

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

2024



WINSWAY 易大宗

E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司

(Incorporated in the British Virgin Islands with limited liability)

Stock Code: 1733

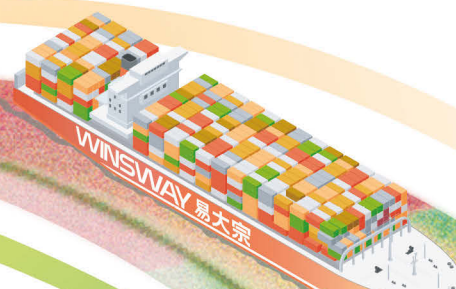


CONTENTS

I. ABOUT THIS REPORT	2
REPORTING SCOPE	2
BASIS AND PRINCIPLES OF PREPARATION	2
APPROVAL AND CONFIRMATION	3
REPORT DISTRIBUTION CHANNEL	3
FEEDBACK	3
II. MESSAGE FROM THE BOARD	4
III. ABOUT E-COMMODITIES	6
CORPORATE PROFILE	6
PRINCIPAL BUSINESS OF E-COMMODITIES	7
FULL-CHAIN STRATEGIC DEPLOYMENT OF SINO-MONGOLIA BUSINESS	8
2024 BUSINESS HIGHLIGHTS	8
2024 FINANCIAL RESULTS	10
HONORS AND AWARDS	11
IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT	12
SUSTAINABLE DEVELOPMENT ACHIEVEMENTS	12
VISION AND STRATEGIES OF SUSTAINABLE DEVELOPMENT	13
SUSTAINABLE DEVELOPMENT GOVERNANCE SYSTEM	14
SOUND GOVERNANCE	16
COMMUNICATION WITH STAKEHOLDERS	24



V. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE	28
INNOVATIVE TECHNOLOGY EXPLORATION	28
WORK HAND IN HAND FOR WIN-WIN RESULTS	31
PROTECTION OF INTELLECTUAL PROPERTY	33
VI. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS	34
SAFE PRODUCTION MANAGEMENT	35
VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT	40
ENVIRONMENTAL GOVERNANCE POLICY	41
PROMOTE GREEN OFFICE	48
COMBAT CLIMATE CHANGE	50
VIII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS	52
HUMAN RESOURCE MANAGEMENT	53
FOCUS ON TALENT CULTIVATION	56
IX. QUALITY FIRST: PURSUIT OF EXCELLENCE	62
QUALITY MANAGEMENT POLICY	62
PROTECTION OF CUSTOMER RIGHTS AND INTERESTS	66
PROMOTING RESPONSIBLE SUPPLY CHAIN	67
SUPPLIER RISK MANAGEMENT	68
X. GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING	71
XI. KEY PERFORMANCE	73
ENVIRONMENTAL PERFORMANCE	73
SOCIAL PERFORMANCE	76
XII. CONTENT INDEX OF ESG REPORTING GUIDE	78





I. ABOUT THIS REPORT

This report is the ninth Environmental, Social and Governance Report published by E-Commodities Holdings Limited (the “**Company**” or “**E-Commodities**”). The purpose is to report on the philosophy and practice of the environmental, social and governance (hereinafter referred to as “**ESG**”) responsibilities of the Company and its subsidiaries (collectively referred to as the “**Group**”, “**we**” or “**us**”) in 2024, and to respond to material issues of concern to major stakeholders.

REPORTING SCOPE

Business Overview: The Group’s businesses cover two core segments, including supply chain trading and integrated supply chain services, of which the integrated supply chain services include supply chain logistics, clean energy, innovative business and other diversified services. In August 2024, the Group completed the wholly-owned acquisition of the mining service segment of TTJV Co. LLC., an upstream mining company. At present, the Group is actively working on data consolidation with TTJV Co. LLC. The environmental and social performance data of TTJV Co. LLC. is not included in this report for the time being.

Time Scope: This report covers the period from 1 January 2024 to 31 December 2024 (the “**Reporting Period**”, the “**year**” or the “**2024**”). In order to enhance the integrity of the report, parts of the contents may precede or post-date the Reporting Period, as appropriate.

BASIS AND PRINCIPLES OF PREPARATION

This report is prepared in full compliance with all the mandatory disclosure requirements and the “comply or explain” provisions in the Environmental, Social and Governance Reporting Guide (the “**ESG Guide**”) in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the content indexes are set out in the appendix to this report.

When preparing this report, the principles of “materiality”, “quantitative”, “balance” and “consistency” in the ESG Guide are fully followed. The details are as follows:

- “Materiality” principle: The Group has made important disclosures in this report based on the material issues identified by the stakeholder survey and materiality assessment, so as to respond to the most concerned ESG issues of the stakeholders.
- “Quantitative” principle: This report discloses key performance indicators on environmental and social aspects in a quantitative form as much as possible, and explains the standards, methods and reference sources for relevant data statistics and calculation.
- “Balance” principle: This report follows the principle of balance and objectively presents the current status and performance of the Group’s ESG management.



ABOUT THIS REPORT

- “Consistency” principle: Unless otherwise stated, this report adopts statistical and calculation methods that are consistent with those in the 2023 ESG report, so as to make meaningful comparisons with the data of previous years.

APPROVAL AND CONFIRMATION

All information and data disclosed in this report are derived from the Group’s statistical reports and internal documents. This report has been reviewed by the board of directors of the Company (the “**Board**”), which is responsible for the authenticity and validity of the information contained, and for ensuring that there is no false record or misleading description in the content.

REPORT DISTRIBUTION CHANNEL

This Report is published in two versions, Traditional Chinese and English. In case of any discrepancy between the two versions, the Traditional Chinese version shall prevail. This report is available for review and download on the websites of the Hong Kong Exchanges and Clearing Limited and the Company.



Official website of E-Commodities

Please scan or access:

<https://www.e-comm.com/sc/home.aspx>

FEEDBACK

Thank you for reading this report. The Group highly values the opinions and feedback of various stakeholders, upon which it improves its ESG management and performance. Meanwhile, the Group continuously optimizes the level of report disclosure so as to drive the Group to make corresponding contributions to the progress and harmonious development of society in the process of growing together with stakeholders.

If you have any comments and feedback, please contact the Group through the following ways:

Beijing Office: Room 706, Tower B, Tianrun Fortune Center, No. 58, Dongzongbu Hutong, Dongcheng District, Beijing, (86)10-8517 1200

Hong Kong Office: Unit 1902, Floor 19, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong, (852) 2537 0111

Email: winsway@winsway.com



II. MESSAGE FROM THE BOARD

To all stakeholders,

First of all, on behalf of E-Commodities, I would like to extend our most sincere gratitude for your long-standing support and trust in the Group, and hereby present the ESG Report of this year to all customers, partners, employees, shareholders, and members from all sectors of society who have consistently followed and supported us. The year 2024 was one filled with challenges, yet also a year of persistent advancement and continuous exploration along our path of sustainable development. Throughout the year, we consistently adhered to the guidance of ESG principles, integrated sustainable development into every aspect of our strategic planning, operational management, and daily operations to deliver balanced economic, social, and environmental value.

In 2024, on one hand, in compliance with national environmental protection laws and regulations and aligned with operational realities, E-Commodities formulated and issued the E-Commodities Environmental Protection System (《易大宗環保制度》) to further promote clean and sustainable development. E-Commodities maintained focus on the impact of climate risks on its operations, prioritized green innovation, and preserved the ecological environment. On the other hand, the Company revised the Terms of Reference of Environmental, Social and Governance Committee of E-Commodities Holdings Limited (《易大宗控股有限公司環境、社會及管治委員會職責權限》), enhancing the functions of the ESG Committee. This revision aimed to implement the sustainable development philosophy of the Company, advance green production and development, and realize visions and objectives related to ESG and climate management amid climate-related risks and opportunities.

In terms of environmental protection, we have actively responded to the national “dual carbon” goal by continuously increasing investments in green mining, clean utilization, and energy conservation and emission reduction. We have introduced advanced mining technologies and equipment to enhance coal resource recovery rates and minimize wasting of resources; strengthened ecological protection and restoration in mining areas to build green mines; and intensified research and development (R&D) and application of clean utilization technologies of coal to enhance the efficiency of coal utilization and reduce pollutant emissions. Meanwhile, we have implemented the national concept of “Smart Customs, Smart Borders, and Smart Connectivity”. Centered on autonomous driving technologies and intelligent solutions, we provide customers with modularized and integrated smart cross-border solutions covering the entire chain and scenarios of port operations. This enables us to establish a new digital intelligent



MESSAGE FROM THE BOARD

logistics ecosystem, transform cross-border transportation models, and successfully create “Five-Dimensional” smart ports, featuring safety, efficiency, intelligence, compliance and green practices. Through these comprehensive efforts, we have achieved notable environmental protection results and made active contributions to promoting green development of the industry.

In terms of social responsibility, we remain steadfast in our human-oriented approach, focus on employee growth and development, and strive to create a supportive working environment and development opportunities. Through over 80 training sessions conducted by the Winsway Academy, we have enhanced professional skills and holistic competencies of employees, and provided them with broad development prospects. We have actively fulfilled social responsibilities by engaging in social and public welfare undertakings and contributing to local community development. Safety in production remains our paramount concern. We always place employees’ life security at the forefront of our operations, and strengthen safety management, refine safety systems, so as to ensure sustained stability in safe production performance.

In terms of corporate governance, E-Commodities firmly believes that high-quality governance serves as the cornerstone of sustainable development. We continuously refine our corporate governance structure, strengthen internal control and risk management, and elevate corporate governance capabilities. Adhering to the principle of lawful and compliant operations, we rigorously comply with national laws, regulations, and industry standards to safeguard the lawful rights and interests of shareholders and stakeholders. We enhance information disclosure to increase corporate transparency and proactively address concerns raised by all sectors of society.

In 2025, we will continue to uphold ESG principles and resolutely advance along the path of sustainable development. Driven by sci-tech innovation, we will accelerate the transformation and upgrading of coal industry, strengthen cooperation with other parties, and jointly address climate change and environmental challenges to contribute to global sustainable development goals. We will actively fulfill social responsibilities by prioritizing employee well-being, advancing community development, and creating greater value for the society.

Cao Xinyi

(曹欣怡)

Chairman of the Board



III. ABOUT E-COMMODITIES

CORPORATE PROFILE

The Company was incorporated in the British Virgin Islands on 17 September 2007, and dedicated to providing global customers with supply chain trading and integrated supply chain services for coal and other bulk commodities. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 11 October 2010 (stock code: 01733.HK) and has since grown into a leading trader in China's imported coking coal sector, as well as an integrated service provider offering full supply chain solutions for the Sino-Mongolia bulk commodity trade. Currently, the Company has established subsidiaries and offices in Hong Kong (China), Beijing, Zhuhai, Singapore, Ulaanbaatar, Australia, Baotou, Haikou, Macau (China), Nantong, and Japan.

The core business segments of E-Commodities are divided into supply chain trading and integrated supply chain services.

Supply Chain Trading

Providing global procurement and sales services for commodities such as coking coal and petrochemical products, etc.

Integrated Supply Chain Services

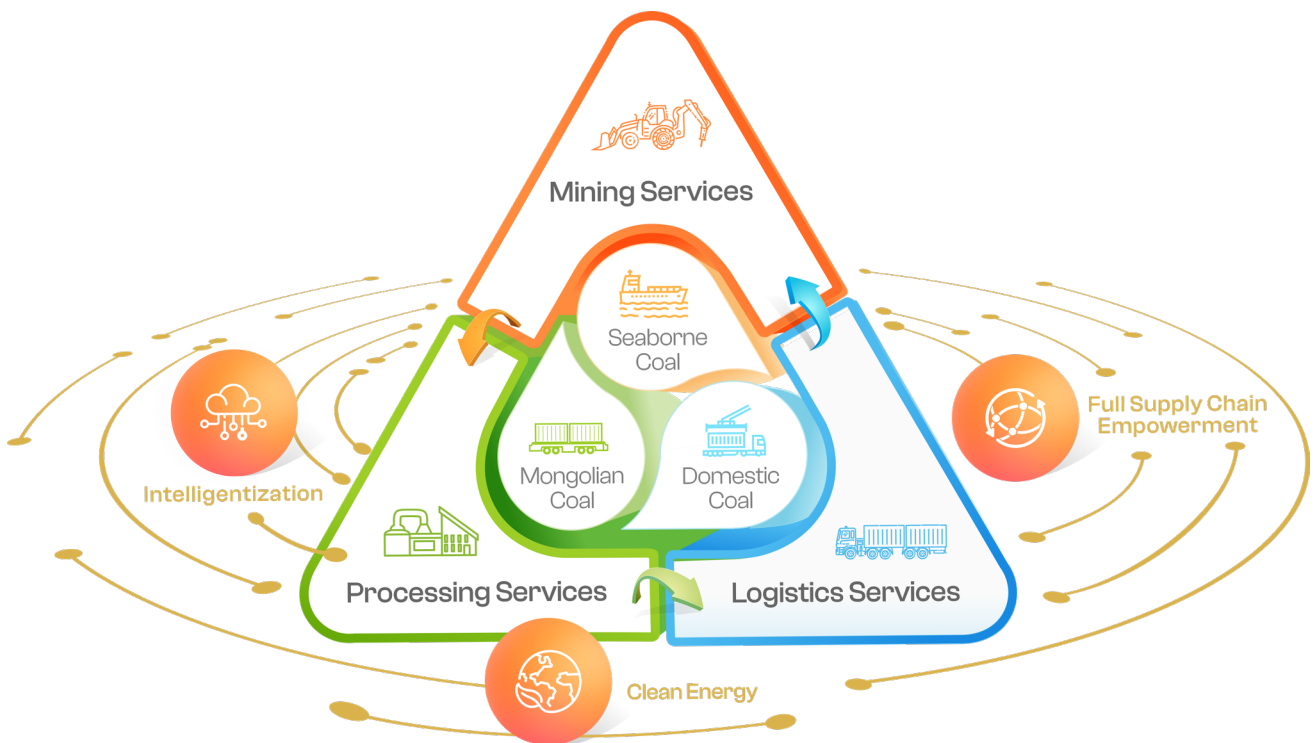
This segment encompasses mining, logistics, and coal washing services. Through digitization construction, we realize the "three-in-one" of information flow, logistics flow and capital flow, making commodity business easier.



ABOUT E-COMMODITIES

PRINCIPAL BUSINESS OF E-COMMODITIES

Since its inception, E-Commodities has continued to broaden its business scope and pursue diversified development. We possess a comprehensive industrial chain ecosystem including mining, overseas transportation, cross-border customs clearance, warehousing, coal washing and processing, and domestic transportation to address needs of customers in each link of bulk commodity supply chain. Meanwhile, the collaborative operations among business segments have achieved remarkable scale effects and operational efficiency. By collecting, integrating, and analyzing data from all supply chain links, we interconnect information flow, logistics flow and capital flow, thereby providing customers with more convenient and efficient bulk commodity trading services.





III. ABOUT E-COMMODITIES

FULL-CHAIN STRATEGIC DEPLOYMENT OF SINO-MONGOLIA BUSINESS

The Group is the only participant in China that covers the entire chain of Sino-Mongolia business. Leveraging strategically positioned core assets along the Sino-Mongolia border and transportation corridors, including logistics parks, railway transshipment lines, platforms, and coal washing plants, we have established a unique market position. Building on our first-mover advantages in Sino-Mongolia trade, we continue to replicate mature operational models to other potential ports, actively expand dominant bulk commodity categories, and deepen value creation across the industrial chain. By continuously enhancing our logistics service network and innovating business models, we strive to strengthen our influences and competitive edges in cross-border transportation, and deliver greater value to customers and the industry.

2024 BUSINESS HIGHLIGHTS

Expanding Mining Business

In August 2024, the Company completed a comprehensive acquisition of TTJV Co. LLC., an upstream mining company. This move not only signifies a solid step forward for E-Commodities in the mining services sector, represents an extension and expansion of the integrated supply chain services of the Group, but also further strengthens our cooperation with ETT. In the future, we will develop more partners, from mining services to logistics and washing, and then to market distribution, to truly realize the integrated coverage of the entire supply chain of commodities.

TTJV Co. LLC. possesses exceptional technical strength and management expertise in the coal industry, and is equipped with Mongolia's most advanced excavation and transportation and loading equipment. Leveraging the extensive experience and operational advantages of the Group, TTJV Co. LLC. has successfully expanded overseas mining services, and driven the internationalization of the mining business of the Group. This acquisition also provides the seaborne trading business of the Company with a more stable, diversified, and competitive coal sources. TTJV Co. LLC. is currently advancing intelligent construction in mining areas, and plans to launch the intelligent dispatch system for open-pit mines of ETT in 2025. Moving forward, we will capitalize on professional advantages of TTJV Co. LLC. to actively promote the application of eco-friendly green mining technologies.





ABOUT E-COMMODITIES

Enhancing Infrastructure at Sino-Mongolia Border Ports

In 2024, we actively advanced infrastructure construction at Sino-Mongolia border ports, significantly enhanced customs clearance capacity and operational efficiency, and also further solidified our competitive edge in bilateral trade.

Gants Mod Port

In October 2024, the Group successfully obtained the bonded warehouse license at the Gants Mod Port.

Estimated static warehousing capacity	0.1 million tonnes
Estimated annual throughput of bonded business	1 million tonnes



Ceke Port

In 2024, the port officially commenced cross-border transportation with AGVs, and the Ceke coal washing plant and coal storage shed were completed and put into operation.

Coal washing volume	0.77 million tonnes
Capacity utilization rate	51%



Mandula Port

The construction of logistics park at Mandula Port was completed and it was put into operation. The business channel with the customs supervision logistics park at Mongolian Khangai Port was successfully opened.



Khangai Port

Arhashaat Port

In 2024, we completed the construction of fencing and weighbridge infrastructure at the port. The Company concurrently initiated operations during the construction phase according to market conditions.



Zuun Khataavch Port

In 2024, we completed the construction of part of fencing at the port. The Company concurrently initiated operations during the construction phase according to market conditions.



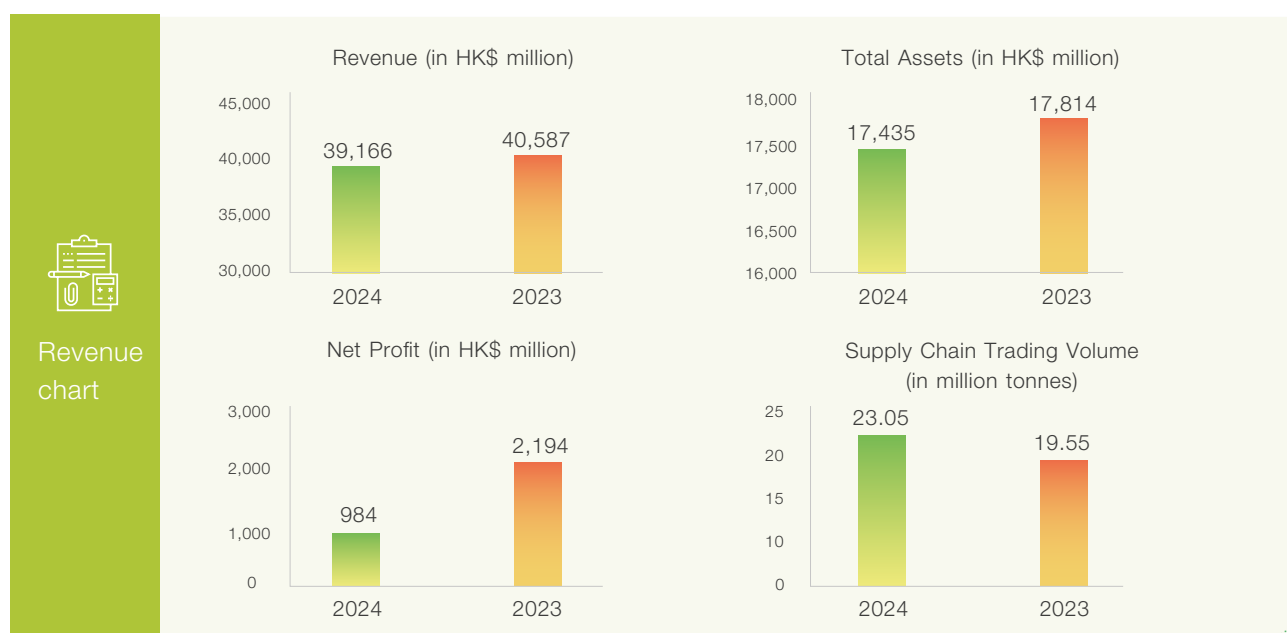


III. ABOUT E-COMMODITIES

Pilot Reform Project for Industrial Workforce Development

During the Reporting Period, Inner Mongolia Haotong Energy Joint Stock Co., Ltd. was designated by the Inner Mongolia Autonomous Region Federation of Trade Unions (內蒙古自治區總工會) as a “Comprehensive Demonstration Site for Workforce Development Reform and Pilot Unit for Non-Public Enterprises” (工人隊伍建設改革綜合示範點及非公企業試點單位). Actively advancing the pilot project of industrial workforce reform, Inner Mongolia Haotong Energy focused on establishing an online learning platform for industrial workers to strengthen ideological guidance. In the pursuit of piloting workforce development reform, E-Commodities has achieved remarkable results, and demonstrated exemplary leadership. The initiative empowered both the enterprise and industrial workers to pursue mutual commitment and growth, and fostered a societal win-win outcome.

