydrogen, leveraging its core equipment with independent intellectual property rights and innovative technologies, successfully partnered with Puyang Shuanghua Gas Co., Ltd., signing a contract for 20 units of 20MPa hydrogen tube trailers for hydrogen transportation.



Award Ceremony

To ensure the continuity and intensity of innovation activities, we have increased R&D investment year by year, with the statistics listed below:

| indicator | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------|---------|---------|---------|---------|
| Number of R&D Personnel (person) | 1,075 | 1,143 | 1,247 | 1,335 | 1,681 |
| Proportion of R&D Personnel to All Employees (%) | 12.39% | 12.20% | 12.95% | 13.37% | 18.38% |
| R&D investment (RMB 1,000) | 359,085 | 524,570 | 562,498 | 690,440 | 733,925 |

Intellectual Property Rights

To ensure continuous investment in research and development and to build a robust intellectual property protection environment, the Company's Science and Technology Management Department is responsible for analyzing potential intellectual property infringement risks related to specific products and critical components of CIMC Enric and its subsidiaries, thereby safeguarding the Company's legitimate interests and preventing potential infringements.

As of the end of the Reporting Period,

- CIMC Enric has independently developed and successfully applied for over 1,600 domestic and international patents, including more than 960 invention patents.
- Over 1,500 patents have been granted, of which more than 330 are invention patents.

In 2024, CIMC Enric filed **89** new invention patent applications, increasing the proportion of invention patents filed to **62.24%**.

In key technical fields such as hydrogen storage and transport equipment, cryogenic storage and transport equipment, large-scale engineering storage tanks, LNG carriers, natural gas refueling stations, tank containers, and liquid food equipment/processes, the Company has strategically arranged patents in global markets, completing 32 PCT international patent applications and 46 national phase applications. Additionally, the Company secured 26 patent grants in countries and regions including the United States, Germany, Australia, Japan, South Africa, and Brazil. These measures have strengthened CIMC Enric's competitiveness and influence in international markets and serve as a positive example to society of respect for intellectual property rights.

PCT international patent application

32items



The table below provides our numbers of invention patents and patent applications:

| Indicator | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------------------|--------|--------|--------|--------|--------|
| Number of invention patents | 82 | 85 | 66 | 114 | 89 |
| Total number of patent applications | 134 | 123 | 124 | 189 | 143 |
| Percentage of invention patents (%) | 61.20% | 69.10% | 53.23% | 60.32% | 62.24% |

Digital Empowerment

The Company embraces digital transformation, building intelligent production and management systems for higher operational efficiency. The extensive application of digital technologies optimizes resource allocation efficiency and enables comprehensive real-time monitoring and intelligent scheduling throughout production processes, laying a stronger foundation for the Company's sustainable and green development path.

During the Reporting Period, CIMC Enric invested approximately RMB105,679,100 in digital transformation and upgrading projects. These investments supported comprehensive upgrades in production automation and intelligent manufacturing, production process optimisation and lean management, quality control and traceability, logistics automation and intelligence, and the overall intelligent manufacturing framework, leading to significant improvements in production efficiency and product quality.



Case

◆ CIMC Safe Tech Selected for MIIT's First Batch of "Excellence-level Smart Factory" Projects

In January 2025, CIMC Safe Tech's "Smart Factory for Green and Flexible Management and Control of Tank Containers" was successfully selected for the Ministry of Industry and Information Technology's (MIIT) first batch of Excellence-level Smart Factories. Leveraging advanced technologies such as AI, 5G, IoT, cloud computing, and digital twins, this project achieved innovation across various processes, including factory planning and construction, product R&D and design, production planning and management, and operational management, developing dozens of scenario-based solutions with exemplary industry significance. These innovations advanced key industry-specific equipment beyond typical industry standards and facilitated the establishment of multiple industry standards and the generation of dozens of patents. Driven by smart factory construction, CIMC Safe Tech improved key performance indicators, including significantly shortened delivery times, enhanced inspection efficiency, improved first-pass assembly rates, and reduced overall operational costs. This selection represents strong recognition of CIMC Safe Tech's achievements in intelligent manufacturing and provides exemplary guidance and inspiration for the broader industry.



Smart factory site



Case

Intelligent Interconnected Digital Platform Facilitates Transformation and Upgrading of the Steel Industry

CIMC Enric has independently developed an intelligent interconnected digital platform integrating artificial intelligence, IoT, and cloud computing technologies. This platform integrates energy production, storage, transportation, and customer-focused comprehensive energy service data, covering complete lifecycle carbon emissions data. Specifically, the Ansteel CIMC Coke Oven Gas Hydrogen and LNG Co-production Project utilizes this platform to ensure safe factory operations through situation awareness and model algorithms. It also dynamically adjusts upstream production plans based on real-time downstream customer gas demand prediction, achieving cost reduction and efficiency improvement, as well as profit maximization. Consequently, this platform has greatly improved energy utilization and conservation efficiency for steel plants and downstream clients, providing strong support for digital transformation and intelligent upgrading across the steel industry.



Ansteel CIMC Digital Platform



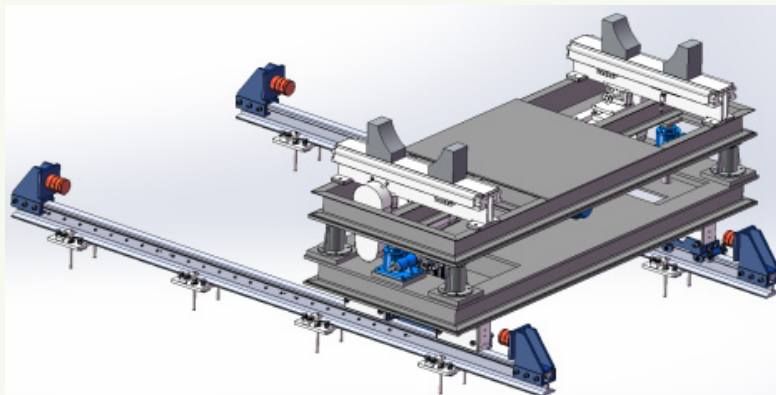
Case

Full-process Automated Production Workflow

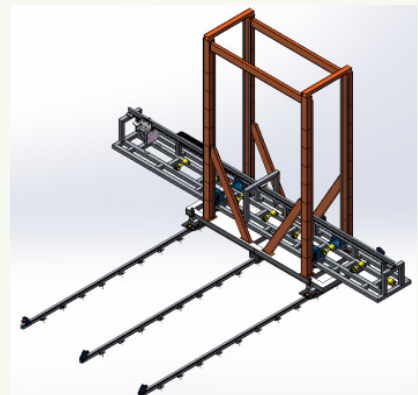
CLPT has launched an automated laser plate-cutting production line. This system comprises a dual-row 24-layer material storage unit, a laser cutter with exchange worktables for loading and unloading, a dual-layer raw material output station, a dual-layer electric finished product transfer cart, and a PLC control system. It enables fully automated production across the entire workflow, including centralized material storage, automated retrieval, material handling, layering, thickness measurement, coding, loading, and unloading. Covering an area of 28,000 square meters, Shijiazhuang Enric's Benteng Project includes gas cylinder production lines, electronic gas cylinder grinding lines, and final assembly lines, achieving a fully integrated production process from raw materials to completed tube bundle containers. Utilizing automation and digitally integrated logistics equipment, the project has established an intelligent manufacturing system with advanced planning and scheduling (APS) systems, central control systems, IoT-based equipment monitoring (energy consumption monitoring), and video surveillance, significantly enhancing flexibility and precision of production plans, ensuring efficient information transmission. The project enables full traceability of product quality by monitoring the production process and recording data through the central control system, ensuring production transparency. The logistics planning utilizes automated equipment for unmanned and automated operations, while material buffering through buffer racks, intelligent buffer racks, and vertical storage improves equipment fault tolerance, ensuring production smoothness and flexibility.



CLPT Automated Laser Plate-Cutting Production Line



Benteng Project Design Drawing



Pursuing Excellence in Quality

Quality Management System

CIMC Enric provides comprehensive solutions for transportation, storage, and processing in industries such as clean energy, chemical and environmental, and liquid food, and has established a robust and rigorous quality management system. This system encompasses international standards, industry-specific standards, classification society standards, and internal corporate protocols such as *Inspection and Testing Quality Control Procedures*, *Management Review Procedures*, *Material Control Procedures*, *Nonconforming Product Control Procedures*, and *Corrective and Preventive Action Management Procedures*, ensuring quality control throughout the process from design to delivery.

We ensure products meet all standards and enhance user satisfaction through product type testing and reinforced design verification. During production, strict process inspection and monitoring implementation significantly improve product quality pass rates. Pressure vessel products, in particular, as nationally mandated supervised inspection products under the *Special Equipment Safety Law and Supervision Administration Regulation for Manufacture of Boiler and Pressure Vessel*, must achieve a 100% pass rate to obtain inspection certificates, meeting the quality objectives of the special equipment production license quality assurance system. Inspection agencies issue *Supervision Inspection Certificates* upon completion of inspections, ensuring product safety performance.

Additionally, we have purchased product quality insurance and product liability insurance to enhance risk resistance, prevent major crises, and ensure stable operations.

CIMC Enric has always insisted on the principle of quality first and ensures that its products and services comply with international standards through ISO 9001 Quality Management System Certification. By the end of 2024, 15 of the Company's member enterprises have obtained ISO 9001 Quality Management System Certificates, accounting for more than 58% of the total number of its member enterprises. Meanwhile, each member enterprise has established corresponding quality management systems based on product characteristics, business needs, and regulations of sales regions to meet the needs of various markets and continuously ensure the effectiveness of certificate.

Some certificates obtained by the member enterprises of the Company

International Standard Certificates:

- ISO 9001 Quality Management System Certificate
- IATF 16949 Automotive Quality Management System Certificate
- ISO 13485: 2016 Medical Device Quality Management System Certificate

Industry-specific Certificates:

- Special Equipment Production License A1, A2, A3, D, SAD, B1, B2, B3, B4, C2, C3, GC1, GC2
- US DOT SP 21090: UE Method for DOT Specification Steel Cylinder Re-inspection
- Regulation for Production and Filling Licensing of Special Equipment TSG 07-2019 Certificate
- American Society of Mechanical Engineers (ASME) Certificate

Classification Society Certificates:

- Quality Management System Certificate of China Classification Society
- Norway's Det Norske Veritas (DNV) GL Factory Certificate
- British Lloyd's Register of Shipping (LR) Factory Certificate
- French Bureau Veritas (BV) Factory Certificate
- Japan's Nippon Kaiji Kyokai (NK) Factory Certificate



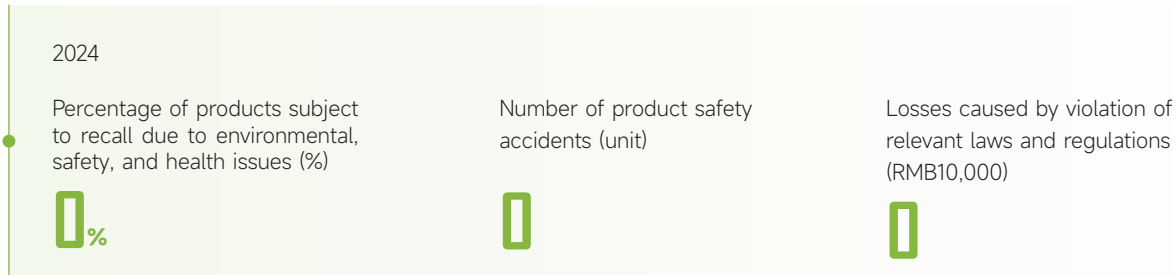
Product Recall Management

To ensure product quality and protect public safety, the Company has developed and implemented strict management systems. We have established the *Nonconforming Products Control Procedures* to ensure that non-conforming products are controlled and minimize the chance of non-conforming products flowing into the hands of customers. Meanwhile, in accordance with the *Special Equipment Safety Law of the People's Republic of China, Regulation on the Administration of the Recall of Defective Auto Products*, and other relevant laws and regulations, the Company has established a *Product Recall System* to strictly monitor and manage potentially defective products.

The *Product Recall System* clearly defines the responsibilities of each department in the product recall process, the triggering conditions for recall, and specific operating procedures. Once a product is found to have defects that may threaten human health and life safety, the Company will promptly initiate the recall process, including: organizing relevant personnel for risk assessment, preparing a recall plan, issuing a recall notice, stopping sales of related products, conducting an analysis of causes, developing solutions, and proper disposal of recalled products.

Through strict quality control and product recall management, we consistently uphold our commitment to product quality and public safety, dedicated to safeguarding the personal and property safety of user organizations and the public.

During the Reporting Period, CIMC Enric did not experience any product recalls.



Participation in Standards Formulation

CIMC Enric not only focuses on continuous improvement of its quality management system, but also actively engages in experience sharing in the field of product quality development. It deeply participates in the formulation and updating of national and industry standards to promote the overall improvement of industry quality standards. In 2024, the Company actively participated in the preparation of national, industry, and group standards, and successfully served as the drafting unit for 18 standards. In addition, we make full use of our advantages in production resources to widely participate in various activities organized by the industry, and jointly promote the progress of quality standards through communications and cooperation with the industry. For details about the industry organizations we have joined and the positions we have held, please refer to the appendix to this Report.



Customer Service and Privacy Protection

Optimizing Customer Service

CIMC Enric has always prioritized product performance and safety, while continuously improving customer service to ensure customer satisfaction. We highly value customer feedback and establish a solid partnership through regular communications with them.

