上 海 匯 舸 環 保 科 技 集 團 股 份 有 限 公 司
CONTIOCEAN ENVIRONMENT TECH GROUP CO., LTD.

(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code: 2613

2024
Environmental, Social and Governance Report

CONTENTS

◎ ABOUT THIS REPORT

PURPOSE

ContiOcean Environment Tech Group Co., Ltd. ("**ContiOcean**" or the "**Company**", together with its subsidiaries, collectively referred to as "**ContiOcean Group**", the "**Group**" or "**We**") is pleased to present our Environmental, Social and Governance ("**ESG**") Report (the "**Report**") to our stakeholders. This Report aims to disclose and highlight the Group's management approach, strategies, policies and measures in addressing material sustainability issues, while providing a comprehensive overview of the Group's performance across relevant sustainability aspects through quantitative disclosures.

REPORTING SCOPE AND PERIOD

Unless otherwise specified, this Report covers the period from 1 January 2024 to 31 December 2024 (the "**Reporting Period**") and focuses on the Group's core businesses in the People's Republic of China (the "**PRC**"), the Hong Kong Special Administrative Region of the PRC ("**Hong Kong**"), Singapore, Portugal and Norway, including (i) marine exhaust gas cleaning systems, (ii) marine energy-saving devices, (iii) marine clean-energy supply systems, and (iv) maritime services, which collectively accounted for 100% of the Group's total revenue during the Reporting Period.

The reporting boundary is determined based on the principle of materiality, taking into account the financial and operational significance of each business segment to the Group, as well as their ESG impacts.

REPORTING STANDARDS AND PRINCIPLES

This Report has been prepared in accordance with the disclosure requirements set out in the Environmental, Social and Governance Reporting Code (the "**ESG Reporting Code**") in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") published by The Stock Exchange of Hong Kong Limited (the "**HKEX**"). The Report follows the reporting principles prescribed in the ESG Reporting Code as listed below:

Reporting Principle	Description	The Group's Response
Materiality	ESG issues covered in this Report are sufficiently material to investors and other stakeholders and therefore should be reported.	The Group identifies and prioritizes material ESG issues through ongoing stakeholder engagement and a comprehensive materiality assessment. These processes evaluate the relevance of sustainability topics to both the business and its stakeholders. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment."
Quantitative	Key performance indicators disclosed in this Report should be measurable, and targets should be set for reducing particular impacts. This allows for the effectiveness of ESG policies and management systems to be evaluated and verified. Quantitative information should be accompanied by explanatory notes to illustrate its purpose and impact, and should be compared where appropriate.	Where applicable, this Report discloses key environmental and social performance indicators in a quantitative manner.
Balance	This Report should present the Group's positive and negative information in an objective and unbiased manner. It should avoid choices, omissions, or presentation formats that may inappropriately influence the decisions or judgments of readers.	This Report provides a complete, fair, clear, comparable, and objective overview of the Group's ESG policies and performance, offering stakeholders a balanced perspective.
Consistency	The methodologies and reporting scope adopted in the ESG Report should remain consistent from year to year to ensure the comparability of ESG data over time. Any changes should be clearly disclosed with corresponding explanations.	Any changes to the reporting framework or methodology have been clearly stated in this ESG Report to ensure transparency and allow stakeholders to conduct meaningful comparisons.

ACCESS TO THE REPORT

The ESG Report is published in both Traditional Chinese and English and is available on the HKEX's HKExnews website. In the event of any discrepancies between the Chinese and English versions, the Chinese version shall prevail.

CONTACT US

We value stakeholders' feedback on our ESG management and performance. You are welcome to share your comments and suggestions by email via ir@contioceangroup.com.

◎HIGHLIGHTS OF THE YEAR

KEY PERFORMANCE SUMMARY

EMPOWERING GREEN MARITIME

Among Privately Owned Marine Exhaust Gas Cleaning System Providers in the PRC[1]

Ranked No. 1

Among Marine Exhaust Gas Cleaning System Providers[1]

Ranked No. 10 Globally

Fourth-Generation Ship Exhaust Gas Cleaning Systems

>97% Desulfurization Efficiency

Organic Amine-Based Carbon Capture System

93% Carbon Capture Efficiency

Registered Patents[2]

80

The Global Service Network Covers Major Ship Routes

The Core Business Covers All Major Field of Marine ESG

100%
of our Production Facility Certified to ISO 9001

BUILDING LOW-CARBON FUTURE

Total Greenhouse Gas Emissions Intensity[3]

0.51 $t\text{-}CO_2e$/million RMB Revenue

Total Energy Consumption Intensity

1.10 MWh/million RMB Revenue

Solid Waste Handling Rate[4]

100%

100%
of our Production Facility Certified to ISO 14001

REALIZING DREAMS TOGETHER

Female-to-Male Employee Ratio

0.54:1

100%
of Employees Benefited from Employee Wellbeing Programmes

100%
of Employees Received Training

100%
of our Production Facility Certified to ISO 45001

FOSTERING HARMONIOUS COMMUNITIES

Key Focus Areas of Community Investment

3

Made Charitable Contributions to
Support Community Development

Community Programmes Initiated and Supported

5

Encouraged Employees to Actively
Participate in Community Service

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1   According to the Frost & Sullivan Report, based on the cumulative number of completed and on-hand orders for marine exhaust gas cleaning systems as of 30 June 2024.
2   As of 31 December 2024, patent types included, but were not limited to, invention patents and utility model patents.
3   Covered Scope 1 and Scope 2.
4   Covered the collection, sorting and handling of solid waste.

AWARDS, RECOGNITIONS AND CERTIFICATIONS

"Top 10 Energy-Saving and Low-Carbon Technology Products"（十佳節能低碳技術產品）(Low-Flashpoint Fuel Supply System ("LFSS")) – Shanghai Energy Saving Engineering and Technology Association（上海市節能工程技術協會）

"Benchmark enterprise for brand cultivation in Shanghai"（上海市品牌培育標杆企業）– Shanghai Commission of Economy and Information Technology（上海市經濟和信息化委員會）

Shanghai Municipal High-Tech Commercialization Project Certification – Shanghai Municipal Science and Technology Commission

"Specialized, Refined, Distinctive, and Innovative Enterprise in Jiangsu"（專精特新中小企業）(ContiOcean/ ContiOcean Nantong) – Shanghai Commission of Economy and Information Technology Industry and Information Technology Department of Jiangsu（上海市經信委／江蘇省工業和信息化廳）

2024 Technology-based SME of Jiangsu Province – Jiangsu Provincial Department of Science and Technology

"2024 Jiangsu Gazelle Enterprise"（2024年江蘇瞪羚企業）(ContiOcean Nantong) – Jiangsu Provincial Productivity Promotion Center（江蘇省生產力促進中心）

American Bureau of Shipping

Bureau Veritas

China Classification Society

Det Norske Veritas

Lloyd's Register EMEA

RINA Services S.p.A. of Italy (RINA)

NIPPON KAIJI KYOKAI

◎ MESSAGE FROM THE CHAIRMAN

ContiOcean Group is a leading provider of maritime environmental protection equipment and system for the global shipping industry. Anchored by our mission of "Propel Green Energy, Protect Blue Planet," we continue to make significant strides in the field of maritime environmental protection equipment and systems – underpinned by strong R&D capabilities and years of extensive industry experience.

In response to the evolving ESG landscape, particularly the regulations from the International Maritime Organization ("**IMO**"), we have proactively developed a suite of industry-leading solutions, including marine exhaust gas cleaning systems, marine energy-saving devices, marine clean-energy supply systems, and maritime services. Our marine environmental protection equipment and system have been widely applied to hundreds of vessels worldwide, serving as a driving force in the maritime industry's low-carbon transition. Our innovative technologies not only help clients meet emission standards but also ensure safer, greener, and more comfortable voyages for every vessel.

The year 2024 marks a new chapter for ContiOcean Group. As we deepen our focus on innovation and scale our global maritime presence, we are building strong capabilities to support maritime decarbonisation. We will continue to focus on the field of marine environmental protection and take concrete actions to give back to society, contributing to the achievement of carbon neutrality goals. With a firm commitment clear to strict compliance with the Listing Rules, we continue to leverage capital market opportunities while advancing with resilience and staying true to our mission – creating greater value for our shareholders and investors.

Last but not least, I would like to express my sincere appreciation for your continued support. Together, let's accelerate the journey toward a greener, cleaner and more sustainable maritime future!

Zhou Yang
Chairman and Executive Director
ContiOcean Environment Tech Group Co., Ltd.
March 2025

◎ABOUT US

GROUP OVERVIEW

ContiOcean was established in 2017 in Shanghai, the PRC, with a clear vision as an enabler of green maritime. From the outset, we recognized the growing influence of stricter maritime environmental regulations, ESG requirements and international sustainability initiatives – and their long-term implications for shipowners and ship builders worldwide. Guided by this forward-looking insight, ContiOcean Group proactively entered the maritime environmental protection equipment and system industry and has since evolved into a leading global provider of in the field.

Our core strength lies in delivering a full suite of customized marine environmental protection equipment and systems. Our portfolio span marine exhaust gas cleaning systems, marine energy-saving devices, marine clean-energy supply systems as well as maritime services. These equipment and systems not only help our customers comply with IMO regulatory requirements and ESG-related requirements, but also support them in achieving safe, green and efficient vessel operations. With a global maritime presence, robust supply chain management capability, stringent quality control as well as a management team with extensive industry experience, we are well-positioned to deliver lasting value for our customers through every solution.

Guided by our vision "Serve every vessel with eco-friendly technics", our mission "Propel green energy, Protect blue planet", we understand the journey is long and challenging, but our commitment remains unwavering. We envision green maritime not only as a responsibility of today, but the future of maritime. Through close collaboration with our customers, we are shaping a low-carbon and more sustainable future for maritime industry.

FOUR KEY BUSINESS SEGMENTS
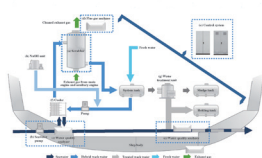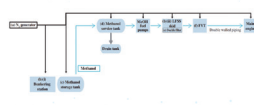
Marine Exhaust Gas Cleaning Systems	Marine Energy-Saving Devices	Marine Clean-Energy Supply Systems	Maritime Services
Include both open-loop and hybrid types of marine exhaust gas cleaning systems	Marine energy saving devices include rudder bulb, hub vortex absorbed fins, frequency conversion cabinet and wind deflectors	Include LFSS (for methanol), fuel gas supply system ("**FGSS**") and the cargo handling system ("**CHS**")	Include ship accommodation interior design and construction, container ship and PCTC ship's lashing gears, and other business

GLOBAL PRESENCE

As a leading global maritime environmental protection equipment and system provider, we offer a range of ESG solutions for clients, including customized marine exhaust gas cleaning systems, marine energy-saving devices, marine clean-energy supply systems, and maritime services.

We provide customers with end-to-end services, covering the entire lifecycle from pre-sales technical consultation to after-sales maintenance. At present, we have established a global service network and are committed to maintaining fast-response communication channels to ensure that customer feedback is addressed around the clock.