2024 FINANCIAL RESULTS



In 2024, amid frequent global geopolitical conflicts, international trade frictions and other external challenges, production and supply chain security and trade order faced significant challenges. Meanwhile, China’s economic growth slowed down, the demand remained sluggish, and the steel industry faced mounting pressures. The management team of the Group keenly observed evolving market dynamics, proactively adjusted strategic directions, and consistently strengthened overall planning and business strategies. By leveraging the core strengths of the Group, we explored and established a distinctive development pathway. Concurrently, we actively responded to the national “carbon peaking and carbon neutrality” strategy and industry transformation demands by committing to delivering clean, green service solutions. We focused on “intelligent mining” and “intelligent transportation” and increased investments in these sectors to lay a robust foundation for future growth.



ABOUT E-COMMODITIES

HONORS AND AWARDS

During the development journey of the Group, we have consistently adhered to the operating philosophy of pursuing excellence, propelling the enterprise forward with steadfast conviction and relentless efforts. Looking back on the past year, we not only made a series of remarkable accomplishments but also won widespread acclaim and support from the industry. Looking ahead, we will continue to carry out relevant exploration and innovation work, strive to achieve higher goals while injecting greater value and vitality into industrial development and social progress.

2024 Major Awards



2024 Fortune
396th among China's
Top 500 Enterprises
18th in Return on Net
Assets



**Listed Company
Selection of
Zhitongcaijing
Best Small and Mid
Cap Company**



**11th Top 100
Hong Kong Listed
Companies List
Top 50 Small
Enterprise**

ESG Accreditation and Certifications of Subsidiaries



TTVJ Co. LLC.
• Ranked 38th among the Top
100 Enterprises in Mongolia



Eco Global Logistics LLC
• Ranked 48th among the Top
100 Enterprises in Mongolia



Urad Zhongqi Yiteng Mining Co., Ltd.

- "AAA Integrity Operation Model Unit"
- "AAA Credit Enterprise"
- "AAA Enterprise for Observing Contract and Keeping Promise"
- "AAA Credit Rating Enterprise"
- "AAA Quality Service Integrity Enterprise"
- "China Honesty Entrepreneur"



Urad Zhongqi Yiteng Mining Co., Ltd.
• "Council Member Unit of China
Customs Brokers Association"
• "2024 Model Transportation
Source Enterprise"



**Inner Mongolia Haotong
Energy Joint Stock Co., Ltd.**
• "14th among the Top 20
Private Enterprises in the
Service Sector in Inner
Mongolia"



**Bayannur Yidatong Intelligent
Logistics Co., Ltd.**
• "Three Star Multimodal
Transport Operator"



Beijing E-Link Technology Co., Ltd.
• "High and New Technology Enterprise"
• "Small and Medium-sized Enterprises
with Specialized and New Technology
in Beijing"
• "Innovative Small and Medium-sized
Enterprises in Beijing"



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT ACHIEVEMENTS

Environment	Society
Sound Management <ul style="list-style-type: none"> Three subsidiaries obtained the ISO 14001 Environmental Management System Certification, and one of them further achieved the ISO 50001 Energy Management System Certification, demonstrating international standards in energy efficiency management We issued the E-Commodities Environmental Protection System (《易大宗環保制度》) to refine the environmental governance system 	Protection of Employee Rights and Benefits <ul style="list-style-type: none"> Three subsidiaries obtained the ISO 27001 Occupational Health Management System Certification During the Reporting Period, we established an evaluation system and due diligence procedures for human rights issues, and set up human rights commitment, and mitigation and remedial measures, thereby consistently upholding the principle of respect and protection
Green Intelligent Logistics <ul style="list-style-type: none"> We progressed emission reduction measures including “bulk-to-containerized” transportation mode and railway transport. At present, containerized transportation accounts for 68.94% of total transportation volume, representing an increase of 1.94% compared to 2023 We continuously expanded AGV unmanned cross-border transportation, featuring oil-electric hybrid technology and high economical efficiency, which effectively improved carbon efficiency and reduced greenhouse gas emissions and air pollutants We launched two renewable energy and new energy projects to seize low-carbon transition opportunities 	Talents <ul style="list-style-type: none"> The training system of Winsway Academy was certified under the ISO 10015 System We continuously improved the human resource management system. During the Reporting Period, we implemented multiple types of performance evaluation, including 360-degree feedback evaluation and competency-based evaluation method, to objectively evaluate the comprehensive strengths of employees
	Social Responsibility <ul style="list-style-type: none"> Urad Zhongqi Haotong Clean Energy Co., Ltd. was honored as a “Charitable Unit” at the “Public welfare Donation Event for Supporting Rural Revitalization and Caring Youth Development”
Operation	Governance
Quality Management <ul style="list-style-type: none"> Three subsidiaries obtained the ISO 9001 Quality Management System Certification During the Reporting Period, E-Commodities Supply Chain Platform (易大宗供應鏈平台) was launched to provide efficient services for customers 	ESG Management <ul style="list-style-type: none"> During the Reporting Period, we updated the terms of reference of the ESG Committee to incorporate responsibilities related to climate governance To deepen understanding of opinions from stakeholders, we conducted a research on material issues in 2024 to chart the course for the sustainable development of the Group
Innovation Business <ul style="list-style-type: none"> We actively expanded innovation business development, with new functions launched on intelligent port and E-Link (易鏈) platforms We actively expanded multi-party cooperation through a number of exchanges with government bodies and enterprises 	Green Intelligent Logistics <ul style="list-style-type: none"> We continued to optimize the risk management system, with a focus on identifying emerging risks and ESG-related risks During the Reporting Period, we continued to provide compliance and risk management training through Winsway Academy. Over 400 newly hired employees completed compliance and risk management training during the Reporting Period



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

VISION AND STRATEGIES OF SUSTAINABLE DEVELOPMENT

The Group has consistently positioned the management of sustainable development as a core strategic priority, and recognized it as a critical task to drive long-term value creation. We are dedicated to building an efficient, transparent, and forward-looking governance system to comprehensively enhance the management efficiency of sustainable development. By establishing systematic monitoring mechanisms and regular performance evaluation processes, we have continuously reviewed and refined our sustainable development performance to ensure steady progress in fulfilling corporate responsibilities.

Vision of Sustainable Development:

Strive for integrating ESG governance values into corporate development strategic planning, leading the corporate to become an integrated commodities supply chain services provider with the advantage of people-oriented, safe and efficient, green and low-carbon, and sustainable development.

Management Strategies of Sustainable Development:

Integrate ESG governance values into the corporate development strategic implementation plan, achieve an effective integration of “ESG philosophy - corporate strategy - governance implementation - evaluation and review” through the overall promotion of “decision making - management - execution”, and strive to implement a scientific outlook on development characterized by people-oriented values, safety and efficiency, green and low-carbon practices.

Sustainable Development Milestones

- **2019:** We established the health, safety and environmental committee through a Board resolution, formally launching the framework construction for sustainable development.
- **2021:** We considered and approved the renaming of the health, safety and environmental committee to the ESG Committee, further expanding its functions in ESG aspects.
- **2023:** We released the first ESG Management System of E-Commodities (《易大宗ESG (環境、社會及管治)管理制度》), outlining the management guidelines and practice directions of the Company in sustainable development.
- **2024:** We considered and reviewed the functions of the ESG Committee, published the terms of reference of the ESG Committee on the website of the Hong Kong Stock Exchange to integrate climate change governance into the existing framework. In the same year, we issued the E-Commodities Environmental Protection System (《易大宗環保制度》) to detail environmental protection management policies and advance the progress toward the sustainable development goals of the Company.



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT GOVERNANCE SYSTEM

The Group has a well-established sustainable development governance structure, with the Board serving as the highest ESG decision-making body to holistically coordinate and oversee its ESG affairs. Under the participation and leadership of the Board, we have developed a clear ESG management hierarchy that defines responsibilities of employees at each level and establishes specific implementation guidelines, so as to ensure the integration of sustainable development concept into daily operations. During the Reporting Period, the Group reviewed and optimized the terms of reference of the existing ESG Committee, strengthened climate risk management, and continuously improved the level of sustainable development governance.

ESG objective setting and progress review

We regularly review environmental performance of all business segments, and set explicit sustainable development objectives and implementation approach, with a focus on the progress of achieving environmental management indicators. Through regular reporting from functional departments and dedicated task force mechanisms, we effectively implement sustainable development strategies.

ESG risk management

The Group incorporates ESG risks into the enterprise-wide risk management and control framework. We periodically review and analyze potential impacts of ESG and climate change-related matters to ensure we are resilient enough to cope with such impacts and proactively capture related development opportunities.

ESG meeting mechanism and decision-making management

The ESG Committee incorporates ESG and climate change-related matters into regular agendas. The Committee convenes at least one meeting for specialized discussions and strategic deployment every year.



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

SUSTAINABLE DEVELOPMENT GOVERNANCE STRUCTURE

Decision-making

The Board

- Take full responsibility for the ESG strategies and reporting of the Group;
- Assess risks related to sustainable development of the Group and ensure the implementation of reasonable and effective risk management and internal control systems;
- Oversee the Group's efforts to enhance climate resilience and monitor the achievement of its objectives in addressing climate-related issues;
- Provide strategic direction on critical ESG issues and supervise the execution of relevant policies;
- Govern ESG matters and conduct reviews of progress toward established ESG objectives.

Supervision ↓ ↑ Reporting

Overall management

ESG Committee

- Assess sustainable development risks in the Group's operations as well as policies and systems formulated for risk management, including the effectiveness and impact of relevant workflows;
- Guide and establish the ESG and climate visions, goals, strategies, and structures of the Group, and review and oversee related strategies, policies and practices;
- Review the Group's overall ESG strategic approach, ESG management system and management objectives, key substantive issues, and sustainable development risks and opportunities;
- Review and evaluate the performance of the Committee and the terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers appropriate for the Board's approval;
- Review and advise the Board on the disclosure and report in relation to ESG, including but not limited to matters about developing work processes related to ESG governance, strategy, risk management, and indicators and targets, determining the appropriate international or national standards on ESG matters which shall be monitored and reported on an annual basis; and making recommendations on specific actions or decisions the Board should consider.

Supervision ↓ ↑ Reporting

The management

- Management on routine ESG work;
- Implement ESG tasks;
- Coordinate and proactively guide work on ESG.

Supervision ↓ ↑ Reporting

Major functional departments

Execution

- The ESG working group, comprising the heads of the office of the Board, technical supervision department, human resources department and other functional departments, has been established to implement and carry out ESG-related work.



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

SOUND GOVERNANCE

Integrity Management

The Group abides by laws and regulations and strictly abides by anti-corruption laws and regulations, including the Criminal Law of the People's Republic of China and the Anti-Money Laundering Law of the People's Republic of China. Under this framework, we have formulated and implemented a comprehensive internal control mechanism and ensure honesty and integrity within the Group. During the Reporting Period, the Group did not receive any report of events in violation of laws and regulations related to bribery, extortion, fraud and money laundering, nor was it involved in any corruption lawsuit brought against the Group or its employees and concluded.

Anti-fraud, anti-money laundering and anti-bribery policy	Explicitly prohibits any form of commercial bribery, improper benefit transfers, or other unethical business conduct within the Group, and establishes comprehensive mechanisms including whistleblowing and internal control to address violations.
Supervisory management system	Specifies the supervision procedures, consisting of four procedures: drafting supervision outlines, compiling records, issuing supervision opinions, and tracking rectification outcomes.
Employee Handbook	Outlines employees' code of conduct, including standards for business interactions and gift acceptance, and requires employees to attend regular compliance training to reinforce compliance awareness.



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Under the leadership of the Board, we have established a multi-level supervision and management system. The technical supervision department coordinates disciplinary inspection and supervisory work, proactively identifies and addresses potential risks, and standardizes professional conduct at each level. Serving as the decision-making body for anti-money laundering efforts, the risk management department collaborates with the risk control execution department to conduct supervisory activities. All business departments are required to strictly enforce compliance requirements, meticulously maintain customer records and identity verification, conduct routine business compliance monitoring, and ensure timely identification and reporting of suspicious circumstances.

In order to strengthen anti-corruption and establish a clean operation atmosphere, the legal affairs department of the Group is responsible for coordinating comprehensive anti-money laundering training, organizing employees to learn anti-money laundering laws and regulations, and ensuring the training of all employees. In addition, we have publicized and promoted the Anti-Fraud, Anti-Money Laundering, and Anti-Bribery Policy (《反舞弊、反洗錢、反賄賂政策》) along with its supporting compliance guidelines through multiple channels. We have incorporated legal knowledge training into mandatory induction programs for new employees, with a particular focus on anti-corruption, position embezzlement and theft. This ensures all employees establish proper awareness of integrity in professional conduct. During the Reporting Period, 100% of newly hired employees completed anti-corruption training.



Compliance Training for Listed Companies

In March 2024, the Group invited a professional law firm to conduct compliance training for directors and senior management through a combination of online and offline formats, with the participation of 50 employees. The training content covered directors' responsibilities and obligations regarding insider information disclosure, with particular emphasis on anti-corruption key points, including related liabilities and legal consequences, insider information disclosure, securities trading and other regulations. Key departments such as the finance department, risk affairs department, and legal affairs department participated in the session. Such efforts further reinforced the business compliance defenses, and effectively strengthened the legal risk management and control capabilities of the Company.

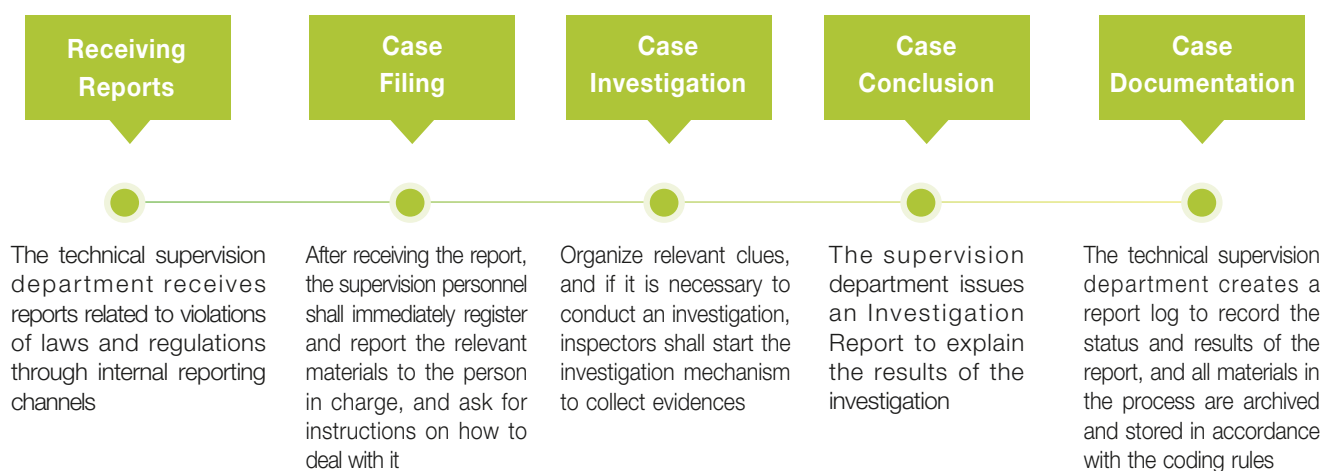




IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Whistleblowing System

The disciplinary inspection and supervision department of the Group is responsible for handling any behavior of any internal and external individuals who use fraud and other illegal acts to seek personal gains, damage the economy of the Company, or obtain improper benefits through money laundering, bribery and other means. In addition to identifying potential non-compliance risks through internal audits, the Group has also established an internal whistleblowing process to encourage employees to voluntarily report fraud or illegal acts within the Group. The reporting methods include visits, letters, reporting phone calls, emails, and other means. The technical supervision department will follow up in a timely manner to promote subsequent investigation and handling work, and ensure that relevant issues are properly handled.





MANAGEMENT OF SUSTAINABLE DEVELOPMENT

With regard to the protection of whistleblower information, the Anti-Fraud, Anti-Money Laundering and Anti-Bribery Policy (《反舞弊、反洗錢、反賄賂政策》) of the Group has comprehensively covered the relevant detailed rules. We will keep all relevant materials that may reveal the identity of the whistleblower strictly confidential and anonymous. We will seriously deal with the leakage of the reported information by relevant personnel, or the illegal discrimination, retaliation or hostility of the whistleblower, in accordance with the rules and regulations, and if necessary, transfer it to the judicial authorities for handling in accordance with the law.

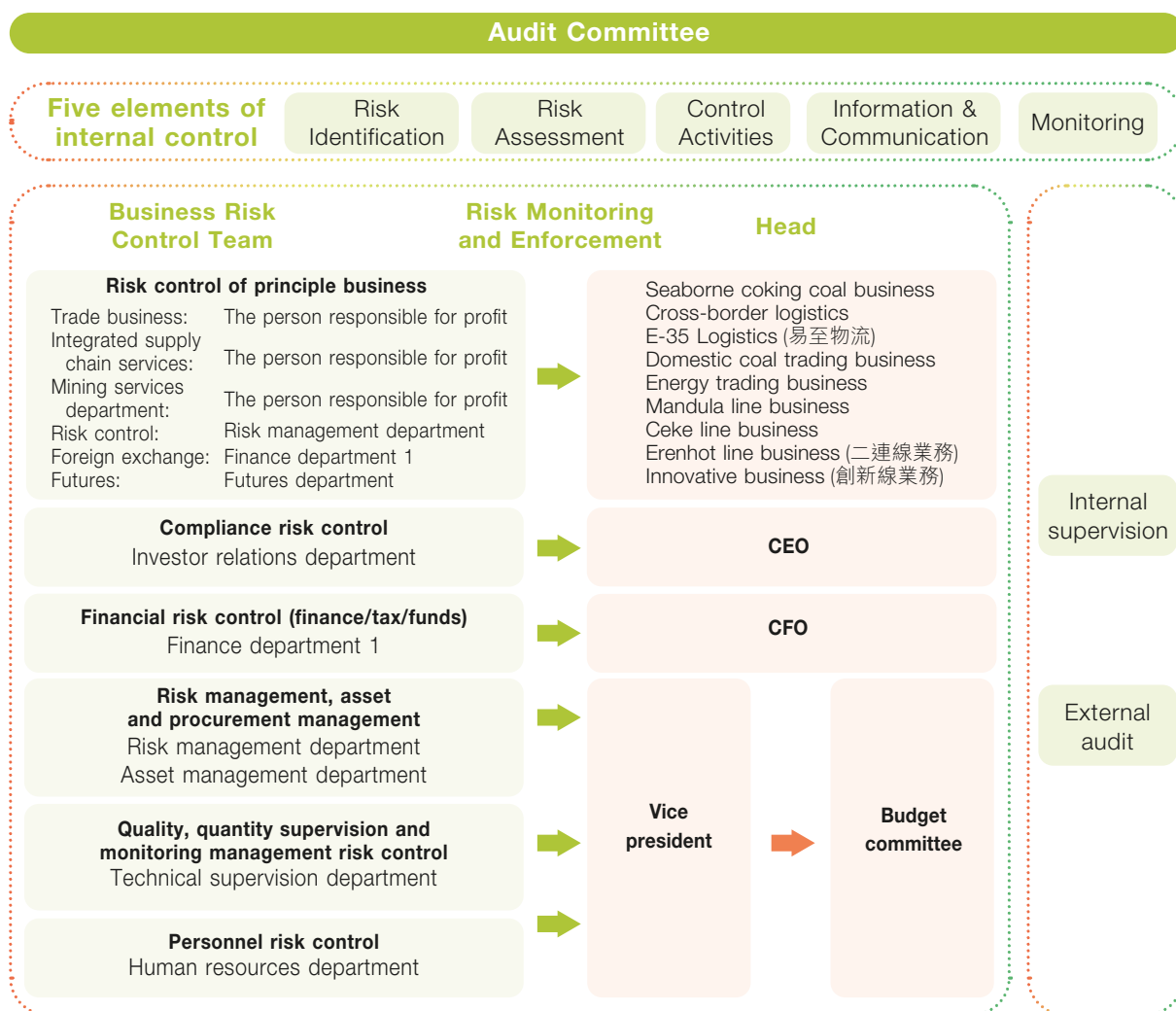
Risk Control and Management

While pursuing development, the Company ensures operational compliance and effective risk control. It strictly adheres to management systems to advance all tasks, and manage risk control thresholds of all types of businesses, thereby ensuring sustainable, healthy, and stable development of the Company.