We regularly dispatch professional teams in the fields of technology, quality, and engineering to conduct on-site inspections for customers, promptly fix problems encountered on site, and provide technical support and consulting services. The General Manager personally visits key clients to enhance communication and cooperation. The Company also optimizes service experience through mobile-end services, having built a service system that covers the entire marketing, sales, and operations process.



Case

◆ Blue Ship Action: Shijiazhuang Enric Drives Product Upgrades Through Customer Feedback

The After-sales Service Department of Shijiazhuang Enric adheres to the principle of "pioneering innovation, continuous improvement, and customer success". By proactively revisiting customers through the implementation of the "Blue Ship Action", the Company is committed to enhancing product quality, strengthening competitive advantages, and expanding brand influence. From January to October 2024, the team revisited 296 customers, involving 1,945 products, collected procurement information for 420 units, and proposed over 30 product improvement suggestions, effectively promoting product optimization and enhancing customer satisfaction.



Blue Ship Action On-site



Case

◆ Shijiazhuang Enric Receives Outstanding Supplier - Timely Supply Guarantee Award

Shijiazhuang Enric, recognized for its exceptional technological R&D capabilities and high-quality products, received the "Outstanding Supplier - Timely Supply Guarantee Award" from Jiangsu Nata Opto-electronic Material Co., Ltd. Shijiazhuang Enric successfully developed China's first tube bundle container for phosphine and hydrogen mixed gas, featuring high storage capacity and enhanced safety, which significantly reduced operating costs for gas companies while meeting the substantial gas demand of the semiconductor industry. This award not only acknowledges Shijiazhuang Enric's technical prowess but also reflects its leading position in electronic gas storage and transportation equipment.



Shijiazhuang Enric Receives Award from Jiangsu Nata Opto-electronic Material Co., Ltd.

To enhance customer satisfaction and complaint-handling efficiency, the Company has established a dedicated customer service team and incorporated customer satisfaction into performance evaluations to ensure timely and effective resolution of complaints. The Company has also established a comprehensive customer service management system, implementing strict control over pre-sales, sales, and after-sales processes through systems such as the *After-Sales Service Manual*, *Customer Complaint Handling Procedures*, and *Customer Satisfaction Measurement Control Procedures*, ensuring high-quality and consistent service. Additionally, the Company regularly distributes *Customer Satisfaction Questionnaires* to collect customer feedback and continuously improve services.

During the Reporting Period, the Company established a Clean Energy Business Segment Service Center to rapidly coordinate regional resources (equipment, personnel, transportation, etc.), promptly resolve customer repair issues, and significantly enhance service efficiency.

| Indicator | 2024 |
|--|------|
| Number of major problematic customer complaints (unit) | 0 |
| Number of customer complaints (unit) | 0 |
| Customer satisfaction (%) | 95% |
| Customer complaint handling rate (%) | 100% |

Client Privacy Protection

Information Security

The Company strictly abides by the relevant requirements of the *Cybersecurity Law of the People's Republic of China*, *Data Security Law of the People's Republic of China*, *Personal Information Protection Law of the People's Republic of China*, and the *EU Cybersecurity Act*, and, in combination with the actual situation of the Company, has formulated a total of 19 internal management systems related to network security, terminal security, and system security, such as the *Management Regulations on the Use of Personal Computers of CIMC Enric Holdings Limited*, *Management Measures for Internet Access and Use of CIMC Enric Holdings Limited*, and the *Business Information Authorization and Security Management System of CIMC Enric Holdings Limited*.

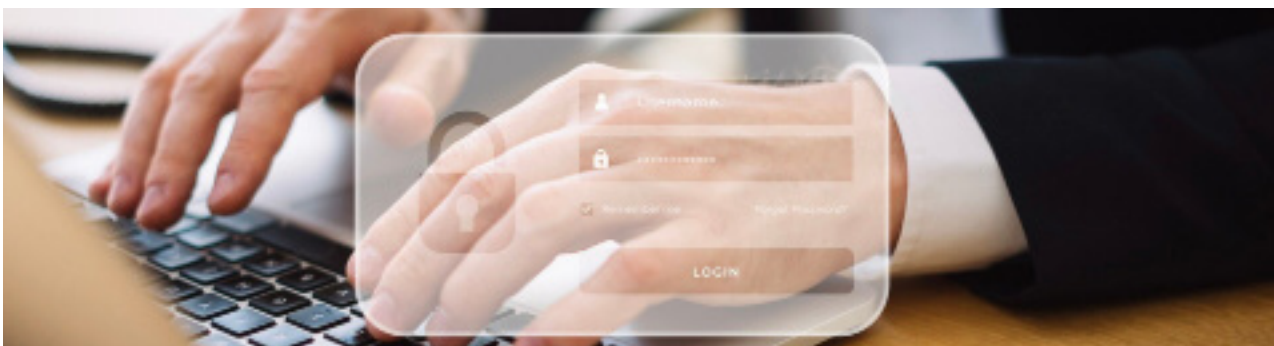
At the information security operational level

- During the Reporting Period, the Company guided its branches to conduct network security drills, achieving 100% coverage in security risk and vulnerability remediation, ensuring the security of customer, personal, and business data and assets;
- Organized data emergency recovery drills to provide data backup security;
- the Company also conducted security awareness training to enhance employee security awareness and effectively reduce security risks;
- completed CIMC Enric's 2024 information security network protection exercise, identifying and addressing 56 application system risks across different business segments and 937 server vulnerabilities, achieving a 100% remediation rate, significantly reducing the possibility of intrusion through risk vulnerability remediation.

Customer Privacy

CIMC Enric has established clear strategies and principles for customer service and privacy protection. Customer and supplier information is securely stored in the Company's CRM&SRM system. The Company has implemented relevant measures, including obtaining System Level Protection 2.0 Certificate, regularly organizing network attack and defense drills, and remedying system risks and server vulnerabilities to ensure this information is effectively protected against leakage.

During the Reporting Period, the Group did not receive any complaints due to the leakage of client information, and the number of information security incidents was 0.



Building a Sustainable Supply Chain

Supply chain management is the cornerstone of enterprise development, encompassing supplier admission, performance evaluation and tiered management, and risk monitoring. Through refined management, CIMC Enric ensures supply chain stability and efficiency while deeply integrating social responsibility and environmental factors into the supply chain management process, aiming to promote sustainable supply chain development and enhance the Company's comprehensive competitiveness.

Supplier Lifecycle Management

CIMC Enric complies with international, national, and regional laws and regulations and social responsibility organization standards, including but not limited to the *Bidding Law of the People's Republic of China* and the *Civil Code of the People's Republic of China*. CIMC Enric has formulated several supplier management systems, including *CIMC Enric Supplier Management Procedure* and *Supplier Corporate Social Responsibility Code of Conduct*.

CIMC Enric optimizes supply chain structure and improves resource allocation efficiency through refined classification and tiered management.

The Company classifies suppliers across multiple dimensions



by nature into manufacturing, outsourcing, agent, and service suppliers;



by management strategy into strategic, bottleneck, leverage, and general levels;



by quality grade into A, B, and C tiers;



by supplied material type into alloy steel, components, coatings, carbon steel, and others.

This multi-dimensional classification system ensures supplier management's scientific and targeted nature, laying the foundation for efficient supply chain operations.

For overseas supply chains, CIMC Enric has also implemented a supplier lifecycle management system to ensure the development and improvement of the supply chain system for overseas enterprises. From identification and qualification certification of potential suppliers to supplier classification management, every step is provided with a strict approval process to ensure that all operations comply with the Company's standards and requirements. In addition, the Company also creates and maintains a supplier list, and regularly updates the supplier qualification information to ensure the accuracy and timeliness of information, thereby guaranteeing stable and efficient operation of the supply chain.

Supplier admission

During the supplier admission stage, the Company conducts comprehensive due diligence, including data review, on-site review, and sample trial use, to strictly evaluate suppliers, ensuring that they meet the Company's requirements, demonstrate good environmental practices, and fulfill social responsibilities. Suppliers are required to fill out relevant questionnaires and sign HSE commitment letters to ensure their compliance with work safety, environmental management, and other aspects.

Supplier Admission Flow Chart



Routine Supplier Supervision and Management

The Company has established a comprehensive feedback and handling mechanism in routine supervision and management. Departments can report quality issues encountered during supplier collaboration at any time, with Supplier Quality Engineers (SQEs) following up and verifying problem resolution. Recording methods vary depending on whether suppliers are integrated into the Supplier Relationship Management (SRM) system, combining traditional archival and online records to ensure information completeness and traceability. Handling methods are categorized by problem severity, ranging from email feedback, written warnings, and suspension of cooperation to disqualification, providing timely and effective problem resolution.





Case

◆ Supplier Training at CIMC Enric

This supplier training focused on quality assurance management and production process optimization, incorporating team collaboration and communication training with in-depth instruction on 8D report writing techniques. We are committed to pursuing zero defects, zero switchover waste, and zero inventory. We emphasize full participation and teamwork through combined theoretical and practical on-site approaches, focusing on effectiveness and need-based training. After completion, certificates were awarded to outstanding suppliers to encourage continuous improvement and excellence.



Supplier Training On-site

Supply Chain Evaluation and Performance Assessment

An annual audit is a crucial step in evaluating supplier performance. The Company has established a standardized audit template that assesses multiple dimensions -- customer feedback, sub-supplier performance, quality inspection results, and certifications -- to ensure the accuracy and comprehensiveness of supplier information. Qualified suppliers complete an information audit every two years, and suppliers ranked among the last 30% will be included in the scope of mandatory audits. While overseas manufacturing suppliers are exempt from on-site audits, they must undergo dedicated assessments that focus on the compliance and controllability of their production processes and must adopt environmentally friendly and sustainable solutions in areas like packaging and warehousing.

The Company divides suppliers into four levels based on the performance assessment results: excellent, good, qualified, and unqualified. Priority is given to excellent suppliers in the procurement process, while unqualified ones may be disqualified. The Company also conducts regular on-site audits covering the effectiveness of quality management systems, technical capabilities, and adherence to production protocols to ensure that suppliers continuously meet the Company's quality standards. In addition, the Company encourages the use of environmentally responsible materials and packaging to minimize environmental impacts.

Supply Chain Social and Environmental Risk Management

CIMC Enric is committed to fulfilling its social responsibilities in supply chain management by identifying, evaluating, and managing social and environmental risks to drive sustainable development. Guided by the *Supplier Corporate Social Responsibility Code of Conduct*, the Company incorporates environmental protection and sustainability clauses into procurement contracts, transitioning from a traditional purchasing approach to a values-driven procurement model. This model holistically considers environmental, health, and safety aspects, among other non-financial factors. By establishing differentiated competitive strengths, we encourage suppliers to adopt green procurement standards to generate an intrinsic driving force.

Suppliers are required to comply with employment laws, respect employee rights, prohibit forced and child labor, ensure fair wages and safe working conditions, and actively engage in community development to reduce adverse project impacts. On the environmental front, suppliers must abide by environmental regulations, reduce waste, use resources responsibly, promote renewable energy, employ eco-friendly materials and energy-efficient technologies, lower energy consumption, and address environmental impacts throughout product lifecycles. They are also expected to set carbon emission reduction targets, optimize production processes, and reduce their carbon footprints.

To ensure effective policy implementation, the Company has instituted a risk assessment mechanism that includes comprehensive due diligence on suppliers and monitoring their social and environmental performance. The Company terminates cooperation with suppliers found in violation or those failing to implement corrective actions promptly. At the same time, it offers training and technical support to help suppliers enhance their management capabilities.

Environmental and Social Risk Survey Form for Suppliers

Environment

- ISO 14001 certification
- Environmental impact assessment document
- Resource and energy usage
- Pollutant emissions and treatment
- Environmental compliance and incidents
- Noise management
- Management of toxic chemicals

Social

- Occupational health and safety
- Any serious injuries or work-related fatalities in the past three years
- Any occupational disease incidents in the past three years
- Any penalties imposed by work safety supervision authorities, fire departments or other relevant authorities in the past three years
- Regulatory compliance of noise control
- Existence of regulatory controls for toxic substances

Supply Chain Sustainability Management Performance:

| Indicator | 2024 | Percentage |
|---|-------|------------|
| Total number of suppliers | 1,976 | 100% |
| Annual number of new suppliers | 255 | 12.9% |
| Number of suppliers by geographical region | | |
| Number of suppliers in Northern China | 239 | 12.1% |
| Number of suppliers in Eastern China | 1,271 | 64.3% |
| Number of suppliers in Southern China | 57 | 2.9% |
| Number of suppliers in West-southern China | 46 | 2.3% |
| Number of suppliers in West-northern China | 25 | 1.3% |
| Number of suppliers in East-northern China | 42 | 2.1% |
| Number of suppliers in Central China | 161 | 8.1% |
| Number of suppliers in Hong Kong, Macao, and Taiwan regions | 52 | 2.6% |
| Number of overseas suppliers | 83 | 4.2% |
| Other Sustainable Supply Chain Management Performance | | |
| Number of suppliers who have signed the Sunshine Cooperation Commitment Letter | 1,727 | 87.4% |
| Number of suppliers who have signed the HSE Commitment | 781 | 39.5% |
| Number of suppliers certified by quality management system | 1,211 | 61.3% |
| Number of suppliers certified by occupational health and safety management system | 837 | 42.4% |
| Number of suppliers certified by environmental management system | 834 | 42.2% |
| Number of suppliers participating in annual performance appraisal | 1,462 | 74.0% |
| Number of suppliers whose performance evaluation factors include environmental and social issues (for suppliers whose performance is evaluated during the year, the assessment factors include environmental and social issues) | 1,199 | 60.7% |
| Number of new suppliers who passed environmental and social issues assessment during the year (for suppliers added during the year, the assessment factors include environmental and social issues) | 169 | 8.6% |
| Number of original suppliers reassessed (number of original suppliers reassessed for various reasons, such as annual spot checks, periodic re-evaluation or reassessment initiated for special reason) | 632 | 32.0% |
| Number of reassessed suppliers who passed environmental and social issues assessment during the year (for suppliers reassessed for various reasons such as annual spot checks, periodic re-evaluation or reassessment initiated for special reason, the assessment factors include environmental and social issues) | 454 | 23.0% |
| Number of terminated suppliers during the year | 8 | 0.4% |
| Number of suppliers terminated due to HSE issues during the year | 0 | 0.0% |
| Number of suppliers who received HSE training during the year | 718 | 36.3% |



People-Oriented, Building Harmonious Communities

Occupational Health and Safety

Occupational Health and Safety Policy

CIMC Enric is committed to creating and maintaining a healthy, safe workplace for all employees, enabling them to excel in their roles and realize their full potential with peace of mind.