We are dedicated to serving a diversified and quality customer base. Our customer base now extends across multiple countries and regions, including Asia, Europe, Americas, and the Middle East, demonstrating our global reach and our customers' trust in our equipment and systems.
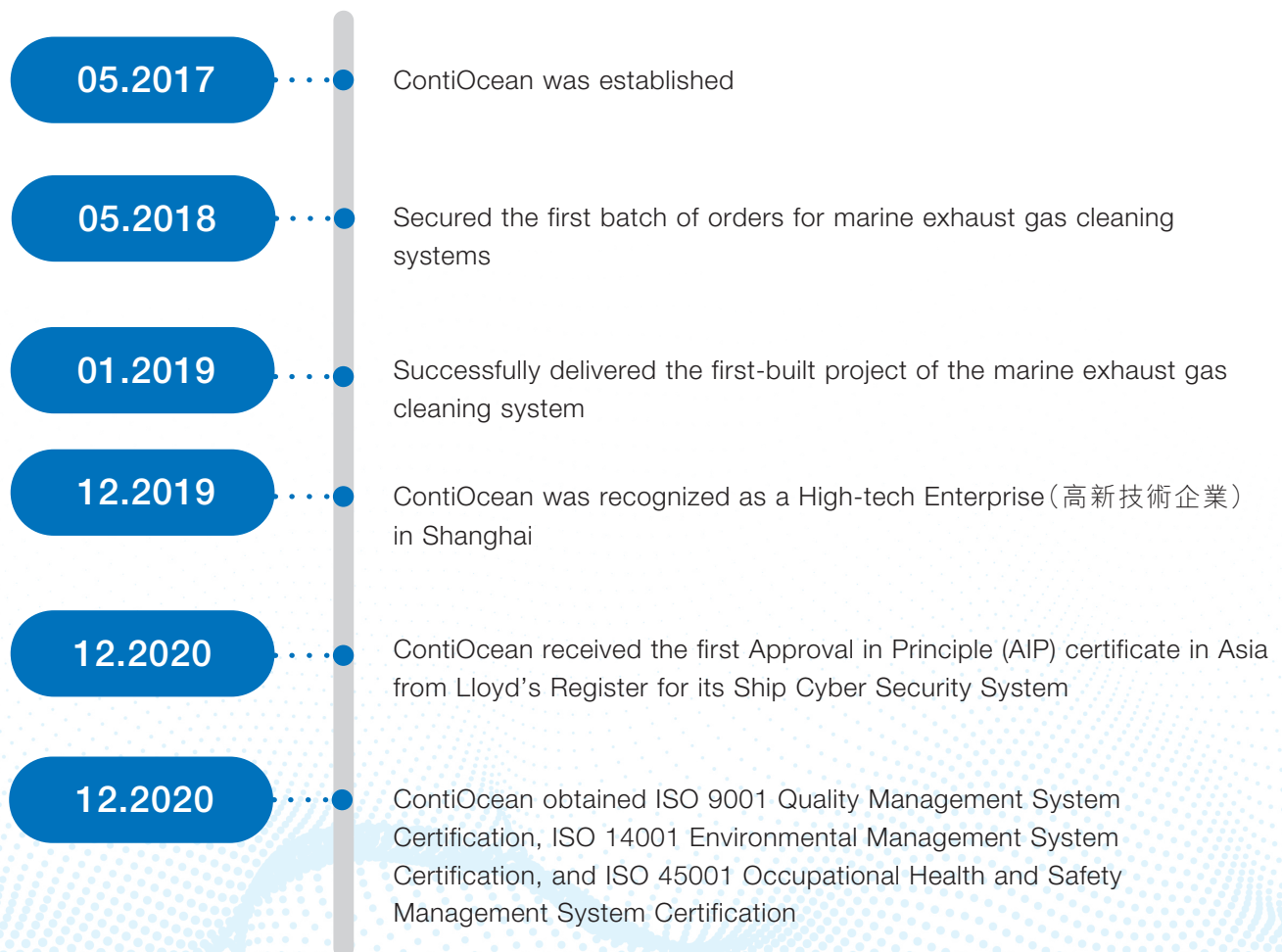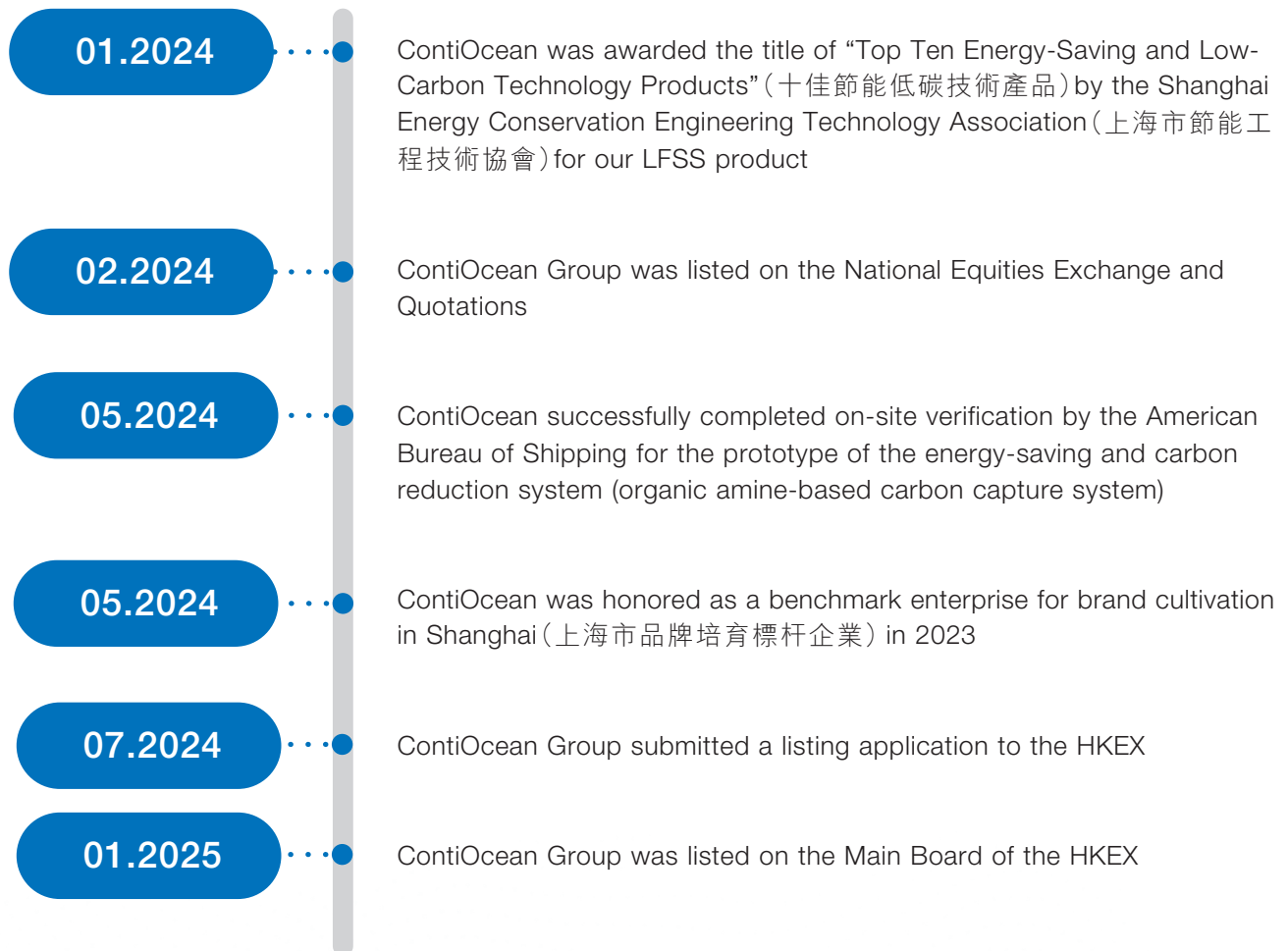

The Group's Global Service Network

KEY MILESTONES

Shanghai, China

Hong Kong, China

Singapore

Portugal

Norway

Nantong, China

ContiOcean's Global Presence

05.2017 ···● ContiOcean was established

05.2018 ···● Secured the first batch of orders for marine exhaust gas cleaning systems

01.2019 ···● Successfully delivered the first-built project of the marine exhaust gas cleaning system

12.2019 ···● ContiOcean was recognized as a High-tech Enterprise（高新技術企業）in Shanghai

12.2020 ···● ContiOcean received the first Approval in Principle (AIP) certificate in Asia from Lloyd's Register for its Ship Cyber Security System

12.2020 ···● ContiOcean obtained ISO 9001 Quality Management System Certification, ISO 14001 Environmental Management System Certification, and ISO 45001 Occupational Health and Safety Management System Certification

05.2021 ····● Completion and commencement of operation of ContiOcean's production facility

11.2021 ····● ContiOcean Group signed its first order for key components of the Marine Clean-Energy Supply System (FGSS), including skid, dual-wall tube, and N2 generators

12.2021 ····● ContiOcean (Nantong) E.P. Equipment Co., Ltd.（匯舸（南通）環保設備有限公司）("**ContiOcean Nantong**") was designated by the Science and Technology Bureau of Nantong City（南通市科學技術局）as the "Nantong (ContiOcean) Maritime Exhaust Gas Cleaning System Engineering Technology Research Center（南通市（匯舸）船舶脱硫系統工程技術研究中心）"

08.2022 ····● ContiOcean was recognized as a "specialized, refined, featured and original enterprise"（專精特新企業）in Shanghai

10.2022 ····● ContiOcean Nantong was recognized as a high-tech enterprise（高新技術企業）in Jiangsu

12.2022 ····● ContiOcean obtained approval in principle from Lloyd's Register Classification Society for the dual alkali-based carbon capture systems

12.2022 ····● Completion of shareholding system reform of ContiOcean Group

12.2023 ····● Completed the acquisition of a controlling stake in Wavelength Technology Center (WTC)

01.2024 · · · · ● ContiOcean was awarded the title of "Top Ten Energy-Saving and Low-Carbon Technology Products"（十佳節能低碳技術產品）by the Shanghai Energy Conservation Engineering Technology Association（上海市節能工程技術協會）for our LFSS product

02.2024 · · · · ● ContiOcean Group was listed on the National Equities Exchange and Quotations

05.2024 · · · · ● ContiOcean successfully completed on-site verification by the American Bureau of Shipping for the prototype of the energy-saving and carbon reduction system (organic amine-based carbon capture system)

05.2024 · · · · ● ContiOcean was honored as a benchmark enterprise for brand cultivation in Shanghai（上海市品牌培育標杆企業）in 2023

07.2024 · · · · ● ContiOcean Group submitted a listing application to the HKEX

01.2025 · · · · ● ContiOcean Group was listed on the Main Board of the HKEX

◎ OUR MANAGEMENT APPROACH TO SUSTAINABILITY

SUSTAINABILITY STRATEGY

Innovation and environmental sustainability define ContiOcean Group's role as a leading global provider of marine environmental protection equipment and systems. We are dedicated to enabling maritime decarbonisation through safe, green, and efficient environmental protection equipment and system for customers worldwide. In line with international environmental regulations and industry standards, we empower the maritime industry to advance its transition toward a low-carbon, sustainable future.

During the Reporting Period, we formulated our sustainability strategy to support the global sustainability agenda and address critical challenges such as climate change and resource scarcity. Our strategy translates our long-term corporate priorities into action, aligning with international standards and industry trends to ensure sustainability is embedded throughout our core business, which is built around the following pillars:

- **Vision and Mission as Strategic Drivers**: Guided by our vision "Serve every vessel with eco-friendly technics" and the mission "Propel green energy, Protect blue planet", we are committed to accelerating the low-carbon transition of the maritime industry.

- **Alignment with International Standards**: Closely aligned with the United Nations Sustainable Development Goals ("**UNSDGs**") and leading international ESG frameworks, the strategy is designed to ensure global relevance and forward-looking direction.

- **Stakeholder-Driven Value Creation:** Through systematic ESG materiality assessments, we actively respond to stakeholder expectations.

To accelerate the maritime industry's low-carbon transition, we have embedded 14 of the UNSDGs from "The 2030 Agenda for Sustainable Development" into our corporate strategy. Looking ahead, we continue to position ourselves as an enabler of green maritime, in partnership with industry partners in driving progress toward sustainability agenda.

Sustainability Strategy

Navigating with Vision to Lead Maritime Innovation

- Innovation and R&D
- Quality Excellence
- Business Ethics
- Sustainable Procurement and Supply Chain Management

3 GOOD HEALTH AND WELL-BEING	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
14 LIFE BELOW WATER	17 PARTNERSHIPS FOR THE GOALS			

Empowering Green Maritime

Navigating with Dreams to Build an Excellent Team

- Occupational Health and Safety
- Diversity, Equity, and Inclusion
- Employee Wellbeing and Development

3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES

Realizing Dreams Together

Building Low-Carbon Future

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	15 LIFE ON LAND

Navigating with Green to Scale Decarbonisation

- Climate Resilience
- Low-Carbon Operations
- Circular Economy

Fostering Harmonious Communities

1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES			

Navigating with Heart to Create a Better Future

- Corporate Giving and Responsibility
- Community Engagement and Development

STRATEGIC PRIORITIES AND PROGRESS

Empowering Green Maritime

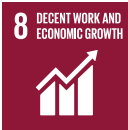| Key Focus Areas	Strategic Priorities/ Commitments	2024 Progress/Key Initiatives and Performance		Response to UNSDGs
• Innovation and R&D	To accelerate the decarbonisation of the global maritime industry by pioneering advanced technologies that deliver both environmental and operational excellence in line with IMO regulations	• The self-developed LFSS (for methanol) was successfully selected as one of the "Top 10 Energy-Saving and Low-Carbon Technology Products in Shanghai (上海市十佳節能低碳技術產品)" • The self-designed Organic Amine-Based Carbon Capture System successfully passed on-site verification by the American Bureau of Shipping, achieving a carbon capture efficiency of 93% • The fourth-generation Marine Exhaust Gas Cleaning System achieved a desulfurization efficiency exceeding 97% • 23 new core technology patents were newly added, including 22 invention patents • 25% of the R&D team members hold a master's degree or higher, forming a highly skilled and innovative talent pipeline • Continued to increase its investment in R&D, with annual R&D expenditures reaching RMB27,169,357.84, representing a year-on-year growth of 43.54%	● ● ● ● ● ●	3 GOOD HEALTH AND WELL-BEING / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION / 14 LIFE BELOW WATER / 17 PARTNERSHIPS FOR THE GOALS
• Quality Excellence	To deliver customer-focused, high-quality and reliable environmental protection equipment and system built on a foundation of robust quality management	• Production facility certified with ISO 9001:2015 International Quality Management System • Established a 24-hour customer feedback response mechanism, achieving a 100% issue confirmation rate • Customer satisfaction survey score reached 98	● ● ●	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Sustainable Procurement and Supply Chain Management	To promote sustainable procurement through a transparent and responsible supply chain	• The comprehensively implemented Supplier Code of Conduct incorporates 8 ESG principles and requirements • Continuously optimizing supply chain management and requiring suppliers to make ESG commitments	● ◑	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Business Ethics	To uphold strong governance and responsible business practices as a foundation for long-term growth, while reinforcing industry trust and ethical standards	• Anti-corruption training covered 100% of the Board members and employees	●	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 17 PARTNERSHIPS FOR THE GOALS

Completed ●   On-track ◑

Building Low-Carbon Future

Key Focus Areas	Strategic Priorities/ Commitments	2024 Progress/Key Initiatives and Performance		Response to UNSDGs
• Climate Resilience	To actively address climate change and accelerate the transition to a low-carbon future	• Established carbon reduction targets: to reduce greenhouse gas (GHG) emissions intensity (Scope 1 and 2) by 3% by 2028, using 2023 as the baseline • Enhanced the climate-related risk and opportunity management framework by referencing the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**")	◐ ●	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION
• Low-Carbon Operations	To achieve low-carbon operations through energy-saving technology upgrades and process optimization	• Established energy use and water management targets: to reduce energy consumption intensity and water consumption intensity by 2% and 1% respectively by 2028, using 2023 as the baseline year • Organized a "Plastic-Free Environmental Awareness Month", during which 2 plastics reduction activities were held with active participation from all employees	◐ ●	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION / 15 LIFE ON LAND
• Circular Economy	To continuously enhance product lifecycle management to support the transition toward a circular economy	• Implementing circular economy principles to promote eco-design	◐	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Completed ●   On-track ◐

Realizing Dreams Together

Key Focus Areas	Strategic Priorities/ Commitments	2024 Progress/Key Initiatives and Performance		Response to UNSDGs
• Occupational Health and Safety	To consistently strengthen safety management to ensure comprehensive protection of employee safety and health	• Production facility certified with ISO 45001:2018 and continuously enhancing the occupational health and safety management system • Established annual safety goals, including achieving "zero major safety incidents" and "zero work-related fatalities" at production facility • Hosted a "Safety Management Awareness Month", achieving 100% employee participation with an average of 3 training hours per employee	◐ ● ●	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
• Diversity, equity, and inclusion	To promote an inclusive culture and committed to building a diverse and equitable workplace	• Advancing the development of female talent, with women representing 12.5% of the Board, 32.43% of management positions, and 35% of the overall workforce • Upholding principles of fairness and equality in recruitment, development and promotion	◐ ●	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 10 REDUCED INEQUALITIES
• Employee Wellbeing and Development	To cultivate talent by continuously investing in employee growth and wellbeing	• Organized various themed employee engagement and care initiatives focused on employee health and well-being, women's empowerment, and diversity and inclusion • Offered multi-level training programs, with an average of 13.18 training hours per employee in 2024, covering professional skills and management development. • Continuously enhancing employee wellbeing mechanisms by offering health check-ups, and implementing and family-friendly activities	● ● ◐	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 10 REDUCED INEQUALITIES

Completed ●   On-track ◐

Fostering Harmonious Communities

Key Focus Areas	Strategic Priorities/ Commitments	2024 Progress/Key Initiatives and Performance	Response to UNSDGs
• Corporate Giving and Responsibility	To actively engage in philanthropic initiatives that foster social inclusion and a culture of care	• Donated to the Hong Kong Down Syndrome Association to support public education and community inclusion efforts ●	
• Community Engagement and Development	To give back to the community through concrete actions that support sustainable development and improve livelihoods	• Delivered festive care by donating supplies to local elderly homes during the Mid-Autumn Festival ● • Sponsored a Charity Tennis Tournament to promote community wellbeing and cohesion ●	

1 NO POVERTY

2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

Completed ●   On-track ◖

SUSTAINABILITY GOVERNANCE AND BOARD OVERSIGHT

Sustainability Governance Structure

We have established a well-structured sustainability governance structure underpinned by clearly defined processes, roles and responsibilities. This structure harnesses cross-functional expertise to embed sustainability across our business operations, while ensuring robust oversight from the Board of Directors (the "**Board**") and the ESG Committee. Below is an overview of the Group's sustainability governance structure:

THE BOARD

Providing leadership and overall accountability for the sustainability strategy and ESG-related matters

ESG COMMITTEE

Formulating and driving the sustainability strategy, work plans, and performance targets

ESG WORKING GROUP

Developing and implementing ESG initiatives, and identifying ESG-related risks and opportunities

Senior Executives

Board Involvement

As the Group's highest governance body, the Board assumes full responsibility for sustainability-related matters, including but not limited to the ESG strategy and management approach, ESG policies, identification and management of ESG-related risks and opportunities, and reviewing progress against relevant goals and targets to manage material ESG risks (including climate-related risks). The Board comprises members with expertise relevant to sustainable development, covering areas such as finance, law, corporate governance, engineering, and marine technologies. This breadth of professional knowledge ensures that the Board can effectively oversee and guide the Group's sustainability strategy and initiatives.