In order to accurately identify different risks in our business, we uphold the concept of “integration of business, finance and taxation”, give full play to the synergy between the Group’s finance, tax, legal affairs, risk control and other functional departments and relevant trade business, investment and construction departments. When risk control content involves specific work and business matters, the execution responsibilities are assigned to the office of the Board, the risk management department, the finance department 1, and the technical supervision department, respectively. These units comprehensively evaluate the internal control system of the group company, identify potential risks, and propose improvement recommendations to enhance the risk response capabilities of the Company. For significant or exceptional risk control matters that reach certain risk control thresholds during execution, all business risk control team members are required to report to their respective risk control supervisors, ultimately reporting such matters to the budget committee for approval and decision-making. By doing this, we effectively mitigate various risks, ensure safe, efficient, and stable business development, and support the achievement of strategic objectives.



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT



At the same time, the Group is also committed to building a corporate culture of “prudence and stability”. To this end, we incorporate the knowledge of risk control system, risk management system, case training and other content of the Company into the training courses for personnel at each level, including new employees, middle-level business executives and middle and senior management, so that they can fully understand and strictly comply with the risk control and compliance requirements of the Company.



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Risk Identification and Assessment

We have established a complete risk assessment procedure covering identification, assessment, response, monitoring, and continuous improvement. In the risk identification phase, we comprehensively identify potential risks through sorting out business process, scenario analysis, and cross-departmental discussion. In the evaluation process, we employ a risk matrix model to conduct quantitative analysis in two dimensions, namely likelihood of occurrence and impact severity, and scientifically categorize risk levels. For different risk categories, we implement differentiated management strategies. We adopt avoidance measures for critical risks, enhance controls for moderate risks, hedge transferable risks with financial instruments, and establish monitoring mechanisms for low-level risks. Through monitoring, periodic assessments, and continuous optimization, we continuously strengthen risk management capabilities to ensure our stable operations.

Based on the aforementioned risk management processes, we prudently assess emerging risks and comprehensively review and optimize the response measures of the Group, thereby ensuring agile response to the complex and ever-changing external environment.

Emerging risks	Response measures
Technology-related risks	<ul style="list-style-type: none">• The Group has established a comprehensive data security protection system that employs advanced encryption technologies to safeguard customer and corporate core data, and has deployed an intrusion detection system for real-time network monitoring.• We rigorously screen IoT devices that meet high security standards, conduct regular security assessments and vulnerability remediation, and maintain a rapid emergency response mechanism.• We lay emphasis on data quality verification, implement stringent security testing of AI models, and continuously monitor system outputs to ensure decision-making accuracy and fairness.
Emerging market risks	<ul style="list-style-type: none">• Before entering emerging markets, we conduct in-depth research on local political and economic environment to assess political stability, economic policies, and exchange rate fluctuation risks.• We focus on differentiated products and services by consistently boosting investment in R&D to develop products tailored to local consumer needs. Meanwhile, we strengthen brand building and actively pursue partnerships with local enterprises to leverage complementary strengths.
Market volatility risks	<ul style="list-style-type: none">• We optimize debt structures, and diversify financing instruments and asset allocation strategies to effectively respond to market fluctuations. We also establish a risk early-warning mechanism to continuously monitor market dynamics as a way to ensure robust financial operations.• We deepen the strategic cooperation with suppliers and strengthen cost management. By timely applying hedging and other financial instruments, we effectively manage and control the risks arising from raw material price fluctuations to ensure operational stability.



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

ESG Risk Management

During the Reporting Period, the Board and the ESG Committee conducted a comprehensive assessment and discussion on the Group's ESG risks, identified a number of ESG risks that were most important to the Group, and formulated corresponding action plans. For details, please refer to the following table:

ESG risk factors	Impact on the Group	Corresponding chapter of coping action	Risk trend
<i>Social aspects</i>			
Safe production	In view of the characteristics of the Group's business, employees are exposed to certain safety risks, such as work-related accidents caused by unsafe behaviours of employees in the process of using machinery and equipment, driving vehicles, etc. Relevant regulatory actions, legal liabilities and subsequent costs may adversely affect the operation and reputation of the Group.	Safe production management	Maintained
Occupational health and safety	The business of the Group involves coal production, washing, and technical operations, as well as potential safety hazards such as dust emissions. The lack of well-established safety management policies and measures may lead to potential hazards and risks in the workplace, such as damage to production machinery, minor, serious injury or even loss of life of employees.	Safe production management	Maintained
Employment and employees' rights	Due to the increasing stringent requirements of local governments in terms of labor security laws and regulations and labor inspections, the Group may face the risk of disputes in the conclusion, performance, modification, rescission and termination of employment contracts. If these disputes cannot be properly mediated, they may bring litigation risks for the Group.	Human resource management	Maintained



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

ESG risk factors	Impact on the Group	Corresponding chapter of coping action	Risk trend
Employee benefits and welfare	With rising commodity prices and inflation, in order to maintain reasonable remuneration and benefits for employees, the Group has been facing the pressure of rising labor costs.	Human resource management	Maintained
Staff training and development	In the field of talent development, the Group faces a problem that the start-up team members have retired successively. Turnover may put pressure on succession planning, leadership, operating models and other aspects. Without proper succession planning and development mechanisms, it may lead to instability and chaos in the organizational structure.	Focus on talent cultivation	Reduced
Environmental aspects			
Efficient and environmentally friendly logistics	The Group's logistics sector business requires the use of various means of transportation. In the process of transportation, serious material loss and energy loss may lead to an increase in the Group's operating costs, which may reduce our advantage in price and service efficiency.	Environmental governance policy	Reduced
Discard and management of solid waste	The solid waste generated by the Group includes scrap tires, scrap parts, gangue and dust. If waste is not properly disposed of, it may cause damage to the environment and ecosystems, exposing the Group to legal action and reputational damage.	Environmental governance policy	Maintained
Emission and management of air pollutant	Governments are likely to impose strict environmental regulations and restrictions, causing the enterprise to face rising fuel and energy costs. In addition, governments and stakeholders may take legal action to hold the enterprise accountable for serious pollution incidents. Exposing the enterprise to the risk of legal action and hefty fines and liabilities.	Environmental governance policy	Maintained



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

COMMUNICATION WITH STAKEHOLDERS

We recognise that the views of our stakeholders are crucial to the Group's ESG work and decision-making. In order to fully understand and meet the needs and expectations of our stakeholders, we have established a variety of communication channels to ensure continuous and effective communication with our stakeholders. We have identified the Group's key stakeholders through assessment from two dimensions of "degree of influence by the enterprise" and "degree of influence on the enterprise", and collect their feedback on the Group's sustainability efforts through an open and transparent communication mechanism.

Stakeholders	Expectations and demands	Communication ways or channels
Government and regulatory authorities	<ul style="list-style-type: none"> • Healthy and sustainable development • Compliance with laws and regulations • Steady growth in tax revenue • Serving local economy • Facilitating industry development • Safe production • Energy conservation and reduction of emissions 	<ul style="list-style-type: none"> • Information filing • Tax returns filing • Government conferences • Railway operation • Business innovation
Shareholders and investors	<ul style="list-style-type: none"> • Healthy and sustainable development • Compliance with laws and regulations • Safe production • Energy conservation and reduction of emissions • Risk control • Return on investment 	<ul style="list-style-type: none"> • General meeting of shareholders • Information disclosure • Daily communication • Telephone conferences • Results announcement • Company website
Business partners and suppliers	<ul style="list-style-type: none"> • Win-win cooperation • Quality of products/services • Commitment 	<ul style="list-style-type: none"> • Open tender • Contract negotiation • Daily business communication • Supplier access management • Supplier evaluation



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Stakeholders	Expectations and demands	Communication ways or channels
Customers	<ul style="list-style-type: none"> • Quality of products/services 	<ul style="list-style-type: none"> • After-sales services • Test service • Quality supervision • Technique benchmarking
Employees	<ul style="list-style-type: none"> • Safe production • Employees' rights and interests • Training and development • Occupational health • Employee care 	<ul style="list-style-type: none"> • Winsway Academy • Staff assembly • Corporate notices • Employee satisfaction survey • Forums with senior management • "Winsway People 《永晖人》" essay-writing competition • Lunch meetings • Staff birthday party • Internal communication meeting of department • Interdepartmental activities • Employee development activities • Family days
Community	<ul style="list-style-type: none"> • Environment protection • Community charity 	<ul style="list-style-type: none"> • Community charity activities • Educational promotion activities • Epidemic prevention publicity • Vaccination coordination

Assessment of Material Issues

The Group highly values stakeholders' concerns on ESG issues, identifies and prioritizes key sustainability issues through a systematic materiality assessment process. In 2024, the Group invited various stakeholders to participate in the questionnaire survey, so as to identify the Group's key areas in respect of sustainability strategy and information disclosure, and to better respond to stakeholders' expectations for the Group.



IV. MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Identifying stakeholders

The Group invited key stakeholders such as the Board, the decision-making level, partners and employees of the Company to participate in the questionnaire survey.

Preliminary screening of ESG issues

By analyzing the reporting standards, previous years' issues and current ESG development trends, we updated and optimized the ESG issues database, and preliminarily screened the relevant issues.

Preparation and distribution of questionnaire

Based on the selected ESG issues, the Group designed questionnaire and distributed them centrally.

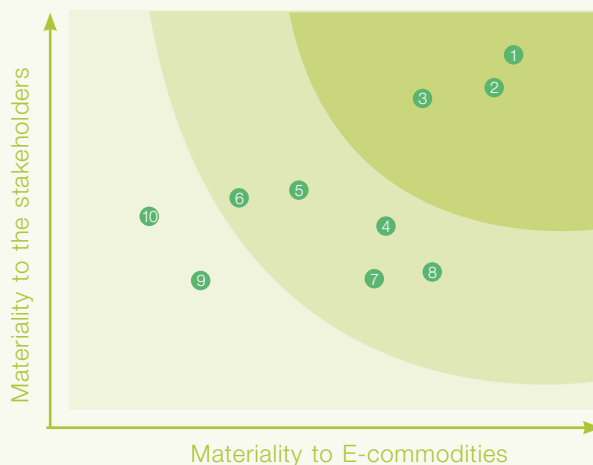
Collecting and analyzing the results of questionnaires

We analyzed the results of the questionnaire survey from the two dimensions of "materiality to the stakeholders" and "materiality to the Group" to comprehensively review the prioritization of each issue.

Reviewing and recognising material issues

After the initial review by the ESG working group, the assessment results were submitted to the ESG Committee and the Board for final confirmation.

Matrix of material issues on environmental aspect



Rank	Issues
Higher	① Reasonable use of resources
	② Environment and natural resources protection
	③ Green supply chain and procurement

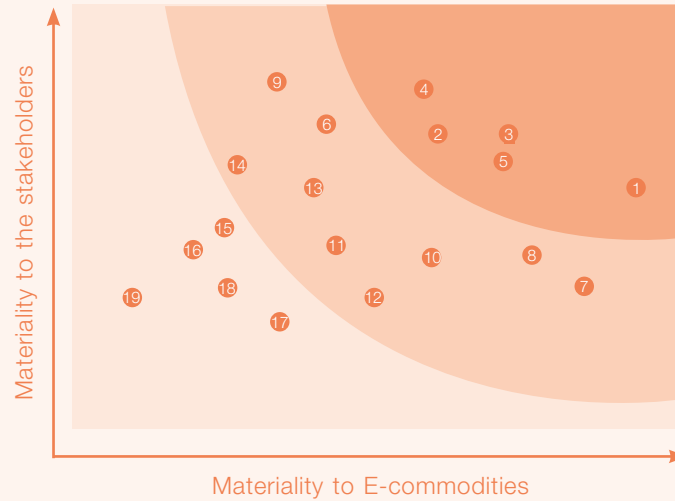
Rank	Issues
Medium	④ Development of clean raw materials
	⑤ Efficient and environmentally friendly logistics
	⑥ Emission and management of air pollutant
	⑦ Responding to climate change
	⑧ Emission and management of greenhouse gases

Rank	Issues
General	⑨ Emission and management of sewage
	⑩ Emission and management of solid waste



MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Matrix of material issues on social aspect



Rank	Issues
Higher	① Safe production
	② Risk control
	③ Staff training and development
	④ Employee benefits and welfare
	⑤ Compliance with laws and regulations

Rank	Issues
Medium	⑥ Employment and employees' rights
	⑦ Integrity management
	⑧ Supply chain management
	⑨ Occupational health and safety
	⑩ Innovative technology research and development
	⑪ Labour standards
	⑫ Products and services quality management and after-sales services
	⑬ Diversity, equality and inclusion
	⑭ Human rights

Rank	Issues
General	⑮ Contribution to the industry
	⑯ Responsible marketing and labeling
	⑰ Community development and investment
	⑱ Contribution to local economy
	⑲ Protection of privacy



V. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

INNOVATIVE TECHNOLOGY EXPLORATION

The innovation business segment, serving as the core vehicle for the digital intelligent construction of the Group, has continuously empowered the strategic advancement of digitization, intelligentization, and unmanned operations of services. During the Reporting Period, we actively explored cutting-edge technologies in various business and management domains. Building upon existing platforms such as the “E-Coking Coal Business Platform” (易焦煤業務平台), the “Yunji Intelligent Port Platform” (雲集智慧口岸平台), the “E-Link Supply Chain Service Platform” (易鏈供應鏈服務平台), and the “E-X Digital Brain” (易X數字大腦), we conducted upgrading and rebuilding to provide robust support for front-line businesses and decision-making management at each level.

2024 Scientific and Technological Innovation Performance

In 2024, we obtained a total of **10** patents for cross-border intelligent ports, comprising 3 patents against barrier

The digital intelligent construction of the Group is deeply rooted in business and management foundations. Through technological innovation, each platform effectively addresses traditional management pain points in supply chain processes, including procurement, transportation, warehousing, and sales, and establishes a new full-scenario business management model.

Coal trading business

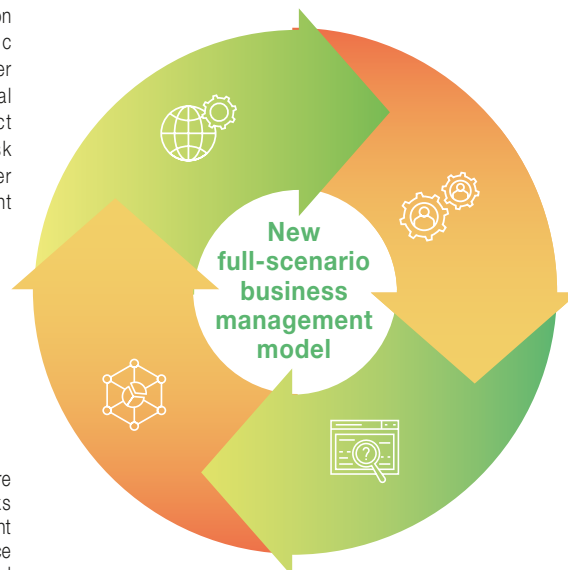
E-Coking Coal (易焦煤)

The platform realizes the efficient operation of multiple core businesses and basic management modules, including supplier information, customer information, coal resources, market information, contract execution, transaction status, and risk monitoring as a way to assist customer managers in business expansion, efficient execution, and reasonable risk control.

Intelligent port system

Yunji (雲集)

This innovative system integrates three core segments: customs, logistics, and parks through coordinated operations. The intelligent customs system automates customs clearance processes and integrates with the unattended system in the park. Intelligent logistics deploys AGVs and unmanned driving technologies for cross-border transportation. Intelligent parks enable real-time weighing data monitoring, intelligent warehouse management, and multi-party data coordination with customs supervision and AGV dispatching. The deep integration of these three systems constructs an intelligent cross-border logistics operation system with highly efficient collaboration.



Integrated supply chain services

E-Link (易鏈)

The platform is designed for bulk commodity transportation, and tailored to management scenarios and transportation models. It provides online freight services that enable whole process digital management and transparent operations from cargo sourcing to delivery, driving the logistics industry's transformation towards high-quality development.

Data governance center

E-Commodities Supply Chain Management Platform

(易大宗供應鏈管理平台)

The platform covers data acquisition, data summary and analysis, data display, and other functions, and provides accurate and reliable data support for users to better understand and leverage data.



INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

Intelligent Port Platform

The construction of intelligent ports is a key project for the Group to achieve a comprehensive intelligent upgrade of logistics. The intelligent port system covers three self-developed subsystems (intelligent logistics, intelligent customs, and intelligent parks). Each system operates autonomously while collaborating closely with others, achieving automated customs clearance through integration with external systems and IoT devices. During the Reporting Period, the Group intensified efforts in advancing intelligent port construction, and achieved multiple innovative breakthroughs through the upgrading of intelligent port system and the building of integrated supply chain management platform.



Supply Chain Management Platform

With the commissioning of the Baotou office building, the integrated supply chain management platform of E-Commodities has officially been put into operation. The platform integrates IoT, intelligent algorithms, and big data technologies, comprehensively covers business segments such as intelligent terminals, multimodal transport, and cross-border AGVs. Through data integration and real-time monitoring, it enables whole process visualized management including cargo entry and exit, vehicle transportation, and container allocation, and ensures efficient and precise dispatching at the core hub in Baotou. The platform also features an intelligent early-warning function that automatically identifies critical events and sends real-time alerts to empower business personnel to respond swiftly and maintain seamless connectivity of all supply chain links. This marks that the Group has taken a leap forward in intelligent operations.



Full-Chain Visualization, Breaking Information Barriers

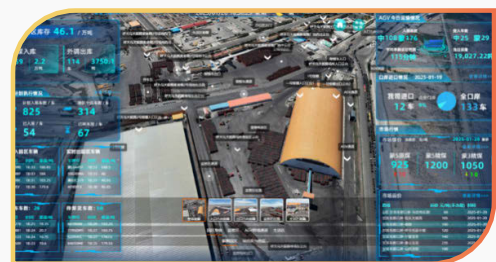
- Share a unified data view across the entire chain to eliminate cross-departmental information barriers. Integrate data from various links such as market, import, warehousing and transportation, and visually display the status of the entire chain through a large screen to quickly understand the overall business status.

Indicator Disassemble, Agile Response

- Automatically identify events that need to be focused on during business processes, provide real-time display and push notifications to facilitate immediate follow-up and handling by business personnel, so as to ensure the connection of all aspects of the business and ensure the delivery efficiency.

One-click Direct Connection to the Site

- Directly connect to the business system and the site, enabling efficient and direct handling of issues.



Supply Chain Management Platform Data Dashboard



V. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

Digital Brain Empowering Precision Management

The E-X Data Platform serves the data governance and whole business process management of the Group. During the Reporting Period, we dedicated significant efforts to sorting out and enriching diverse information in the database to establish a standardized indicator system, enabling comprehensive digital coverage from market dynamics, port imports, washing and processing, trading analysis, logistics and transportation to warehouse management. The platform aggregates multi-dimensional business data to generate professional analytical statements. For instance, through the conjoint analysis of cross-segment data and granular breakdown of indicators at each link, covering procurement, transportation, processing, and sales, the platform achieves more precise and timely analysis of inventory, cost, and profit trends. These insights, presented through data visualization, have accurately supported our management and decision-making, and significantly enhanced the overall operational efficiency of the Group.