Within the Company

In compliance with the *Work Safety Law of the People's Republic of China*, the *Law on the Prevention & Control of Occupational Diseases*, and other applicable laws and regulations, the Company has established a comprehensive occupational health and safety management system that all employees are required to follow, collectively ensuring a safe and healthy work environment.

Under the Sustainable Development Committee, the ESG work leader team delegates core occupational health and safety responsibilities to the Digital Safety Department and the Human Resources and Administration Department. These two departments jointly review, update, and refine occupational health and safety policies, ensuring alignment with changing internal and external circumstances and best practice standards.

The Company has established a multi-level supervision mechanism, integrating occupational health and safety performance into the Executive President's performance appraisal system. We also emphasize occupational health and safety indicators when evaluating relevant committees and leader teams. In a major safety incident, the Company exercises a one-vote veto, deducting performance-based compensation from the senior executives involved and reserving the right to pursue administrative or financial liability.

Outsourced Production and Contractors

CIMC Enric places great importance on production safety management across all parties, extending its scope to include in-house construction teams and external contractors. In line with established safety standards and operational requirements, the Company formulates detailed assessment criteria and supporting systems for all relevant parties. These guidelines clarify processes and standards from access to ongoing management and performance evaluation.

During access, the Company reviews each party's safety credentials to ensure they meet the basic conditions for safe operations. We also provide comprehensive safety training to all personnel involved in on-site work, granting operational clearance only to those who pass the required training. In addition, the Company maintains a detailed register of relevant parties -- documenting essential information and qualifications -- and periodically convenes coordination meetings to share government regulations on workplace and fire safety. These efforts ensure that all parties remain fully committed to production safety and preserving a secure environment across the Company.



Occupational Health and Safety Management System

System Certification

CIMC Enric has established and continually maintains an ISO 45001-certified occupational health and safety management system, utilizing standardized management systems to enhance safety management capabilities on an ongoing basis. By the end of 2024, 16 of the Company's member enterprises have obtained ISO 45001 Certificates, accounting for 62% of 8 member enterprises, and 8 had obtained Work Safety Standardization Certificates. The Company's Digital Security Department conducts at least one internal audit of the quality, environmental, and occupational health and safety management system on an annual basis to ensure the Company's operations comply with the system requirements and maintain system effectiveness.

8 member enterprises
obtained Work Safety
Standardization Certificates

Risk Identification and Control

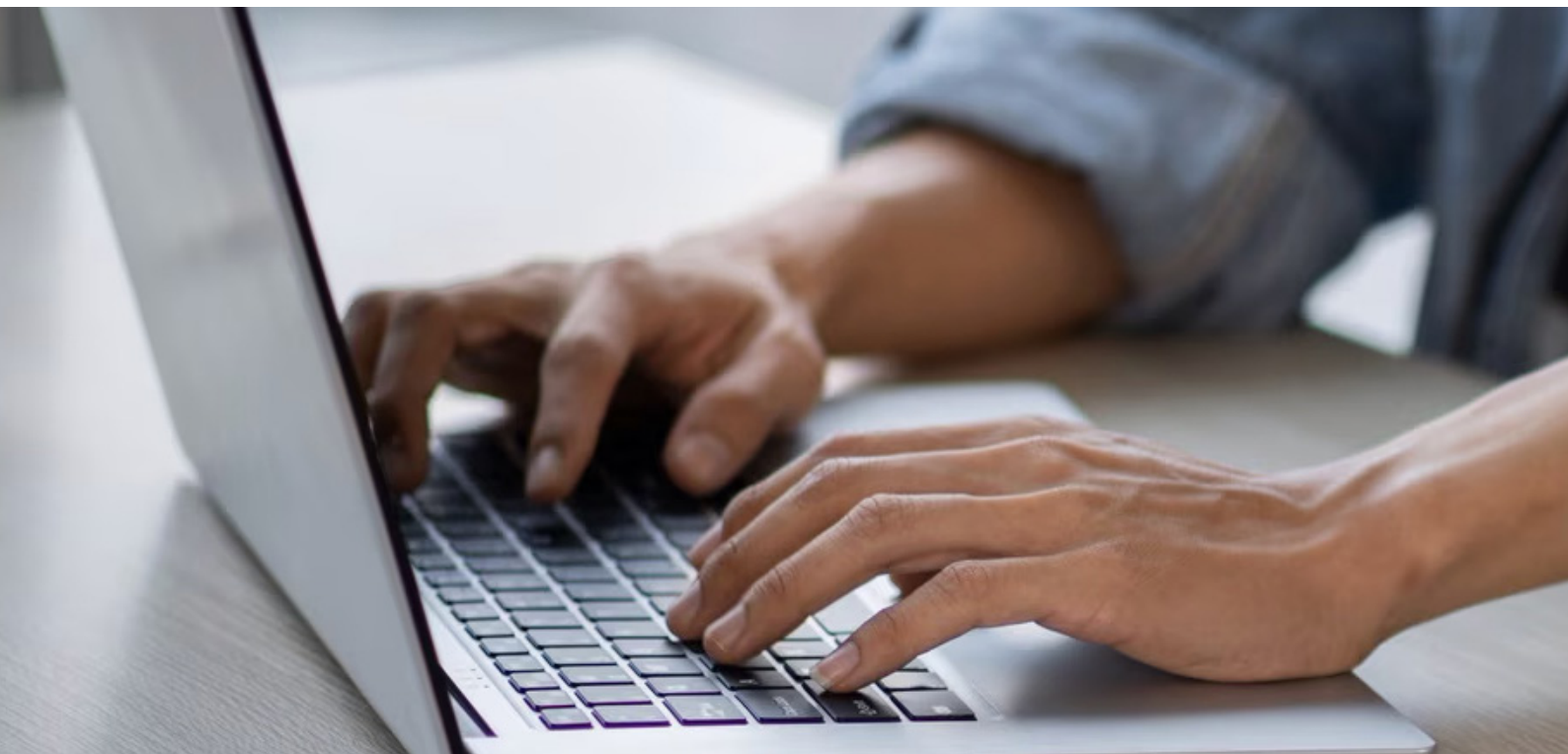
Guided by the principle of "deepening intrinsic safety to mitigate operational risks", CIMC Enric centers its safety strategy on comprehensive risk identification and management. The Company strengthens employees' risk awareness, implements robust control measures, and eliminates potential hazards, enhancing intrinsic safety.

Risk identification and control

For existing and new business lines, the Company facilitates comprehensive risk identification across departments and devises corresponding control measures for identified risks. These measures are incorporated into routine inspections to validate their effectiveness regularly. Meanwhile, the Company employs a dynamic "tailored solution for each specific issue" approach to risk management in response to business changes, ensuring timely detection of potential risks in new business lines.

HSE improvements and management

Building on risk identification and control, the Company has organized training programs, formulated policies, staged on-site safety campaigns, and applied visual management techniques. In parallel, we have released an HSE improvement project indicators plan outlining goals for eliminating hazards. Each department uses these targets to develop annual action plans.



Occupational Health and Safety Action

Process Optimization and Safety Improvements

Drawing on findings from risk assessments and evaluations, the Company sets clear, well-defined safety performance targets. This effort seeks to raise safety awareness among all employees, refine the safety management system, and effectively lower the incidence of workplace accidents -- demonstrating the Company's firm commitment to ensuring safe operations. To support the achievement of these safety objectives, department heads sign accountability agreements detailing their specific responsibilities. The Company then conducts monthly performance reviews of each department head to ensure steady progress in workplace safety efforts.

In pursuit of its safety performance targets, each member enterprise formulates targeted improvement plans, leveraging digital platforms and production line upgrades to enhance intrinsic safety. The Company has developed an HSE digital platform designed to monitor and issue early warnings for high-risk or frequently occurring safety scenarios, implement risk identification and control measures, and hazard identification and control. Utilizing big data analysis, this platform supports the advancement of intrinsic safety and fosters more informed safety-related decision-making, thus increasing the level of intelligence in safety management.

Core functional modules on the platform, including holding company oversight, compliance performance, safety education and training, hazard identification and control, tiered risk control, etc. work together to ensure full accountability for safety at every position, strengthen safety education, and enhance supervision and assessment. In addition, the digital platform streamlines the hazard identification and control process by automatically assigning inspection tasks according to risk levels, improving management efficiency, and bolstering tiered risk control capabilities.



HSE Digital Platform



Safety Inspection Activities

To comply with national laws and regulations governing occupational disease prevention and treatment, comprehensively strengthen occupational disease prevention and treatment management, and enhance prevention and treatment standards, the Company conducts long-term periodic occupational health risk monitoring for employees, identifying diverse occupational health risks staff face. In response to these risks, the Company regularly inspects and maintains occupational disease prevention facilities to ensure proper functioning. It also procures personal protective equipment (PPE) and new facilities to improve working conditions and reduce employee occupational hazards. Additionally, the Company conducts comprehensive monitoring of factory environments, including lightning protection inspections, to ensure workplace safety. Furthermore, before undertaking high-risk projects, the Company prepares *Occupational Health Pre-evaluations* and *Safety Pre-evaluations*.

Occupational Health and Safety Culture

CIMC Enric is committed to strengthening corporate safety culture and building safety production capabilities among all employees. We implement safety production concepts, knowledge, and skills through promotion and training, enhance safety awareness among all staff, and create a positive safety production atmosphere.

Safety Philosophy and Awareness

The Company is dedicated to promoting a comprehensive occupational health and safety culture. Through organizing events such as "World Hearing Day", "Occupational Health Week", and "Work Safety Month", the Company enhances employees' occupational safety awareness and fosters a strong safety atmosphere. Simultaneously, the Company encourages employees to participate in hazard reporting by establishing dedicated channels for reporting occupational health and safety risks. For example, through the "Hazard Snapshot" activity, employees can photograph on-site hazards using mobile applications, propose suggestions, and send them directly to HSE Department leaders. This activity enables every employee to participate in health and safety improvement efforts and collectively enhance workplace safety.

Safety Training and Drills

In 2024, the Company significantly improved employee safety awareness and emergency response capabilities through comprehensive safety training programs and diverse emergency drills.



Safety Training

The Company achieved a 100% certification rate for special operation personnel and special equipment operators, providing a solid foundation for safe production. Concurrently, targeting different position requirements, the Company conducted specialized training in areas such as working at heights and hoisting operations, ensuring all employees possess essential safety production knowledge and strengthening the foundation for safe corporate operations.



Emergency Management

The Company developed and implemented diverse emergency drill plans covering critical areas, including safety, fire protection, and environmental protection. Through regular drills, the Company promptly identified and addressed deficiencies in emergency response plans, enhanced employee capabilities to handle emergencies, strengthened inter-departmental coordination capabilities and built a robust defense system to protect employee safety and ensure stable corporate operations.

Diversity, Equality, and Talent Development

Employment Rights Protection

CIMC Enric follows internationally recognized human rights standards, including the *Universal Declaration of Human Rights*, *United Nations Guiding Principles on Business and Human Rights*, *Voluntary Principles on Security and Human Rights*, *Provisions on the Prohibition of Using Child Labor*, and the international labor standards of the International Labour Organization (ILO). The Company also complies with labor and employment laws and regulations in all operational locations worldwide, upholds the *Labor Law of the People's Republic of China*, the *Labor Contract Law of the People's Republic of China*, and other national laws and regulations, maintaining compliant employment practices and effectively safeguarding employee rights.

Rights and Interests of Employees

The Company is committed to continuously improving its human resources management framework. It has established a series of labor protection regulations to standardize all types of management work during the employment process. The Company actively creates an inclusive work environment, embraces multiple forms of diversity, opposes all forms of discrimination, and respects workers' rights to equal employment opportunities regardless of gender, age, race, nationality, religious beliefs, or other social and personal factors. The Company widely recruits outstanding talent, providing employment opportunities for people from different regions, ethnicities, cultures, and those with disabilities. During employee termination and resignation, the Company respects employee wishes, follows applicable regulatory requirements and labor contracts, and conducts dismissal procedures in accordance with regulations. There have been no strikes/ lockouts within CIMC Enric and its member enterprises in the past three years.

CIMC Enric resolutely opposes any form of child labor employment and forced labor, prohibiting any departments, member enterprises, and partners from engaging in serious violations involving forced labor or child labor employment. Following the *Provisions on the Prohibition of Using Child Labor*, the Company strictly verifies applicants' identification before employment to confirm age and identity, eliminating the illegal practice of "hire first, document later". The Company legally signs employment contracts with all formal employees and labor service contracts with temporary personnel, clarifying the legitimacy and standardization of employment relationships. Simultaneously, the Company's HSE Department and Human Resources Department collaborate to conduct unannounced special inspections targeting child labor employment and forced labor practices. Upon discovering violations, the Company implements joint liability and penalty mechanisms against relevant personnel, including department heads, to maximize compliance with legal employment practices.