ESG Committee

The ESG Committee comprises three Executive Directors and one Independent Non-executive Director. The Committee is responsible for formulating and advancing the Group's sustainability management approach and strategy.

The members of the Committee possess expertise and knowledge in ESG-related areas, including but not limited to employment and labor practices, occupational health and safety, product responsibility, and business ethics. The Chairman of the ESG Committee reports to the Board at least once a year on material and relevant ESG matters and provides recommendations, including but not limited to:

- Paying active attention to the research of the laws, regulations and policies related to the ESG, formulating and reviewing the Group's ESG management approach, strategies, and policies;

- Identifying, prioritizing, and managing ESG-related risks and opportunities (including but not limited to climate-related risks and opportunities, as well as environmental and social risks in the supply chain), and formulating corresponding response measures;

- Reviewing stakeholder feedback (including reviewing and approving the identified list of material topics and the materiality matrix), as well as the latest market trends and peer ESG performance;

- Establishing ESG-related goals and targets aligned with material issues relevant to our business, and reviewing our progress made on a regular basis;

- Supervising the ESG working group to advance the Group's sustainability agenda;

- Reviewing the Group's annual ESG report for the Board's approval.

- Reviewing ESG related reports of the Group and other significant matters related to the ESG;

- Handling other matters as delegated by the Board.

ESG Working Group

The ESG Working Group, led by the Company Executive Director and secretary to our Board, supports the ESG Committee by assisting in the formulation and implementation of ESG plans that align with the Group's business development and sustainability strategy. It conducts regular assessments of ESG-related risks and the internal control system, and proposes response measures to manage material ESG risks. These plans are developed based on the Board's overall strategic direction and the ESG Committee's strategic framework, including its insights into sustainability-related risks and opportunities, to ensure the effective integration of ESG objectives into business operations.

SUSTAINABILITY RISK AND OPPORTUNITY MANAGEMENT

Effectively managing sustainability-related risks and opportunities is critical to the Group's long-term business resilience and is a cornerstone of sound corporate governance. The ESG Working Group regularly identifies, assesses, prioritizes, and manages material sustainability risks and opportunities, including but not limited to the impacts of climate change and environmental and social risks within the supply chain. The Board retains ultimate oversight responsibility for the management of the Group's sustainability-related risks and opportunities.

- We evaluate the potential impact and likelihood of key ESG risks and opportunities.

1. Identification

- Under the oversight of the ESG Committee, the ESG Working Group identifies material ESG risks, including climate-related risks, supply chain risks, and opportunities.
- Risks and opportunities are assessed with reference to local and international reporting frameworks, latest market analyses, industry research, regulatory updates, and internal reviews.

2. Evaluation

- The ESG Committee and ESG Working Group support the Board in managing and monitoring identified ESG risks and opportunities, formulating response measures, and regularly submitting risk assessment reports to the Board.
- As part of its oversight responsibilities, the Board regularly reviews the effectiveness of risk control measures and provides recommendations for improvement where necessary.
- Risk mitigation measures and internal controls are implemented across business units.
- The Board regularly participates in ESG training to maintain forward-looking awareness of regulatory developments.

3. Prioritization

- Risks and opportunities are prioritized based on their potential impact and likelihood of occurrence.

4. Management

STAKEHOLDER ENGAGEMENT

Stakeholder engagement enables us to gain a thorough understanding of diverse perspectives and expectations, supporting the development of both current and future sustainability strategies. We actively engage with stakeholder groups directly connected to our business operations, including customers, investors/potential investors/shareholders, employees, suppliers, business partners/industry peers, government and regulatory bodies, and local communities/non-governmental organizations. We also share our ESG Report with all stakeholders through our corporate website.

During the Reporting Period, we maintained regular communication with key stakeholder groups (as illustrated below) to share our progress on sustainability-related topics of concern. Insights from stakeholder engagement have played a key role in informing the preparation of this Report.

STAKEHOLDER ENGAGEMENT METHODS

Stakeholders	Key Areas of Concern	Communication Channels
Customers	• Product quality and safety • Compliance and integrity • Information security	Site visit Customer satisfaction surveys Social media Telephone communication Email Surveys
Investor/Potential Investor/Shareholder	• Product quality and safety • Corporate governance and risk management • Compliance and integrity • Carbon emissions and climate change	General meetings Investor meetings Information disclosure Email Surveys
Employees	• Employee rights and interests • Occupational health and safety • Employee training and development	Corporate WeChat public account Employee training Meetings Suggestion boxes Surveys Corporate OA System

Stakeholders	Key Areas of Concern	Communication Channels
Suppliers	• Responsible supple chain • Compliance and Integrity • Product quality and safety	Site visits Supplier/contractors' appraisal system Communication on supply quality Meetings Surveys
Business Partner/Peers	• Compliance and integrity • Product quality and safety • Corporate governance and risk management	Meetings Site visits Telephone communication Surveys
Governmental Organisations/ Regulatory Authority	• Compliance and integrity • Corporate governance and risk management • Carbon emissions and climate change	Information disclosure Surveys
Communities/ Non-Governmental Organisations	• Biodiversity • Pollution and waste management • Social welfare	Community communication Surveys

MATERIALITY ASSESSMENT

The Group recognizes that stakeholder engagement is essential to sustainable development and continually refines its communication mechanisms to ensure transparency, responsiveness, and long-term progress. We adopt a three-step approach to identify, prioritize, and validate ESG issues that are material to our business and stakeholders. This process enables us to gain a deeper understanding of stakeholder expectations and emerging sustainability trends, allowing us to incorporate sustainability priorities into our strategic planning and reporting processes:
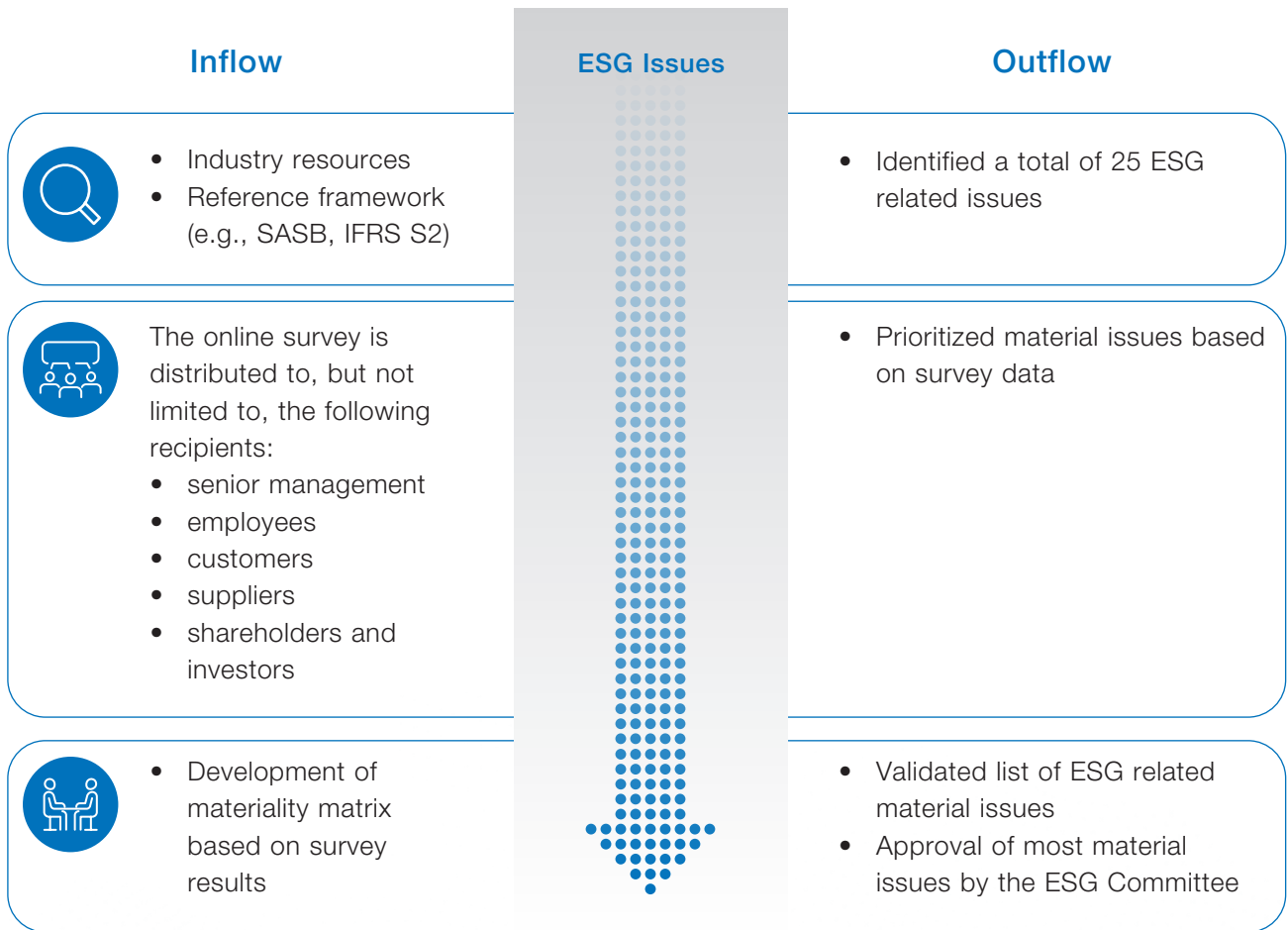
Step 1 – Identification
➢ Review potential material ESG issues identified through regular stakeholder engagement

➢ Conduct peer benchmarking and make reference to international ESG disclosure standards, including the Sustainability Accounting Standards Board ("**SASB**") standards, the International Financial Reporting Standards ("**IFRS**") Sustainability Disclosure Standard IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information ("**IFRS S1**"), and IFRS S2 – Climate-related Disclosures ("**IFRS S2**")

➢ Conduct an online stakeholder engagement survey with key external and internal stakeholders

Step 2 – Prioritization
➢ Assess material ESG issues from two perspectives: (i) stakeholder materiality (importance to stakeholders) and (ii) financial materiality (importance to business continuity and development)

➢ Develop a materiality matrix based on the findings from the online stakeholder engagement survey

Step 3 – Review and Validation
➢ Present the list of identified material issues and the materiality matrix to ESG Committee for review and approval

Inflow

ESG Issues

Outflow

- Industry resources
- Reference framework (e.g., SASB, IFRS S2)

- Identified a total of 25 ESG related issues

The online survey is distributed to, but not limited to, the following recipients:
- senior management
- employees
- customers
- suppliers
- shareholders and investors

- Prioritized material issues based on survey data

- Development of materiality matrix based on survey results

- Validated list of ESG related material issues
- Approval of most material issues by the ESG Committee

Materiality Matrix

The Group uses a materiality matrix to illustrate the degree of impact of the 25 ESG-related material topics on both stakeholders and the business. Topics of highest importance are categorized as Tier 1, while those of relatively lower importance are categorized as Tier 3.

During the Reporting Period, a total of 10 Tier 1 topics were identified as the most material issues and are therefore highlighted in this report.