Meanwhile, the E-X Platform is equipped with a comprehensive intelligent early warning system that effectively identifies and monitors business operation risks. The system monitors multiple critical indicators in real time, including container logistics tracking, road transportation timeliness, vehicle dispatching in parks, cargo measurement verification, and production indicators. When anomalies are detected, such as interruptions in logistics trajectories, transportation delays, excessive queuing times, cargo loss, or deviations in production parameters from standard values, the platform immediately triggers early warning mechanism, and sends out warnings to ensure prompt intervention and handling by relevant personnel, enabling early risk prevention and control.

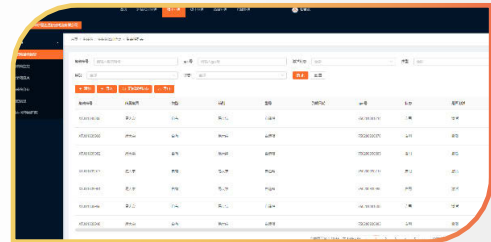
Monitor rate of supplies loss associated with deliveries and shipment processes

The system monitors and analyzes data on supplies loss associated with deliveries and shipment processes during the transportation of raw coal. When the rate of supplies loss exceeds preset values, the system issues alerts to statistical personnel and operational personnel, helping them promptly identify issues during transportation, and making it easier to trace such issues and resolve them quickly.



Business data push and exception alerts

Through the “Xiaoyi” (小易) platform, real-time updates on freight train departure data are pushed, including reminder information, billboards of last and next stations, and dynamic departure statuses. The platform reduces potential human editing errors and enhances the accuracy and efficiency of data transmission.



Intelligent Support for Decision-making — Cost Calculator

In 2024, the Group successfully developed and obtained the invention patent for the “Cost Calculator”. This system inventively applies big data analysis technologies to effectively addresses the pain point of cost accounting in the coking coal sector. The platform enables rapid generation of product solutions with precise cost calculations, providing business personnel with a reliable tool to support their decision-making, and significantly enhancing cost control efficiency.



INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE

Looking Forward — AI Exploration

The flourish development of artificial intelligence (AI) technologies has become the core driving force for industrial transformation. The Company will actively explore the application of AI and is currently promoting an AI-driven mindset and culture through training and knowledge sharing. In the future, we will actively develop AI-powered application scenarios to accelerate our pace of transformation.

- This year, Winsway Academy organized two AI-related training sessions, covering **more than 112 employees**, to help them master the application of AI tools.
- The system R&D team also introduced AI-assisted technologies, which significantly improved code accuracy, reduced manual workload, and rapidly identified potential logic defects to avoid rework in later stages. These efforts **boosted the overall R&D efficiency by more than 15%**.



WORK HAND IN HAND FOR WIN-WIN RESULTS

During the innovative development journey of the Group, we have actively expanded diverse cooperations and maintained close communication with government agencies, enterprises, and multiple stakeholders. By discussing forward-looking industry trends and creating innovative cooperation models, we leverage complementary strengths to jointly build a mutually beneficial development ecosystem for shared success.



Deepen Government-Enterprise Cooperation

To rapidly and efficiently advance the implementation of the Mandula-Khangri Port AGV project, the Damao Banner Government (達茂旗政府) established an AGV project task force in January 2024. Led by the Deputy Banner Chief responsible for overseeing port affairs, the task force convened an on-site office meeting with leaders from multiple departments and organizations, including customs, the border inspection station, the banner commerce bureau, natural resources bureau, Damao Banner State-owned Investment (Zhongman International) Company (達茂旗國投(中滿國際)公司), and E-Commodities (Yida Yunji) Company (易大宗(易達雲集)公司). The meeting focused on analyzing issues related to advancing the AGV project, and resolved relevant difficulties that affected and restricted the advancement of the project.





V. INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE



Deepen Government-Enterprise Cooperation

In March 2024, at the invitation of the Wuliji Port Management Committee (烏力吉口岸委), the head of the port development department of the Group, along with technical personnel from China Academy of Building Research (中科(北京)建築規劃設計院), conducted a field visit to the Wuliji Port. They exchanged views with representatives from Tianjin Municipal Engineering Design & Research Institute Co., Ltd. and CCCC Design Institute (中交設計院), previously responsible for the port planning and design, on the overall planning and construction of the Wuliji Port.



In April 2024, Ms. Cao Xinyi (曹欣怡), CEO of the Group, along with Mr. Zhao Wei (趙偉), our vice president, met with Huang Yali, Secretary of the Alxa League Committee, Bai Hailin, League Chief, and Bao Ye, Deputy League Chief, and other heads of the administration. The two sides engaged in in-depth discussions on the development, investment and construction of the Wuliji Port.



Industry Win-Win Cooperation

In June 2024, Wang Wei (王威), vice president of the Group, led a delegation to visit Nuctech. The two parties held in-depth and productive discussions on the AGV-based customs inspection equipment proposed for the Mandula Port. The visit not only further enhanced mutual understanding but also laid a solid foundation for follow-up cooperation. Both sides looked forward to the early completion of the Mandula Port project, and bringing its benefits into play.





INNOVATION-DRIVEN: CREATING A SUSTAINABLE COMPETITIVE ADVANTAGE



Strategic Cooperation

In June 2024, the Group successfully signed a strategic cooperation framework agreement with Tacheng Transport Investment (塔城交投), marking the beginning of a comprehensive cooperation in the field of intelligent logistics between the two parties.

In the future, the Group will conduct in-depth cooperation with Tacheng Transport Investment in import and export trade supply chains and integrated services, covering warehousing, cross-border railway transportation, innovative transportation, united transportation of railways and highways, unmanned driving. Through resource sharing and business innovation, both parties will jointly explore cooperation models to enhance service quality and expand business outreach capabilities.



PROTECTION OF INTELLECTUAL PROPERTY

The Group strictly adheres to laws and regulations related to intellectual property management including the Trademark Law of the People's Republic of China and its regulations for implementation, the Anti-Unfair Competition Law of the People's Republic of China, the Intellectual Property Law of the People's Republic of China, and the Tort Liability Law of the People's Republic of China. We have also formulated the Intellectual Property Management System (《知識產權管理制度》) that clearly outlines guidelines for employees regarding the proper use and protection of intellectual property in daily operations. To ensure efficient intellectual property management, the Company has implemented a comprehensive intellectual property management system in the charge of the legal affairs department, which coordinates with the asset management department and Internet technology platform department, to advance intellectual property protection. The responsibilities of the department include development and management of software copyrights, registration of new trademarks, the sorting and recording of authorized trademarks and patents, and whole process management of matters related to intellectual property. Employees are required to strictly comply with systems and norms of the Group governing intellectual property usage. For example, no job-related intellectual achievements owned by the Company may be transferred, sold, used, or licensed to third parties in any form without the permission of the Company. Subsidiaries and departmental leaders bear the responsibility for proactively reporting intellectual achievements to the legal affairs department for the centralized management and overall planning by the Company.

Contracts involving the Company's intellectual properties must strictly comply with relevant provisions of the confidentiality system of the Company and incorporate explicit intellectual property protection clauses, clearly stipulating the ownership of relevant rights and the distribution of associated benefits of the intellectual property based on practical circumstances to prevent intellectual property disputes at the source. Prior to adopting new product names or corporate designations, the handling personnel must coordinate with the legal affairs department to conduct an intellectual property search. The department will centrally arrange all intellectual property protection efforts. For registered trademarks, the legal affairs department will formulate usage requirements. Relevant business personnel are required to properly apply and display these trademarks in business activities, contracts, and physical products in accordance with these requirements.



VI. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

The Group always puts the occupational health and safety of its employees first, and attaches great importance to ensuring safe production and maintaining the physical and mental health of its employees. To this end, we act in strict accordance with the laws, regulations and administrative provisions on health and safety in the countries and regions where we operate, including but not limited to the Work Safety Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases, the Regulation for Prevention of Dust Lung Disease of People's Republic of China, the Provisions on the Supervision and Administration of Occupational Health at Work Sites, the Management Rules for Labor Protection Supplies of Employers (《用人單位勞動防護用品管理規範》), the Regulations on Labor Protection in Workplaces Where Toxic Substances are Used (《使用有毒物品作業場所勞動保護條例》), and the Administrative Measures for the Supervision of Employers' Occupational Health Surveillance (《用人單位職業健康監護監督管理辦法》). During the Reporting Period, the Group strictly complied with the laws and regulations on production safety and no incident of non-compliance occurred. We formulated and implemented the safety management objectives and indicators, including measures such as regular inspections and calibrations of equipment, periodic training and mandatory certification requirements for operational employees, so as to effectively prevent the occurrence of fires, explosions, serious injuries, and other safety incidents, and continuously enhance the occupational health and safety level for employees.

2024 Safe Production Objectives

0 occupational diseases



0 incidents involving large-scale equipment or pressure vessels



0 fatalities in production



Fewer than
2 traffic accidents



0 public health incidents



No more than 10 minor injury incidents in production



100% rate of three-tier safety education



Monthly Company-wide safety inspections with a rectification rate of 100%



2024 Safe Production Performance

0 employees suffered work-related fatalities or occupational disease



1 case of minor work injury



70 safety training sessions organized during the Reporting Period, reaching 3,400 participants



95 lost days due to work injury during the Reporting Period





SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

SAFE PRODUCTION MANAGEMENT

Based on the four pillars of “human-oriented, safety first, prevention-focused, and comprehensive governance”, the Group carried out various production management and standardization. The ESG Committee of the Group is responsible for monitoring and reviewing the status of best industry practices and changes in regulations and policies, and reporting to the Board so as to continuously improve the safe production system.

Safety First

The Group has strictly formulated and implemented safety standards and procedures, dedicated itself to establishing and reinforcing a favorable atmosphere for overall safe production, and ensured efficient implementation and continuous improvement of safety management practices. To this end, the Group has established the Collection on Safe Production Responsibility Rules (《安全生產責任制度匯編》) to standardize subsidiaries in developing comprehensive safety management frameworks. The system explicitly defines key elements including system of responsibility in safe production, safety investment criteria, organizational structures for safety management, and personnel allocation, thereby guaranteeing the effective execution of safe production measures on all fronts. In the previous year, the Group issued the Notice on Further Strengthening the Safety Management of Production Units (《關於進一步強化生產單位安全管理工作的通知》), explicitly mandating all subsidiaries to fully advance the three-tier safe production standardization, and rigorously enforce safety objectives and related management measures defined by the Group. Furthermore, all subsidiaries have established dedicated leading groups for safe production and management organizations for occupational health and safety. These subsidiaries have developed safety management programs and implementation plans based on standards of the Group and in line with their own operational needs, thereby advancing safety management in a targeted manner and ensuring the fulfillment of safety responsibilities at each level.

The Group is committed to implementing a strict safety training policy. In accordance with the Safety Publicity and Education Training System (《安全宣傳教育培訓制度》), we have formulated an annual training plan on safe production, which stipulates that all employees of production units shall attend safety training, and the person with chief responsibility and safe production management personnel shall possess corresponding safe production knowledge and management capabilities and obtain corresponding qualification certificates. Meanwhile, special operations personnel such as electricians, motor vehicle drivers in the factory and mechanical operators must pass specialist safety training and participate in periodic reviews, so as to ensure that employees have the knowledge and skills necessary to prevent risks. In this way, they can improve their awareness of safety and reduce accidents and injuries that may occur at work.



VI. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS



Cultivate a Safety Culture

To further enhance the safety awareness, operational skills, and emergency response capabilities of front-line personnel, and ensure workplace safety and operational efficiency, the human resources department conducted multiple safety activities through the “Winsway Academy”, including on-site plant safety inspections, training on electrical and mechanical safety, training on plant safety inspection and risk control, training on EHS professional skill enhancement, training on emergency drills for production accidents, training on regulations of safeguarding state secrets, and on-site safety inspection and risk control hands-on training. During the Reporting Period, we implemented a transferred training model for training on safe production. During the transferred training, we dispatched professionals for external learning and exchange to bring back best practices in safe production and share them with other employees, thereby enhancing the overall safety management level.

2024 Production Safety Education and Training

A total of 206 occupational safety-related training activities were organised by the Group

Over 820 people participated in training

The number of learning hours totaled 7,594





SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS



2024 Safe Production Month Activities

In June 2024, on the occasion of the 23rd national “safe production month”, our subsidiaries carried out “safe production month” activities centered around the theme of “everyone stressing safety and responding to emergency, ensuring smooth life channels” (人人講安全，個個會應急—暢通生命通道) to enhance the safe production management of the Company, raise safety awareness among all employees, safeguard life security of employees, and ensure the stable development of the Company.



Safe Production Month of Hebei Chun'ao Industrial Co., Ltd. (河北春澳實業有限公司)



Safe Production Month of Urad Zhongqi Haotong Clean Energy Co., Ltd. (烏拉特中旗浩通清潔能源有限公司)



Safe Production Month of Inner Mongolia Minghua Clean Energy Co., Ltd. (內蒙古明華清潔能源有限公司)



Safe Production Month of Baotou-city E-35 Logistics Co., Ltd. (包頭市易至物流有限公司)



VI. SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

Prevention-focused and Integration of Prevention and Governance

Based on the production safety risk system, we actively implement measures to prevent accidents and hazards, and continuously improve the risk management system. The Group adopts a “dual reporting system” in its safety organizational structure. The safety supervision department of the Group deploys dedicated safety inspectors who are stationed on-site to be responsible for the identification and management of potential accident hazards and routine safety inspections. Regarding safety-related matters, these inspectors are required to report both to the first person responsible for the on-site safety and the safety supervision department of the Group.

Safety Management “Dual Reporting” Structure in Production and Operation Units



In daily operations, we strictly implement annual safety inspection plans and timely identify and correct violations of rules and disciplines by operational personnel through a multi-level safety inspection mechanism. In addition, the Group has prepared the Guidelines for Risk Identification and Hierarchical Control of Frontline Positions (《一線崗位風險辨識及分級管控指引》), providing authoritative and systematic guidance for safety management across all regions while implementing hierarchical control over workplace safety risks. To address potential safety accidents, we have developed a complete emergency rescue system that clearly defines emergency procedures and protective requirements and measures for responders, and established professional on-site detection and evaluation mechanisms. Through the emergency rescue training and drill conducted at least once a year for safe production accidents, we consistently enhance employees' safety awareness and emergency handling capabilities. In the event of accidents, relevant departments must report to the safety management department within one hour, and strictly enforce the principle of “Four Prohibitions”. That is, unclear analysis of accident cause is prohibited, no punishing the person liable for accident is prohibited, no implementation of rectification measures is prohibited, and no educating the person liable for the accident is prohibited. This ensures thorough investigation and effective handling of every safety accident, and continuously improves corporate safety management level.



SAFETY FIRST: ADHERING TO OCCUPATIONAL SAFETY REGULATIONS

Human-oriented

We implement multiple measures to ensure comfortable and favorable working conditions for employees. Each subsidiary has continuously invested in improving occupational health protection measures, including enhancing and maintaining safety protection equipment such as guardrails and covers, providing articles for labour protection and emergency rescue devices, and implementing heatstroke prevention and other seasonal protective measures. We also regularly inspect the safety performance of special equipment and firefighting facilities, conduct emergency drills, and install standard safety warning signs. Information on equipment, facilities, and tools is recorded in ledgers to ensure that sufficient safety protection facilities are equipped in the workplace.

In addition to fulfilling statutory social insurance obligations, we also regularly arranges health check-ups for all employees, provide supplementary accidental insurance coverage for all staff members, and offer additional medical insurance for key employees. Furthermore, we organize health seminars to disseminate health knowledge, thereby enhancing employees' health awareness.



VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

The Group is firmly committed to green production and green operation practices to ensure the harmonious coexistence of our business growth and environmental protection. We strictly abide by the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution, the Energy Conservation Law of the People's Republic of China, the Measures for Environmental Surveillance, the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution Caused by Solid Wastes and the Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》) and other key regulations on environmental protection in the countries and regions where it operates. In accordance with the content of the regulations, we have established a comprehensive internal environmental management system, including the Compilation of the Company's Environmental Protection Management System (《公司環境保護管理制度彙編》) and the Environmental Protection Management System During Production (《生產過程中環境保護管理制度》), and implemented strict control measures on waste discharge, environmental pollution accidents, energy conservation and consumption reduction, environmental impact monitoring and other matters, and clearly defined the environmental protection responsibilities and implementation standards of different functional departments to ensure the achievement of environmental protection goals. During the Reporting Period, the Group did not violate any relevant laws and regulations related to waste gas and greenhouse gas emissions, water and land pollution, waste generation and disposal, etc.

2024 Environmental Objectives

- Maintain factory boundary noise below 60 dB during daytime and 50 dB during nighttime
- Gradually increase the proportion of low-energy and low-pollution electrical equipment

2024 Environmental Performance

China VI-compliant vehicles accounted for nearly **20%** of the total vehicle fleet



Coal usage reduced by **38.8%**



Sulfur oxides emissions decreased by **47.53%**



Liquefied petroleum gas consumption decreased by **42.6%**



Electricity consumption decreased by **13,330.43 MWh**



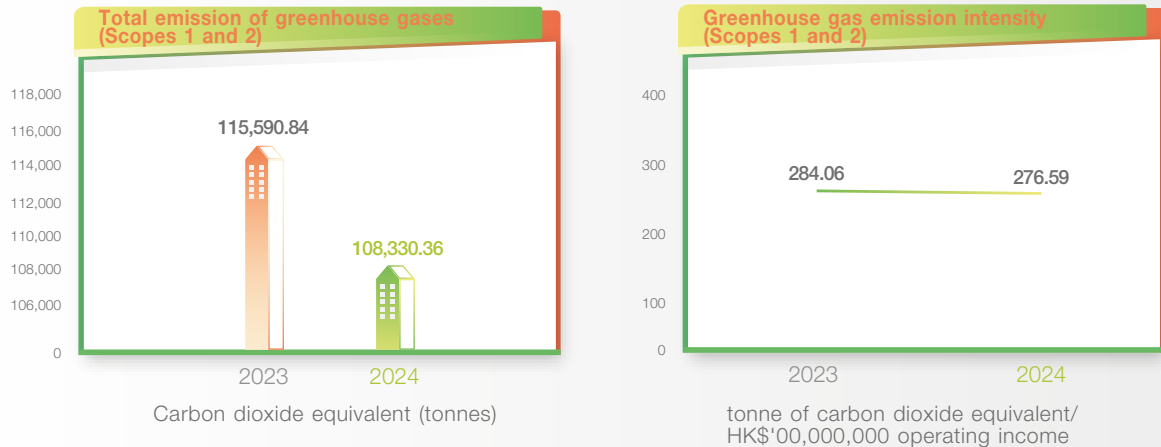
Electric stoves replaced liquefied gas stoves; air energy heating were utilized for winter heating; and some **coal-fired boilers** were phased out





GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Carbon Emission Indicators



ENVIRONMENTAL GOVERNANCE POLICY

Aiming to protect the environment, conserve energy, and reduce emissions, we have continuously improved the environmental management system. During the Reporting Period, the Group formulated and issued the E-Commodities Environmental Protection System (Trial Implementation) (《易大宗環保制度(試行)》), clearly defining the environmental regulations and requirements for each subsidiary. The environmental system covers management of wastewater, atmospheric pollutants, noise, solid waste, and hazardous waste. All requirements strictly comply with national and local environmental laws and regulations.

Environmental Risk Management Procedures

The impacts of the Group's production and operations on the environment and natural resources mainly relate to air pollution, wastewater discharge, solid waste and noise caused by the coal washing and processing process and transportation. In response to these negative impacts, we have formulated the Administrative Measures for Safety and Environment of New Projects, Reconstruction Projects and Expansion Projects (《新、改、擴建項目安全、環境三同時管理辦法》) to strengthen the overall management of design, construction and acceptance of new projects, renovation and expansion projects. The Group has also conducted an environmental impact assessment in accordance with laws, regulations and regulatory requirements including the Law of the People's Republic of China on Environmental Impact Assessment to ensure that our environmental information complies with regulatory standards.



VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Environmental responsibility structure	<ul style="list-style-type: none"> The main person in charge of each subsidiary shall serve as the first person of the unit responsible for environmental protection, and assumes overall responsibilities for environmental protection within the unit On-site safety and environmental protection personnel shall be responsible for implementing environmental protection measures and fulfilling corporate environmental responsibilities Each subsidiary shall establish a sound protection system in compliance with national laws, regulations, policies, standards, and the Group's environmental protection requirements, including environmental inspections, potential risks identification, reporting and handling of environmental incidents, and other matters
Environmental monitoring management	<ul style="list-style-type: none"> Each subsidiary shall engage qualified organizations to regularly monitor emissions, including testing the levels of various environmental elements, to grasp and assess the status and development tendency of environmental quality, carry out surveillance monitoring on the status of various pollutants, and provide accurate, reliable monitoring data and foundational materials for the enterprise to implement various environmental protection regulations and systems, and to comprehensively carry out environmental protection management Each subsidiary shall cooperate with third-party monitoring efforts as required, and ensure the safety of the third-party monitoring personnel and equipment, and guarantee the accuracy and validity of monitoring data
On-site environmental supervision and inspection	<ul style="list-style-type: none"> Each subsidiary shall establish detailed inspection records covering the implementation of environmental protection systems, on-site emission monitoring and treatment, and rectification of environmental hazards, which shall be properly archived for future reference
Environmental production management files	<ul style="list-style-type: none"> Each subsidiary shall establish a comprehensive environmental protection file management system, properly archive documents including environmental production training and education materials, meeting minutes, inspection and rectification records to ensure the completeness and traceability of such materials

Emission and Management of Air Pollutant and Greenhouse Gases

The atmospheric emissions and greenhouse gas emissions (Scope 1) of the Group primarily originate from non-road mobile sources such as vehicles and construction machinery, AGVs, and exhaust gases emitted by boiler combustion. Among them, land transportation stands as one of our major carbon emission scenarios. Through technological innovation and management upgrades, we actively promote the development of intelligent and eco-friendly logistics systems to support the development of cross-border transportation at Sino-Mongolia border ports towards high efficiency and low carbon, laying a solid foundation for a regional green logistics system.



GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Optimize Transportation Efficiency

In terms of logistics system, we have continued to promote more eco-friendly transportation models such as “bulk-to-containerized” transportation, train transportation, and AGV transportation, significantly reducing unit carbon emission intensity. Among them, container transportation, as one of our development directions, demonstrates notable advantages in environmental performance. On the one hand, through standardized cargo loading methods, containers maximize the loading rate of transportation facilities and improve cargo handling efficiency, shorten standing time, and reduce energy consumption. On the other hand, the sealing performance and structural strength of containers not only effectively prevent cargo damage during transportation but also significantly reduce dust emissions and the release of other pollutants. In addition, leveraging the linkage of logistics and trading on the intelligent port platform, we have implemented multiple measures including paperless customs clearance, intelligent dispatching and efficient logistics, optimizing transportation routes, multimodal transport transformation, and real-time monitoring of energy consumption to explore potential opportunities for low-carbon transformation.



Domestic and international container deployment
26,358 units



Cumulative tonnage of containers transported by AGVs
4,691,300 tonnes



Cumulative tonnage transported by trains
5,943,944 tonnes



Proportion of total container transportation volume
68.94%

Transportation Equipment Upgrading

In 2024, we further expanded the application of AGV intelligent transportation equipment. Equipped with automated and precision operation capabilities, AGVs not only enhance transportation efficiency but also significantly reduce carbon emissions through the oil-electric hybrid drive system compared to traditional vehicles. During the Reporting Period, the Group increased the AGV fleet from 55 units in the previous year to 65 units, further improving environmental benefits.



VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT



2024 AGV Project Enhancements

- Operating speed increased from 5.5m/s to 7m/s, shortening single-trip cycle time.
- More professional and comprehensive vehicle maintenance services were provided to improve vehicle availability rate.
- Dedicated AGV parks were in full operation on both sides, ensuring handling efficiency at both terminals.
- Exclusive closed AGV lanes were in full operation, and expanded from one-in-one-out to two-in-two-out, significantly boosting traffic capacity.



In addition, we comprehensively monitor transportation equipment, supervise and optimize operational energy consumption, emission levels, and equipment performance to ensure equipment operations remain highly efficient and low-carbon at all times.

Vehicle iteration and upgrading

- We actively advance fleet upgrading by fully adopting new tractors compliant with China VI emission standards
- All cargo vehicles in Mongolia have been upgraded to China VI-compliant models, significantly reducing exhaust emissions

Vehicle driving management

- We establish a comprehensive fuel consumption monitoring system, tracking monthly total fuel consumption and fuel consumption per tonne per trip for each vehicle to promptly identify abnormal fuel consumption
- The optimal fuel-efficient speed for container trucks is between 80 to 100 km/h. Manufacturers are required to restrict all vehicles' operating speeds within this range to avoid unnecessary fuel consumption



GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT



New Energy Heavy-duty Truck Line-haul Transportation Project

As the number of new energy vehicles grew rapidly and our infrastructure was contiguously improved, the Group has proactively conducted application evaluations for new energy logistics vehicles. We prioritized field testing on the specific transportation route between Mandula Port and Baiyun Coal Washing Plant (白雲洗煤廠). During the Reporting Period, we completed both autumn and winter road tests, verifying battery performance under low-temperature conditions for standard and heavy load operations, including critical indicators such as endurance mileage, battery efficiency, and charging capabilities.

Test data reveals that compared to traditional fuel-powered and gas-powered vehicles, new energy vehicles demonstrate significant cost advantages on heavy-load transportation routes. These findings provide crucial data support for the Group to advance the electrification transformation of logistics transportation, and also lay a solid foundation for exploring third-party cooperation models and achieving intelligent logistics.

According to trial data, the carbon emissions of new energy heavy-duty trucks decreased by **20.76%** compared to traditional heavy-duty trucks when traveling the same routes. When transporting 1 million tonnes of carbon, the carbon dioxide emissions of new energy heavy-duty trucks reduced by approximately **846.40 tonnes**.

Build Green Mines

In August 2024, the Company completed a comprehensive acquisition of TTJV Co. LLC., an upstream mining company. This move not only signifies a solid step forward for E-Commodities in the mining services sector but also represents an extension and expansion of the integrated supply chain services of the Group. TTJV Co. LLC. owns and controls Mongolia's most advanced and comprehensive mining and excavation equipment as well as transportation and loading equipment. Moving forward, the Company will actively leverage cutting-edge technologies such as 5G+ and automation to achieve intelligent, automated, and unmanned coal mining operations at TTJV Co. LLC. to enhance mining speed and work efficiency. This technological empowerment aims to improve security capabilities, boost productivity, and develop new quality productive forces. Through innovative intelligent mining technologies, the Company seeks to serve more mining operations in Mongolia.

Air Pollution Prevention and Control

In terms of enhancing infrastructures, we have built new sheds and windproof and dust suppression walls at coal mine storage facilities to further reduce the spread of coal dust. In addition, we persistently improve coal washing and processing techniques, effectively reducing atmospheric emissions such as sulfur oxides (SOx) and nitrogen oxides (NOx), and enhancing the efficiency of environmental protection. To minimize atmospheric emissions and dust escape, regular environmental monitoring of dust and noise levels is conducted across production areas in plants, all of which comply with national standards and without causing any environmental impact. The has Group consistently organized tree-planting and greening activities and invited business units to actively participate in such activities as a way to reinforce environmental awareness among employees.

During the Reporting Period, the Group carried out greening activities in its plant areas. TTJV Co. LLC., along with ports of different regions and coal washing and blending bases, planted a total of **102,400 trees** including species such as golden-leaf elm and Mongolian scotch pine. This effort resulted in **26,600 square meters** of green areas within plant premises and **250,000 square meters** of public green spaces outside plants. These actions established a multi-dimensional green ecological barrier, and further enhanced environmental protection effectiveness.



VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Sewage Discharge and Water Resources Management

The water resources for the production, operation and domestic use of the Group are managed and provided by the municipal sewage pipe network. However, due to natural environmental constraints at certain operational sites, some subsidiaries may face seasonal water shortages. For instance, Yiteng Mining Company (毅騰礦業公司), located at Gants Mod Port in the northern part of the Inner Mongolia Autonomous Region, may experience insufficient water supply in summer. In order to reduce the impact of water scarcity on operations and the daily lives of employees, these subsidiaries have built facilities such as reservoirs and tanks to reserve water resources in advance. TTJV Co. LLC. has maintained water collection pits in low-lying areas of the mining site, collecting approximately 100,000 cubic meters of rainwater for dust suppression sprinkling within the mining area.

Adhering to the principle of water conservation, the Group has fully considered the efficiency of water use and environmental impacts in each link of the production chain, and implemented a series of measures in accordance with relevant laws and regulations. We have continued to optimize the circulating water system. The production wastewater is purified and recycled by treatment equipment for spraying roads. At present, production workshops have achieved 100% reuse of production wastewater to minimize water consumption. In addition, we regularly inspect water pipes and water facilities to identify potential water leakage in a timely manner, so as to prevent water from running, spraying, dripping and leaking.

Discharge and Management of Solid Waste

The Group strictly complies with regulatory requirements including the Law of the People's Republic of China on the Prevention and Control of Solid Waste Pollution. We have established and refined the Solid Waste Management System (《固體廢物管理制度》) to implement whole process management of solid waste generated during production and operations. Our operations primarily produce solid waste such as gangue and coal slime from clean raw materials sector, along with waste oil, scrap tires and parts from supply chain logistics sector. Among them, all coal slime is sold for reuse, while gangue is properly disposed of through sales, compliant storage and transportation. By doing this, we have ensured compliant and efficient solid waste management.

For hazardous waste such as waste oils generated during vehicle maintenance, the Group has strictly implemented a hazardous waste registration management system. We have established designated hazardous waste storage areas equipped with environmental protection signage and ledger systems, ensuring standardized management to prevent leakage and improper handling. Moreover, through rigorous daily management and regular inspections, we maintain full-process control over waste oil treatment. During the Reporting Period, all such waste was ultimately transferred to licensed enterprises for recycling and compliant treatment, thereby eliminating illegal discharges.



GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Waste Reduction

The Group is committed to implementing a comprehensive waste utilization strategy, and has established a complete recycling and treatment system. For source control, we strictly enforce process specifications, prioritize high-quality raw materials and energy, and adopt advanced production equipment to fundamentally minimize waste generation. For existing waste, we maximize the reuse of waste and old materials whenever possible. For instance, repairable items such as batteries and tires undergo professional repair before being redeployed into operations, while coal dust and other industrial by-products are collected and reused.

Enhance Energy Management

The energy resources used by the Group are mainly electricity and diesel consumed in the production process of clean raw materials sector and the supply chain logistics sector. In view of the management and control of these two resources, the Group has formulated and implemented an Energy Management System (《能源管理制度》), aiming to reasonably use resources and improve energy efficiency and related economic benefits. The system establishes the planning, supervision, approval and other work of energy management, and clarifies the terms of reference of responsible departments including the Department of Safety and Environmental Protection and the logistics department. In addition, the system actively promotes power-saving measures and the application of new technologies to ensure effective energy management.

Optimize Electricity Management

- In the clean energy sector, the Group has optimized electricity consumption structures through peak load shifting mechanisms and progressively phased in low-energy-consumption equipment to replace outdated equipment to enhance the overall efficiency of energy use.
- For winter heating, production units have adopted air-source heat pumps to replace traditional coal-fired and gas-fired boilers for heating and domestic hot water supply. This technology consumes only 25% of the electricity used by conventional electric water heaters, achieving 66%-75% reduction in electricity consumption.
- The Group has been phasing in electric cooking stoves to replace gas-fired and coal-fired stoves, effectively reducing energy consumption and pollutant emissions.



VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT



Clean Energy Sector - Tangshan Chun'ao Integrated Photovoltaic-Storage-Charging Project (唐山春澳光儲充一體化項目)

During the Reporting Period, the Group entered into a strategic cooperation with Tangshan New Energy (唐山新能源) to comprehensively develop its first charging-swapping station and photovoltaic rooftop project. For the charging-swapping station project, we plan to construct 15 charging piles and 2 battery swapping stations, with trial operations scheduled to commence in April 2025. For the photovoltaic rooftop project, we have completed the signing of cooperation agreement, and pending government approval procedures and project completion, plan to officially put it into use between July and August.

Annual power generation of **7,316,700 kWh**

Covering energy demands for **1,500,000 tonnes** of coal washing capacity

The capacity of project base station reaching **5.44 WMP**

Equivalent to reducing **4,800 tonnes** of carbon dioxide equivalent

Reducing purchased electricity consumption by **4.88 kWh** per tonne of coal washing capacity

PROMOTE GREEN OFFICE

In our daily operation, we actively implement the green office strategy. The energy consumption in all office areas, including water, electricity, heating, and fuel consumption for official vehicles, is separately tracked, managed by designated personnel, and independently accounted for. Production units may implement water and electricity energy-saving upgrades where necessary, based on practical conditions and economic feasibility assessments. The design, construction, and material selection for all new buildings must comply with national energy-saving standards. We have set energy conservation and emission reduction targets, and release the Targets for Energy Conservation and Reduction of Emissions (《節能減排目標任務書》) every year to provide a clear direction for subsidiaries to deepen green operations. Taking 2020 as the reference point for energy consumption, we have set a series of specific energy conservation and emission reduction indicators, and require each unit to achieve these targets:

- Annual electricity saving of 100 kWh per capita; annual water saving of 6 tonnes per capita
- Fuel consumption of official vehicles within 12.5 liters per 100 km
- Annual reduction of 5% in vehicle operating costs
- Saving of office supplies expenses of RMB100 per capita
- Annual saving of office telephone expenses of RMB50 per capita

To help employees achieve green office targets, the Group has improved a series of measures related to water resources management and energy management, and encourage all employees to follow the guidelines of the Notice on Advocating Environmental Protection, Energy Saving and Emission Reduction (《關於倡導環保、節能減排的通知》) to reduce resource consumption.



GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Save water resources	<p>Water supply management</p> <ul style="list-style-type: none"> Regularly inspect and replace aging water supply pipelines and water facilities to prevent water from running, spraying, dripping and leaking. <p>Raise employee awareness</p> <ul style="list-style-type: none"> Advocate for responsible water usage habits, and mandate that taps be turned off immediately after use. Post water conservation signs in the office building to raise awareness among employees.
Save electricity	<p>Purchase low-energy-consuming, and eco-friendly energy equipment</p> <ul style="list-style-type: none"> Strictly enforce the national standard Technical Guides for Evaluating the Rationality of Electricity Usage in Industrial Enterprise (GB/T 3485) as the criteria for rational electricity usage, and make regular replacement of electrical equipment to effectively save electricity. The air conditioners, water heaters and other equipment of the Company are low-energy-consuming and eco-friendly products. <p>Standardize employees' electricity consumption habits</p> <ul style="list-style-type: none"> Maximize the use of natural lighting; cultivate the habit of switching off lights. The last employee departing the workplace shall verify the power-off of non-essential electrical equipment and eliminate unnecessary lighting. Computers, printers, electric kettles and other electrical equipment shall be turned off when not in use to reduce energy consumption. The temperature of air conditioners is set not lower than 28 degrees in summer and not higher than 25 degrees in winter, and use energy-saving mode.
Save resources	<p>Reduce office paper consumption</p> <ul style="list-style-type: none"> Promote electronic office, including the use of ERP system for online process approval, and the use of online banking for financial operations, to reduce the reliance on paper documents. Advocate and practice double-sided printing to reduce paper usage. Waste paper that has been used on both sides will be collected and sent to a dedicated collection point for centralized recycling and reuse. <p>Reduce waste and promote recycling</p> <ul style="list-style-type: none"> Encourage employees to develop environmental-friendly habits such as bringing their own personal lunch boxes, drinking glasses and cutlery, and reusing packaging bags to reduce the use of disposable plastic products. There are designated recycling bins on each floor of the building, and our employees are encouraged to separate waste paper and other recyclables to reduce waste.
Eco-friendly travel	<p>Business travel management</p> <ul style="list-style-type: none"> Employees are encouraged to use environmental-friendly modes of transportation, such as public transportation, cycling, or walking. Reasonably plan travel routes to reduce fuel consumption and emissions. Prioritize the selection of vehicles meeting China VI emission standards, new energy vehicles, or low-energy consumption models in official vehicle procurement.



VII. GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

COMBAT CLIMATE CHANGE

As the impact of climate change becomes increasingly significant, addressing climate change is not only an environmental issue, but also an integral part of ESG management structure. Against this backdrop, the Group focuses on the various potential risks posed by climate change, including the impact of physical risks (increasing frequency of extreme weather) and transition risks (changes in policies and market) on the supply chain and production operations. We are also actively exploring and implementing actions to adapt and mitigate the issue. The Group is currently striving to build a comprehensive climate change response strategy, through comprehensive measures including risk management and innovative practices, to prepare for future climate change challenges and ensure the steady development of the Group.

Physical risks	<ul style="list-style-type: none">• Extreme weather events can lead to supply chain disruptions due to damage to factories and threats to human safety. The transportation businesses of enterprises primarily engaging in supply chain logistics are susceptible to extreme weather conditions such as strong winds, blizzards, and heavy rainfall. For instance, Mongolian coal transportation and customs clearance primarily involve Mongolia and Inner Mongolia, regions particularly prone to extreme weather impacts.
Transition risks	<ul style="list-style-type: none">• Increasingly stringent policies to address climate change may lead to an increase in the cost and effort of the Group's compliance operations.
Opportunities	<ul style="list-style-type: none">• Actively expand in the new energy sector to seize market opportunities arising from the energy transition.• Develop green transportation solutions to strengthen competitive advantages.

The Group's response strategy to climate change covers two key areas: physical risks and transition risks. In terms of physical risks, we focus on the impacts of extreme weather events such as rainstorms, thunderstorms, and windstorms on supply chain and production operations. We have formulated comprehensive Summer Emergency Plan on Prevention of Flood, Wind and Thunderstorm (《夏季防汛、防風、防雷電應急預案》) and the Emergency Plan for Major Pollution Weather (《重大污染天氣應急預案》), which clearly delineate the emergency responsibilities of each department. For facilities located in regions prone to extreme weathers, we have specifically reinforced the disaster resilience of their building structures. Measures include strengthening warehouse roofs and upgrading drainage systems to higher standards to improve organizational resilience.



GREEN OPERATION: ACHIEVING HIGH-QUALITY DEVELOPMENT

Prevention of flood and thunderstorm

- All departments shall stock up on necessary flood prevention supplies, and we also advise employees to prepare long-term storage of food and emergency kits in case of natural disasters
- Conduct a thorough inspection of electrical equipment, waterproofing of buildings, and lightning protection systems before the rainy season arrives
- In the event of heavy rain, the staff on duty is responsible for monitoring the operation status of the equipment to ensure its safety
- Ensure that all employees stay indoors as much as possible in adverse weather conditions, and if there is outdoor work, decide whether to continue according to the actual weather conditions to ensure the safety of personnel



Windproof

- Remove or bind outdoor hanging objects
- All vehicles shall be parked at pre-designated safe area
- When a gale warning is lifted, all production areas and equipment must be thoroughly inspected to confirm that they are safe before resuming production activities gradually

In terms of transition risks, we continuously monitor the evolution of policies, regulations, and market dynamics, flexibly adjust business strategies to align with global sustainable development trends. During the Reporting Period, we initiated and advanced various low-carbon and emission reduction projects and orderly reduced carbon footprints from key emission sources in our operations. Moving forward, the Group will continue refining the climate risk management system, deepening sustainable development practices, and enhancing organizational resilience.



VIII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

The Group understands that talents are an important pillar of our operations, innovation and sustainable development. In order to fulfill our responsibilities to employees, we uphold the principle of people-oriented, strictly implement and continuously optimize the human resources system, and ensure that the legitimate rights and interests of employees are fully protected. We have been committed to creating an equal, open and inclusive working environment that supports our employees to reach their potential at work and ensures that every employee can succeed and grow in the Group.