During the reporting period, the Company has not violated any local employment laws and regulations where it operates, nor has it employed child labor or forced labor.



Case

◆ Briggs UK's Dedicated Prevention of Modern Slavery

Briggs UK's due diligence identified forced labor risks in the construction and manufacturing sectors during a major project in Mexico. Central to this awareness were the legal and procurement teams, stationed in the UK and at the local BRIGGS office in Guadalajara. Between them they put processes in place to help protect a group of workers who might otherwise have been vulnerable to exploitation. By building effective relationships with suppliers, the team ensured that these employees are being paid and have access to medical care – and by extension, that our business is acting with integrity and our value chain is robust.

The use of local suppliers for the work was something the team was very keen to pursue. Velia Hernandez, a Senior Category Buyer for the BRIGGS Guadalajara office, issued our Code of Conduct to the local supply chain, addressed their questions, and ensured that our entire local supply base was signed up. In addition, addressing the risks of modern slavery meant setting up a framework to confirm that the suppliers met the standards we use to prevent its occurrence.

DEMOCRATIC COMMUNICATIONS AND PARTICIPATION

CIMC Enric emphasizes creating an open and transparent communication environment, striving to build a positive, harmonious, and democratic workplace. The Company actively promotes primary-level democratic management by regularly holding staff congress, collecting and discussing employee proposals, encouraging employee participation in decision-making, and enhancing their sense of belonging and engagement. The Company has also established diverse employee communication channels, including setting up a General Manager's mailbox and conducting administrative, logistics, and IT satisfaction surveys to fully understand and meet employee requests. The Company gains insight into employee thoughts and needs through employee symposiums and other means.

The Company values communication and exchange, and respects employees' rights to freedom of association and collective bargaining. The Company has established a trade union and encourages employee participation. The Company signs collective agreements with employees to protect their rights and promote democratic development.

In 2024,
the Company achieved a
100% collective agreement
signing rate

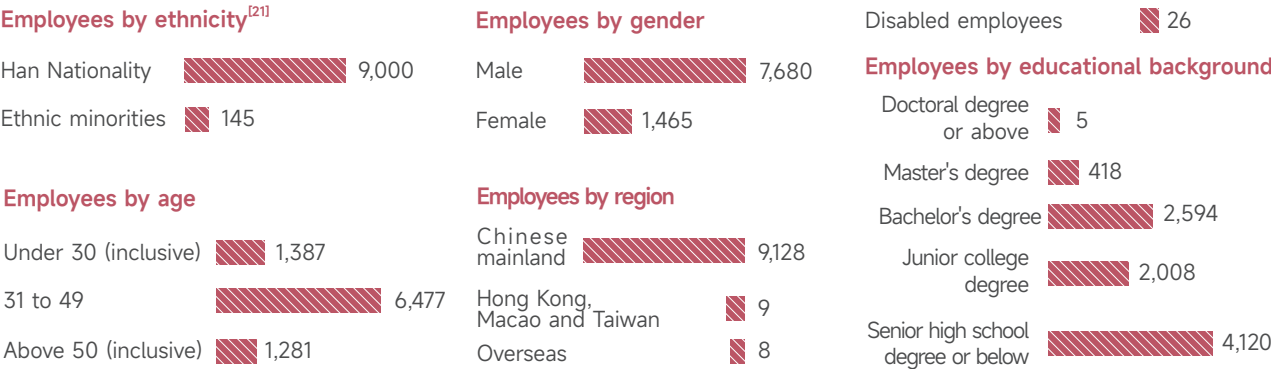
Staff Structure

CIMC Enric brings together a diverse talent team encompassing outstanding individuals of different genders, ages, ethnicities, educational backgrounds, and regions, further stimulating team members' passion and vitality in pursuing excellence.

During the Reporting Period, the Company had 9,145 employees, including 26 persons with physical disabilities. Female employees accounted for **16.0%** of the Company's total workforce. Women's innovative capabilities and leadership are playing an increasingly important role in the Company's development, with 17% of senior management positions held by women. In 2024, the Company's total employee turnover was 1,078, with an overall turnover rate of **11.8%** .



Among them, the number of contracted employees is as follows:



Employees by educational background

Employees by age

Employees by region

²¹ The data range related to the number of contract employees divided by ethnicity does not cover overseas enterprises

Employees turnover

Total number of turnover  1,078



Employees by gender

Male  977

Female  101

Employees by age

Under 30 (inclusive)  283

31 to 49  760

Above 50 (inclusive)  35

Employees by region

Chinese mainland  1,076

Hong Kong, Macao and Taiwan 0

Overseas  2

COMPREHENSIVE COMPENSATION AND BENEFITS

Compensation Management

CIMC Enric has established and optimized internal labor protection systems, including the *Management Measures on Compensations*, *Management Measures of Reward and Punishment of Employees*, and *Management Measures on Working Hours and Leaves*. The Company conducts thorough employee performance assessments to leverage the incentive role of compensation fully. The Company has established a position value and performance-oriented compensation system, adopting a "fixed compensation + floating compensation" structure to motivate employees to improve performance and promote the mutual development of individuals and the Company. Performance evaluations comprehensively consider work results and behavioral performance to ensure fair and transparent management. Performance-based compensation accounts for 20%-40% of total compensation, with high-performing employees receiving higher compensation, reflecting the positive correlation between performance and rewards. The Company practices equal pay for equal work, ensuring male and female employees enjoy equal compensation ranges, and regularly reviews compensation reasonableness and market competitiveness, with a focus on incentivizing high performers and promoted employees.

In addition, the Company implements a stock option incentive plan for core leadership and key position employees, covering directors, senior management, and core position employees. This plan strengthens long-term incentives and promotes shared development benefits between employees and the Company. By the end of 2024, the outstanding share options granted by the Company covered 208 individuals with an allocation of 39.5 million shares.

shares allocated

39.5 million shares

Employee Benefits

CIMC Enric has established a comprehensive employee care system covering all employees. The Company pays the statutory five insurances and one fund (pension insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance, and housing provident fund) for regular employees on time. We also provide enterprise annuity for eligible employees to enhance retirement security. The Company strictly follows statutory working hours, standardizes labor employment, leave, and overtime management, limits overtime, and has corresponding penalties to ensure employees enjoy statutory holidays and benefits.

Regarding non-statutory benefits, the Company provides diverse supplementary benefits for employees: organizing annual physical examinations for all employees and occupational disease health examinations for special positions; holding team-building activities and birthday benefits to demonstrate company care. To alleviate commuting pressure, the Company has introduced flexible working policies for office personnel in the Shanghai area. The subsidiary Shanghai Tianzhao provides flexible working arrangements for female employees during breastfeeding periods and has set up a mother-baby room to help employees achieve work-life balance.

Employee Activities

CIMC Enric upholds a people-oriented philosophy, focusing on employee needs to conduct various employee care activities, creating a warm, inclusive, and harmonious work environment, and working with employees to create a better life.



Case

◆ Youth Basketball Passion, Never-ending Enthusiasm: CIMC Hongtu Holds Employee Basketball Friendship Tournament

CIMC Hongtu, a subsidiary of CIMC Enric, organized an employee basketball friendship tournament that attracted six teams to participate. The activity enriched employees' leisure time and strengthened team cohesion and cooperative spirit, motivating employees to engage in their work with greater enthusiasm. Through this activity, Hongtu's employees promote the Company's development with a more united and collaborative spirit.



CIMC Hongtu Basketball Friendship Tournament

Human Capital Development

Talent Recruitment

CIMC Enric places high importance on conducting human resource management activities in an orderly, equitable, and transparent manner. The Company implements internal and external recruitment based on its development needs to expand its talent pool continuously. The Company actively builds a talent database and encourages employees to pursue positions aligned with their career planning and capabilities through internal recruitment. It provides more opportunities for existing employees to optimize the talent structure and enhance the Company's flexibility and adaptability. Meanwhile, the Company conducts external recruitment through campus and social recruitment channels to select outstanding talent and develop a reserve force. In 2024, the Company actively conducted campus recruitment, attracting **159** fresh graduates.

CIMC Enric won the following Best Employer Awards in 2024:



Liepin - Extraordinary Employer



Liepin - Outstanding Contribution Award in Human Resources

Talent Cultivation and Development

CIMC Enric highly values talent cultivation and team building, regards them as core components of its long-term development. The Company continuously improves its talent management model and optimizes systems such as the *Employee Training Management System* and *External Training Management Measures*, creating an atmosphere of continuous learning while maintaining innovation and vitality.

The Human Resources Department formulates annual training plans based on the Company's development strategy and departmental needs, conducting monthly tracking and evaluation. The 2024 training plan covers comprehensive needs from entry-level to senior management, including the "Leadership Training Action" General Manager Development Program, executive development projects, HR Empowerment "Capable Person" action, Continuation Plan, new employee training, and online training. These initiatives aim to enhance talent quality and support high-quality development comprehensively. Simultaneously, the Company emphasizes building an internal instructor team, incorporating outstanding management personnel and professional experts from various fields to facilitate knowledge transfer.

The Company has established a comprehensive training system covering new employee orientation, general skills, professional skills, leadership development, and talent development programs, designed to enhance employees' professional skills, teamwork capabilities, and understanding of corporate culture, promoting diversity and inclusive development. The Company provides diverse growth opportunities for employees through practical projects, internal and external training, and professional qualification examinations. Special emphasis is placed on providing young employees with training in professional knowledge, English language, welding skills, and other areas while encouraging them to obtain professional certifications such as Registered Environmental Protection Engineer and Safety Officer.



Case

◆ CIMC Enric Executive Reserve Talent Development - Leadership Training Action

CIMC Enric's Leadership Training Action was launched in March 2023 and concluded in October 2024, spanning 20 months. The project centered on the talent philosophy of "identifiable, clearly assessed, and deployable", developing core managers with qualifications, potential, and willingness into reserve talents for general manager positions through scientific selection and customized training. Business-oriented and fitting the general manager talent profile, the project comprehensively enhanced participants' management capabilities and leadership through six thematic courses, group practice, mentor coaching, and external exchanges.



"Leadership Training Action" Training Class



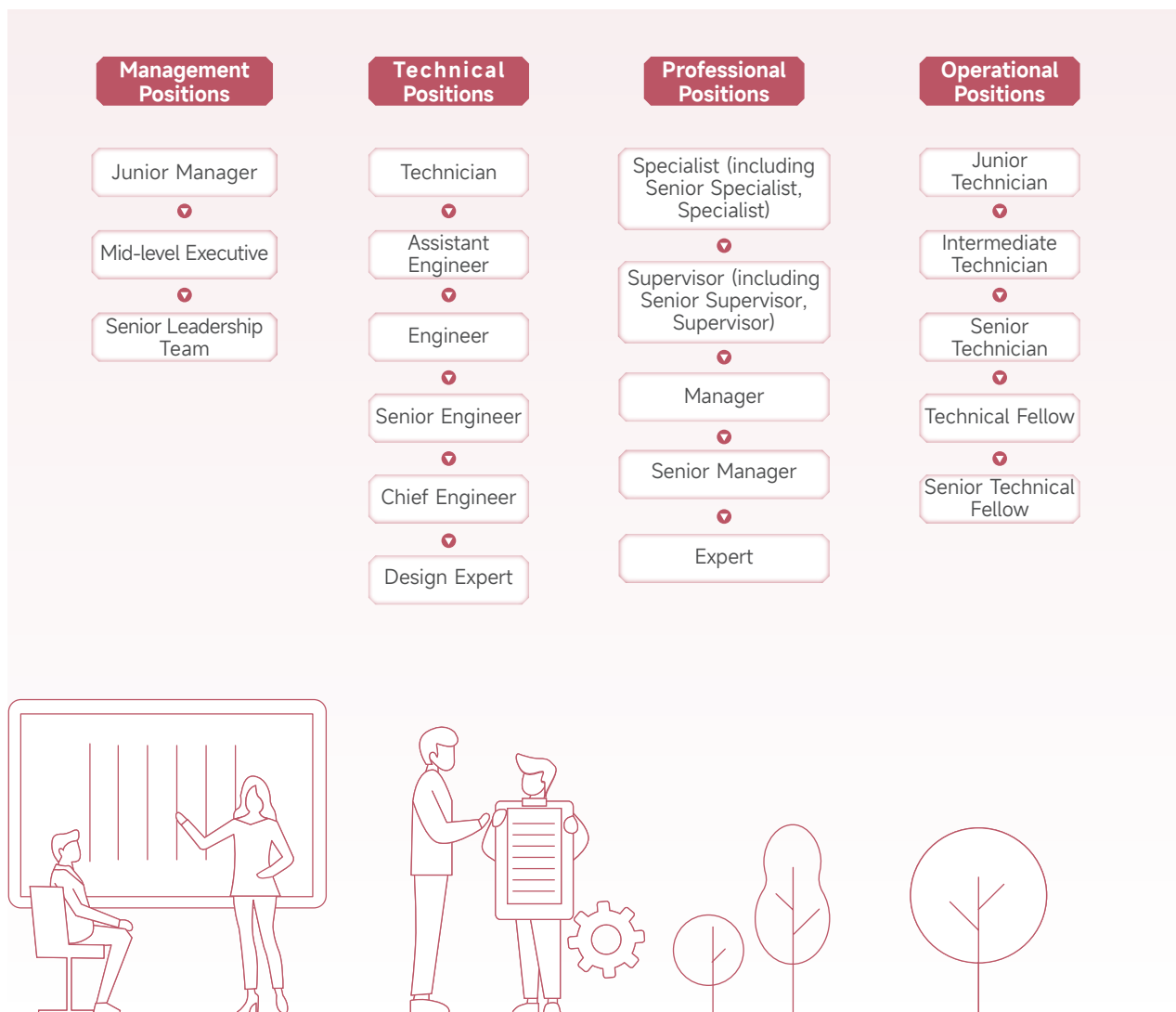


Case

◆ CIMC Safe Tech Outstanding Trainee Development Program - Star Plan

CIMC Safe Tech has launched the "Star Plan", targeting key universities with relevant specializations, aimed at developing reserve talent for critical positions in technology, marketing, and production management. The project received over 400 resumes, shortlisted 150 candidates, and, after two rounds of interviews, made offers to 15 individuals, with 9 ultimately accepting. Upon joining, the Company assigned mentors to each trainee and arranged 3-6 month rotational assignments across production, process engineering, and quality control departments. The program achieved precise matching between talent and positions through a two-way selection process that considered business department needs, available positions, and individual preferences.