Materiality Matrix

Tier 1: Most Material Issues   Tier 2: Moderate Material Issues   Tier 3: Relevant Material Issues

- Empowering Green Maritime
- Building Low-Carbon Future
- Realizing Dreams Together
- Fostering Harmonious Communities
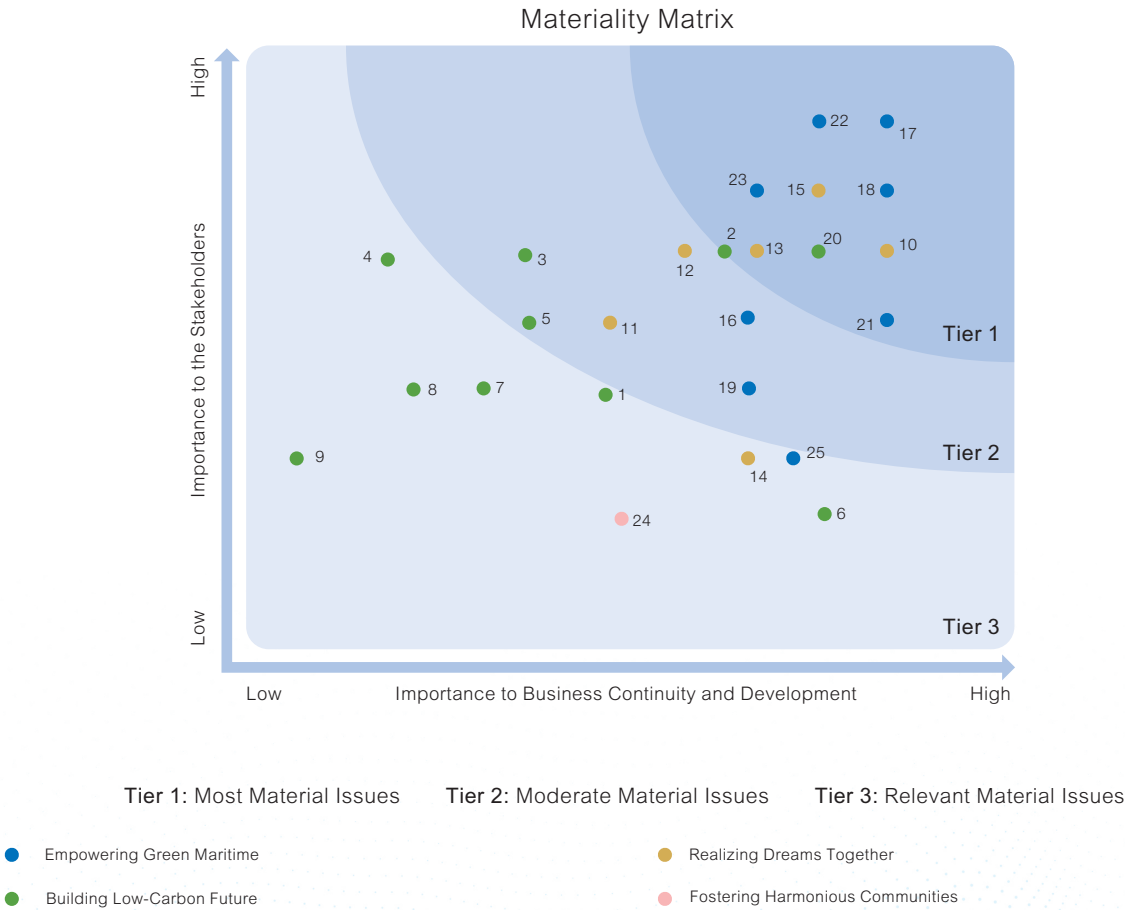
List of ESG-related Material Issues

Materiality	Issues		Strategic Category	Corresponding Chapter
Tier 1: High Material Issues	2.	Energy and carbon emissions	Building Low-Carbon Future	Low-Carbon Operations: Energy Management
				Greenhouse Gas and Air Emissions Management
	10.	Employment and labor practices	Realizing Dreams Together	Human Capital Management
	13.	Occupational health and safety	Realizing Dreams Together	Occupational Health and Safety
	15.	Employment compliance	Realizing Dreams Together	Human Capital Management
	17.	Product quality and safety	Empowering Green Maritime	Quality Excellence
	18.	Customer service	Empowering Green Maritime	Quality Excellence
	20.	Product design and lifecycle management	Building Low-Carbon Future	Promoting The Circular Economy
	21.	Technology and innovation	Empowering Green Maritime	Green Ship Technology
	22.	Intellectual property	Empowering Green Maritime	Responsible Operations
	23.	Anti-corruption	Empowering Green Maritime	Responsible Operations
Tier 2: Moderate Material Issues	3.	Waste management	Building Low-Carbon Future	Waste and Packaging Materials Management
	5.	Materials and circular economy	Building Low-Carbon Future	Promoting The Circular Economy
	11.	Employee well-being	Realizing Dreams Together	Employee Rights and Well-Being
	12.	Equal opportunity, diversity, and anti-discrimination	Realizing Dreams Together	Diversity, equity, and inclusion
	16.	Social risks in the supply chain	Empowering Green Maritime	Sustainable Supply Chain
	19.	Data protection and cybersecurity	Empowering Green Maritime	Responsible Operations
Tier 3: Relevant Material Issues	1.	Climate adaptation and resilience	Building Low-Carbon Future	Climate Resilience
	4.	Water resources and wastewater	Building Low-Carbon Future	Water Resource Management
	6.	Opportunities in low-carbon technologies	Building Low-Carbon Future	Climate Resilience
	7.	Sustainable procurement	Empowering Green Maritime	Sustainable Supply Chain
	8.	Environmental risks in the supply chain	Empowering Green Maritime	Sustainable Supply Chain
	9.	Nature and biodiversity	Building Low-Carbon Future	Maintaining Ecosystems and Biodiversity
	14.	Employee development and training	Realizing Dreams Together	Employee Training and Development
	24.	Community engagement and development	Fostering Harmonious Communities	Fostering Harmonious Communities
	25.	Industry advocacy for sustainable development	Empowering Green Maritime	Green Ship Technology

EMPOWERING GREEN MARITIME

◎ EMPOWERING GREEN MARITIME

In pursuit of green and efficient development across the maritime industry, the Group leverages technological innovation and product optimisation to help the industry respond to increasingly stringent environmental regulations and evolving market demands. We focus on the development and application of green ship technologies, while continuously enhancing product quality and safety to ensure our operations meet high standards of compliance and performance.

At the same time, we value close collaboration with our supply chain partners and actively promote sustainable procurement and responsible operations. This encompasses quality management, customer satisfaction, business ethics, and regulatory compliance, as we strive to build a trusted reputation as a provider of maritime environmental protection equipment and systems.

GREEN SHIP TECHNOLOGY

As a leading global provider of marine environmental protection equipment and systems, ContiOcean Group is committed to driving low-carbon shipping through innovative technologies. We offer shipowners and shipyards one-stop solutions covering desulfurization, decarbonization, energy saving, clean energy supply, and maritime services – actively supporting compliance with emission requirements and carbon reduction targets set by the IMO and various regional environmental regulations.

Case Study: R&D Innovation Capabilities

With strong R&D capabilities, the Group has been recognized as a national high-tech enterprise （國家級高新技術企業）and a specialized, refined, distinctive, and innovative enterprise in Jiangsu Province & Shanghai（省/市級專精特新企業）. We continue to achieve notable results in product innovation and technological advancement:

- Our R&D team members have an average of 10 years of industry experience, with the majority holding at least a bachelor's degree, encompassing a diverse range of specializations including hull design, marine engineering, electrical engineering, chemistry, and thermal energy.
- With our R&D teams based in both Shanghai and Lisbon, we capitalize on domestic maritime expertise and the mature European maritime environmental protection equipment and system industry to drive product development and optimization.
- Our products have received certification from major maritime classification societies, ensuring compliance with international standards.

Marine Exhaust Gas Cleaning Systems

Ship Exhaust Gas Cleaning Systems (including open-loop and hybrid types)
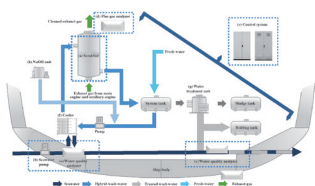
- **ESG Benefits**
  Aimed at reducing sulfur emissions from ships and mitigating the impact of shipping on air quality
- **International Emission Standards**
  Pursuit of maritime environmental protection and compliance with IMO requirement on sulfur content (2016) to reduce the sulfur content in ships' fuel from 3.5% to 0.5% and further lowered to 0.1% in emission control areas
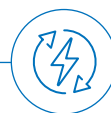
Marine Energy-Saving Devices

Energy-Saving Devices (including rudder bulb, pre-shrouded vanes, hub vortex absorbed fins, wind deflector, etc.)
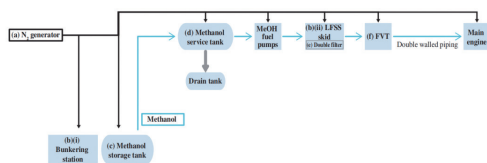

- **ESG Benefits**
  Aimed at reducing fuel consumption for ships and lowering the carbon emissions in maritime operations
- **International Emission Standards**
  Pursuit of maritime environmental protection as well as compliance with IMO requirement and target on decarbonization (2021) to achieve a minimum reduction of 40% in greenhouse gas ("GHG") emissions per transport work by 2030, relative to the baseline figures of 2008

Marine Clean-Energy Supply Systems

LFSS (for methanol), FGSS and CHS

- **ESG Benefits**
  Assists ships to utilize clean energy to power their operation, thereby reducing carbon emissions
- **International Emission Standards**
  Pursuit of maritime environmental protection and compliance with IMO requirement and target on decarbonization (2023) to achieve net-zero GHG emissions from international shipping by around 2050

Maritime Services

Ship Accommodation Interior Design and Construction, Container Ship and PCTC Lashing Gears, and Other Maritime Services

- **ESG Benefits**
  Aimed at improving crew living environment and maintain the safety of ship navigation
- **International Trend**
  Pursuit of environmental sustainability, while empowering clients to fulfill their social responsibilities and strengthen corporate governance

QUALITY EXCELLENCE

Quality Management System

The Group is committed to providing customers with high-quality, safe, and reliable maritime environmental protection equipment and systems. To ensure our products meet industry standards and safety regulations, we have established a comprehensive set of quality management policies.

Our production facility are certified to the ISO 9001:2015 Quality Management System, reinforcing our commitment to quality management best practices. This certification ensures standardization and traceability across the entire product lifecycle, from research and development to production and delivery.

Product Health and Safety Management

• Product Planning	During the product development phase, a comprehensive technical evaluation is conducted for all new products. Environmental factors and occupational health and safety risks are carefully considered to ensure products meet relevant safety and environmental standards.
• Production Operation Control	A systematic monitoring process is applied throughout the entire production cycle, covering personnel management, production equipment, operational procedures, and workplace environments. This ensures compliance with quality and safety standards during production.
• Quality Inspection and Safety Testing	All products undergo multi-tiered inspections, including internal quality testing and third-party verification, with strict adherence to testing standards.

Quality Inspection and Management Process

• Material Inspection	All critical raw materials and components undergo incoming inspections to ensure compliance with technical requirements.
• Production Process Monitoring	The quality inspection team monitors all production processes, ensuring adherence to standardized operating procedures.
• Finished Product Testing and Acceptance	Before delivery, products undergo internal testing and third-party inspections. Only products that meet the required standards are approved for delivery.

Non-Conforming Product Management and Remedial

- Identification and Handling of Non-Conforming Products
- Product Traceability and Corrective Actions

Detailed records are maintained for all products that fail to meet standards, ensuring that all issues are properly tracked and rectified.

Complete production records are maintained for all products, enabling rapid traceability of non-conforming products. Necessary replacements or repairs are conducted to address any identified issues.

Customer Satisfaction

The Group values customer experience and continuously enhances product and service quality through a structured customer satisfaction survey mechanism and policies. We regularly collect customer feedback and use the survey results as a key basis for internal improvements, ensuring our products and services meet market demands.

Customer Satisfaction Survey

To assess customer satisfaction with the Group's products and services, we have established a standardized survey and evaluation mechanism:
- Survey Frequency: Conducted at least twice a year to continuously monitor customer experience
- Survey Scope: Covers key indicators including product delivery, product quality, and sales and technical services
- Responsible Department: The Engineering Department is responsible for conducting surveys, consolidating and analyzing data, and reporting the results to relevant departments for corrective actions

The survey methods include:
- Email Questionnaires: Standardized distribution of the After-Sales Customer Satisfaction Survey via email to customers
- On-Site Interviews: When conditions permit, the technical and sales teams conduct direct communication with customers to gather more accurate feedback

Key Customer Satisfaction Indicators

The Customer Satisfaction Survey covers the following key indicators, including but not limited to:

Production	Service	Delivery
✓ Package	✓ Sales	✓ Timeliness
✓ Visual	Service	✓ Integrity
✓ Workmanship	✓ Site	
✓ Maneuvering	Service	
✓ Stability	✓ Technical	
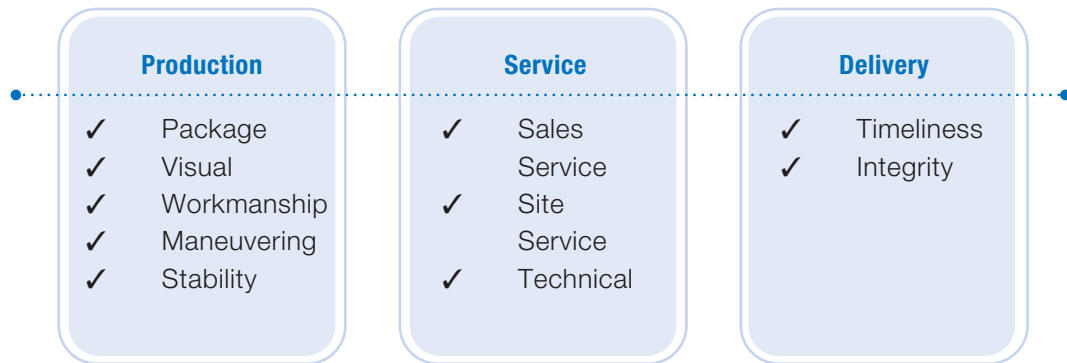
Complaint Handling

The Group places great importance on customer feedback and has established a comprehensive complaint handling policy and mechanism to ensure that all product and service-related complaints from global customers are promptly addressed and effectively resolved. This approach supports continuous improvement in our product and service quality.

We accept customer complaints through multiple channels, including on-site feedback (such as issues encountered during installation, commissioning, or operation), email, phone, WeChat, and other communication platforms. Additionally, we carefully consider quality feedback from third-party auditors or inspection agencies to ensure that all customer concerns receive the necessary attention and resolution. During the Reporting Period, the Group did not receive any major complaints related to its products and services.

Complaint Handling Procedures

1. Complaint Submission and Acceptance

- Customers may submit complaints through phone, email, or WeChat. The responsible department will confirm whether to initiate the formal complaint handling process.
- A preliminary assessment is conducted based on the complaint details. If the complaint involves product quality or service issues, it will be formally recorded and proceed to the investigation phase.

2. Investigation and Corrective Actions

- The receiving department will investigate the complaint, including gathering information from the relevant parties or suppliers to verify the validity of the complaint. It will also assess whether the issue is a recurring problem.
- Depending on the severity of the case, the responsible department will take appropriate corrective actions to ensure effective resolution. If the issue involves supplier responsibility, actions will be taken in accordance with contract terms, including but not limited to rectification requests or, if necessary, termination of the partnership.