2024 Employee Development Objectives

- Build a diversified learning system and expand training coverage through online-offline integrated models to ensure employees receive learning resources aligned with their career development
- Strengthen professional competency development, focus on industry trends and pain points in business development to design industry-specific management and specialized courses. Introduce international best practices to empower employees to address challenges in complex business scenarios
- Foster a knowledge-sharing ecosystem, and establish a learning resource base and cross-departmental communication platform to facilitate the consolidation of knowledge and information exchange, thereby cultivating a continuous learning atmosphere within the organization
- Deepen cultural cohesion initiatives by integrating cultural inheritance activities with innovative incentive mechanisms to strengthen employees' sense of identity with corporate values, unleash teamwork awareness and self-driven development motivation, and establish a sustainable closed loop of talent training



2024 Employee Development Performance



New learning resources launched on the learning platform for the year

325



Person-times of participation in training and learning for the year

12,790



Learning hours in total

65,042



Total employees

2,290



Total employee turnover rate

4.54%



CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

HUMAN RESOURCE MANAGEMENT

The Group strictly abides by the laws and regulations in relation to employment, including but not limited to the Labour Law of the People's Republic of China, Labour Contract Law of the People's Republic of China, the Labour Dispute Mediation and Arbitration Law of the People's Republic of China, the Social Insurance Law of the People's Republic of China, the Individual Income Tax Law of the People's Republic of China, the Regulations for the Implementation of the Labour Contract Law of the People's Republic of China, the Regulations on the Paid Annual Leave of Employees, the Regulations for the Recruitment of Personnel for Technical Professions, the Regulations on the Management of Employment of Foreigners in China and the Special Regulations for the Protection of Female Workers. On this basis, we have formulated the Human Resources Management System at the headquarters level to provide clear guidance for management policies in seven aspects: talent recruitment, salary, incentives, selection and deployment, training and development, cross-regional management and supervision. During the Reporting Period, the Group did not receive any report of events in violation of laws and regulations with respect to the recruitment, dismissal, remuneration, promotion, working hours, holidays, equal opportunity, diversity and anti- discrimination of employees, and there is no use of child labor or forced labor.

Remuneration	<ul style="list-style-type: none"> We adhere to a principle of "standardized management, job-based remuneration, and leading remuneration" to manage remuneration and distribute salaries fairly. Meanwhile, we advocate the Total Rewards concept to provide employees with non-monetary rewards and benefits.
Holiday benefits	<ul style="list-style-type: none"> In addition, based on the attendance management system, the Group guarantees that employees in various regions can enjoy various statutory holidays stipulated by the state, as well as paid annual leave, personal leave, sick leave, marriage leave, maternity leave, paternity leave, breastfeeding leave, funeral leave, nursing leave and other holiday benefits. If employees need to be on duty on statutory holidays due to production needs, compensatory leave shall be arranged for them in accordance with regulations after their holiday duty.
Working hours	<ul style="list-style-type: none"> The attendance system or Employee Handbook clearly outlines the overtime implementation rules. When overtime work is required due to job demands, all departments must submit applications and go through the approval process, with corresponding compensation provided in the form of compensatory leave or overtime pay. Actively promote flexible working arrangements, allowing employees to achieve a better work-life balance.
Employment and rights and interests of labour	<ul style="list-style-type: none"> Strictly comply with various labor laws and regulations, with a contract signing rate of 100%, and pay labour reward in a timely manner. Maintain transparent and open communication with employees, and ensure that employees can freely express their opinions and find solutions together in the event of a dispute.
Elimination of child labor and forced labor	<ul style="list-style-type: none"> The Company strictly prohibits the employment of child labor and has established the Elimination of Child Labor and Forced Labor System (《杜絕童工及強制用工制度》). During the recruitment interview, hiring, and handling employee induction procedures, it is mandatory to inspect and verify the employee's identification card and household register to confirm age and other relevant information. Candidates found under the age of 16 shall not be employed. In addition, the Company properly maintains employment records, verification materials, and establish employee files, conducts regular age verification checks, and enhances employee training. The Company regularly performs comprehensive reviews of employment policies and practices to identify any violations of prohibitions against child labor or forced labor, and analyze vulnerabilities in recruitment processes and employee management. The Company monitors updates to domestic and international laws, regulations, policies and standards regarding the prohibition of child labor and forced labor, and assesses whether existing systems and measures require adjustments or improvements. During the Reporting Period, the Group did not employ any child labor or forced labor, and remained fully compliant with China's Labour Law, Law on the Protection of Minors, and other relevant laws and regulations.
Equal opportunity, diversity and anti-discrimination	<ul style="list-style-type: none"> The Group is committed to fostering a working environment characterized by equality, diversity, and inclusiveness. We consistently uphold the principles of fairness and impartiality, and ensure that employees are not subjected to discrimination or differential treatment based on gender, age, race, ethnicity, religious belief, marital status, physical condition, or any other protected characteristic.



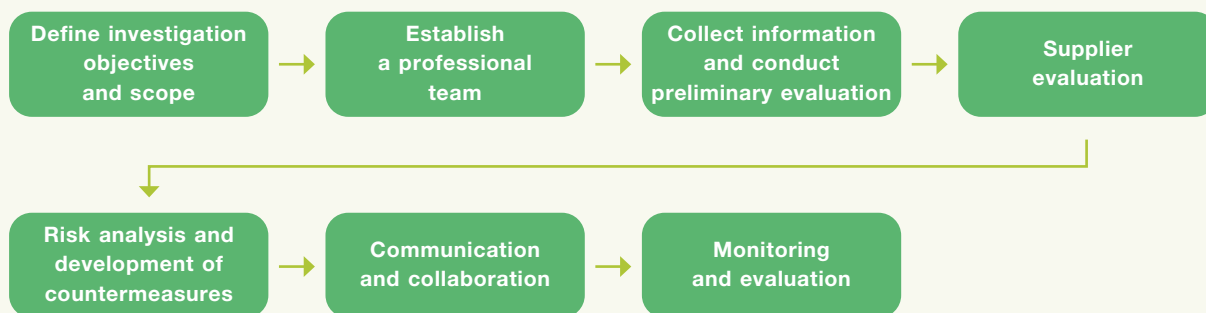
VIII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

Protection of Human Rights

The Company adheres to the principle of respecting and protecting human rights, and has comprehensively reviewed and optimized the human resources system. During the Reporting Period, we further refined the human rights protection system, including establishing commitments to human rights, human rights assessment system, and mitigation and remedial measures for human rights-related issues. In compliance with the OECD Guidelines for Multinational Enterprises, the Due Diligence Guidance for Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, and relevant local regulations in our operation sites, we are committed to upholding international human rights standards and domestic laws and regulations in all business activities. We resolutely oppose any inhumane practices in our supply chains, such as forced labor, child labor, discrimination and abuse. We also respect the rights of employees and suppliers to freedom of association, collective bargaining, and formation of social groups or interest groups.

Human Rights Assessment System and Procedures

During the Reporting Period, we also established and implemented a human rights due diligence program. By conducting interviews, collecting external information from suppliers and partners, and other methods, we identified potential human rights risk areas, promptly conducted in-depth investigations to identify and address potential human rights risks, and ensured the effective implementation of remedial measures. Meanwhile, we defined key human rights performance indicators, such as supplier compliance rates and employee satisfaction. We regularly collect and analyze data to monitor changes in human rights conditions.



Human Rights Due Diligence Procedures

Human Rights Risk Mitigation and Remediation

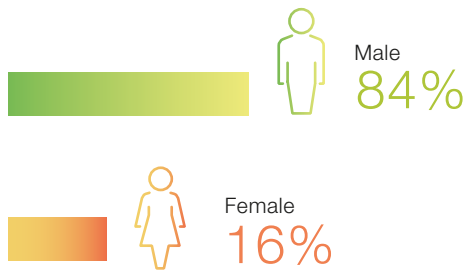
During the Reporting Period, we did not identify any instances of non-compliance with human rights standards or regulatory requirements. To timely identify and remedy violations of human rights provisions, we encourage employees to proactively report such incidents and have established dedicated complaint channels. For confirmed cases of violations, we thoroughly consider the needs of affected parties and implement appropriate compensation and support measures.



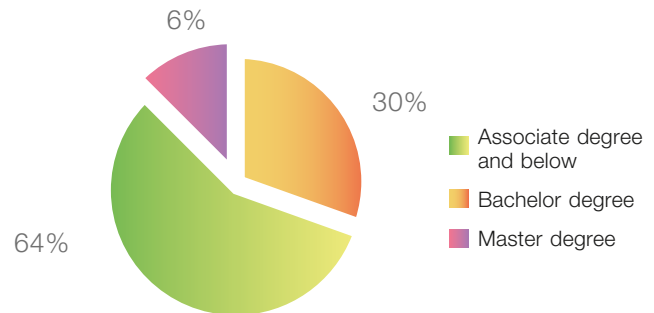
CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

Employee Overview

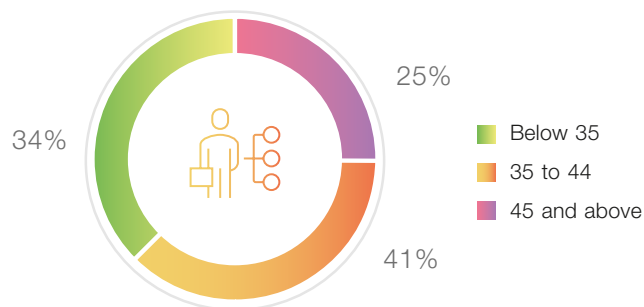
During the Reporting Period, the Group had a total of 2,290 employees, all of whom were full-time employees.



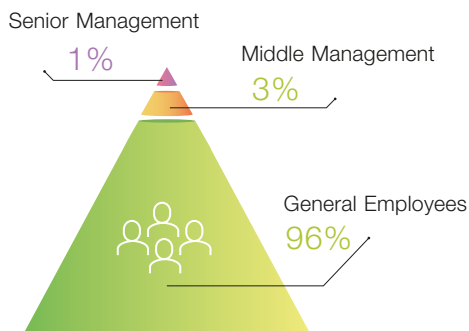
Number of employees by gender



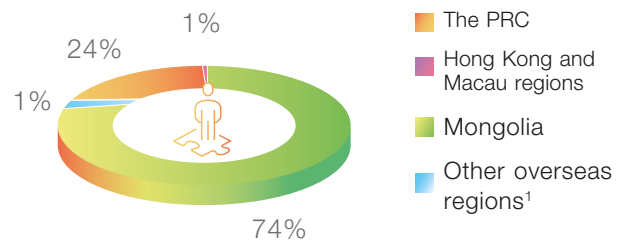
Number of employees by education level



Number of employees by age



Number of employees by employee category



Number of employees by region

¹Other overseas regions include Japan, Singapore, and Brisbane, Australia.



VIII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

FOCUS ON TALENT CULTIVATION

The growth and development of employees is the key to driving continuous progress in the enterprise. Adhering to the concept of “joining hands with employees and growing up together”, our talent training strategy not only focuses on improving employees’ professional skills, but also covers multiple dimensions such as training on leadership, motivating innovative thinking and improving teamwork ability, so as to provide employees at different levels with rich training resources, a broad development platform and sufficient practical opportunities.

Construction of Talent Echelon

The Human Resources Management System (《人力資源管理制度》) of the Group provides clear guidance for recruitment policies, aiming to establish a professional, efficient, and fair recruitment system that attracts and selects talents best suited to the corporate culture and business needs. Recruiters strictly follow the six principles of “integrity first, avoidance of relatives’ interference, teamwork, profession emphasized, open minded and scientific evaluation” to ensure a fair and open recruitment process. In terms of recruitment and human resources management strategies, the recruitment and personnel affairs of subsidiaries are centrally managed by the Group, primarily through local recruitment supplemented by talent deployment within the Group. This ensures flexibility and efficient utilization of human resources. In addition, to promote internal resource sharing, we encourage key employees from subsidiaries to participate in job exchange programs. This approach not only enhances teamwork and knowledge sharing but also provides employees with more opportunities for personal growth and diversified development.

Based on the existing system, we have established a dynamic talent management system that fully considers the Group’s overall development strategy and business orientation. In terms of talent development strategy, we have formulated and flexibly adjusted both short-term and long-term human resource plans in alignment with the Group’s overarching strategy and market environment. In terms of performance management, we employ diversified evaluation methods including Management by Objectives (MBO), 360-degree feedback, and competency evaluation to comprehensively evaluate employee performance and facilitate their development. This scientific performance system that integrates individual objectives with corporate strategies not only enhances talent attraction and retention rates but also ensures strong alignment between talent development directions and corporate strategies.

MBO

In the initial stage, employees and their superiors collaboratively establish individual work objectives and key performance indicators (KPI), and formulate corresponding action plans. During the evaluation period, superiors maintain regular communication with employees and provide feedback to know how their objectives are progressing, and offer necessary support and guidance. At the end of the period, employees are evaluated based on the achievement of objectives and will receive appropriate rewards or punishment accordingly.

360-degree feedback

We adopt a multi-dimensional evaluation approach that incorporates evaluations from superiors, colleagues, subordinates, and customers. The evaluation content covers work performance, teamwork, communication skills, leadership capabilities and other aspects. Evaluations of employees from different parties are collected through online surveys or face-to-face interviews.

Competency evaluation

Employees are evaluated and scored by their direct line managers and department heads in various aspects, including professional expertise, work quality, workload, adaptability, attendance, and team integration. The evaluation results are compiled and analyzed, then fed back to employees to highlight advantages, identify disadvantages, and tailored development recommendations will be provided for personalized development planning.



CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

Employee Communication and Exchange

We value our employees' opinions and are committed to fostering an open and transparent communication environment. To promote positive interaction between employees and the Group, we have established various communication channels.



Employee Communication Channels

E-Commodities APP Platform

The Group has established an internal communication platform - E-Commodities APP. This platform not only facilitates the circulation of corporate business operations, but also serves as a communication platform for industrial workers in their daily production activities and lives. Through the App, we encourage industrial workers to share learning insights, discuss issues and exchange experience, thereby promoting interaction and communication among them. This enables us to better understand their needs and concerns, and respond to and address such needs and concerns promptly, ultimately helping industrial workers develop a strong sense of belonging and honor.



Winsway People Space Station

The Group has established a "Winsway People Space Station", providing employees with a communication platform. The Space Station records a series of dialogues with employees, with each episode focusing on distinct themes. Employees from various levels and positions are invited to share their valuable work experience. By presenting diverse perspectives and experience, the initiative has comprehensively and deeply showcased the Company's unique culture and development history, and consolidated and promoted enterprise culture.



Employees participating in the recording during the Reporting Period

120

Ideological Construction of Workers

By conducting the study and practice activities for strengthening work style construction with the themed practice activities of "Loving Baotou, Contributing to Baotou", Baotou Neihaotong Company (包头内浩通公司) guides industrial workers to enhance their ideological awareness through group study sessions and multiple channels such as push notifications in official WeChat account and WeChat groups. The company has established a cultural promotion corridor to enhance industrial workers' sense of honor and pride. In addition, Baotou Neihaotong has created a "Spirit of the Mines, Model Workers, Craftsmanship" display wall, showcasing exemplary deeds of model workers to encourage industrial workers to actively practice these professional ethics.



VIII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS



Diverse Employee Activities

The Group continues to focus on the work-life balance of its employees and has meticulously organized a series of colorful cultural and recreational activities, including annual galas, birthday celebrations, knowledge competitions, and diverse sports and arts activities. These activities not only enrich employees' leisure time but also serve as a good communication platform among colleagues to deep mutual understanding. This approach has proven effective in strengthening team cohesion and cultivating a positive, harmonious enterprise atmosphere.



Building Winsway Academy

The growth and development of employees is the key to driving continuous progress in the enterprise. Adhering to the concept of “joining hands with employees and growing up together”, our talent training strategy not only focuses on improving employees' professional skills, but also covers multiple dimensions such as training on leadership, motivating innovative thinking and improving teamwork ability, so as to provide employees at different levels with rich training resources, a broad development platform and sufficient practical opportunities.

During the Reporting Period, the Group obtained the ISO 10015 training management system certification by virtue of Winsway Academy. This milestone signifies that all aspects of Winsway Academy's training management processes, course design, and instructor management have met international standards, laying a solid foundation for high-quality talent cultivation. To further deepen the reform of its training system, the Group also continued to optimize internal policies such as the Winsway Academy Course Recommendation Mechanism (《永暉學院課程推薦機制》) and the E-Commodities Learning Sponsorship System (《易大宗學習資助制度》), progressively established a “professional learning-to-training transfer mechanism”, and updated compensation standards for internal instructors. By dispatching key employees for professional learning and internal knowledge sharing, the Group enhanced training efficiency and knowledge transfer effectiveness, and achieved optimal allocation of training resources.





CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

Release the 2024 E-Commodities Learning Sponsorship System

In line with the current development status of the Company, the Group has reviewed the existing Continuing Education Sponsorship Policy (《繼續教育資助政策》) and the EHR-18029 Professional Title and Vocational Qualification Examination Sponsorship System (《EHR-18029職稱與職業資格考試資助制度》), and revised the E-Commodities Learning Sponsorship System (《易大宗學習資助制度》). The revised system encompasses 59 fixed sponsorship items with clearly defined funding criteria. Since its official release on 2 December 2024, Winsway Academy has received 3 applications, with one applicant being granted sponsorship.

The mechanism encourages employees to actively recommend high-quality courses across various professional fields, and leveraging the expertise and resources of professionals, optimizes course content and ensures that the courses offered are closely aligned with employees' practical needs.

Implement the course recommendation mechanism

Training System

Winsway Academy, a talent training platform independently developed by the Group, is dedicated to fulfilling the Group's objective of "preserving expertise, fostering collective growth, and driving innovation". It relies on the Group's abundant industry resources to provide systematic and diversified training and development plans for employees. Since established in 2023, Winsway Academy has successfully held a number of training and workshops, which have been widely praised by employees.



Training System Building of Winsway Academy



VIII. CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS

During the Reporting Period, Winsway Academy organized diversified talent development activities, including professional training, team building, thematic seminars, and cross-departmental exchanges, to holistically enhance employees' professional competencies and comprehensive capabilities. These activities involved employees at each level from front-line operators to management members, fostering knowledge sharing and experience inheriting within the organization, effectively facilitating the development of talent pipelines and strengthening organizational capabilities of the enterprise.



Organizing talent development activities

80 sessions



Self-study courses on the platform

422 courses



The Sixth Session of the Career Growth Training Camp for Front-line Managers 《一線管理者職業成長訓練營》

In February 2024, Winsway Academy conducted the sixth session of the Career Growth Training Camp for Front-line Managers at Erenhot Port, along with the Integrated Systems for Excellence (《融合系統、成就卓越》) training program.

The training focused on explaining production system structures and systematic thinking, the application of six major methodologies, and the "Overall Every Control and Clear" approach within production management modules, the six-day working system at workshop level and team level. To enrich the learning experience and integrate theory with practice, Winsway Academy organized extracurricular activities by inviting representatives from Baiyun Coal Washing Plant (白雲洗煤廠) to deliver lectures on fundamental coal knowledge, leading students on a tour of Erenhot Port operation park, and explaining workflows during the visit. These activities helped employees better understand working content and operational methods in different places, and gain more knowledge and skills from outstanding employees.





CARING FOR EMPLOYEES: BUILDING EMPLOYEE HAPPINESS



Seaborne Coal-Mongolian Coal Exchange and Mongolian Coal Business Seminar



During the Reporting Period, Winsway Academy organized two exchange sessions, namely the Seaborne Coal-Mongolian Coal Exchange and the Mongolian Coal Business Seminar, with the participation of 51 employees. The exchanges centered on discussing topics of integrated development of Mongolian raw coal and refined coal, coordinated sales strategies for Mongolian and seaborne coal, significance of domestic coal trade, quality control, as well as strengths and limitations of Xinjiang coal. These exchanges not only enhanced the Group's risk resilience but also promoted the communication and collaboration among our teams.



Training on Customs Clearance

From March to April 2024, Winsway Academy organized a two-month training on customs clearance. Through systematic theoretical learning and practical operations, the program enabled participants to gain an in-depth understanding of the latest customs clearance policies and operational procedures. The training also featured lectures by seasoned industry experts who shared their extensive experience and advanced concepts in the field of port customs clearance.