Additionally, the Company continuously optimizes its talent team, rationalizes its employee structure, introduces talents from multiple fields, and promotes the rejuvenation and innovation of the team, building a team with core competitiveness. The Company has established Employee Position and Rank Management Regulations that define career advancement paths, unleash employee potential, promote comprehensive development, and create greater value for the Company.



Caring for People's Livelihoods

Supporting Rural Revitalization

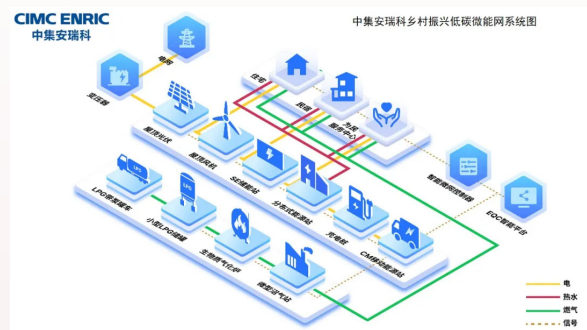
CIMC Enric actively responds to national calls, consistently contributing to implementing rural revitalization strategies and promoting mutual prosperity between the Company and society.



Case

◆ CIMC Enric Low-carbon Micro Energy Network Project Delivery, Injecting Green Momentum into Rural Areas

In January 2024, CIMC Enric Energy Systems (Shanghai) Co., Ltd. delivered Phase 1 of the rural revitalization low-carbon micro energy network experimental project in Dongzhuang Village. The project provided a liquefied gas pressure regulation station with intelligent transformation, gas pipeline renovation, thermal water system equipment and hardware, electrical circuit renovation, and EQC data collection system hardware, and built the micro energy network by the experimental scenario that enables diversified energy complementarity of "water, electricity, gas, and heat", injecting new vitality into rural revitalization and bringing new opportunities for sustainable development in the region.



Low-carbon Micro Energy Network System Diagram for Rural Revitalization



Case

◆ Advancing the Construction of Guangping Red Culture Library

CIMC Safe Tech donated RMB300,000 to the People's Government of Guangping Town, Ningqiang County, Hanzhong City, Shaanxi Province, specifically for the construction of the Guangping Town Red Culture Library, aiming to strengthen local educational facility construction, promote rural revitalization, and realize corporate social value contributions.

Charity & Voluntary Service

CIMC Enric is committed to sustainable corporate development, fulfilling its corporate social responsibility while creating positive value. We continuously focus on supporting vulnerable groups, providing education, medical assistance, and other benefits, and engaging in social welfare and charitable projects. Together with like-minded partners across sectors, we co-create social value and enhance social wellbeing.

During the Reporting Period, the Company's philanthropic contribution amounted to RMB
1,696,700

Volunteer Activities

To uphold the original intention of gratitude, dedication, and giving back to society, CIMC Enric encourages employees to participate in volunteer service activities. Multiple subsidiaries have established volunteer service teams to jointly conduct volunteer service activities covering environmental protection, educational support, anti-fraud promotion, and more. In 2024, 345 volunteer participants conducted diverse volunteer service, accumulating approximately 1,313 service hours.

accumulating approximately service

1,313 hours



Case

◆ "Protecting Personal Privacy, Preventing Telecommunications Fraud, and Avoiding Loan Traps" Volunteer Awareness Campaign

In 2024, CIMC Safe Tech Party Committee conducted the "Protecting Personal Privacy, Preventing Telecommunications Fraud, and Avoiding Loan Traps" Volunteer Awareness Campaign. In May, Party member volunteers distributed anti-fraud promotional materials to employees, interpreted relevant knowledge, and organized knowledge quizzes and signature campaigns to enhance employee awareness. In October, the Company compiled a *Anti-Fraud Handbook* and organized Company-wide learning to strengthen employees' self-protection defenses.



Volunteer Anti-fraud Awareness Activity



Case

◆ CIMC Hongtu Children's Day Visit to Special Needs Children

On May 31, CIMC Hongtu organized young volunteers to visit Jingmen Special Education School and conduct a "Journeying with Love, Growing Together" care activity for special needs children. The volunteers carefully prepared scientific and educational DIY toys and sports equipment, including basketballs, volleyballs, and badminton net posts, for the children and helped them assemble the educational toys. This activity provided material care for special needs children and gave them spiritual comfort and encouragement.

Medical Support

Medical health is the foundation of people's livelihood and the source of happiness. While rapidly developing, CIMC Enric remembers its corporate citizenship mission, demonstrating its social responsibility and public welfare commitment through compassionate actions. The Company actively promotes charitable initiatives in medical support, helping maintain the medical system's stable operation.



Case

Employee Voluntary Blood Donation Spreads Compassion

To better inherit the spirit of "selfless blood donation and mutual assistance", in January 2024, CIMC Safe Tech conducted two voluntary blood donation activities with 212 employees participating, donating over 50,000 milliliters of blood. Through practical action, this initiative guides employees to actively participate in and support the development of voluntary blood donation, while helping maintain stable operation of the medical system.



CIMC Safe Tech Employee Voluntary Blood Donation Activity



Case

CIMC Safe Tech Donates to Community Primary Healthcare Facility Construction and Upgrade

In September 2024, responding to the national call for rural revitalization and community co-construction, CIMC Safe Tech provided RMB200,000 in construction aid to the Tianshenggang Town Sub-District Community Health Service Center. The funds were specifically used to procure medical equipment, train grassroots medical talent, and upgrade service facilities at the center. This assistance helps improve grassroots public medical service conditions while providing convenient health education, consultation, and free clinic services for Company employees, demonstrating enhanced employer care.



Tianshenggang Center Medical Construction Project

Educational Philanthropy

CIMC Enric actively expands and implements corporate social responsibility, dedicating efforts to education and talent development. The Company conducts scholarship and exchange activities with Shenzhen Technology University and leverages its geographical advantages to host mainland exchange activities for Hong Kong students. These efforts demonstrate the Company's active contributions to educational philanthropy and strong support for China's educational development.



Case

◆ CIMC Enric Hosts Mainland Exchange Activities for Hong Kong Students

On July 12, 2024, CIMC Enric responded to the "Mainland Exchange Programme for Secondary School Students" proposed in the Hong Kong Chief Executive's 2023 Policy Address by hosting related activities. The event invited high school students from Kowloon Technical School to visit CIMC Group's Historical Exhibition Hall and business showroom, helping students understand CIMC's history and corporate culture. Through on-site visits and learning, this activity aimed to deepen students' understanding of national history, culture, technology, and economic development, enhancing their national identity recognition.



Mainland Exchange Programme for Secondary School Students in Hong Kong



Case

◆ Scholarship Exchange Activities between CIMC Enric and Shenzhen Technology University

In 2024, CIMC Enric and Shenzhen Technology University jointly organized multiple youth exchange activities. On May 20, the second session of the "Face-to-Face Youth Exchange, CIMC Lights Dream Journey" was successfully held, divided into three sections: Cultural Light, Struggle Light, and Spiritual Light. On November 3, CIMC Enric's volunteer team visited the university to conduct a symposium for CIMC scholarship recipients, implementing CIMC Group's core educational support project for public welfare. Following the six principles of "precision, depth, system, continuity, volunteerism, and full coverage", the initiative helps economically disadvantaged students realize their dreams.



"Face-to-Face Youth Exchange, CIMC Lights Dream Journey" Youth Exchange Activity (Second Session)



CIMC Scholarship Recipients Symposium Activity



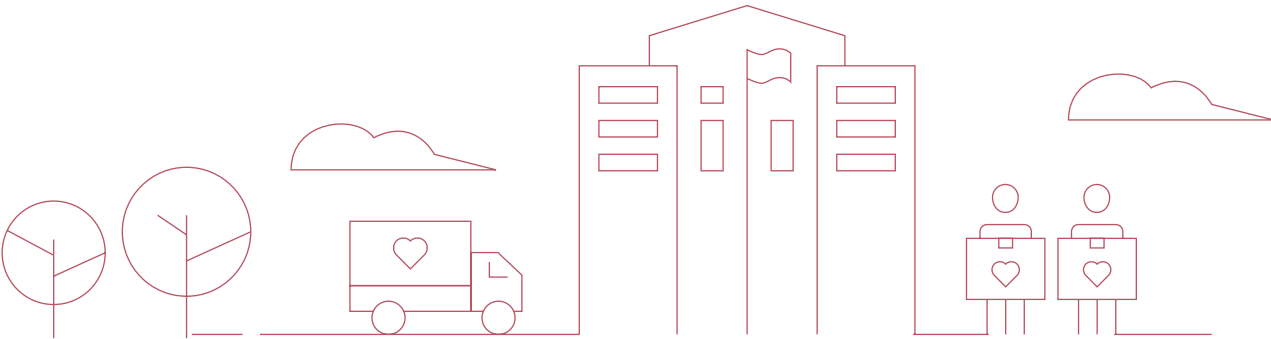
Case

◆ CIMC Safe Tech Rewards Employees' Children for University Admission

On August 26, 2024, CIMC Safe Tech implemented a public welfare plan to reward children of current trade union members admitted to universities, investing RMB36,000. This incentive measure aims to encourage employees' children who have entered higher education institutions with excellent results while also expressing the Company's care and concern for employees.

Key Performance

| Indicator | 2024 |
|--|--------|
| Total public welfare investment (RMB ten thousand) | 169.67 |
| Including: Rural revitalization | 33.58 |
| Environmental protection (RMB ten thousand) | 0 |
| Education (RMB ten thousand) | 105.42 |
| Community assistance (RMB ten thousand) | 0.67 |
| Healthcare (RMB ten thousand) | 20 |
| Other donations (RMB ten thousand) | 10 |
| Employee donation (RMB ten thousand) | 3.79 |
| Employee volunteer services Hours (hour) | 1,313 |
| Employee volunteer services (person) | 345 |



APPENDIX

Details of Member Enterprises Covered in the Report

| No. | Short Name | Full Name |
|-----|---------------------------|---|
| 1 | CIMC Safe Tech | CIMC Safeway Technologies Co., Ltd. |
| 2 | CIMC Sanctum | Zhangjiagang CIMC Sanctum Cryogenic Equipment Co., Ltd. |
| 3 | Shijiazhuang Enric | Shijiazhuang Enric Gas Equipment Company Limited |
| 4 | CIMC Hongtu | Jingmen Hongtu Special Aircraft Manufacturing Co., Ltd. |
| 5 | Langfang Integration | Enric (Langfang) Energy Equipment Integration Company Limited |
| 6 | CLPT | CIMC Liquid Process Technology Co., Ltd. |
| 7 | SOE | Nantong CIMC SinoPacific Offshore & Engineering Co., Ltd. |
| 8 | Liaoning Hashenleng | Liaoning CIMC Hashenleng Gas Liquefaction Plant Co., Ltd. |
| 9 | Nantong Energy | Nantong CIMC Energy Equipment Co., Ltd. |
| 10 | EYX | CIMC Nantong Port Development Co., Ltd. |
| 11 | CET | CIMC Enric Engineering Technology Co., Ltd. |
| 12 | Enric (Bengbu) Compressor | Enric (Bengbu) Compressor Company Limited |
| 13 | GCT | CIMC Eco Building Technology Co., Ltd. |
| 14 | ENV | CIMC Environmental Service Co., Ltd. |
| 15 | CIMC Hydrogen Energy | Beijing Enric Xinneng Energy Resources Technology Co., Ltd. |
| 16 | CIMC Safeway Lianyungang | CIMC Safeway Tank Services (Lianyungang) Co., Ltd. |
| 17 | CIMC Saiwei Jiaxing | CIMC Saiwei Technology Service Co., Ltd. |
| 18 | Ziemann DE | Ziemann Holvrieka GmbH, Bürgstadt & Ludwigsburg, DE |
| 19 | Briggs UK | Briggs of Burton PLC, Burton on Trent UK |
| 20 | DME | DME Process Systems Ltd. |
| 21 | McMillan | McMillan Coppersmiths & Fabricators Ltd, Prestonpans, UK |
| 22 | Briggs USA | Briggs of Burton, Pittsford, New York, USA |
| 23 | Ziemann BE | Ziemann Holvrieka NV, Menen, BE |