3. Monitoring and Continuous Improvement

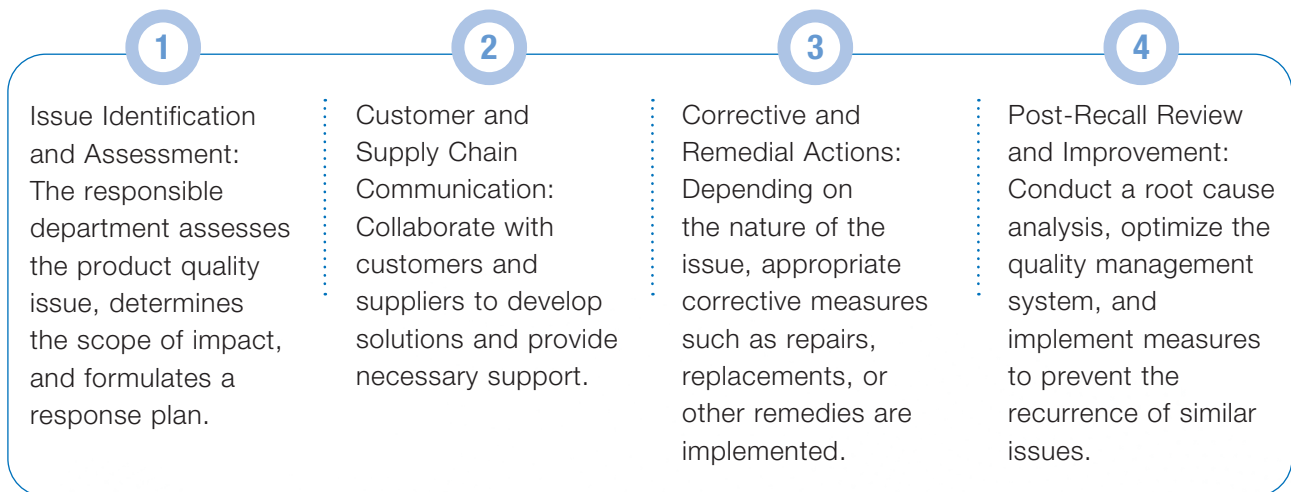- Customer complaint records will be incorporated into the human resource management system and used as part of employee performance evaluations.
- For supplier-related issues, complaints will be included in the supplier evaluation mechanism.
- Regular statistical analysis of complaint data will be conducted to identify trends and areas for improvement, serving as a critical basis for enhancing product and service quality.

Product Recall

The Group is committed to ensuring the safety and compliance of its products. In accordance with internal policies, we apply a structured approach to assess product defects or quality issues, minimizing potential risks to our customers.

When a potential safety or functional issue is identified, the Group initiates an internal review process. Relevant departments evaluate the severity of the issue and coordinate with customers and suppliers to determine appropriate corrective actions. These actions may include product adjustments, replacements, or, if necessary, the activation of a recall process.

If a product recall is required, the Group follows these procedures:

1	**2**	**3**	**4**
Issue Identification and Assessment: The responsible department assesses the product quality issue, determines the scope of impact, and formulates a response plan.	Customer and Supply Chain Communication: Collaborate with customers and suppliers to develop solutions and provide necessary support.	Corrective and Remedial Actions: Depending on the nature of the issue, appropriate corrective measures such as repairs, replacements, or other remedies are implemented.	Post-Recall Review and Improvement: Conduct a root cause analysis, optimize the quality management system, and implement measures to prevent the recurrence of similar issues.

During the Reporting Period, the Group had no products sold or shipped that were subject to recalls for safety and health reasons.

SUSTAINABLE SUPPLY CHAIN

Supply Chain Management

The Group places great importance on supply chain management and has established policies and standardized processes to ensure that suppliers and related parties meet our requirements for quality, compliance, and sustainability. We have implemented a qualified supplier evaluation system that covers supplier selection, qualification assessment, performance monitoring, and risk control mechanisms. This system enhances supply chain transparency and stability. During the Reporting Period, we applied our established supplier engagement practices to all of our 168 suppliers.

Supplier Selection and Evaluation

- During the supplier selection process, we consider the following key factors:
  - Product and service quality
  - Production capacity
  - ESG performance, including but not limited to environmental management, occupational health and safety, compliance, fair labor practices, and business ethics
- Verify the qualifications of potential suppliers, including their ESG-related certifications and compliance status
- Comprehensive background checks are conducted to ensure that potential suppliers' activities do not pose significant environmental or social risks

Supplier Management and Evaluation

- Our Supplier Code of Conduct outlines our sustainability expectations
- For new suppliers, we conduct a comprehensive assessment covering compliance, environmental performance, product and service quality, fair labor practices, and business ethics. On-site inspections are carried out when necessary
- Maintain regular communication with existing suppliers, encouraging them to provide eco-friendly products and services and ensuring their operations align with our ethical standards
- Ongoing evaluations of suppliers are conducted regularly, and third-party agencies may be engaged for independent audits when necessary

Supply Chain Risk Control

- Regular supply chain sustainability risk assessments are performed to monitor identified risks. We implement targeted control measures to minimize potential impacts on daily operations

Implementation and Monitoring Mechanism

- Conduct regular comprehensive assessments of suppliers across multiple ESG categories, including compliance, environmental performance, product and service quality, fair labor practices, and business ethics
- For suppliers that fail to meet the required standards, the Group will request a corrective action plan. If the corrective actions are not completed within a reasonable timeframe, the Group may consider terminating the business relationship

Supplier Code of Conduct

During the Reporting Period, the Group developed and implemented the Supplier Code of Conduct, which outlines the fundamental expectations for suppliers regarding social, environmental, and ethical compliance. This Code applies to all suppliers and their subsidiaries, aiming to jointly establish an integrity-driven, compliant, and sustainable supply chain system.

The Supplier Code of Conduct covers, but is not limited to, the following ESG areas:

- **Environmental Protection:** Identify and manage the environmental impacts of operations, including emissions control and resource efficiency

- **Sustainable Resource Use:** Encourage the use of environmentally friendly and sustainable materials in business operations

- **Occupational Health and Safety:** Provide a safe and healthy working environment and ensure appropriate training for employees

- **Labor Rights and Human Rights Protection:** Prohibit child labor and forced labor, and uphold equal opportunities and human rights

- **Business Ethics and Integrity:** Strictly prohibit corruption, fraud, and anti-competitive behavior, and ensure compliance with applicable laws and regulations

- **Confidential Information and Privacy Protection:** Prevent data leakage and ensure the responsible use of the Group's resources

The Group encourages all suppliers to actively uphold the principles of the Supplier Code of Conduct in their daily operations. To align with evolving business needs and industry standards, the Supplier Code of Conduct will be reviewed and updated as necessary.

RESPONSIBLE OPERATIONS

Data Responsibility

The Group places a high priority on protecting customer information and has established a series of policies and measures to ensure that all collected, processed, and stored data is strictly managed. We safeguard customer information to prevent unauthorized access, disclosure, use, modification, damage, or loss, and apply stringent confidentiality measures to all collected data.

Data security is of paramount importance to the Group. We consider the protection of stakeholders' information and data a top priority. In all business activities and interactions, we ensure the confidentiality and security of data, strictly adhering to relevant regulations[5]. To this end, the Group has implemented comprehensive data protection, cybersecurity, and data management mechanisms and policies. These measures include stringent controls on cybersecurity, critical data backups, system vulnerability management, incident reporting, and information security notifications to maintain a high standard of information protection.

To further safeguard sensitive documents and data, all employees and R&D personnel with access to the Group's confidential information are required to sign non-disclosure agreements ("**NDAs**"). These agreements strictly prohibit the unauthorized disclosure of trade secrets or confidential information. The NDAs clearly outline the protection clauses for confidential information exchanged during potential collaboration processes.

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[5]   Please refer to the Significant Laws and Regulations section for a list of laws and regulations significant to the Group's business operations.

Compliance and Business Ethics

Compliance and business ethics are core values of the Group. We uphold the highest standards of integrity, which is not only a legal obligation but also a commitment to all our stakeholders. Our management and the Board actively engage in compliance matters, ensuring that the Group adheres to ethical principles, legal and regulatory requirements, and corporate governance best practices in all aspects of our operations. The Group is dedicated to fostering a transparent and accountable corporate environment, embedding this philosophy across all levels of our business to maintain strong ethical and compliance standards.

Anti-Corruption

The Group has established a comprehensive set of anti-corruption policies and systems within its operations. Employees and suppliers are required to adhere to the highest standards of business ethics and are strictly prohibited from engaging in any form of corruption, including but not limited to bribery, extortion, fraud, and money laundering. These measures ensure that employees act in the best interests of the Group, avoiding any conflicts of interest.

To ensure that employees have a thorough understanding of the Group's ethical standards and to strengthen their awareness of anti-corruption practices, our onboarding training includes content on anti-corruption and business ethics, with these principles incorporated into the employee handbook. During the Reporting Period, we provided anti-corruption training to the Board of Directors and employees to ensure they fully understand the Group's ethical expectations. Additionally, specialized training sessions were organized for the Board members to cover topics on integrity, professional conduct, and ethical responsibilities, equipping them to identify and manage corruption risks. These efforts further reinforce the Group's culture of integrity and its commitment to responsible business operations.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corruption brought against the Group or its employees.

Whistleblowing Mechanism

As part of our commitment to responsible business operations, the whistleblowing mechanism serves as a crucial component to ensure corporate compliance and uphold business ethics. The Group has established transparent and secure whistleblowing channels that encourage employees and business partners to report any suspected misconduct or violations promptly. These channels include an anonymous and independent email system to protect the identity of whistleblowers and minimize their concerns. The Board oversees the implementation of preventive measures and the whistleblowing procedures, while senior management is responsible for the execution and monitoring of their effectiveness.

The Group recognizes that the whistleblowing mechanism is not only a tool for identifying issues but also a means to foster a positive corporate culture and strengthen ethical awareness. To ensure employees are well-informed and empowered, regular training sessions are conducted to enhance their understanding of the whistleblowing procedures and their importance, encouraging them to speak up when issues arise.

Furthermore, the Group handles all reports with strict confidentiality and guarantees that no retaliatory action will be taken against whistleblowers in any form. Independent teams are responsible for handling whistleblowing cases to ensure investigations are conducted fairly and objectively.

Through these measures, the Group has not only enhanced its internal oversight mechanisms but also laid a solid foundation for establishing a trustworthy and efficient working environment, supporting its long-term sustainable development.

Intellectual Property Protection

In today's highly competitive business environment, respecting and protecting intellectual property (IP) is essential for fostering innovation and preserving brand value. The Group fully recognizes the importance of intellectual property protection and is committed to safeguarding its own innovations and brand assets, as well as those of third parties, to mitigate potential infringement risks.

To achieve comprehensive intellectual property protection, the Group has established a series of policies covering patents, trademarks, and copyrights. All design proposals undergo a rigorous review process to ensure they do not infringe upon third-party intellectual property rights. Additionally, we proactively manage our intellectual property portfolio by registering and documenting our intellectual property assets to enhance protection and oversight.

As of the end of the Reporting Period, the Group has obtained 80 patents and 30 software copyrights, reflecting our strong capabilities and achievements in research and development (R&D) innovation.

Responsible Marketing

Responsible marketing is not only a key factor in a company's success but also a cornerstone for maintaining brand reputation and earning customer trust. The Group adheres to the principle of integrity-based marketing, strictly complying with all applicable laws and regulations[6]. We have established comprehensive policies and measures to ensure that all advertising and labeling content is truthful, accurate, and not misleading.

To ensure the authenticity and compliance of our marketing information, the Group requires all advertisements and promotional materials to undergo a thorough review by the Quality Control and Legal departments before publication. This process includes content proofreading, fact-checking, and compliance verification. Only after the information has been meticulously reviewed and confirmed to be accurate and compliant with regulatory requirements is it approved for external release. Additionally, the Group has assigned a dedicated team to continuously monitor the performance and compliance of published advertisements and promotional content. In the event of any non-compliant content, we will immediately suspend the publication and initiate corrective actions. This ensures that all promotional materials consistently meet the Group's standards and regulatory expectations.

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[6] Please refer to the Significant Laws and Regulations section for a list of laws and regulations significant to the Group's business operations.

BUILDING LOW-CARBON FUTURE

◎BUILDING LOW-CARBON FUTURE

The Group is committed to driving the low-carbon transition and has strengthened its environmental management across multiple areas. Our production facility has obtained the ISO 14001:2015 Environmental Management System Certification. We have established a comprehensive environmental and climate policy with specific targets, and we regularly monitor our performance to continuously optimize operations. These efforts reduce our environmental impact, enhance resource efficiency, and respond to stakeholders' expectations for sustainable development.

CLIMATE RESILIENCE

As an enabler of maritime environmental protection, we aim to empower our clients to adopt green energy solutions and promote environmental sustainability across all vessels. We closely monitor climate policy trends and the evolving market demand for emission reduction technologies. Through the continuous development of high-efficiency environmental protection equipment and related technological solutions, we support the shipping industry in meeting increasingly stringent emissions standards, while also creating growth opportunities for the Group.

Green Targets

To enhance our operational resilience to climate change, we have established the following green targets:

Our Green Targets		Progress
Emissions	• Reduce greenhouse gas (GHG) emissions intensity (Scope 1 and 2) by 3% by 2028, using 2023 as the baseline	In Progress
	• Minimize air emissions from daily operations	Achieved
Waste	• Maintain 100% collection, sorting and handling of all solid waste at production facility	Achieved
	• Reduce waste generation (including hazardous and non-hazardous wastes) by adhering to the 4R principles of responsible waste management	Achieved
Energy	• Reduce energy consumption intensity by 2% by 2028, using 2023 as the baseline	In Progress
Water	• Reduce water consumption intensity by 1% by 2028, using 2023 as the baseline	In Progress
Environmental Management	• Maintain zero environmental contamination incidents at production facility	Achieved

Case Study: Enhancing Scope 3 Carbon Management Across the Value Chain

In our efforts to enhance the carbon footprint management across our value chain, we initiated a comprehensive assessment during the Reporting Period, focusing on Scope 3 emissions—those indirect greenhouse gas emissions arising from upstream and downstream activities. This endeavor led to the creation of our inaugural Scope 3 emissions inventory encompassing value chain activities. Guided by the Greenhouse Gas Protocol, we tailored our approach to align with our operational dynamics and supply chain characteristics, identifying 9 key emission categories most relevant to our business.

Category 1	Purchased goods and services
Category 2	Capital goods
Category 4	Upstream transportation and distribution
Category 5	Waste generated in operations
Category 6	Business travel
Category 7	Employee commuting
Category 11	Use of sold products
Category 12	End of life treatment of sold products
Category 15	Investments

Through cross-departmental collaboration and process streamlining, we have further enhanced our understanding of carbon emission sources across the value chain. This strengthened foundation will support future efforts in data collection, emissions quantification, and the development of carbon reduction strategies.