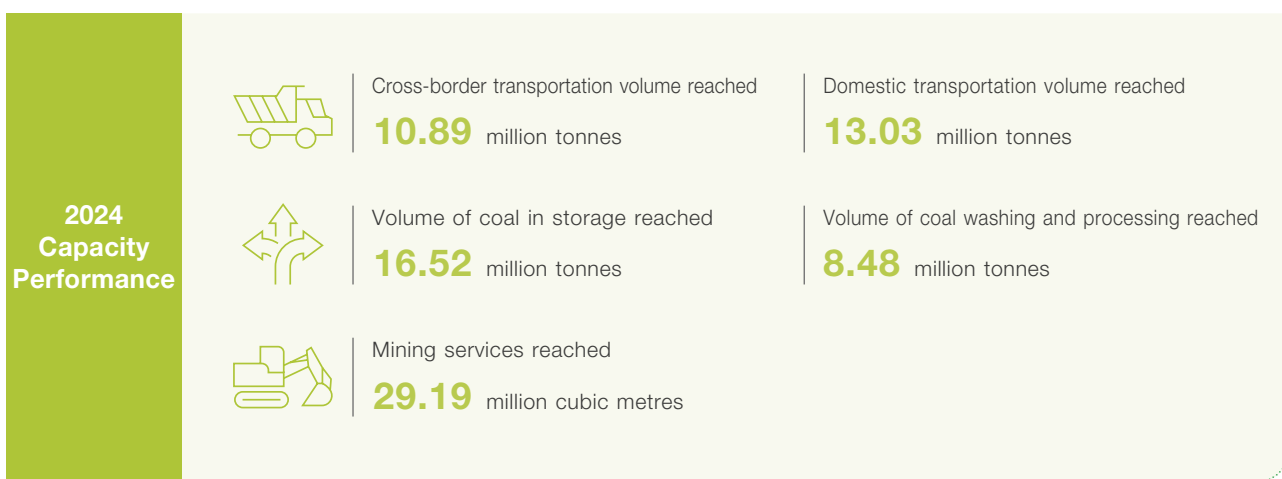


The training program comprised 8 sessions, with the participation of 41 employees. All participants reported that they benefited a lot, and the program effectively enhanced their practical capabilities in customs clearance.



IX. QUALITY FIRST: PURSUIT OF EXCELLENCE

To achieve excellence in quality and enhance customer trust, we are committed to pursuing excellence in quality and establishing a robust quality management system. Through rigorous quality control, professional customer services, and comprehensive protection of rights and interests, we persistently pursue innovation to create greater value for customers. Furthermore, we focus on building an efficient and stable supply chain network and enhancing supply chain resilience. Driven by quality and supply chain, we secure enduring market trust.



QUALITY MANAGEMENT POLICY

Adhering to a quality group is the core value of the Group's development. We strictly complies with the Law of the People's Republic of China on Road Traffic Safety, the Regulations on the Administration of Railway Safety, the Coal Industry Law of the People's Republic of China, the Mineral Resources Law of the People's Republic of China, the Regulations on Safety Supervision over Coal Mines, the Mine Safety Law of the People's Republic of China and other relevant laws and regulations, as well as the relevant national standards and industry standards for logistic and transportation equipment and other cross-cutting laws and regulations, to check the quality and provide customers with safe and reliable service and products. In addition, the Group has formulated the Daily Technical Work Management System (《日常技術工作管理制度》) and the Technical Supervision and Management System (《技術監督管理制度》) to strengthen our supervision, regulation and continuous improvement mechanism in the areas of quality, product health and safety. During the Reporting Period, the Group had no incidents of violating the laws and regulations related to product and service on aspects of health and safety, advertising, labeling and privacy matters and remedies, and no products sold or shipped needed to be recalled due to safety and health concerns.



QUALITY FIRST: PURSUIT OF EXCELLENCE

Supply Chain Logistics	Clean Energy	Supply Chain Trading
<ul style="list-style-type: none"> Leveraging digital and intelligent platform construction, we achieve end-to-end digital management from cargo sourcing to delivery, driving accurate and efficient logistics. Transparent operations empower customers to check the real-time transportation status of cargo via a real-time interface and feed back online, ensuring a superior customer experience. 	<ul style="list-style-type: none"> The plant adopts a three-stage separation process of lump coal, coarse coal slime, and flotation, tailoring optimal processing solutions based on the characteristics of Mongolian coal, Shanxi coal, and seaborne coal. From the coal mining stage, the Company monitors coal quality variations. The coal washing and blending center adjusts operations in advance to ensure long-term stable supply of premium prime coking coal to steel mills. 	<ul style="list-style-type: none"> The trade team has a deep presence in the commodity markets, possesses profound market insights and is supported by precise data empowered by our data platform to deliver professional services to customers.

Guided by the philosophy of “pursuing excellence”, we remain steadfast in our commitment to quality improvement. Through multi-dimensional initiatives including standardization efforts, and technological innovation, we encourage company-wide participation and enhancement. To this end, the Group has formulated and implemented the Technical Supervision and Management System (《技術監督管理制度》), which not only establishes rigorous quality control orders but also drives production units to strengthen management and deliver professional services.



5S Improvement Activity

The 5S (seiri, seiton, seiso, seiketsu and shitsuke) improvement activity was implemented to consolidate the training outcomes of the Career Growth Training Camp for Front-line Managers and promote their application in daily operations. A total of 13 production units participated in this initiative. By establishing a systematic execution process, including establishing 5S teams, conducting self-inspections, submitting improvement projects, undergoing spot checks by functional departments, and submitting relevant records and forms, a closed-loop management system was built.

During the Reporting Period, Winsway Academy enhanced the original 5S improvement activity by introducing: (1) progress tacking of improvement for production units, (2) special improvement initiative for visualized management, and (3) outstanding case collection. These additions further facilitated experience sharing and knowledge consolidation, and drove wider replication and application of improvement achievements within the Group.



Submission of improvement projects

165



Completion rate during the Reporting Period

87.27%



IX. QUALITY FIRST: PURSUIT OF EXCELLENCE

Multiple Product Quality Safeguards

E-Commodities has established a multi-dimensional coal quality evaluation system covering the entire production process. Through efficient collaboration across departments, it achieves precise measurement and value judgement of coal quality, facilitating efficient coordination in each link of the business chain and optimal resource allocation.

Inbound Coal Supervision and Management	<p>The supervision and management of inbound coal shall be strictly conducted in compliance with the E-Commodities Inbound Coal Supervision and Management Procedures (《易大宗入庫煤種監督管理流程》), and adhere to multiple national standards, serving as the basis for quality evaluation.</p> <p>The coal must undergo scheduled inspections and verification processes. Only those accompanied by qualified product reports can be put in storage. Non-compliant products require further quality evaluation, with return or acceptance with price deductions depending on evaluation outcomes.</p>
Outbound Product Supervision and Management Process	<p>All outbound products must undergo inspection in accordance with the E-Commodities Outbound Product Supervision and Management Process (《易大宗出庫產品監督管理流程》). Inspection indicators include total moisture content in coal, volatile matter on a dry ash-free basis, and other critical parameters to ensure the quality is in full compliance with the contract.</p> <p>Products failing inspection are prohibited from outbound shipment. The outbound department shall decide whether to reprocess the products or formulate a revised outbound plan, and the technical supervision department shall conduct full-process monitoring and oversight.</p>
Supervision and Management of Outsourced Operations at Coal Washing Bases	<p>The outsourced operations of coal washing bases shall follow the Supervision and Management Process for Outsourced Operations at Coal Washing Bases of E-Commodities (《易大宗洗選基地外包運營監督管理流程》), and evaluations shall be performed in accordance with the contract standards signed between local branches and operating companies.</p> <p>The technical supervision department is responsible for tracking and monitoring production data from coal washing plants, randomly reviewing the evaluations of outsourced operations, and overseeing the accuracy and validity of production outsourcing evaluations across all regions.</p>
Quality Sampling Inspection Management	<p>The technical supervision department refers to the Quality Sampling Inspection Management Process of E-Commodities (《易大宗質量抽檢管理流程》) to supervise the on-site working processes, implementation status, and coal quality indicators at warehouses and coal washing bases of E-Commodities and conduct quality sampling inspections. The difference between the actual quality in quality sampling inspections and the quality stated in statements shall not exceed the required standard.</p>



QUALITY FIRST: PURSUIT OF EXCELLENCE

Excellent Customer Services



Advancing the Renewal of the Customer Manager System (客戶經理制)

Customer managers serve as a pivotal hub for the centralized services of the trading and supply chain sectors within the Company, and fulfills dual roles. During the Reporting Period, the Group implemented the "One Customer, One Manager (一客戶一經理)" system. On the one hand, through a dedicated liaison model, they ensure efficient and seamless communication with customers, so that customers receive professional and convenient service experience. On the other hand, customer managers deeply explore potential cooperation opportunities, providing robust support for business expansion and performance growth of the Company.

Since 2022, the Group has implemented the "Five-in-One" operating mode. By integrating enterprise resources, optimizing workflows, and strengthening collaboration, we deliver efficient and precise service experience to customers. The Group follows the principle of "Unified Services and Information Sharing", and each business client is exclusively served by a designated customer manager. This approach ensures service depth and precision, reinforces the trust foundation with clients, and significantly enhances the overall service efficiency. Furthermore, we provide customer managers with comprehensive training resources spanning professional skills, business knowledge, and communication techniques to continuously empower customer managers, enhance their service expertise, and enable them to bring customers better and more tailored service experience.

Mineral Sources

Reserves, production volume, coal quality indicators (specific), daily mining volume, loading volume, flow direction, main users, ownership of coal washing plants (plant information)

Coal Washing Plant

Process, production capacity, yield rate, daily feed volume, production volume, loading volume, shipment volume, outbound quality

Railway Transportation

Daily shipment destinations and number of trains



Flow Direction

Production volume, amount of each coal type, maintenance time, supply customers and stability, inbound quantity, quality, supply shortage or not, direct sales or state-owned enterprise agents

Truck Transportation

Main destinations, number of vehicles, freight rates

"Five-in-One" Framework

In December 2024, E-Commodities' supply chain management platform was officially put into operation. Centered on the core philosophy of "extending services to customers and creating value for customers", the platform embarked on a journey of full-chain digital empowerment. While driving the development of supply chain trading business and integrated services, it injected fresh digital and intelligent vitality, further enhancing service efficiency and customer experience.



IX. QUALITY FIRST: PURSUIT OF EXCELLENCE

PROTECTION OF CUSTOMER RIGHTS AND INTERESTS

Product Complaints and Recalls

The contracts between the Group and customers explicitly stipulate specific terms and conditions, ensuring that customer rights and interests are fully protected. Moreover, according to the Customer Manager System 《客戶經理制度》 of the Group, customer managers maintain close communication with customers throughout business processes, providing attentive, timely services and feedback to guarantee the full fulfillment of customer needs. In the event of quality or quantity discrepancies raised by customers, customer managers immediately report such matters to relevant departments of the Company while maintaining proactive communication and coordination with customers. Depending on specific circumstances, customer managers collaborate with corporate teams to formulate feasible solutions, resolving issues in a timely manner.

The Group implements stringent quality control procedures for product sales and outbound logistics, with no product recall procedures involved in its operations. In 2024, the Company received no complaints regarding its products or services, and there were no safety or health-related recall incidents involving the coal chemical products sold under agency arrangements.

Marketing Management and Advertising Compliance

We promote our brand image by printing the Group's legally owned trademarks or logos on our AGV vehicles and coal containers, as well as consistently displaying the company logo on employee business cards. The Group strictly complies with relevant laws and regulations including the Advertising Law of the People's Republic of China, the Regulations on Advertising Management, the Trademark Law, the Regulations for the Implementation of the Trademark Law, and the Anti-Unfair Competition Law, maintaining lawful and standardized operations throughout. No violations of relevant laws or regulations occurred during the year. In addition, we require employees to strictly adhere to regulations of the Group, and ensure the provision of accurate and truthful information to customers, thereby further safeguarding the Company's integrity image and brand reputation.

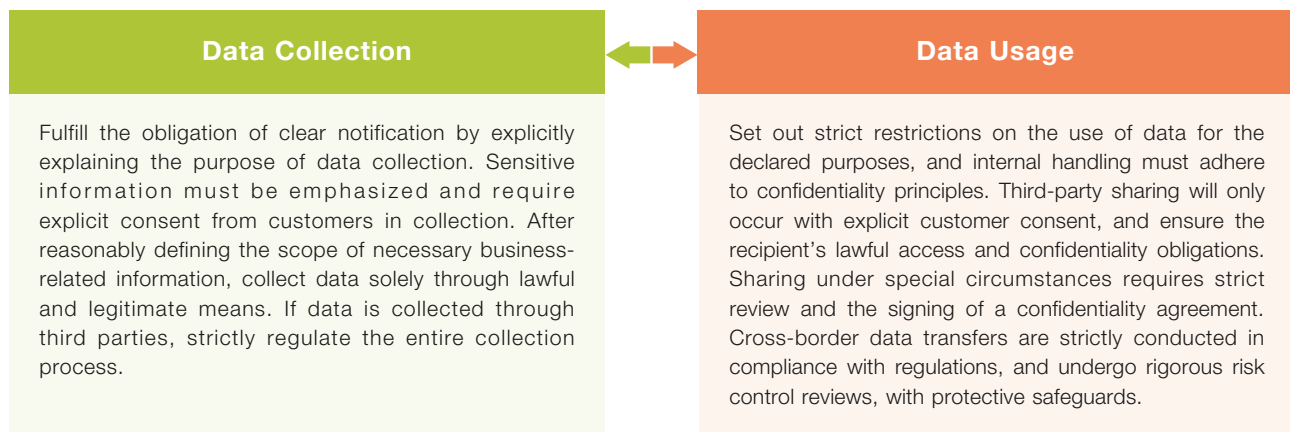
Information Security and Customer Privacy

We strictly comply with relevant national laws and regulations, including the Network Security Law and Regulations on the Protection of Computer Software, as well as specialized provisions in areas such as Internet information services and personal information protection. We have established a robust information security management system, clarifying that all employees, partners, and customers bear the obligation to fully protect information and privacy. The IT management department of the Company is fully responsible for the security of information networks and systems, ensuring standardized and reliable information management. Its responsibilities mainly encompass network operations management of the Group, maintenance of corporate websites and servers, operational support for telephone and surveillance systems, daily office network maintenance, management and maintenance of software and hardware facilities, and other information operation and maintenance services. In addition, we regularly evaluate and summarize the implementation of our privacy protection framework to promptly identify and rectify any issues or deficiencies that may arise during the execution process.



QUALITY FIRST: PURSUIT OF EXCELLENCE

During the process of information collection and usage, we implement multiple measures to ensure the security and privacy of customer information. The Group exclusively gathers information through lawful and legitimate means, including data voluntarily provided by customers (such as application forms, account registration, and contract execution) as well as necessary records from business interactions. We strictly prohibit the acquisition of customer information through improper channels and avoid collecting irrelevant data.



For instance, the E-Link Service Platform (易鏈服務平台) has established strict measures to protect customer information and other privacy, ensuring the implementation of a “one customer, one code” security management for customer accounts. Before users register on the platform, we clearly inform them of essential terms of use through our User Privacy Policy (《用戶隱私政策》), which outlines the information protection measures implemented by both users and the platform. We obtain user authorization for collecting personal information to ensure transparency and compliance in information usage. Should a user decide to delete their account, the system will immediately erase all information of the user to prevent potential misuse of customer privacy.

PROMOTING RESPONSIBLE SUPPLY CHAIN

Supply chain technologies and services are core businesses of the Group. To standardize procurement processes and operations of domestic and overseas subsidiaries, comprehensively improve internal control and supervision systems, achieve closed-loop management, solidify the stable foundation of production and operation, precisely reduce procurement chain risks, refine cost control in procurement, and promote a standard, efficient, specialized, and transparent procurement process throughout, the Group has established the E-Commodities Material Procurement Management System (《易大宗物資採購管理制度》). This system sets forth clear and practical guidelines for key aspects including supplier access requirements, ESG performance (environmental and social dimensions) evaluation, integrity management, and anti-corruption. All critical suppliers undergo selection and screening processes in accordance with the system.



IX. QUALITY FIRST: PURSUIT OF EXCELLENCE

Supplier Selection	Supplier Selection Criteria
<p>The Group primarily conducts procurement through enquiry, supplemented by targeted procurement and strategic procurement. Suppliers are selected upon ensuring full price competition and comprehensive horizontal comparisons to enhance procurement efficiency. In addition, procurement personnel utilize historical procurement big data from the Enterprise Resource Planning (ERP) system to enhance procurement efficiency.</p>	<p>Suppliers access must meet basic requirements, including a good track record of contract fulfillment, compliance with national regulations on labor protection, energy conservation, emission reduction, and ecological and environmental protection, as well as a robust integrity culture. Depending on the nature of the project, we also comprehensively review the qualifications of suppliers in multiple areas. Among them, we focus on performance in aspects of environmental management system certifications (e.g., ISO 14001 environmental management system), 5S practices, governance, safety management facilities, transparency in disclosing government penalties, and labor disputes, all of which are integrated into the scoring framework for supplier selection.</p>
Supplier Evaluation	Communication with Suppliers
<p>The procurement supervision team consists of members from the Group's technical supervision department and risk management department, and relevant internal audit personnel. This team is responsible for overseeing the processes before, during and after procurement, supervising the selection of procurement methods, and conducting annual evaluations of suppliers. Evaluation contents include product quality, price and cost, production capacity, technical merit, financial conditions, on-site management, and after-sales service. The team prioritizes procurement from suppliers with higher evaluation scores.</p>	<p>We cooperate with suppliers through a “mentoring, supervising, and guiding” approach. Procurement contracts serve as a critical link in our cooperation with suppliers, where we establish clear communication channels and provide guidance. For high-risk materials or equipment such as hazardous chemicals and special equipment, we additionally sign safety and environmental protection agreements to clarify management responsibilities of both parties in safety and environmental protection. When suppliers encounter issues, we promptly provide assistance and oversee their corrective actions to ensure non-recurrence. Meanwhile, we guide suppliers to leverage their strengths based on their unique characteristics, thereby working together to establish a cooperative model that maximizes value for both parties.</p>

SUPPLIER RISK MANAGEMENT

In addition to enforcing supplier access standards, the Group also comprehensively manages environmental and social risks in the supply chain. Within the supplier management system, we leverage the digital function of the E-Commodities Supply Chain Management Platform's intelligent dashboard system to precisely identify and dynamically monitor environmental and social risks, continuously enhancing the intelligence level of supply chain management.



QUALITY FIRST: PURSUIT OF EXCELLENCE

Five-in-One and Client Mapping:

- The E-Coking Coal (易焦煤) trading management system employs the “Five-in-One and Client Mapping” approach to build a holistic profile of clients. By building a scoring model for client information integrity, we reinforce risk prevention and control barriers at the initial stage of transactions.

Life Cycle Management:

- The risk control management of E-Commodities adheres to a philosophy of full life cycle management before, during and after events. It screens potential risks before the event, detects abnormal signals during the event and responds swiftly to mitigate risk impacts, and follows up the handling and optimization process after the event. This management model comprehensively covers teams of domestic coal trade, Mongolian coal trade and other businesses, achieving risk resilience across all business segments while ensuring stable operations.

During the Reporting Period, we comprehensively reviewed all aspects of ESG and established a supplier code of conduct with corresponding screening criteria. Throughout the evaluation process, we employed on-site visits, questionnaire surveys, stakeholder information, external databases, media observation, external third parties and other methods to track and monitor suppliers’ key performance indicators. This approach ensured that all collaborating suppliers and service providers fully complied with our supply chain ESG management policies.

Supplier Code of Conduct

During the Reporting Period, we fully considered the requirements of international conventions, international practices, and industry standards, and ensured that suppliers complied with the following core principles in cooperation:

- Employee rights and interests: Strictly comply with labor regulations to ensure full protection of employees’ basic rights and interests.
- Health and safety: Establish a robust occupational health and safety management system to provide employees with a safe working environment.
- Environmental stewardship: Take effective measures to minimize adverse impacts on the environment.

Based on these principles, we conducted ESG audits and evaluations of suppliers. Those failing the assessment would have their cooperation suspended and be required to submit rectification plans. Suppliers that remained non-compliant after three rounds of rectifications would be blacklisted.