Table of ESG KPIs

Environmental Performance Data Sheet

| Environmental Performance Metrics | | Unit | 2024 | 2023 | 2022 | Data intensity in 2024 (per RMB100 million revenue) |
|-----------------------------------|---|---------------------------|------------|------------|-----------|---|
| Exhaust emissions | Sulfur dioxide | Tons | 0.76 | 0.68 | 0.57 | 0.003 |
| | Nitrogen oxide | Tons | 11.25 | 11.22 | 8.88 | 0.045 |
| | Particulate matter | Tons | 47.4 | 35.00 | 12.36 | 0.19 |
| | Volatile organic compounds (VOCs) | Tons | 21.53 | 23.52 | 20.74 | 0.09 |
| | Mileage of business vehicles | Kilometers | 2,068,449 | 2,261,736 | / | / |
| Greenhouse gas emissions | Total greenhouse gas emissions | Tons of CO ₂ e | 109,372.79 | 115,679.61 | 94,838.54 | 441.8 |
| | Direct greenhouse gas emissions (Scope 1) | Tons of CO ₂ e | 30,604.70 | 31,353.17 | 23,140.20 | 123.63 |
| | Indirect greenhouse gas emissions (Scope 2) | Tons of CO ₂ e | 78,769.12 | 84,326.44 | 71,698.35 | 318.18 |
| | Other indirect greenhouse gas emissions (Scope 3) ²² | Tons of CO ₂ e | 3,452.24 | / | / | 13.94 |
| Wastewater | Total sewage discharge | Thousand cubic meters | 582.11 | 715.65 | 525.76 | 2.35 |
| | Domestic water discharged | Thousand cubic meters | 233.36 | 263.05 | 192.29 | 0.94 |
| | Process water discharged | Thousand cubic meters | 348.75 | 452.60 | 333.47 | 1.4 |
| | Wastewater pollutant discharge - COD | Tons | 15.68 | 21.73 | / | 0.06 |
| | Wastewater pollutant discharge – NO _x | Tons | 1.62 | 0.75 | / | 0.006 |
| Hazardous waste generated | Total hazardous waste generated | Tons | 2,364.52 | 2,466.45 | 2,365.54 | 9.55 |
| | Waste paint bucket | Tons | 559.36 | 360.33 | 293.58 | 2.25 |
| | Pickling sludge | Tons | 526.16 | 736.26 | 843.31 | 2.12 |
| | Lacquer residue | Tons | 528.32 | 615.77 | 704.47 | 2.13 |

²² Include business travel and employee commuting only

| Environmental Performance Metrics | | Unit | 2024 | 2023 | 2022 | Data intensity in 2024 (per RMB100 million revenue) |
|-----------------------------------|-------------------------------------|-----------------------|------------|------------|-----------|---|
| Hazardous waste generated | Waste oil | Tons | 74.27 | 105.80 | 35.09 | 0.30 |
| | Waste activated carbon | Tons | 197.24 | 174.70 | 174.82 | 0.79 |
| | Waste developer | Tons | 9.03 | 20.47 | 15.16 | 0.03 |
| | Waste organic resin | Tons | 68.85 | 44.79 | 8.28 | 0.27 |
| | Other | Tons | 401.27 | 408.33 | 290.83 | 1.62 |
| Non-hazardous waste generated | Total non-hazardous waste generated | Tons | 33,740.65 | 33,668.05 | 34,551.23 | 136.29 |
| | Scrap metal | Tons | 16,675.78 | 26,747.96 | 28,372.37 | 67.36 |
| | Waste wood | Tons | 79.49 | 40.95 | 686.10 | 0.32 |
| | Domestic garbage | Tons | 3,257.81 | 3,491.76 | 2,613.85 | 13.15 |
| | Other | Tons | 12,624.57 | 3,387.38 | 2,878.91 | 50.99 |
| Energy consumption | Total energy use | Tons of standard coal | 33,133.32 | 33,257.59 | 24,535.23 | 133.83 |
| | Total electricity purchased | MWh | 116,890.38 | 117,183.31 | 93,115.77 | 472.16 |
| | Total natural gas consumption | Thousand cubic meters | 12,948.32 | 13,033.91 | 9,156.80 | 52.30 |
| | Total oil consumption | Kiloliter | 1,023.18 | 1,029.80 | 750.32 | 4.13 |
| | Gasoline | Kiloliter | 255.93 | 245.32 | 190.78 | 1.03 |
| | Diesel | Kiloliter | 767.25 | 784.48 | 559.54 | 3.09 |
| | Clean energy usage | MWh | 16,813.09 | 3,014.06 | / | 67.91 |
| Resource consumption | Total water use | 10,000 tons | 142.15 | 149.03 | 137.16 | 0.57 |
| | Domestic water consumption | 10,000 tons | 58.91 | 46.11 | / | 0.23 |
| | Industrial water consumption | 10,000 tons | 83.24 | 102.92 | / | 0.33 |
| | Recycled water use | 10,000 tons | 13.97 | 13.29 | / | 0.05 |
| | Percentage of recycled water use | % | 9.98 | 8.92 | / | / |
| | Total packaging used | Tons | 26.12 | 2,356.58 | / | 0.10 |

Social Performance Data Sheet

| Category | Indicator | Unit | 2024 | 2023 | 2022 |
|---|--|--------|-------|-------|-------|
| Employee composition | | | | | |
| Employees by employment type (Person) | Contract employee | Person | 9,145 | 9,509 | 8,593 |
| | Rehired employees, part-time employees, and dispatched employees | Person | 1,313 | 1,128 | 865 |
| Contract employees by gender (Person) | Male | Person | 7,680 | 7,995 | 7,290 |
| | Female | Person | 1,465 | 1,514 | 1,303 |
| Contract employees by age (Person) | Under 30 (inclusive) | Person | 1,387 | 1,324 | 1,255 |
| | 31-49 | Person | 6,477 | 6,614 | 6,244 |
| | Above 50 (inclusive) | Person | 1,281 | 1,571 | 1,094 |
| Contract employees by educational background (Person) | Doctoral degree or above | Person | 5 | 11 | 5 |
| | Master's degree | Person | 418 | 415 | 297 |
| | Bachelor's degree | Person | 2,594 | 2,537 | 2,163 |
| | Junior college degree | Person | 2,008 | 1,926 | 1,691 |
| | Senior high school degree or below | Person | 4,120 | 4,620 | 4,437 |
| Contract employees by region (Person) | Chinese mainland | Person | 9,128 | 8,698 | 8,577 |
| | Hong Kong, Macao, Taiwan | Person | 9 | 9 | 8 |
| | Overseas | Person | 8 | 802 | 8 |
| Contract employee turnover (by gender) | Male | % | 12.72 | 12.6 | 18.2 |
| | Female | % | 6.89 | 7.5 | 8.9 |
| Contract employee turnover (by age) | Under 30 (inclusive) | % | 20.4 | 23.6 | 40.2 |
| | Above 50 (inclusive) | % | 11.73 | 10.5 | 14.4 |
| | 50 岁及以上 | % | 2.73 | 7.5 | 3.7 |
| Contract employee turnover (by region) | Chinese mainland | % | 11.79 | 12.9 | 16.8 |
| | Hong Kong, Macao, Taiwan | % | 0 | 11.1 | 25.0 |
| | Overseas | % | 25.0 | 0.3 | 0.0 |

| Category | Indicator | Unit | 2024 | 2023 | 2022 |
|-----------------------------------|--|--------|------------|------------|------------|
| Occupational health and safety | | | | | |
| Occupational health and safety | Work-related deaths | Person | 1 | 0 | 0 |
| | Work-related death rate | % | 0.01 | 0 | 0 |
| | Work-related injuries/one thousand employees | % | 1.15 | 0.8 | 0.6 |
| | Work-related injuries/one million work hours | % | 0.53 | 0.32 | 0.29 |
| | Work-related injuries | Times | 12 | 8 | 6 |
| | Lost workdays due to work-related injuries | Days | 6,068.5 | 265.5 | 170 |
| Employee training and development | | | | | |
| Training-related percentages | Percentage of employees trained | % | 93.3 | 96.59 | 87.57 |
| | Percentage of male employees trained | % | 93.84 | 96.83 | 87.50 |
| | Percentage of female employees trained | % | 90.44 | 95.35 | 87.95 |
| | Percentage of senior management trained | % | 94.23 | 87.10 | 95.70 |
| | Percentage of middle management trained | % | 98.35 | 96.26 | 88.37 |
| | Percentage of ordinary employees trained | % | 93.04 | 96.72 | 87.43 |
| Total training hours | Total training hours of employees | Hours | 235,895.86 | 148,363.81 | 163,681.01 |
| | Total training hours of male employees | Hours | 207,451.60 | 128,709.97 | 139,041.52 |
| | Total training hours of female employees | Hours | 28,444.26 | 19,653.84 | 24,639.50 |
| | Total training hours of senior management | Hours | 6,227.45 | 4,823.16 | 1,551.67 |
| | Total training hours of middle management | Hours | 19,400.08 | 11,280.45 | 8,259.58 |
| | Total training hours of ordinary employees | Hours | 210,268.33 | 132,260.20 | 153,869.77 |
| Average training hours | Average training hours of employees | Hours | 25.80 | 17.02 | 19.05 |
| | Average training hours of male employees | Hours | 27.01 | 17.54 | 19.07 |
| | Average training hours of female employees | Hours | 19.42 | 14.27 | 18.91 |
| | Average training hours of senior management | Hours | 59.88 | 51.86 | 16.68 |
| | Average training hours of middle management | Hours | 45.86 | 24.79 | 17.46 |
| | Average training hours of ordinary employees | Hours | 24.40 | 16.19 | 19.17 |

Note: The data of occupational health and safety, employee training and development does not cover the overseas member enterprises.

Qualification and Standards Participation

Participation in Standards Formulation

During the period of 2019-2024, CIMC Enric led²³ the development and revision of 34 standards and participated in the development of 42 standards. The following table presents only the names and list of standards that CIMC Enric led in developing and revising.

| Standard No. | Standard Title |
|--------------------|--|
| National Standards | |
| GB/T 18442.1-2019 | Static Vacuum Insulated Cryogenic Pressure Vessels Part 1: General Requirements |
| GB/T 18442.2-2019 | Static Vacuum Insulated Cryogenic Pressure Vessels Part 2: Materials |
| GB/T 18442.3-2019 | Static Vacuum Insulated Cryogenic Pressure Vessels Part 3: Design |
| GB/T 18442.4-2019 | Static Vacuum Insulated Cryogenic Pressure Vessels Part 4: Fabrication |
| GB/T 18442.5-2019 | Static Vacuum Insulated Cryogenic Pressure Vessels Part 5: Inspection and Testing |
| GB/T 18442.6-2019 | Static Vacuum Insulated Cryogenic Pressure Vessels Part 6: Safety Protection |
| GB/T 36883-2018 | Technical Specification of LNG Vehicle |
| GB/T 24159-2022 | Welded Insulated Cylinders |
| GB/T 33145-2023 | Large Capacity Seamless Steel Gas Cylinders |
| GB/T 41319-2022 | Liquefied Natural Gas (LNG) Fueling Installations |
| Industry Standards | |
| QC/T 755-2020 | Technical Requirements for LNG Vehicle Fuel Systems |
| NB/T 11661-2024 | Compressed Hydrogen Gas Aluminum Liner Carbon Fiber Fully-Wrapped Cylinder Container |
| NB/T 11475-2023 | Cylindrical Pressure Vessels |
| NB/T 10354-2019 | Long Tube Trailers |
| JB/T13963-2020 | Reciprocating Piston Air Compressor for Bottle Blowing |

²³ Led: refers to enterprises that play a leading role in the standard-setting process, specifically the top 3 ranked companies. The rest are participants in standard setting

| Standard No. | Standard Title |
|--------------------|---|
| Industry Standards | |
| QB/T 5823-2023 | Workshop Beer Machinery Fermentation Tank |
| QB/T 5824-2023 | Workshop Beer Machinery Saccharification System |
| NB/T 11745-2024 | Mobile Vacuum-Insulated Liquid Hydrogen Pressure Vessels |
| NB/T 47013.11-2023 | Nondestructive Testing of Pressure Equipment - Part 11: Radiographic Digital Imaging Testing |
| Group Standards | |
| T/CCGA 20015—2024 | Safety Technical Specifications for Liquid Helium Storage Tanks |
| T/CCGA 20016—2024 | Safety Technical Specifications for Liquid Helium Tank Containers |
| T/CCGA 20017—2024 | Technical Requirements for Liquid Helium Dewars |
| T/CAAMTB 60—2021 | Usage Specifications for Automotive Liquefied Natural Gas (LNG) Cylinders |
| T/CII 279-2024 | High-performance Carbon Fiber for 70MPa Type IV Hydrogen Storage Cylinders |
| TCCGA 20014-2024 | Safety Technical Specifications for Helium Gas Tube Trailers |
| T/CATSI 05008-2023 | Special Technical Requirements for Compressed Hydrogen Aluminum Liner Carbon Fiber Fully Wound Bottle Container |
| T/CATSI 05009-2023 | Steel Liner Fiber Ring Wound Tube Bundle Container |
| T/CASEI 024-2023 | General Rules of Carbon Footprint Accounting for Special Equipment Products |
| T/CATSI 05002-2020 | Special Technical Requirements for High Pressure Liquefied Gas Tube Skid Container |
| T/CCGA 40003-2021 | Technical Specifications for the Safe Use of Hydrogen Long Tube Trailers |
| T/CATSI 05004-2021 | Small LPG (Commercial Propane) Storage Tank |
| T/GDGM 0002—2019 | Technical Specification for Green Design Product Evaluation - Liquefied Gas Tanker Made of Low Alloy Steel |
| T/CCGA 40005—2021 | Technical Specifications for Safe Use of Hydraulic Piston Compressor for Hydrogen Refueling Stations |
| T/CATSI 05007-2023 | Special Technical Requirements for Transportable Vacuum-insulated Liquid Hydrogen Pressure Vessels |