Climate-Related Risk and Opportunity Management

With the increasing impacts of climate change and the rising frequency of extreme weather events, building climate resilience has become an essential part of corporate sustainability strategies. The Group fully recognizes the potential risks and long-term impacts that climate change may pose to its business operations, supply chain, and asset management. As a result, climate-related factors have been integrated into our enterprise risk management and strategic planning processes to enhance operational stability and strengthen our adaptive capacity to climate change.

To reinforce climate risk management and meet stakeholder expectations, the Board of Directors and the ESG Committee conduct regular reviews of climate-related risks and opportunities. They also evaluate relevant response strategies to ensure the Group maintains business resilience while capturing green transition opportunities in a landscape of both transition risks and physical risks.

We have adopted the TCFD framework to identify key climate risks and opportunities related to our operations and assess the effectiveness of our existing mitigation measures. This assessment supports the integration of climate considerations into corporate decision-making processes, enhancing our overall climate resilience.

A summary of the major climate risks and opportunities identified by the Group is presented below:

Climate-related risks		Timeframe	Potential impacts	Our responses
Physical risks				
Acute risks	Increased severity of extreme weather events, such as storms and river flooding	Short, medium, and long term	▪ Operational Disruptions Leading to Reduced Revenue ▪ Reputational Impact	▪ Notify office employees to implement adverse weather response plans in advance ▪ Conduct regular inspections to identify and mitigate climate-related safety hazards ▪ Prioritize local and nearby suppliers to minimize delays
Chronic risks	Long-term changes in weather patterns and the climate, such as sustained high temperatures	Medium to long term	▪ Damage to property and assets in our operating locations ▪ Disruption to business operation and supply chain	▪ Established a climate change policy and integrated climate change into our internal risk management system, including contingency plans that support business continuity and recovery in the event of business disruption ▪ Optimize the operating efficiency of heating, ventilation, and air conditioning (HVAC) systems

Climate-related risks		Timeframe	Potential impacts	Our responses
Transition risks				
Policy and legal risks	Evolving climate-related laws and regulations in transition to a lower-carbon economy including policies for maritime environmental protection equipment and systems or potential future regulations mandating GHG emission reduction as well as the enhanced climate-related disclosure obligations set by the Hong Kong Stock Exchange	Medium to long term	▪ Increased compliance and operating costs	▪ Continue to develop maritime environmental protection equipment and systems to support the maritime sector in reducing their environmental impact and meet stricter climate-related policy requirements ▪ Regularly and closely monitor the latest regulatory changes in laws, policies and regulations to ensure compliance ▪ Promptly communicate policy updates to employees to ensure compliance
Market and technology risks	Rising customer demand for new products and services with advanced technology and lower environmental footprint	Medium to long term	▪ Loss of revenue and market share impacting business development	▪ Established an R&D team to drive the development of new products and services ▪ Our production facility has obtained the ISO 14001:2015 Environmental Management Systems certification

Climate-related risks		Timeframe	Potential impacts	Our responses
Products and services	Increased market demand for products and services related to maritime environmental protection equipment and systems	Short to medium term	▪ Increased revenue due to the growing market for maritime environmental protection equipment and systems	▪ Focus on developing comprehensive equipment and systems for the maritime environmental protection sector ▪ Develop core technologies in fields including marine exhaust gas cleaning system, marine energy-saving device, marine clean-energy supply system, and maritime services. ▪ Developed policies and measures relating to product quality and obtained the ISO 9001:2015 Quality Management Systems certification in our production facility.
Markets – growing markets for maritime environmental protection equipment and systems	Strengthened maritime environmental protection and climate-related legal and regulatory frameworks, including the IMO's emissions requirements, leading to growing markets	Medium to long term	▪ Increased revenue due to the growing market for maritime environmental protection equipment and systems, as a result of stricter climate-related policies	▪ Continue to develop comprehensive maritime environmental protection equipment and systems to support environmental protection of the maritime sector ▪ Regularly monitor changes in policies, laws, and regulations to capture the associated market trends and opportunities

LOW-CARBON OPERATIONS: ENERGY MANAGEMENT

Electricity consumption is one of the primary components of the Group's environmental footprint and a key focus of our resource management strategy. To further improve energy efficiency and reduce unnecessary consumption, we continually optimize facility operations and strengthen internal energy management mechanisms to support operational stability and sustainable development.

At the operational level, the Group has implemented a range of energy-saving measures across both production facility and offices, focusing on two main areas: technological applications and behavioral management. Specific measures include:

- Adopt high-efficiency energy-saving lighting equipment (e.g., LED) to replace traditional light sources and reduce baseline lighting energy consumption

- Utilize natural daylight to reduce reliance on artificial lighting during the day

- Set air conditioning temperature guidelines (maintaining 24–26º C in summer and activating heating as necessary in winter) to balance comfort and energy efficiency

- Implement regional electricity consumption monitoring and data tracking, gradually installing sub-metering systems to enhance energy analysis and performance assessment

- Appoint energy-saving responsible persons to monitor electricity usage in key areas, strengthening energy management awareness at the departmental level

- Encourage employees to actively switch off idle appliances and foster a culture of energy conservation through internal advocacy

We will continuously review the effectiveness of current measures and explore the introduction of more efficient energy-saving technologies and intelligent management tools to support the Group's transition towards low-carbon operations.

GREENHOUSE GAS AND AIR EMISSIONS MANAGEMENT

The Group recognizes the importance of air emissions management for environmental protection and sustainable development, and considers it one of the core issues in our environmental management strategy. We are committed to continuously strengthening emissions management in our operations, reducing greenhouse gas and air emissions, and ensuring compliance with national and regional environmental regulations.

We have established a comprehensive management policy for air emissions and greenhouse gases, covering areas such as source control, operational optimization, regulatory compliance monitoring, and performance disclosure.

Management strategy and key practices include:

- Source Control and Equipment Management:

    o Install welding fume purifiers in the production process to capture and filter smoke and particulates released during welding operations, reducing harmful emissions and improving air quality in the work environment

    o In logistics and transportation management, we regularly maintain company vehicles to enhance fuel efficiency and reduce exhaust emissions

- Green Travel and Business Travel Management: Encourage employees to use public transportation or non-motorized travel methods, and minimize business travel carbon footprints by utilizing virtual meeting systems.

- Renewable Energy Exploration and Technology Assessment: Gradually assess the potential applications of solar energy and other low-carbon energy sources in offices and production facility to reduce overall carbon emissions.

Furthermore, to ensure the effectiveness of environmental management at our production facility, the Group has engaged third-party agencies to conduct environmental testing reports for our production sites. The focus of the testing was on total suspended particulates from non-organized emissions. The assessment, based on the Integrated Emission Standard of Air Pollutants (DB32/4041-2021), confirmed that all parameters met the standard emission limits, demonstrating the Group's compliance and effectiveness in air emissions control.

WASTE AND PACKAGING MATERIALS MANAGEMENT

The Group fully recognizes the importance of effective waste management for environmental protection and is committed to implementing a series of measures to reduce waste generation. We adhere to the 4R principles–Reduce, Reuse, Recycle and Replace–reflecting our commitment to resource conservation and promoting recycling in our daily operations.

To effectively manage non-hazardous waste, the Group places a strong emphasis on paper usage and is actively working towards the goal of a paperless office. This includes reducing paper demand and minimizing paper consumption through initiatives such as:

1. Transitioning to electronic communication systems

2. Encouraging employees to select double-sided printing when printing documents

3. Reusing paper that has already been used

In addition, the Group is actively working to reduce the use of single-use plastic products and promotes the selection of eco-friendly packaging. This not only helps reduce plastic waste generation but also aligns with the global call for sustainable development.

In hazardous waste management, the Group entrusts accredited third-party agencies with the handling of hazardous waste. These agencies possess the necessary qualifications and experience to manage special waste in compliance with national and regional environmental regulations, ensuring the safety, effectiveness, and compliance of hazardous waste transportation, storage, and disposal processes. The Group also regularly audits these partners' operations to ensure that their handling processes and environmental management systems comply with the latest legal requirements.

The Group firmly believes that employee education is a key factor in driving successful waste management. By conducting regular training sessions, we enhance employees' knowledge in areas such as waste sorting. This not only increases environmental awareness but also fosters a collective commitment to environmental protection within the team.

Overall, the Group's approach to waste management goes beyond compliance, encompassing our responsibility towards environmental and social obligations. We will continue to make efforts to ensure that all waste is properly managed, contributing to the protection of the natural environment and achieving a cleaner, more sustainable future.

Case Study: Enhancing Employee Awareness on Reducing Plastic Use

To promote a green office culture, the Group organized a "Plastic-Free Environmental Awareness Month" during the Reporting Period, encouraging employees to reduce the use of non-biodegradable plastic products in their daily work. The initiative included issuing a plastic reduction manifesto, holding themed seminars, soliciting actionable suggestions, optimizing procurement processes, and displaying awareness posters in office areas to strengthen employees' understanding of plastic pollution and encourage proactive actions.

This initiative effectively increased employee participation and environmental awareness, further reinforcing the internal sustainability culture within the company.

WATER RESOURCE MANAGEMENT

Water resource management is crucial for the Group's sustainable development. The Group fully recognizes the limited and vital nature of water resources and has implemented a series of policies and measures to effectively manage and protect water resources, ensuring their efficient use in operations.

The Group has implemented the following measures regarding water facilities:

1. Regular inspection and maintenance of facilities

2. Investment in equipment that meets water efficiency standards

3. Monitoring water usage

These measures help enhance water efficiency, reduce water consumption, and assist the Group in identifying peak water usage periods and potential wastage points. Through data analysis, targeted improvement measures are developed to further optimize water resource usage.

To raise employee awareness on water usage, the Group has implemented the following measures:

1 Regular training to help employees understand how to conserve water in daily work

2 Signage in high-water-usage areas to remind employees of the importance of water conservation

These initiatives enhance water efficiency, increase the visibility of water resource management, and strengthen employees' environmental awareness, fostering habits of water conservation.

Through these measures, the Group has not only improved water resource efficiency and reduced operational costs but also enhanced employee awareness of water usage, achieving both economic and environmental benefits. This is a significant step towards sustainable development. The Group will continue its efforts to manage water resources effectively and contribute to environmental protection. During the Reporting Period, the Group did not encounter any issue in sourcing water that was fit for purpose.

GREEN PROCUREMENT

When selecting suppliers and procuring products, in addition to considering price, quality, and technical capabilities, we actively incorporate environmental factors into our decision-making process to promote green procurement practices. We prioritize the selection of:

- Products with high energy efficiency and water-saving performance
- Products made from recyclable or reusable materials, with minimalist packaging and high durability
- Suppliers that use environmentally friendly packaging materials
- Suppliers that reduce the use of single-use products

PROMOTING THE CIRCULAR ECONOMY

As a corporate dedicated to driving sustainability in the maritime industry, ContiOcean Group recognizes the importance of improving resource efficiency and implementing full product life cycle management in advancing sustainable development and mitigating climate impacts. We actively explore circular economy models, practicing the principles of recycling and regeneration through operational efficiency improvements, product design, and reuse. Our goal is to extend product life cycles and promote resource recycling, positioning this as a key pathway to address climate change and foster innovation in green technologies.

Currently, we are driving the development of the circular economy from three main directions:

1. **Improving Resource Efficiency in Operations and Products**
- Optimizing manufacturing and operational processes to enhance overall material and energy efficiency
- Designing and launching "high-efficiency energy-saving equipment" to help customers reduce energy consumption and carbon emissions

2. **Extending Product Lifespan**
- Equipment is designed with a long-term lifespan and a maintenance-free system (e.g., marine photovoltaic systems)
- Offering repair, upgrade, and maintenance services to extend the product's full life cycle

3. **Promoting Reuse and Recycling**
- Enhancing product disassemblability and material recyclability to improve the feasibility of component reuse and material recycling
- The marine waste heat recovery system enhances energy efficiency by capturing waste heat from the main engine during vessel operation and converting it into electricity, thereby facilitating the circular use of energy onboard

MAINTAINING ECOSYSTEMS AND BIODIVERSITY

Biodiversity is crucial to the health and stability of ecosystems. While our operation does not have significant impacts on the environment and natural resources, we fully recognizes the importance of protecting biodiversity and has implemented various measures in its business operations to minimize environmental impact and ensure the continued existence of biodiversity.

The Group has strict standards for handling wastewater and air emissions, in compliance with relevant environmental regulations. All waste is managed to meet discharge standards to prevent environmental pollution. Additionally, the Group regularly conducts environmental monitoring reports to understand the impact of production processes on the environment. These assessments help identify potential environmental impacts and develop corresponding management measures. The Group continuously improves its production processes to reduce the impact on surrounding ecosystems, preserving the living environment for wildlife and the quality of life for nearby communities.

Furthermore, the Group acknowledges the important role suppliers play in our environmental impact, and actively collaborates with them to integrate biodiversity considerations into supply chain management. The Group encourages suppliers to take responsible actions in site selection and operations to minimize their impact on ecosystems. Regular communication with suppliers is held to raise awareness of the necessity of environmental protection. These initiatives aim to build a more sustainable supply chain and promote the importance of biodiversity conservation across the industry.

The Group will continue its commitment to biodiversity protection, contributing to the preservation of ecosystems through effective management measures and social engagement, ensuring that future generations can enjoy rich natural resources and biodiversity.

REALIZING DREAMS TOGETHER

◎REALIZING DREAMS TOGETHER

We understand that talent is the cornerstone of success. Therefore, the Group is committed to creating an inclusive and equitable work environment, valuing diversity and the well-being of employees. Through comprehensive employee management, training, and safety initiatives, the Group aims to foster an environment that promotes personal growth and team collaboration, thus laying a solid foundation for the company's long-term development.

HUMAN CAPITAL MANAGEMENT

The Group has developed and implemented a comprehensive set of policies relating to key areas such as compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, anti-discrimination, and other benefits and welfare. These policies ensure compliance with relevant laws and regulations that have a significant impact on the Group. The policies are designed to provide fairness, transparency, and equity in all employment-related matters.

Additionally, the Group adheres to these policies to ensure that the recruitment process promotes equality and diversity. The Group actively conducts recruitment activities through various channels to expand its talent pool both domestically and internationally, attracting high-quality talent to support the Group's long-term growth and foster innovation capabilities.

Talent Recruitment and Hiring

The Group adopts a comprehensive talent recruitment strategy to attract and retain a diverse workforce. Through various channels, including external recruitment and internal hiring, we actively expand our talent pool both domestically and internationally. This enables us to build a professional, highly skilled, and competitive team that supports the long-term development and innovation of the company.