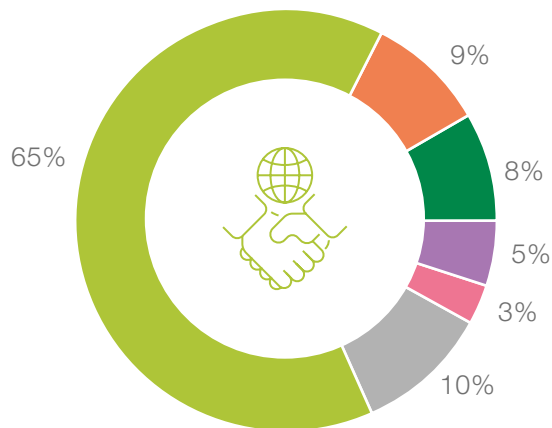
Overall score rate	$\geq 80\%$	$\geq 60\%$	$<60\%$ or key items scoring 0
Evaluation	Excellent	Pass	Fail



IX. QUALITY FIRST: PURSUIT OF EXCELLENCE

We are committed to promoting green procurement practices. When selecting suppliers and products, we clearly specify specific materials and brand standards for vulnerable components to ensure damaged parts retain recycling value. For instance, the tail drum of a scraper conveyor can undergo localized repair through welding processes after wear, so that it can be reused to reduce resource waste and replacement costs. Meanwhile, we focus on optimizing packaging design to minimize the use of packaging materials while reducing transportation risks and ensuring cargo integrity, such as adopting reusable sieve baskets as fixed bases, to enhance resource efficiency. Green product requirements are explicitly stipulated in procurement contract terms. Based on contract requirements, we conduct environmental test, energy conservation test, and quality test on products provided by suppliers, strictly returning non-compliant products and services. We also supplement these efforts with innovative experience summaries and cost-reduction incentive mechanisms to effectively implement various measures.

During the Reporting Period, the Group had a total of 323 cooperative suppliers. The following is the specific distribution of suppliers:



Number of suppliers by geographical region

Geographical region	Number of suppliers
The PRC	208
Mongolia	29
Australia	27
America	16
Canada	10
Others ²	33

²Others include suppliers from South Korea, Indonesia, Japan, Colombia, Mozambique, New Zealand, etc.



X. GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING

The Group fully recognizes the intrinsic connection between business development and community engagement. As a responsible enterprise citizen, we actively participate in community development and organize diverse community activities, setting an exemplary model for community empowerment. The Group has established an effective communication bridge through dialogues with communities to jointly explore sustainable development pathways. On the other hand, under the solid foundation of compliant operations, all subsidiaries of the Group strictly adhere to national tax regulations, faithfully fulfill tax obligations, actively participate in regional economic development nationwide, deeply integrate into local industrial ecosystems, vigorously drive local economic development, and ultimately achieve shared value creation and win-win ecological outcomes.

Tax paid in 2024 (HK\$'000) (excluding customs value-added tax and customs duties paid during the import process)	
Inner Mongolia	190,968
North China	78,032
South China	194,897
East China	8,061
Northeast China	13,284



- During the Reporting Period, we indirectly created 1,026 employment positions in regions including Inner Mongolia, Shanxi, Shandong, Liaoning, Heilongjiang, Zhejiang, Hainan, and Guangdong, effectively boosting local economy.

With public welfare initiatives and green sustainable development as dual drivers, deeply practicing social responsibilities has always been the core focus of E-Commodities Holdings Limited. During the Reporting Period, the Group continued to invest in various fields of social responsibilities, covering key initiatives including community building, children welfare and educational projects, amounting to HK\$869,000, thereby making significant contributions to the creation of social value.

Social Responsibilities

Charitable Affairs Contribution

This year, Yida Yunji Intelligent Logistics (Damao Banner) Co., Ltd. (易達雲集智慧物流(達茂旗)有限公司) donated a total of HK\$438,760 to the Damao United Banner Red Cross Society (達茂聯合旗紅十字會), supporting public welfare initiatives.

Support Students in Pursuing Their Dreams

In June 2024, during the crucial period of the National College Entrance Examination, Ulanqab Haotong Energy Co., Ltd. and the Administrative Committee of the Ulanqab-Erenhot National Logistics Hub Park (烏蘭察布·二連浩特國家物流樞紐園區管理委員會) joined hands to extend warmth and hope to economically disadvantaged students.

To gain deeper insight into the needs of students, company representatives conducted on-site visits to three households. They not only offered heartfelt encouragement but also provided ample exam preparation supplies, taking concrete steps to support the students' academic journeys. These efforts aimed to ease their stress during the exam season, and empower them to focus on their studies and embark on their journey to pursue their dreams.



Volunteer Activities

This year, Hong Kong company continued its cooperation with the Hong Kong Family Welfare Society, participating in three volunteer initiatives organized by the organization, including Mid-Autumn Festival volunteer visits.



X. GIVING BACK TO SOCIETY: HELPING PEOPLE'S LIVELIHOOD AND WELL-BEING



Social Responsibilities

Support Education and Children's Causes

During the Reporting Period, Singapore subsidiary continued to support the fundraising activities of the Charity Children's Foundation (慈善兒童基金會). This year, a donation of SGD10,000 was made to the "Run for Kids 2024" initiative. In addition, the company contributed a total of SGD4,800 to the School of Business of Temasek Polytechnic in the form of bursaries and outstanding graduate awards, supporting local educational undertaking.

Charity Educational Assistance

In July 2024, Urad Zhongqi Haotong Clean Energy Co., Ltd. donated RMB30,000 to the Bayannur People's Education Foundation (巴彥淖爾人民教育基金會) to support the purchase of sports equipment for students. To recognize the contribution, the foundation honored the company with the title of "Charitable Unit".



Environment Protection

From May to June 2024, we meticulously planned and organized the "Protecting the Environment, Embracing Nature" themed calligraphy and painting exhibition. The event invited employees' children to participate in collectively, aiming to inspire children to value natural resources and enhance their awareness of ecological conservation through artistic creation.

During the Reporting Period, subsidiaries including Urad Zhongqi Yiteng Mining Co., Ltd., Urad Zhongqi Haotong Clean Energy Co., Ltd., Baotou-city E-35 Logistics Co., Ltd., Yingkou Haotong Mining Corporation, and TTJV Co. LLC. actively responded to the "Green Development" initiative. They carried out tree-planting activities in multiple locations, demonstrating their environmental commitment through concrete actions. These efforts added fresh greenery to the land and contributed to ecological environment construction.





XI. KEY PERFORMANCE

The environmental and social performance indicator calculation system of the Group comprehensively covers four core business segments, namely supply chain trading, supply chain logistics, clean energy, and innovation business, incorporating the performance of 74 wholly-owned subsidiaries (2023: 64 subsidiaries). With the successful merger of the mineral services business of TTJV Co. LLC., we have actively advanced the building of an environmental management system and deployment of a data system in the new business segment to ensure its effective alignment with Group standards. Furthermore, given the increasingly stable reporting scope, we disclose environmental performance data for two consecutive years for the first time to provide a more comparable analysis foundation.

ENVIRONMENTAL PERFORMANCE

Name	Unit	Amount in 2024	Amount in 2023 ³
Emission of air pollutant⁴			
Nitrogen oxides (NOx)	kilograms	170,770.31	146,720.06
Sulfur oxides (SOx) ⁵	kilograms	3,301.22	5,979.95
Carbon monoxide (CO)	kilograms	104,858.48	84,253.10
Fine particulates (PM2.5)	kilograms	3,240.61	2,283.22
Respirable particulate matter (PM10)	kilograms	3,567.24	2,515.21
Smoke and dust	kilograms	1.43	8.42
Resource consumption and intensity⁶			
Total electricity consumption	kWh	70,248,323.43	83,578,749.69
Intensity of electricity consumption	kWh/HK\$'00,000,000 operating income	179,360.47	205,925.03
Total consumption of liquefied petroleum gas	kilograms	8,080.10	14,079.96
Intensity of liquefied petroleum gas consumption	kilograms/HK\$'00,000,000 operating income	20.63	34.69
Total coal gas consumption	cubic metres	217.58	484.10

³During the Reporting Period, we have reviewed the data from previous years, in which the AGV emissions calculation methodology has been updated, and the data for 2023 has been updated simultaneously.

⁴The calculation scope of air pollutant emissions includes road mobile sources (vehicles, AGV heavy-duty special equipment), non-road mobile sources (construction machinery, diesel generator set), boilers and canteen cooking. The calculation method of emission data is based on the Technical Guidelines for the Preparation of Emission Inventory from Road Motor Vehicles (Trial), the Technical Guidelines for the Preparation of Emission Inventory from Non-road Mobile Source (Trial) published by the Ministry of Ecology and Environment of the People's Republic of China, the Manual of Accounting Method and Coefficient of Pollutant Discharge from Domestic Sources, the Second National Survey of Pollution Sources on Urban Waste Source Discharge Coefficients Handbook and the Second National Survey of Pollution Sources on Industrial Pollution Source Discharge Coefficients Handbook issued by the State Council, the EMEP/EEA Air Pollutant Emission Inventory Guidebook – 2024 published by the European Environmental Agency. Due to the limitation of calculation methods, the calculation scope of air pollutant data does not include a small amount of emissions associated with office cooking gas in Japan.

⁵The Group's sulphur oxides are mainly derived from coal production. The decrease in coal consumption for the year as compared to 2023 and the optimization of emission reduction processes in the clean energy segment resulted in a significant decrease in sulphur oxides.

⁶The calculation method of intensity is: consumption/HK\$'00,000,000 operating income. In 2024, the Group recorded a revenue of HK\$39.166 billion.



XI. KEY PERFORMANCE

Intensity of coal gas consumption	cubic metre/HK\$'00,000,000 operating income	0.56	1.19
Total coal consumption	tonnes	630.00	1,030.00
Intensity of coal consumption	tonnes/HK\$'00,000,000 operating income	1.61	2.54
Total petrol consumption	litres	394,728.33	476,199.37
Intensity of petrol consumption	litres/HK\$'00,000,000 operating income	1,007.83	1,173.28
Total diesel consumption	litres	25,826,382.03	24,601,414.87
Intensity of diesel consumption	litre/HK\$'00,000,000 operating income	67,180.29	60,614.03
Total energy consumption	MWh	436,203.39	425,692.71
Intensity of energy consumption	MWh/HK\$'00,000,000 operating income	1,113.90	1,048.84
Volume and intensity of water consumption			
Total water consumption	tonnes	657,511.31	475,657.90
Intensity of total water consumption	tonne/HK\$'00,000,000 operating income	1,678.78	1,171.95
Volume and intensity of greenhouse gases emission			
Scope 1 ⁷	tonnes of carbon dioxide equivalent	70,423.31	67,944.66
Scope 2 ⁸	tonnes of carbon dioxide equivalent	37,907.05	47,674.33
Total emission of greenhouse gases	tonnes of carbon dioxide equivalent	108,330.36	115,618.99
Intensity of total emission of greenhouse gases	tonne of carbon dioxide equivalent/HK\$'00,000,000 operating income	276.59	284.06

⁷The calculation scope of greenhouse gases (Scope 1) includes the Group's road mobile sources (vehicles, AGV heavy-duty special equipment), non-road mobile sources (construction machinery, diesel generator set), boilers, canteen cooking and gas use in Japan. The calculation method of emission data is based on the Greenhouse Gas Emissions Accounting Methodology and Reporting Guidelines for Land Transport Enterprises (Trial), the Technical Guidelines for the Preparation of Non-road Mobile Source Air Pollutant Emission Inventory (Trial), the Enterprise Greenhouse Gas Emissions Accounting and Reporting Guidelines – Other Industries (Trial), and the Guidelines for Accounting Methods and Reporting of Greenhouse Gas Emissions of Enterprises – Power Generation Facilities published by the Ministry of Ecology and Environment of the People's Republic of China, and the Calculation Method and Emission Factor List in Calculation/Reporting/Publication System (《計算／報告／公佈系統中的計算方法和排放因子清單》) issued by the Ministry of the Environment of Japan, and the Calculation Tool for Greenhouse Gases Emissions from Combustion of Transport or Mobile Sources of the Greenhouse Gas Protocol.

⁸The calculation scope of greenhouse gases (Scope 2) includes the use of purchased electricity by the Group. The calculation method of emission data is based on the Calculation Tool for Greenhouse Gases Emissions from Purchased Electricity of the Greenhouse Gas Protocol, and the data of the electricity emission factors published by the official organizations in various regions (the Mainland China, Hong Kong and Macau regions, Japan, Singapore and Brisbane, Australia).



KEY PERFORMANCE

Volume and intensity of hazardous wastes generated			
Volume of waste battery generated	kilograms	17.00	6.22
Intensity of waste battery generated	kilograms/HK\$'00,000,000 operating income	0.04	0.02
Waste ink cartridges generated	boxes	359.00	390.00
Intensity of waste ink cartridges generated	box/HK\$'00,000,000 operating income	0.92	0.56
Volume and intensity of non-hazardous wastes generated			
Volume of waste plastic bottles generated	kilograms	42.00	10.00
Intensity of waste plastic bottles generated	kilograms/HK\$'00,000,000 operating income	0.11	0.02
Volume of waste paper generated	tonnes	4.50	81.00
Intensity of waste paper generated	tonne/HK\$'00,000,000 operating income	0.01	0.20
Volume of domestic waste in office generated ⁹	tonnes	2,160.34	889.49
Intensity of domestic waste in office generated	tonne/HK\$'00,000,000 operating income	5.52	4.37
Disposed office supplies	kilograms	3.00	2.00
Intensity of disposed office supplies generated	kilograms/HK\$'00,000,000 operating income	0.01	1.45
Volume and intensity of solid waste ¹⁰ generated			
Volume of combustion residue generated	tonnes	-	78.00
Intensity of combustion residue generated	tonne/HK\$'00,000,000 operating income	0.00	0.23
Volume and intensity of sewage generated			
Volume of sewage generated	tonnes	52,443.45	31,586.80
Intensity of sewage generated	tonne/HK\$'00,000,000 operating income	133.90	77.82

⁹The expansion of the Group's scope of operations and statistics, coupled with the completion of construction and commencement of operation of Baiyun Coal Washing Plant (白雲洗煤廠) and Mandula Port Park (滿都拉口岸園區), and the increase in mobility of external personnel, resulted in an increase in the volume of waste in office generated as compared to 2023.

¹⁰Since the Group will sell the by-products coal slime and gangue, coal slime and gangue will not be included in the statistical scope of solid waste.



XI. KEY PERFORMANCE

SOCIAL PERFORMANCE

Indicators	Unit	Amount in 2024
No. of Employees		
By gender		
Male	person	1,918
Female	person	372
By age group		
Below 35	person	783
35 to 44	person	937
45 and above	person	570
By region		
The PRC	person	535
Hong Kong and Macau regions	person	27
Mongolia	person	1,702
Other overseas regions	person	26
Employee turnover rate¹¹		
By gender		
Male	percentage	3.96%
Female	percentage	7.53%
By age group		
Below 35	percentage	6.39%
35 to 44	percentage	3.31%
45 and above	percentage	4.04%

¹¹The formula for calculating the turnover rate of each category of employees is: the number of employees who quit in this category/total number of employees in this category × 100%.



KEY PERFORMANCE

By region		
The PRC	percentage	8.04%
Hong Kong and Macau regions	percentage	3.70%
Mongolia	percentage	3.53%
Other overseas regions	percentage	0.00%
Percentage of employees trained ¹²		
By gender		
Male	percentage	83.76%
Female	percentage	16.24%
By employee category		
Senior management	percentage	0.83%
Middle management	percentage	3.54%
General employees	percentage	95.63%
Average training hours of employees ¹³		
By gender		
Male	hour	4.50
Female	hour	6.86
By employee category		
Senior management	hour	4.46
Middle management	hour	5.88
General employees	hour	5.02

¹²The formula for calculating the percentage of employees trained of relevant category is: number of employees trained of relevant category/total number of employees trained x 100%.

¹³The formula for calculating the average training hours of employees in each category is: total training hours of employees in this category/total number of employees in this category.



XII. CONTENT INDEX OF ESG REPORTING GUIDE

Mandatory Disclosure Requirements	Content	Reference Section
Governance Structure	A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Management of Sustainable Development
Reporting Principles	A description of, or an explanation on, the application of the following reporting principles in the preparation of the ESG report.	About This Report
Reporting Boundary	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

A. Environmental			
Items	Description		Reference Section
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		Environmental Governance Policy
Key Performance Indicators	A1.1	The types of emissions and respective emission data	Key Performance
	A1.2	Total greenhouse gas emissions (in tonnes), and (where appropriate) intensity (e.g., per unit of production volume, per facility)	Key Performance
	A1.3	Total hazardous waste produced (in tonnes) and (where appropriate) intensity (e.g., per unit of production volume, per facility)	Key Performance
	A1.4	Total non-hazardous waste produced and (where appropriate) intensity	Key Performance
	A1.5	Description of measures to mitigate emissions and results achieved	Environmental Governance Policy Promote Green Office
	A1.6	Description of how hazardous and non-hazardous waste are handled, reduction initiatives and results achieved	Environmental Governance Policy Promote Green Office



CONTENT INDEX OF ESG REPORTING GUIDE

Aspect A2: Use of Resources			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials		Environmental Governance Policy Promote Green Office
Key Performance Indicators	A2.1	Direct and/or indirect energy consumption by type in total and intensity (e.g. per unit of production volume, per facility)	Key Performance
	A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility)	Key Performance
	A2.3	Description of energy use efficiency initiatives and results achieved	Key Performance
	A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved	Environmental Governance Policy Promote Green Office
	A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced	The Group's operations do not involve packaging material
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources		Environmental Governance Policy Promote Green Office
Key Performance Indicators	A3.1	Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them	Environmental Governance Policy Promote Green Office
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		Environmental Governance Policy Promote Green Office
Key Performance Indicators	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	Environmental Governance Policy Promote Green Office



XII. CONTENT INDEX OF ESG REPORTING GUIDE

B. Social				
Items		Description		Reference Section
Aspect B1: Employment				
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare		Human Resource Management
Key Performance Indicators		B1.1	Total workforce by gender, employment type, age group and geographical region	Key Performance
		B1.2	Employee turnover rate by gender, age group and geographical region	Key Performance
Aspect B2: Health and Safety				
General Disclosure		Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards		Safe Production Management
Key Performance Indicators		B2.1	Number and rate of work-related fatalities	Safe Production Management
		B2.2	Lost days due to work injury	Safe Production Management
		B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored	Safe Production Management
Aspect B3: Development and Training				
General Disclosure		Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities		Human Resource Management Focus on Talent Cultivation
Key Performance Indicators		B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management)	Key Performance
		B3.2	The average training hours completed per employee by gender and employee category	Key Performance



CONTENT INDEX OF ESG REPORTING GUIDE

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		Human Resource Management
Key Performance Indicators	B4.1	Description of measures to review employment practices to avoid child and forced labour	Human Resource Management
	B4.2	Description of steps taken to eliminate such practices when discovered	Human Resource Management
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain		Promoting Responsible Supply Chain
Key Performance Indicators	B5.1	Number of suppliers by geographical region	Promoting Responsible Supply Chain
	B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Promoting Responsible Supply Chain
	B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	Promoting Responsible Supply Chain
	B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	Promoting Responsible Supply Chain
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		Quality Management Policy Protection of Customer Rights and Interests



XII. CONTENT INDEX OF ESG REPORTING GUIDE

Key Performance Indicators	B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons	Quality Management Policy Protection of Customer Rights and Interests
	B6.2	Number of products and service related complaints received and how they are dealt with	Quality Management Policy Protection of Customer Rights and Interests
	B6.3	Description of practices relating to observing and protecting intellectual property rights	Protection of Intellectual Property
	B6.4	Description of quality assurance process and recall procedure	Quality Management Policy Protection of Customer Rights and Interests
	B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored	Quality Management Policy Protection of Customer Rights and Interests
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		Sound Governance
Key Performance Indicators	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	Sound Governance
	B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored	Sound Governance
	B7.3	Description of anti-corruption training provided to directors and staff	Sound Governance



CONTENT INDEX OF ESG REPORTING GUIDE

Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests		Giving Back to Society: Helping People's Livelihood and Well-being
Key Performance Indicators	B8.1	Focus areas of contribution (e.g. education and environmental concerns, labour needs, health, culture, sport)	Giving Back to Society: Helping People's Livelihood and Well-being
	B8.2	Resources contributed (e.g. money or time) to the focus area	Giving Back to Society: Helping People's Livelihood and Well-being



WINSWAY 易大宗

E-COMMODITIES HOLDINGS LIMITED

易大宗控股有限公司