Industry Organizations

| Member enterprises | Organization Name | Positions |
|--------------------|--|-------------------------------|
| Nantong Energy | Jiangsu Provincial Association of Machinery Industry | Managing director |
| CIMC Sanctum | China Chemical Industrial Equipment Association | Director |
| CIMC Sanctum | Guangdong Industrial Gases Occupation Association | Director |
| CIMC Sanctum | China Petroleum & Petrochemical Equipment Industry Association | Ordinary member |
| CIMC Sanctum | China Industrial Gases Industry Association | Director |
| CIMC Sanctum | LNG Branch of China Industrial Gases Industry Association | Director |
| CIMC Sanctum | Jiangsu Industrial Gases Association | Director |
| CIMC Sanctum | Shanghai Gases Industry Association | Ordinary member |
| CIMC Sanctum | Working Committee on Technology and Informatization of Hazardous Chemical Storage and Transportation Equipment | Committee member |
| CIMC Sanctum | Hydrogen Energy Sub-branch of Hazardous Chemicals Logistics Branch, China Federation of Logistics & Purchasing | Member |
| CIMC Sanctum | Jiangsu Petrochemical Equipment Industry Association | Member |
| CIMC Sanctum | Gas Vehicle Technical Sub-committee of National Technical Committee of Auto Standardization | Committee member |
| CIMC Sanctum | Valve Branch of China General Machinery Industry Association | Member |
| CIMC Sanctum | Jiangsu Association for Peaceful Use of Military Industrial Technology | Member |
| CIMC Sanctum | Jiangsu Military Industry Association | Member |
| CIMC Sanctum | Jiangsu Province Confidentiality Association | Member |
| CIMC Sanctum | Suzhou Military-Civilian Integration Development Association | Member |
| CIMC Sanctum | Cryogenic Gas Cylinder Branch | Member |
| CET | Jiangsu Survey and Design Association | Executive council member unit |
| CET | Jiangsu Provincial Association of Engineering Consultants | Director |
| CET | Nanjing Survey and Design Association | Director |
| CET | China Petroleum & Chemical Engineering Survey and Design Association | Member |
| CET | Petrochemical Branch of China Construction Industry Association | Member |
| CET | Shanghai Chemical Industry (China) Council | Vice president |
| Shijiazhuang Enric | China Industrial Gases Industry Association | Vice president |

| Member enterprises | Organization Name | Positions |
|--------------------|--|-------------------------------|
| Shijiazhuang Enric | LNG Branch of China Industrial Gases Industry Association | Vice chairman |
| Shijiazhuang Enric | Special Committee on Hydrogen of China Industrial Gases Industry Association | Member |
| Shijiazhuang Enric | China Industrial Gases Industry Association, Transportation and Energy Branch | Vice chairman |
| Shijiazhuang Enric | Special Committee on Pressure Equipment, China Industrial Gases Industry Association | Vice chair |
| Shijiazhuang Enric | China Chemical Industrial Equipment Association | Director |
| Shijiazhuang Enric | China Federation of Logistics & Purchasing | Member |
| Shijiazhuang Enric | China Promotion Association for Special Equipment Safety and Energy-saving | Executive council member unit |
| Shijiazhuang Enric | Hebei Province Industrial Gas Association | Managing director |
| Shijiazhuang Enric | Henan Province Industrial Gas Association | Member |
| Shijiazhuang Enric | National Special Gas Information Center | Member |
| Shijiazhuang Enric | Hebei Specialized, Sophisticated, Special and New Industry Alliance | Member |
| Shijiazhuang Enric | Hebei High-tech Industry Association | Member |
| CIMC Hongtu | Sub-committee of Moveable Pressure Vessels, China Standardization Committee on Committee member Boilers and Pressure Vessels | Committee member |
| CIMC Hongtu | Working Committee on Technology and Informatization of Hazardous Chemical Storage and Transportation Equipment, China Association for Technical Supervision Information (WCTI) | Committee member, expert |
| CIMC Hongtu | China Chemical Industrial Equipment Association | Managing director |
| CIMC Hongtu | Pressure Vessel Sub-committee of the 6th Technical Committee on Safety and Energy-saving Technology of Special Equipment, State Administration for Market Regulation | Committee member |
| CIMC Hongtu | Working Committee of Hazardous Chemical Atmospheric Vessels Inspection, China Committee member Association of Special Equipment Inspection | Committee member |
| CIMC Hongtu | Shanghai Gases Industry Association | Committee member |
| CIMC Hongtu | Hubei Province Promotion Association for Special Equipment Safety and Energy-saving | Director |
| CIMC Hongtu | Hubei Welding Association | Member |
| CIMC Hongtu | Jingmen Municipal Quality Association | Member |
| CIMC Hongtu | China Council for Brand Development | Member |

| Member enterprises | Organization Name | Positions |
|---------------------------|---|-----------------------------|
| Enric (Bengbu) Compressor | China Compressor Standardization Technical Committee | Committee member |
| Enric (Bengbu) Compressor | Compressor Sub-association, China General Machinery Industry Association | Member |
| Enric (Bengbu) Compressor | Anhui Machinery Industry Federation | Director |
| Enric (Bengbu) Compressor | Fluid Engineering Sub-society, Chinese Mechanical Engineering Society | Committee member |
| Enric (Bengbu) Compressor | Anhui Industrial Internet Association | Member |
| CIMC Safe Tech | China Chemical Industrial Equipment Association | Director |
| CIMC Safe Tech | International Tank Container Organization (ITCO) | Manufacturing Sub- Division |
| CIMC Safe Tech | China Promotion Association for Special Equipment Safety and Energy-saving | Director |
| CIMC Safe Tech | 2023 Global Chemical Supply Chain (China) Summit | Member |
| Langfang Integration | Low-carbon Fuel Automotive Technology Sub-society, China Society of Automotive Engineers | Expert |
| Langfang Integration | Standard Technologies Committee, China Industrial Gases Industry Association | Expert |
| Langfang Integration | Working Committee on Technology and Informatization of Hazardous Chemical Storage and Transportation Equipment, China Association for Technical Supervision Information | Expert |
| Langfang Integration | Experts Committee, China Sub-association of IoT Hazardous Chemical Logistics | Expert |
| Hydrogen Energy Nantong | CIMC Hydrogen Energy Technology (Nantong) Co., Ltd. Technical Committee | Committee member |
| Hydrogen Energy Nantong | Jiangsu Province Technical Committee for Hydrogen Energy Equipment Standardization | Committee member |
| Hydrogen Energy Nantong | Jiangsu Province Committee for Hydrogen Fuel Cell Vehicle Standardization | Committee member |
| Chengdu Lanshi | Low-carbon Fuel Automotive Branch, China Association of Automobile Manufacturers | Committee member |

Remarks: Only some of the industry organizations the Group participates in, and its positions are excerpted here.

Applicable Laws and Regulations and Compliance

| Topics | Application Laws and Regulations (Part) | Compliance | Internal Policies |
|-------------|--|---|--|
| Environment | <p><i>Environmental Protection Law of the People's Republic of China</i></p> <p><i>Atmospheric Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Water Pollution Prevention and Control Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes</i></p> <p><i>Energy Conservation Law of the People's Republic of China</i></p> | <p>During the year, the Group was not aware of any violations of any laws and regulations related to the emission of waste gas and greenhouse gases, the discharge to the water or land, and the generation of hazardous or harmless waste, which had a significant impact on the Group.</p> | <p><i>Solid Waste Management Measures</i></p> <p><i>Hazardous Waste Pollution Prevention Management Policy</i></p> <p><i>Related Stakeholders Management Policy</i></p> <p><i>Management Regulations for Dynamic Energy</i></p> <p><i>Management Regulation on Use of Water, Electricity and Gas</i></p> <p><i>Equipment and Energy Awards and Punishment Regulation</i></p> |
| Employment | <p><i>Labor Law of the People's Republic of China</i></p> <p><i>Labor Contract Law of the People's Republic of China</i></p> <p><i>Social Insurance Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention & Control of Occupational Diseases</i></p> <p><i>Law of the People's Republic of China on the Protection of Disabled Persons</i></p> <p><i>Law of the People's Republic of China on the Protection of Women's Rights and Interests</i></p> <p><i>Regulations Concerning the Labor Protection of Female Staff and Workers</i></p> <p><i>Provisions of The State Council on Working Hours for Workers and Staff</i></p> <p><i>Provisions on Collective Contracts</i></p> | <p>During the year, the Group was not aware of any violations of any laws and regulations related to remuneration and dismissal, recruitment, and promotion, working hours and equal opportunities, anti-discrimination and other treatments and benefits, which had a significant impact on the Group.</p> | <p><i>Human Resources Management System</i></p> <p><i>Overtime Management Measures</i></p> <p><i>Management Measures on Compensations</i></p> <p><i>Management Measures of Reward and Punishment of Employees</i></p> <p><i>Management Measures on Working Hours and Leaves</i></p> <p><i>Management Measures on Business Development Incentives</i></p> <p><i>Regulations on Project Appraisal</i></p> <p><i>Management Regulations on Career Development Channels</i></p> |
| Safety | <p><i>Work Safety Law of the People's Republic of China</i></p> <p><i>Fire Protection Law of the People's Republic of China</i></p> <p><i>Law of the People's Republic of China on the Prevention & Control of Occupational Diseases</i></p> <p><i>Health Standards for Radiation Workers</i></p> <p><i>The Measures for the Administration of Occupational Health Checks</i></p> <p><i>Regulations on Safety Supervision over Special Equipment</i></p> <p><i>Eight Provisions on the Prevention and Control of Occupational Hazards by Employers</i></p> <p><i>The Regulations on Labor Protection in Workplaces Where Toxic Substances are Used</i></p> | <p>During the year, the Group was not aware of any violations of laws and regulations that provided a safe working environment and protected employees from occupational hazards, which had a significant impact on the Group.</p> | <p><i>CIMC Enric's Guidelines on Safety Inspections for Management Cadres</i></p> <p><i>Regulations on Safety Inspections (Trial)</i></p> <p><i>Regulations on Safety Management for Dispatched Employees</i></p> <p><i>Guidelines on the Management of Work Safety Responsibility System</i></p> <p><i>Planning Guidelines for Safety Month & Environment Day Theme Events</i></p> <p><i>Inspection Guidelines for Key Equipment and Facilities (Including Tooling) of the Energy and Chemical Sectors</i></p> <p><i>HSE Budgeting Guidelines</i></p> <p><i>HSE Management Guidelines of CIMC Enric for Remote Engineering Project Operations</i></p> |

| Topics | Application Laws and Regulations (Part) | Compliance | Internal Policies |
|------------------------|--|---|--|
| Supplier | <p>The Bidding Law of the People's Republic of China</p> <p>Civil Code of the People's Republic of China</p> | - | <p><i>Procurement Management Regulation</i></p> <p><i>Supplier Management Procedure</i></p> <p><i>Bidding and Procurement Management Regulation</i></p> |
| Product Responsibility | <p>Product Quality Law of the People's Republic of China</p> <p>Special Equipment Safety Law of the People's Republic of China</p> <p>Supervision Regulation on Safety Technology for Stationary Pressure Vessel</p> <p>Supervision Regulation on Safety Technology for Transportable Pressure Vessel</p> | <p>During the year, the Group was not aware of any violations of laws and regulations related to the health and safety, advertising, labelling and privacy of products and services, which had a significant impact on the Group.</p> | <p><i>Inspection and Testing Quality Control Procedures</i></p> <p><i>Material Control Procedures</i></p> <p><i>Nonconforming Product Control Procedures</i></p> <p><i>Project Management Procedures</i></p> |
| Anti-corruption | <p><i>Criminal Law of the People's Republic of China</i></p> <p><i>Anti-Unfair Competition Law of the People's Republic of China</i></p> <p><i>Hong Kong Company Law, Prevention of Bribery Ordinance</i></p> <p><i>Hong Kong Competition Ordinance</i></p> <p><i>Hong Kong Code of Corporate Governance</i></p> | <p>During the year, the Group was not aware of any violations of laws and regulations related to the prevention of bribery, extortion, fraud, and money laundering, which had a significant impact on the Group.</p> | <p><i>CIMC Enric Anti-corruption and Anti-Fraud Policy</i></p> <p><i>Internal Reporting System of CIMC Enric Holdings Co., Ltd</i></p> |