Recruitment	
Open Recruitment	We focus on attracting high-quality talent to strengthen the core competitiveness of key business areas. To achieve this, the Group utilizes diverse recruitment channels and posts detailed job descriptions, ensuring that candidates fully understand the position requirements and company culture. Our goal is to actively seek professionals with the necessary skills who meet business needs, further enhancing the Group's technical capabilities and market competitiveness.
Internal Recruitment	We ensure that all employees have equal opportunities for promotion or job rotation, based on their abilities, qualifications, and long-term outstanding performance. The recruitment process is built on objectively assessing employees' skills, job requirements, and cultural fit within the organization. This approach aims to hire the most suitable candidates to achieve business goals, strengthen teamwork, and foster innovation and development in key management positions.

DIVERSITY, EQUITY, AND INCLUSION

The Group is committed to creating a work environment that respects and embraces all employees, with a strong focus on diversity, equity, and inclusion. We firmly believe that team diversity not only brings a broader perspective but also sparks innovative solutions that drive continuous business growth. To achieve this goal, we have implemented a series of policies to ensure equality for all employees in recruitment, compensation, promotion, and training processes, regardless of gender, age, race, religion, or other identity characteristics.

The Group's Employee Handbook aims to ensure that all employees are treated with dignity and respect and are expected to treat others in the same manner. This policy clearly defines the Group's expectations for employee behavior, requiring each individual to contribute to creating an environment of trust and respect, acting in a manner that does not offend others. Employees should fully consider the diversity of others' backgrounds, cultural values, and beliefs. Any behavior that does not comply with this policy will be strictly addressed and may lead to disciplinary actions, including termination.

The Group adheres to a merit-based recruitment principle, selecting candidates based on qualifications, skills, and achievements, and is committed to eliminating all forms of discrimination and bias. To attract and recruit talent from diverse backgrounds, the Group offers competitive compensation and benefits, as well as professional training to help employees reach their potential. We place high importance on identifying and addressing any direct or indirect discrimination that may exist in business operations, and regularly review recruitment standards, practices, and relevant policies to ensure compliance while embodying our core values of respecting individual differences and promoting a fair and just workplace environment.

In addition, the Group is committed to promoting gender empowerment, gender equality, and gender diversity among its employees. We also recognize the importance of gender diversity and will ensure that gender diversity is maintained in the recruitment of middle and senior level employees, so that we will have a talent pool of female senior management and potential successors to the Board in the future. We aim to maintain an appropriate gender balance in line with stakeholder expectations and recommended international and local best practice. To further enhance employees' awareness of diversity and inclusion, the Group will from time to time provide training on topics related to diversity and inclusion.

These measures not only help attract and retain diverse talent but also create a work environment where each employee can fully realize their potential and contribute. The Group believes that such an environment will foster the company's long-term success and sustainable development, ensuring that each employee feels valued and respected in their work.

BOARD DIVERSITY

The Group recognizes and welcomes the benefits of a diverse board and considers the increasing diversity of the Board as a key factor in supporting our strategic objectives and sustainable development. In determining the composition of the Board, we will take into account the diversity of the Board from various perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, talents, skills, independence, knowledge and length of service, as well as any other factors that the Board may from time to time deem relevant and applicable.

We will select potential candidates for election to the Board on the basis of their calibre and potential contribution to the Board, taking into account its business model and specific needs from time to time. We place great emphasis on ensuring that the Board has a balanced mix of skills and experience to provide a variety of views and perspectives, insights and inquiries to enable the Board to effectively discharge its duties, formulate sound policies on the core business, strategies and complement the succession planning and development of the Board.

In order for the Board to be effective, we may set additional measurable objectives/specific diversification targets and review them from time to time to ensure that the relevant targets are appropriate and feasible. For more details, please refer to the 2024 Annual Report – Corporate Governance Report part.

EMPLOYEE TRAINING AND DEVELOPMENT

Employees are the cornerstone of a company's success. We place great emphasis on talent development and growth, committed to cultivating a high-quality team capable of driving sustainable development. Through a variety of training programs, we continuously enhance employees' professional skills and career development potential, enabling them to adapt to technological advancements, thereby achieving mutual growth for both the company and its employees.

Training and Development Strategy

The Group is committed to providing training and development opportunities that meet employees' actual needs, aiming to enhance their work performance, career development, and overall capabilities. We design annual training plans based on the Group's strategic priorities and employees' individual development aspirations. Through systematic training courses, we strengthen employees' knowledge base and skills, ensuring they remain competitive in a rapidly changing business environment.

To further improve training effectiveness, we continuously optimize the Group's training structure, ensuring it operates efficiently and is closely aligned with business development needs.

Training Program

During the Reporting Period, the Group conducted various professional internal and external training programs and exchange mechanisms, covering multiple areas, offering employees learning opportunities to enhance their technical knowledge, professional skills, and workplace competitiveness.

Internal Training

- **Basic Knowledge Training:** Training is provided on company management systems, departmental regulations, industry policies, and relevant laws and regulations to enhance employees' understanding of business operations, improve compliance awareness and management capabilities, and promote teamwork.
- **Professional Knowledge Training:** Training is offered on company products and professional areas to enhance employees' vocational skills and expertise, strengthen market competitiveness, and help them stay updated with industry trends and technological innovations, supporting their career development.

Internal Sharing and Communication Mechanism

- **Departmental Communication:** Employees share knowledge with other departments to enhance their understanding of different departmental structures and job functions, promote knowledge sharing, and improve overall professional skills and collaboration capabilities.
- **Case Analysis:** Analyzing and providing real-world examples from work experience to make the training more relevant and practical, helping employees better understand and apply the knowledge, while enhancing the practical and targeted nature of the training.

Encouraging External Training

To promote continuous professional development, the Group actively conducted several external professional training sessions in batches during the Reporting Period. These training programs covered various areas, such as the development of annual business plans and organizational empowerment, providing employees with learning opportunities to enhance their individual capabilities and foster a culture of lifelong learning.

Through these systematic and targeted training initiatives, the Group not only helps employees master the core skills required for career advancement but also supports the long-term sustainable development and growth of the Group's business.

EMPLOYEE RIGHTS AND WELL-BEING

Employees are our most valuable asset, and the Group is committed to creating a diverse, equitable, and inclusive working environment. We actively promote work-life balance, fostering a safe and empowering workplace culture to ensure that all employees can thrive in a healthy and supportive environment. We strictly comply with applicable labor laws, resolutely prohibiting any exploitative practices, and adhere to fair and ethical employment standards.

The Group firmly opposes child labor and forced labor, and is dedicated to creating a safe and just work environment. To ensure that no child labor is employed, the Group's human resources department rigorously verifies the age, work history, and identification documents of all candidates. If any cases of child labor are identified, the Group will immediately terminate the employment relationship and take necessary actions, including reporting to relevant law enforcement authorities. Additionally, the Group has established detailed policies regarding working hours, rest periods, and vacation arrangements to prevent overwork and forced labor. We regularly review our employment practices to prevent child labor and forced labor. Regular training on the prevention of child and forced labor is provided to personnel responsible for recruitment. We will also assess the effectiveness of our human resources management systems to ensure that all employees work in a legal and respectful environment.

Compensation, Benefits and Employee Welfare

The Group is committed to providing fair and competitive compensation and benefits, adjusting and optimizing them based on relevant laws and regulations, local market conditions, and the cost of living. According to the guidelines set in the Employee Handbook, the Group offers a diversified benefits plan for employees, which may include:

Paid Leave	Social Insurance and Provident Fund	Other Welfares
Employees are entitled to various types of paid leave in accordance with company policy and applicable regulations, such as: • Sick Leave • Bereavement Leave • Marriage Leave • Maternity Leave • Annual Leave • Personal Leave	In accordance with applicable national and local regulations, the Group provides employees with social insurance and provident fund plans that meet local requirements. These may include: • Pension Insurance • Medical Insurance • Unemployment Insurance • Maternity Insurance • Work Injury Insurance • Housing Provident Fund	The Group regularly reviews and adjusts employee benefits based on business needs, which may include: • Health Check-ups • Housing Allowance • Performance Bonuses • Travel Activities • Team Building Activities

Employee Communication and Engagement

The Group is committed to providing employees with diverse communication channels to facilitate effective interaction and exchange. In addition to traditional face-to-face meetings, the Group has also established online platforms and suggestion boxes, enabling employees to submit their feedback and suggestions at any time. These channels not only allow employees to stay informed about the latest corporate developments but also actively encourage them to engage with the company's policies and initiatives.

The Group understands that responding promptly to employees' reasonable concerns is key to building a relationship of mutual trust. Therefore, the Group regularly reviews and addresses feedback from employees to ensure their voices are heard and valued. This two-way communication mechanism enhances trust between the company and employees and contributes to a harmonious working environment. The Group believes that only in an open and transparent environment can employees realize their potential and contribute to the company's growth.

OCCUPATIONAL HEALTH AND SAFETY

The health, safety, and well-being of our employees are always our top priority. The Group is committed to fostering a corporate culture centered on care, safety awareness, and risk prevention, covering all aspects of our business operations. We strictly comply with and enforce the requirements of relevant laws and regulations[7], and through a series of safety management measures, we aim to reduce potential risks and prevent workplace accidents, ensuring the health and safety of our employees.

Our production facility has been certified under ISO 45001:2018 Occupational Health and Safety Management System. Additionally, our emergency response plan for production safety accidents reflects our commitment to providing and maintaining a healthy and safe environment. It ensures that, in the event of a production safety accident, we can quickly control the situation, prevent the accident from worsening, organize effective rescue operations, and safeguard the safety of all employees, customers, contractors, and community members during their interactions with the company. The Group has implemented the following measures in accordance with this plan and continues to monitor the execution of these measures.

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[7] Please refer to the Significant Laws and Regulations section for a list of laws and regulations significant to the Group's business operations.

Safety Monitoring

- Regular fire drills are conducted to ensure all employees understand the emergency response plan, operational procedures, and emergency response skills. These drills also test the command capabilities of the relevant management teams, enhancing safety awareness and emergency response abilities across all employees.
- Regular inspections of firefighting equipment are performed to ensure that all equipment is well-maintained and fully operational.
- Employees in specific roles receive regular occupational safety training to reinforce their understanding and adherence to safety standards. The training focuses on identifying potential risks, preventive measures, and emergency response procedures to ensure employees can respond swiftly and effectively in the event of an emergency.

Case Study: Implementing Annual Safety Goals to Create a Zero-Incident Workplace

The Group understands that building a safety culture relies on clear goal-setting and full employee involvement. Our production facility set annual occupational health and safety targets, with two key indicators: "zero major safety incidents" and "zero work-related fatalities." The facility then implements enhanced risk identification and preventive measures, which include equipment maintenance, on-site inspections, and safety training, with progress regularly reviewed by management. During the Reporting Period, these targets were fully achieved.

Case Study: Safety Management Awareness Month – Enhancing Risk Awareness Across All Employees

To further strengthen our occupational safety culture, the Group launched the "Safety Management Awareness Month" during the Reporting Period. A series of activities was conducted, including specialized seminars, accident simulation drills, and emergency skills training. During the event, we successfully completed safety training for all employees, achieving a participation rate of 100%. Through interactive teaching and on-site demonstrations, employees not only deepened their understanding of job-related risks but also improved their ability to respond to emergencies.

CARING FOR EMPLOYEES

The Group recognizes that the well-being of employees directly impacts overall work efficiency and team atmosphere. Therefore, the Group is committed to creating a supportive and dynamic work environment where every employee feels valued and cared for.

Raising Employee Environmental Awareness

To enhance employee understanding and engagement with sustainable development, the Group designates March as "Plastic-Free Environmental Awareness Month" each year. A series of activities focused on plastic reduction and environmental protection are organized, including:

- **Environmental Workshops:** Experts are invited to share knowledge on plastic reduction and explain the environmental impact of plastic pollution;
- **Employee Experience Sharing:** Colleagues are encouraged to share their daily environmental practices, promoting a green lifestyle culture.

Promoting Women's Empowerment as well as Diversity and Inclusion

We are committed to building a diverse and inclusive workplace culture, with a particular focus on the growth and development of women in the work environment. During International Women's Day (March 8), we organized the following activities to promote gender equality:

- Organizing workshops focused on women's self-improvement, workplace equality, and leadership development;
- Implementing internal awareness campaigns to enhance all employees' understanding and support of women's empowerment issues.

Focus on Employee Health and Well-being

We value the physical and mental health of every employee and continually launch various health support programs and activities:

- **Regular Health Check-ups:** Professional health assessments are arranged to help employees detect and prevent potential health risks early.
- **Fitness Membership Benefits:** In collaboration with designated fitness institutions, we offer employees annual gym access to encourage the development of an exercise habit.
- **Employee Birthday Celebrations:** Monthly birthday parties are held to foster a sense of care and belonging.
- **Themed Health Activity Months:** Events such as "Spring Outing Month" in April and "Sports Competition Month" in October are designed with indoor and outdoor sports activities to promote physical and mental balance and enhance team cohesion.

We believe that continuous care and positive interaction can improve employee well-being, fostering a more proactive and trusting work environment.

FOSTERING HARMONIOUS COMMUNITIES

◎FOSTERING HARMONIOUS COMMUNITIES

Fulfillment of social responsibility is a key part of our Group's sustainability strategy. We are committed to being an active business partner that responds to the needs of the community. Through strategic community engagement programs, we understand and address the needs of the areas where we operate, and promote collaborative development with the community. We have established relevant policies to encourage employees' participation in community activities, support the development of key projects, and promote social inclusion and long-term well-being.

Our community investment focuses on three key areas: "Caring for vulnerable groups in the community", "Supporting local charitable and public welfare causes", and "Promoting healthy living and sports culture." Through practical actions, we aim to make a positive impact and establish strong trust and connections with the community.

Caring for Vulnerable Groups in the Community

- We made a donation to the Hong Kong Down Syndrome Association to support its efforts in public education, family support, and community inclusion. These initiatives aim to promote equal opportunities and an inclusive culture, encouraging every member of society to reach their full potential.
- During the Mid-Autumn Festival, we donated essential supplies to a local elderly home to bring care and warmth to the elderly during the holiday. We believe that through continuous care for the elderly, we can foster harmonious intergenerational relationships and strengthen social cohesion.
- We supported and participated in charity challenge organized by our key partner. Through events like the "5km Garden Run" and "Cycling Activities," employees were encouraged to accumulate running and cycling miles in their daily lives. Once specific fitness goals were reached, the organizing body donated corresponding funds to support medical aid projects in underprivileged regions.