Report Standard Index Table

| Topics | GRI Indicators | Description | ESG Reporting Guidelines of HKEx | Corresponding Content in the Report/Remarks |
|---------------------------------|----------------|---|----------------------------------|--|
| General Disclosures | | | | |
| Organizational | 102-1 | Corporate name | | About this Report |
| | 102-2 | Activities, brands, products, and services | | About Us |
| | 102-3 | Location of headquarters | | About Us |
| | 102-4 | Location of operations | | About Us |
| | 102-5 | Ownership nature and legal form | | About Us |
| | 102-6 | Markets served | | About Us |
| | 102-7 | Company scale | | About Us |
| | 102-8 | Information on employees and other workers | B1.1 | Diversity, Equality, and Talent Development |
| | 102-9 | Supply chain of the Company | B5.1 | Building a Sustainable Supply Chain |
| | 102-10 | Significant changes to the organization and its supply chain | | No significant change |
| | 102-11 | Precautionary principle or approach | | Business Ethics and Anti-corruption |
| | 102-12 | External initiatives | | Business Ethics and Anti-corruption |
| | 102-13 | Membership of associations | | Industry Organizations |
| Strategies | 102-14 | Statement from the top decision-maker | | Statement of the Board of Directors |
| Ethics and integrity | 102-16 | Values, principles, standards, and norms of behavior | | About Us |
| Governance | 102-18 | Governance structure | | Deepening Corporate Governance |
| | 102-19 | Delegation of authority and responsibility | | Deepening Corporate Governance |
| | 102-20 | Executive-level responsibility for economic, environmental, and social topics | | Deepening Corporate Governance |
| | 102-28 | Evaluating the highest governance body's performance | | Sustainable Development Goals and Achievements |
| Communication with Stakeholders | 102-40 | Stakeholders with which the Company communicates | | Communication with Stakeholders |
| | 102-41 | Percentage of total employees covered by the collective bargaining agreement | | Diversity, Equality, and Talent Development |
| | 102-42 | Basis of identifying and selecting stakeholders | | Communication with Stakeholders |
| | 102-43 | Approach to communication with stakeholders | | Communication with Stakeholders |
| | 102-44 | Key topics and concerns raised through communication with stakeholders | | Materiality |

| Topics | GRI Indicators | Description | ESG Reporting Guidelines of HKEx | Corresponding Content in the Report/Remarks |
|----------------------------------|----------------|--|----------------------------------|---|
| General Disclosures | | | | |
| Reporting practice | 102-45 | Entities included in the consolidated financial statements or equivalent documents | | Details of Member Enterprises Covered in the Report |
| | 102-46 | Defining report content and topic boundaries | | About this Report |
| | 102-47 | List of material topics identified in the process of defining report content | | Materiality |
| | 102-48 | Reasons and impacts of recompiling any information reported in the previous report | | No recompilation content |
| | 102-49 | Significant changes in important issues and issue boundaries compared to the previous report | | Materiality |
| | 102-50 | Reporting period | | About this Report |
| | 102-51 | Date of most recent report (If applicable) | | About this Report |
| | 102-52 | Reporting cycle | | About this Report |
| | 102-53 | Contact person for questions regarding the report or its content | | Readers' Feedback |
| | 102-54 | The Report preparation in accordance with the "core options" of the GRI Standards | | Conform to the core options |
| | 102-55 | Content index of the GRI Sustainability Reporting Guidelines | | Report Standard Index Table |
| | 102-56 | External authentication | | None |
| Material Topics | | | | |
| 1. Economic Topics | | | | |
| Economic performance | 103-1 | Explanation of the material topic and its boundary | | About Us |
| | 103-2 | The management approach and its components | | Deepening Corporate Governance |
| | 103-3 | Evaluation of the management approach | | Communication with Stakeholders |
| | 201-1 | Direct economic value generated and distributed | B8.2 | Sustainable Development Goals and Achievements |
| Anti-corruption | 103-1 | Explanation of the material topic and its boundary | B7 | Materiality |
| | 103-2 | The management approach and its components | | Business Ethics and Anti-corruption |
| | 103-3 | Evaluation of the management approach | | Business Ethics and Anti-corruption |
| | 205-3 | Confirmed incidents of corruption and actions | B7(b), B7.1 | Business Ethics and Anti-corruption |
| Anti-competitive behavior | 103-1 | Explanation of the material topic and its boundary | | Materiality |
| | 103-2 | The management approach and its components | | Business Ethics and Anti-corruption |
| | 103-3 | Evaluation of the management approach | | Business Ethics and Anti-corruption |
| | 206-1 | Legal actions for anti-competitive behavior, antitrust, and monopoly practices | | Business Ethics and Anti-corruption |

| Topics | GRI Indicators | Description | ESG Reporting Guidelines of HKEx | Corresponding Content in the Report/Remarks |
|--------------------------------|----------------|--|----------------------------------|---|
| 2. Environmental Topics | | | | |
| Materials | 103-1 | Explanation of the material topic and its boundary | A2 A3 | Materiality |
| | 103-2 | The management approach and its components | | Strict Control of Pollutant Discharge |
| | 103-3 | Evaluation of the management approach | | Strict Control of Pollutant Discharge |
| | 301-1 | Weight or volume of materials used | A2.5 | Environmental Performance Data Sheet |
| Energy | 103-1 | Explanation of the material topic and its boundary | A2 A3 | Materiality |
| | 103-2 | The management approach and its components | | Response to Climate Change |
| | 103-3 | Evaluation of the management approach | | Response to Climate Change |
| | 302-1 | Energy consumption within the organization | A2.1 | Response to Climate Change |
| | 302-4 | Reduction of energy consumption | A2.3 | Response to Climate Change |
| Water | 103-1 | Explanation of the material topic and its boundary | A2 A3 | Materiality |
| | 103-2 | The management approach and its components | | Strict Control of Pollutant Discharge |
| | 103-3 | Evaluation of the management approach | | Strict Control of Pollutant Discharge |
| | 303-1 | Water withdrawal by source | A2.2 | Strict Control of Pollutant Discharge |
| | 303-3 | Water recycled and reused | A2.4 | Strict Control of Pollutant Discharge |
| Emissions | 103-1 | Explanation of the material topic and its boundary | A1 A3 | Materiality |
| | 103-2 | The management approach and its components | | Strict Control of Pollutant Discharge |
| | 103-3 | Evaluation of the management approach | | Strict Control of Pollutant Discharge |
| | 305-1 | Direct (Scope 1) GHG emissions | A1.2 | Response to Climate Change |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | | Response to Climate Change |
| | 305-4 | GHG emissions intensity | | Response to Climate Change |
| | 305-5 | Reduction of GHG emissions | | Response to Climate Change |

| Topics | GRI Indicators | Description | ESG Reporting Guidelines of HKEx | Corresponding Content in the Report/Remarks |
|--|----------------|---|----------------------------------|--|
| 2. Environmental Topics | | | | |
| Sewage and waste | 103-1 | Explanation of the material topic and its boundary | A1, A3 | Materiality |
| | 103-2 | The management approach and its components | | Strict Control of Pollutant Discharge |
| | 103-3 | Evaluation of the management approach | | Strict Control of Pollutant Discharge |
| | 306-1 | Water discharge by water quality and discharge destination | A1.1 | Strict Control of Pollutant Discharge |
| | 306-2 | Waste by the category and disposal method | A1.3, A1.4, A1.6 | Strict Control of Pollutant Discharge |
| Compliance to laws related to environmental protection | 103-1 | Explanation of the material topic and its boundary | A1(b), A3 | Materiality |
| | 103-2 | The management approach and its components | | Strict Control of Pollutant Discharge |
| | 103-3 | Evaluation of the management approach | | Strict Control of Pollutant Discharge |
| | 307-1 | Non-compliance with environmental regulations | A1(b) | Applicable Laws and Regulations and Compliance |
| Environmental assessment of suppliers | 103-1 | Explanation of the material topic and its boundary | B5 | Materiality |
| | 103-2 | The management approach and its components | | Building a Sustainable Supply Chain |
| | 103-3 | Evaluation of the management approach | | Building a Sustainable Supply Chain |
| | 308-1 | Screening new suppliers by adopting environmental criteria | B5.2 | Building a Sustainable Supply Chain |
| 3. Social Topics | | | | |
| Employment | 103-1 | Explanation of the material topic and its boundary | B1 | Materiality |
| | 103-2 | The management approach and its components | | Diversity, Equality, and Talent Development |
| | 103-3 | Evaluation of the management approach | | Diversity, Equality, and Talent Development |
| | 401-1 | New employees and resigned employees | B1.2 | Diversity, Equality, and Talent Development |
| | 401-2 | Benefits provided to full-time employees (excluding temporary or part-time employees) | B1 | Diversity, Equality, and Talent Development |
| | 401-3 | Parental leave | | Diversity, Equality, and Talent Development |

| Topics | GRI Indicators | Description | ESG Reporting Guidelines of HKEx | Corresponding Content in the Report/Remarks |
|--|----------------|--|----------------------------------|---|
| 3. Social Topics | | | | |
| Occupational health and safety | 103-1 | Explanation of the material topic and its boundary | B2 | Materiality |
| | 103-2 | The management approach and its components | | Occupational Health and Safety |
| | 103-3 | Evaluation of the management approach | | Occupational Health and Safety |
| | 403-2 | Injury type, ratio of injury, occupational disease, days lost, absence, and number of work-related death incidents | B2.1 B2.2 B2.3 | Social Performance Data Sheet |
| Training and education | 103-1 | Explanation of the material topic and its boundary | B3 | Materiality |
| | 103-2 | The management approach and its components | | Diversity, Equality, and Talent Development |
| | 103-3 | Evaluation of the management approach | | Diversity, Equality, and Talent Development |
| | 404-1 | Average hours of training per year per employee | B3.2 | Social Performance Data Sheet |
| Employee diversity and equal opportunity | 103-1 | Explanation of the material topic and its boundary | B1 | Materiality |
| | 103-2 | The management approach and its components | | Diversity, Equality, and Talent Development |
| | 103-3 | Evaluation of the management approach | | Diversity, Equality, and Talent Development |
| | 405-1 | Diversity of governance bodies and employees | | Diversity, Equality, and Talent Development |
| Child labor | 103-1 | Explanation of the material topic and its boundary | B4 | Materiality |
| | 103-2 | The management approach and its components | | Diversity, Equality, and Talent Development |
| | 103-3 | Evaluation of the management approach | | Diversity, Equality, and Talent Development |
| | 408-1 | Significant risks of using child labor in operation sites and by suppliers | B4.1 B4.2 | Diversity, Equality, and Talent Development |
| Forced or Compulsory Labour | 103-1 | Explanation of the material topic and its boundary | B4 | Materiality |
| | 103-2 | The management approach and its components | | Diversity, Equality, and Talent Development |
| | 103-3 | Evaluation of the management approach | | Diversity, Equality, and Talent Development |
| | 409-1 | Operation sites and suppliers at significant risks of forced and compulsory labor | B4.1 B4.2 | Diversity, Equality, and Talent Development |
| Local communities | 103-1 | Explanation of the material topic and its boundary | B8 | Materiality |
| | 103-2 | The management approach and its components | | Caring for People's Livelihoods |
| | 103-3 | Evaluation of the management approach | | Caring for People's Livelihoods |
| | 413-1 | Operation activities through communication with local communities, impact assessments, and development programs | B8.1 | Caring for People's Livelihoods |

| Topics | GRI Indicators | Description | ESG Reporting Guidelines of HKEx | Corresponding Content in the Report/Remarks |
|----------------------------------|----------------|---|----------------------------------|--|
| 3. Social Topics | | | | |
| Social assessment of suppliers | 103-1 | Explanation of the material topic and its boundary | B5 | Materiality |
| | 103-2 | The management approach and its components | | Building a Sustainable Supply Chain |
| | 103-3 | Evaluation of the management approach | | Building a Sustainable Supply Chain |
| | 414-1 | Screening new suppliers by adopting social criteria | B5.2 | Building a Sustainable Supply Chain |
| Customer Health and Safety | 103-1 | Explanation of the material topic and its boundary | B6 | Materiality |
| | 103-2 | The management approach and its components | | Customer Service and Privacy Protection |
| | 103-3 | Evaluation of the management approach | | Customer Service and Privacy Protection |
| | 416-2 | Incidents of non-compliance with the health and safety regulations concerning products and services | | Applicable Laws and Regulations and Compliance |
| Marketing and labeling | 103-1 | Explanation of the material topic and its boundary | B6 | Materiality |
| | 103-2 | The management approach and its components | | Customer Service and Privacy Protection |
| | 103-3 | Evaluation of the management approach | | Customer Service and Privacy Protection |
| | 417-2 | Incidents of non-compliance with the relevant regulations concerning product and service information and labeling | | Customer Service and Privacy Protection |
| | 417-3 | Incidents of non-compliance with relevant regulations concerning marketing communications | | Applicable Laws and Regulations and Compliance |
| Customer Privacy | 103-1 | Explanation of the material topic and its boundary | B6 | Materiality |
| | 103-2 | The management approach and its components | | Customer Service and Privacy Protection |
| | 103-3 | Evaluation of the management approach | | Customer Service and Privacy Protection |
| | 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | B6.2 | Customer Service and Privacy Protection |
| Socioeconomic compliance | 103-1 | Explanation of the material topic and its boundary | B6 | Materiality |
| | 103-2 | The management approach and its components | | Innovation-Driven, Working Together for a Sustainable Future |
| | 103-3 | Evaluation of the management approach | | Innovation-Driven, Working Together for a Sustainable Future |
| | 419-1 | Non-compliance with laws and regulations in the social and economic area | B7 | Applicable Laws and Regulations and Compliance |
| Intellectual property protection | | Describe practices related to the preservation and protection of intellectual property | B6.3 | Technological Innovation as the Driver |

Readers' Feedback

Dear readers:

Greetings! Thank you for reading the Report. In order to continuously enhance and improve our management of sustainable development operations, we sincerely hope to hear your valuable opinion and suggestions. Please answer the questions on this page, and send us the feedback through one of the following channels.

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1. What is your overall assessment of the entire Report?

☐ Good ☐ Relatively good ☐ Average

2. What do you think of the clarity, accuracy and completeness of the information and data disclosed in the Report?

Good ☐ Average ☐ Relatively poor

3. What do you think of the performance of this Report in reflecting the Group's significant economic, social and environmental impact?

☐ Good ☐ Average ☐ Not reflected

4. How do you think the Group's performance in safeguarding the interests of stakeholders?

☐ Good ☐ Average ☐ Poor

5. Your opinions and suggestions on the sustainable development management of the Group:

We would appreciate it if you could specify your contact information below:

Name:

Occupation:

Employer:

Postal Code:

E-mail:

Tel:

Contact address:



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