Promoting Healthy Living and Sports Culture

- We are committed to supporting sports activities in the community. In 2024, we fully supported the 17th Charity Tennis Cup (DBRC Charity Cup 2024) held in Hong Kong. By donating to the event, we not only supported the organization of the tournament but also hoped to inspire more people to participate in sports, enhance physical fitness and teamwork, and promote a healthy lifestyle, thereby strengthening the sense of community cohesion.

Supporting Local Charitable and Public Welfare Initiatives

- We donated to the Jiangsu Foundation for Rural Development (江蘇省鄉村發展基金會), Jiangsu Provincial Old Area Construction Promotion Association (江蘇省老區建設促進會), and Jiangsu Provincial Rural Development Association (江蘇省鄉村發展協會) to support their work in grassroots infrastructure, public welfare projects, and social services, working together to promote a more inclusive and sustainable social progress.

◎ KEY PERFORMANCE INDICATORS

ENVIRONMENTAL ASPECT[8] [9]

Indicator	Unit	2024
GHG Emissions[10]		
Total GHG emissions (Scopes 1 and 2)	$t\text{-}CO_2e$	204.70
Direct emissions (Scope 1)	$t\text{-}CO_2e$	59.69
Energy indirect emissions (Scope 2)	$t\text{-}CO_2e$	145.01
Intensity of total GHG emissions (Scopes 1 and 2)	$t\text{-}CO_2e$/million RMB Revenue	0.51
Air Emissions		
Nitrogen oxides (NO_x)	kg	29.60
Sulphur oxides (SO_x)	kg	0.99
Particulate matter (PM)	kg	1.48
Energy Consumption		
Total energy consumption	MWh	444.69
Indirect energy consumption	MWh	237.68
– Purchased electricity	MWh	237.68
Direct energy consumption	MWh	207.02
– Gasoline	MWh	187.13
– Diesel oil	MWh	10.38
– Natural Gas	MWh	9.51
Intensity of total energy consumption	MWh/million RMB Revenue	1.10
Water Consumption[11]		
Total water consumption	m^3	2,727.00
Intensity of total water consumption	m^3/million RMB Revenue	6.75
Waste Generation		
Non-hazardous waste		
Total non-hazardous waste generated	tonnes	49.25
Intensity of total non-hazardous waste generated	tonnes/million RMB Revenue	0.12
Hazardous waste		
Total hazardous waste generated	tonnes	0.07
Intensity of total hazardous waste generated	tonnes/million RMB Revenue	0.00017
Packaging Material		
Total packaging material used	tonnes	35.69
Intensity of total packaging material used	tonnes/million RMB Revenue	0.09

[8]   Environmental key performance indicators ("**KPIs**") covers our office and production facility located in Shanghai and Nantong.

[9]   Totals may not be the exact sum of numbers shown here due to rounding.

[10]   In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 energy indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.

[11]   The data on water consumption does not include the office in Shanghai, as the water supply is controlled by the property management.

SOCIAL ASPECT

Indicator	Unit	2024
Workforce Profile[12]		
Total workforce	Number of people	111
By gender		
Male	Number of people	72
Female	Number of people	39
By employee contract		
Full-time	Number of people	111
Part-time	Number of people	0
By employee category		
General and technical employees	Number of people	74
Middle level management	Number of people	30
Senior management	Number of people	7
By age group		
At or below 30	Number of people	37
Between 31-50	Number of people	64
At or above 51	Number of people	10
By geographical regions		
Mainland China	Number of people	97
Hong Kong	Number of people	2
Other regions	Number of people	12

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[12] Data of the whole Group has been included.

Indicator	Unit	2024
Turnover Rate[13]		
By gender		
Male	%	14
Female	%	18
By age group		
At or below 30	%	22
Between 31-50	%	11
At or above 51	%	20
By geographical regions		
Mainland China	%	16
Hong Kong	%	0
Other regions	%	8
Health and Safety		
Number of injuries	Number of cases	2
Lost days due to work injuries	Days	110
Number and rate of work-related fatalities[14]	Number of cases/%	0

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[13]   Calculated as: number of departed employees ÷ Total number of employees at year-end × 100% (excluding part-time staff, interns, and employees who left during their probation period).

[14]   Included the past three years with the reporting year covered.

Indicator	Unit	2024
Development and Training[15]		
Percentage of employee trained		
By gender		
Male	%	71
Female	%	29
By employee category		
General and technical employees	%	73
Middle level management	%	22
Senior management	%	5
Average Training Hours Completed per Employee		
By gender		
Male	Hours	13.51
Female	Hours	12.59
By employee category		
General and technical employees	Hours	14.55
Middle level management	Hours	9.06
Senior management	Hours	16.14
Supply Chain Management		
By Geographical Regions		
Mainland China	Number of Suppliers	167
Other Regions	Number of Suppliers	1

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[15] The calculation of employee training data includes the relevant training data of employees who left the Group during the respective year, reflecting the resources invested in training by the Group.

APPENDIX 1 SIGNIFICANT LAWS AND REGULATIONS

Aspects	Significant laws and regulations	Relevant compliance situation
A. Environmental	- Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) - Marine Environment Protection Law of the PRC (《中華人民共和國海洋環境保護法》) - Administrative Provisions on the Prevention and Control of Marine Environmental Pollution Caused by Vessels (《防治船舶污染海洋環境管理條例》) - Administrative Regulations on the Prevention and Control of Marine Environmental Pollution Caused by Vessels and Their Relevant Operations of the PRC (《中華人民共和國船舶及其有關作業活動污染海洋環境防治管理規定》) - Implementation Plan of 2020 Global Sulfur Limit of the Fuel Oil Used by Ships Order (《2020年全球船用燃油限硫令實施方案》) - Environmental Impact Appraisal Law of the PRC (《中華人民共和國環境影響評價法》) - Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》) - Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) - Administration of Pollutant Discharge Licensing (《排污許可管理條例》) - Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》) - Classified Management Catalogue of Pollutant Discharge Permits for Stationary Sources of Pollution (2019 Edition) (《固定污染源排污許可分類管理名錄(2019年版)》) - Merchant Shipping (Safety) Ordinance - Merchant Shipping (Prevention and Control of Pollution) Ordinance - Merchant Shipping (Local Vessels) Ordinance	During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations.

Aspects	Significant laws and regulations	Relevant compliance situation
B1: Employment B4: Labour Standards	• Labour Law of the PRC (《中華人民共和國勞動法》) • Labour Contract Law of the PRC (《中華人民共和國勞動合同法》) • Regulations on the Implementation of the Labour Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) • Social Insurance Law of the PRC (《中華人民共和國社會保險法》) • Regulations on Management of Housing Provident Fund (《住房公積金管理條例》) • Law of the People's Republic of China on Protection of Minors (《中華人民共和國未成年人保護法》) • Regulation on Labor Security Supervision (《勞動保障監察條例》) • Provisions on the Prohibition of Using Child Labor (《禁止使用童工規定》) • Employees' Compensation Ordinance • Mandatory Provident Fund Schemes Ordinance • Employment Ordinance • Employment Act • Workplace Fairness Bill • Employment of Foreign Manpower Act (EFMA) • Penal Code • Labor (Código do Trabalho) • Law on the Protection of Minors • Working Environment Law (Arbeidsmiljøloven) • Employee Law • Collective Bargaining Agreement • Anti-Discrimination Law (Diskrimineringsloven)	During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations.
B2: Health and Safety	• Fire Safety Law of the PRC (《中華人民共和國消防法》) • PRC Production Safety Law (《中華人民共和國安全生產法》) • Prevention and Control of Occupational Diseases Law of the PRC (《中華人民共和國職業病防治法》) • Occupational Safety and Health Ordinance • Workplace Safety and Health Act • Labor (Código do Trabalho) • Occupational Health and Safety Act (Lei da Saúde e Segurança no Trabalho) • Social Security Act • Working Environment Law (Arbeidsmiljøloven) • Worker Protection and Working Environment Act	During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations.

Aspects	Significant laws and regulations	Relevant compliance situation
B6：Product Responsibility	• Fire Safety Law of the PRC (《中華人民共和國消防法》) • Marine Environment Protection Law of the PRC (《中華人民共和國海洋環境保護法》) • Administrative Provisions on the Prevention and Control of Marine Environmental Pollution Caused by Vessels (《防治船舶污染海洋環境管理條例》) • Administrative Regulations on the Prevention and Control of Marine Environmental Pollution Caused by Vessels and Their Relevant Operations of the PRC (《中華人民共和國船舶及其有關作業活動污染海洋環境防治管理規定》) • Implementation Plan of 2020 Global Sulfur Limit of the Fuel Oil Used by Ships Order (《2020年全球船用燃油限硫令實施方案》) • Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》) • PRC Production Safety Law (《中華人民共和國安全生產法》) • Product Quality Law of the PRC (《中華人民共和國產品質量法》) • Construction Law of the PRC (《中華人民共和國建築法》) • Regulation on the Quality Management of Construction Projects (《建設工程質量管理條例》) • Advertisement Law of the PRC (《中華人民共和國廣告法》) • Administrative Measures for Internet Advertising (《互聯網廣告管理辦法》) • Patent Law of the PRC (《中華人民共和國專利法》) • Copyright Law of the PRC (《中華人民共和國著作權法》) • Trademark Law of the PRC (《中華人民共和國商標法》) • Regulations on Computer Software Protection (《計算機軟件保護條例》) • Regulations of the PRC for Safety Protection of Computer Information Systems (《中華人民共和國電腦資訊系統安全保護條例》) • Cybersecurity Law of the PRC (《中華人民共和國網絡安全法》) • The Personal Information Protection Law of the PRC (《中華人民共和國個人資訊保護法》) • Data Security Law of the PRC (《中華人民共和國數據安全法》) • Sale of Goods Ordinance • Supply of Services (Implied Terms) Ordinance • Sale of Goods Act 1979 • United Nations Convention on Contracts for the International Sale of Goods (CISG)	During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations.
B7: Anti-corruption	• Criminal Law of the PRC (《中華人民共和國刑法》) • Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) • Prevention of Bribery Ordinance • Corruption, Drug Trafficking and Serious Crimes Act (CDSA) • Penal Code	During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations that have a significant impact on its operations.

APPENDIX 2 HKEX ESG REPORTING GUIDE CONTEXT INDEX

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")	Section	Page number
A. Environmental		
Aspect A1: Emissions		
General Disclosure Information on: (a)　the policies; and (b)　compliance with relevant laws and regulations that have a significant impact on the issuer. relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. Note: Air emissions include NOx, SOx, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Building Low-Carbon Future Appendix 1 Significant Laws and Regulations	P.42-53 P.71-80
KPI A1.1	The types of emissions and respective emissions data.	Key Performance Indicators	P.67-70
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	P.67-70
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	P.67-70
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	P.67-70
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Building Low-Carbon Future	P.42-53
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Building Low-Carbon Future	P.42-53

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")	Section	Page number
Aspect A2: Use of Resources		
General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials. Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Building Low-Carbon Future	P.42-53
KPI A2.1 — Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	P.67-70
KPI A2.2 — Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Key Performance Indicators	P.67-70
KPI A2.3 — Description of energy use efficiency target(s) set and steps taken to achieve them.	Building Low-Carbon Future	P.42-53
KPI A2.4 — Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Building Low-Carbon Future	P.42-53
KPI A2.5 — Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Building Low-Carbon Future	P.42-53
Aspect A3: The Environment and Natural Resources		
General Disclosure Policies on minimising the issuer's significant impact on the environment and natural resources.	Building Low-Carbon Future	P.42-53
KPI A3.1 — Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Building Low-Carbon Future	P.42-53
Aspect A4: Climate Change		
General Disclosure Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Building Low-Carbon Future	P.42-53
KPI A4.1 — Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Building Low-Carbon Future	P.42-53

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")	Section	Page number
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure Information on: (a) the policies; and	Realizing Dreams Together	P.54-63
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Appendix 1 Significant Laws and Regulations	P.71-80
KPI B1.1 Total workforce by gender, employment type (for example, full– or part-time), age group and geographical region.	Key Performance Indicators	P.67-70
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	Key Performance Indicators	P.67-70
Aspect B2: Health and Safety		
General Disclosure Information on: (a) the policies; and	Realizing Dreams Together	P.54-63
(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Appendix 1 Significant Laws and Regulations	P.71-80
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Period.	Key Performance Indicators	P.67-70
KPI B2.2 Lost days due to work injury.	Key Performance Indicators	P.67-70
KPI B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored.	Realizing Dreams Together	P.54-63

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")	Section	Page number
Aspect B3: Development and Training		
General Disclosure Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Realizing Dreams Together	P.54-63
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Key Performance Indicators	P.67-70
KPI B3.2 The average training hours completed per employee by gender and employee category.	Key Performance Indicators	P.67-70
Aspect B4: Labour Standards		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Realizing Dreams Together Appendix 1 Significant Laws and Regulations	P.54-63 P.71-80
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	Realizing Dreams Together	P.54-63
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	Realizing Dreams Together	P.54-63

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")	Section	Page number
Operating Practices		
Aspect B5：Supply Chain Management		
General Disclosure Policies on managing environmental and social risks of the supply chain.	Empowering Green Maritime	P.28-41
KPI B5.1　Number of suppliers by geographical region.	Key Performance Indicators	P.67-70
KPI B5.2　Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Empowering Green Maritime	P.28-41
KPI B5.3　Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Empowering Green Maritime	P.28-41
KPI B5.4　Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Empowering Green Maritime	P.28-41

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")		Section	Page number
Aspect B6: Product Responsibility			
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.		Empowering Green Maritime Appendix 1 Significant Laws and Regulations	P.28-41 P.71-80
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Empowering Green Maritime	P.28-41
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Empowering Green Maritime	P.28-41
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Empowering Green Maritime	P.28-41
KPI B6.4	Description of quality assurance process and recall procedures.	Empowering Green Maritime	P.28-41
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Empowering Green Maritime	P.28-41

Subject Areas, aspects, general disclosure and key performance indicators ("KPIs")	Section	Page number
Aspect B7: Anti-corruption		
General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Empowering Green Maritime Appendix 1 Significant Laws and Regulations	P.28-41 P.71-80
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Empowering Green Maritime	P.28-41
KPI B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Empowering Green Maritime	P.28-41
KPI B7.3 Description of anti-corruption training provided to directors and employees.	Empowering Green Maritime	P.28-41
Community		
Aspect B8: Community Disclosure		
General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Fostering Harmonious Communities	P.64-66
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Fostering Harmonious Communities	P.64-66
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Fostering Harmonious Communities	P.64-66

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